



17 December 2018

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

By email: [gkelly@usu.org.au](mailto:gkelly@usu.org.au)

CC: [Bob.Evett@Bentleysnsw.com.au](mailto:Bob.Evett@Bentleysnsw.com.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 2018 - [FR2018/134]**

I acknowledge receipt of the financial report for the year ended 30 June 2018 for the Australian Municipal, Administrative, Clerical and Services Union - New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch. The documents were lodged with the Registered Organisations Commission (**the ROC**) on 26 September 2018.

The financial report has now been filed.

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

Please note that the financial report for the year ending 30 June 2019 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged, however I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these matters have been addressed prior to filing next year's report.

**Documents must be lodged with ROC within 14 days after meeting of the committee of management**

Section 268 of the RO Act requires a copy of the full report and the designated officer's certificate to be lodged with the ROC within 14 days after the meeting of the committee of management referred to in section 266. The designated officer's certificate indicates that this meeting occurred

on 10 September 2018. If this is correct the documents should have been lodged with the ROC by 24 September 2018.

As indicated above, the full report was lodged on 26 September 2018.

It appears the branch should have applied to the Commissioner for an extension of time to allow a longer period to lodge the required documents.

Please note that in future financial years if the branch cannot lodge within the 14 day period prescribed, a written request for an extension of time, signed by a relevant officer, including any reason for the delay, must be made *prior to* the expiry of the 14 day period.

Included in the documents lodged with the ROC were two designated officer's certificates. Please note that only one designated officer's certificate is required to be lodged with a financial report.

#### Nil activities disclosure

Item 21 of the reporting guidelines states that if any of the activities identified within items 10-20 of the reporting guidelines have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement. The notes contained nil activity information for all prescribed reporting guideline categories except the following:

- 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 (reporting guideline 12); and
- make a payment to a former related party of the reporting unit (reporting guideline 20).

Please ensure in future years that the above mentioned items are disclosed in either the financial statements, the notes or in the officer's declaration statement as per the reporting guidelines.

I also note that the following nil activity disclosures in the statement of comprehensive income were duplicated elsewhere in the body of the notes:

- receive donations or grants (reporting guideline 13(d)) is disclosed in both the statement of comprehensive income and Note 4;
- receive revenue from undertaking recovery of wages activity (reporting guideline 13(e)) is disclosed in both the statement of comprehensive income and Note 4.

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

#### Prescribed information in Operating report

Regulation 159(c) requires an operating report to contain the name of each person who has been a member of the committee of management of the reporting unit at any time during the reporting period, and the period for which he or she held such a position. The ROC takes the words "at any time" to mean that all persons, whether they held their position for the full year or for part of the year, must be included.

I note that the name of Mark Gill appeared in the previous year's operating report but did not appear in this year's operating report. There was no indication that Mark Gill had resigned during, or at the end of, the previous year, and without any such indication the question arises whether his name has been inadvertently omitted.

In future years, please ensure that all persons are included and the periods for which they held their position are clearly indicated.

#### References to the ROC

Following the enactment of the *Fair Work (Registered Organisations) Amendment Act 2016*, the ROC is the new regulator for registered organisations, with effect from 1 May 2017. All references to the Fair Work Commission and General Manager must be changed to the Registered

Organisations Commission and Commissioner except in relation to declaration (e)(vi) in the committee of management statement.

I note that item (e)(v) in the committee of management statement refers to the 'General Manager of Fair Work Commission' instead of the 'Commissioner'.

### **Reporting Requirements**

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements. The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (02) 8293 4654 or via email at [david.vale@roc.gov.au](mailto:david.vale@roc.gov.au).

Yours faithfully

A handwritten signature in blue ink, appearing to read "David Vale", with a long horizontal flourish extending to the right.

David Vale  
Registered Organisations Commission



26 September 2018

General Manager  
FairWork Australia  
GPO Box 1994S  
MELBOURNE VIC 3001

By Email: [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au)

Dear Officer

**Re: Annual return of information for 2018 and financial report for year ended 30 June 2018, Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch**

Audited Financial Accounts for 30 June 2018

The attached copy of records lodged is a correct statement of information contained in those records.

During the year 2018 the Branch did not have any

- Branches commence operation
- Branches cease operation
- During this year there are no scheduled elections.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Graeme Kelly', with a stylized flourish at the end.

Graeme Kelly  
BRANCH SECRETARY



***Australian Municipal, Administrative, Clerical and Services Union***

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

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

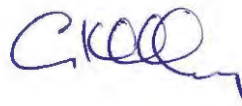
**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER**

Certificate for the period ended 30 June 2018

I **Graeme Kelly** being the *Branch Secretary* of the ***Australian Municipal, Administrative, Clerical and Services Union, 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 ***Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch*** for the period ended 30 June 2018 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the *full report* was provided to members of the reporting unit on 10 September 2018; and
- that the full report was presented to a *meeting of the committee of management* of the reporting unit on 10 September 2018 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: 26 September 2018

**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 2018**

**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**

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER**

Certificate for the year ended 30 June 2018

I, Graeme Kelly being the Branch Secretary of the Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch certify:

- that the documents lodged herewith are copies of the full report for the Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch for the period ended referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members of the reporting unit on 10 September 2018; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 10 September 2018 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.



.....  
**GRAEME KELLY**  
Branch Secretary  
10 September 2018



**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION**

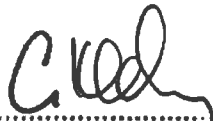
**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,  
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES BRANCH**

**REPORT REQUIRED UNDER SUBSECTION 255(2A)**

For the year ended 30 June 2018

The Committee of Management presents the expenditures report as required under subsection 255(2A) on the Branch for the year ended 30 June 2018.

<b>Categories of expenditures</b>	<b>2018 \$</b>	<b>2017 \$</b>
Remuneration and other employment-related costs and expenses - employees	-	-
Advertising	-	-
Operating costs	\$988,601	\$938,456
Donations to political parties	-	-
Legal costs	-	-



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**GRAEME KELLY**  
Branch Secretary  
10 September 2018

# **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 2018.

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.
  - Greg McLean took over position from Jim Montague as Director of Local Government Superannuation Scheme (LGSS) from 9 May 2018;
  - 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.
  - Greg McLean ended his role as Director for CARE Super on 30 April 2018. A Branch member did not take over this position.
5. At the end of the financial year the total number of registered members was 29,916 (2017: 30,237).
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 2018 were:

<b>Name</b>	<b>Period of Appointment</b>
Stephen Birney	01/07/2017 – 30/06/2018
Sharon Sewell	01/07/2017 – 30/06/2018
Tony Dean	01/07/2017 – 30/06/2018
Graeme Kelly	01/07/2017 – 30/06/2018
Russell Woods	01/07/2017 – 30/06/2018
Beverley Spearpoint	01/07/2017 – 31/03/2018
Ross Crawford	01/07/2017 – 30/06/2018
Shane Clapham	01/07/2017 – 30/06/2018
Stephen Mulholland	01/07/2017 – 30/06/2018
Glen McAtear	01/07/2017 – 30/06/2018
Frank Holobowski	01/07/2017 – 30/06/2018
James O'Malley	01/07/2017 – 30/06/2018
Katerina Tahija	01/07/2017 – 30/06/2018
Larry Freeman	01/07/2017 – 30/06/2018
Brendan Scott	01/07/2017 – 30/06/2018
Annamaria Saglimbeni	01/07/2017 – 30/06/2018
Lisa Turner	01/07/2017 – 30/06/2018
David Walsh	01/07/2017 – 30/06/2018
Christopher Wellington	01/07/2017 – 30/06/2018
Jeff Wearing	01/07/2017 – 30/06/2018
Katie Gillen	01/07/2017 – 30/06/2018

Signed in accordance with a resolution of the Branch Executive.



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**GRAEME KELLY**  
Branch Secretary



.....  
**STEPHEN BIRNEY**  
Branch President

10 September 2018

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION**

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

**BRANCH EXECUTIVE'S STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2018**

On 10 September 2018 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 2018.

The Branch Executive 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;
- (c) the financial statements 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 2018;
- (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 2018 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
  - (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.

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



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**GRAEME KELLY**  
Branch Secretary  
10 September 2018

**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 2018**

	Note	2018	2017
		\$	\$
<b>INCOME</b>			
Membership Subscription		54,542	44,197
Interest Income		180	668
Rent Received		61,643	60,407
Grants and/or donations	4	-	-
Contribution received for funding of the Branch		860,323	858,598
Financial Support received from other Reporting Units	4	-	-
Revenue from recovery of wages activity	4	-	-
<b>TOTAL INCOME</b>		<u>976,688</u>	<u>963,870</u>
<b>EXPENDITURE</b>			
<b>Depreciation</b>			
Property, Plant & Equipment		<u>5,733</u>	<u>5,733</u>
<b>Other Expenses</b>			
Employees Expenses		-	-
United Services Union - Service Fee		54,542	44,197
ASU National Office – Capitation Fees		860,323	858,598
Bank Charges		54	54
ACTU Rules Campaign		38,461	-
NADC Levy		3,870	-
ACT Property Costs		20,618	24,874
Auditors' Remuneration	9	5,000	5,000
Administration Expenses	5	-	-
		<u>982,868</u>	<u>932,723</u>
<b>TOTAL EXPENDITURE</b>		<u>988,601</u>	<u>938,456</u>
<b>(DEFICIT)/SURPLUS FOR YEAR</b>		(11,913)	25,414
<b>Other Comprehensive Income</b>		-	-
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR</b>		<u>(11,913)</u>	<u>25,414</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 2018**

	Note	2018	2017
		\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	6	189,582	152,535
Trade & Other Receivables	7	46,890	40,520
<b>Total Current Assets</b>		<u>236,472</u>	<u>193,055</u>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	8	<u>121,835</u>	<u>127,568</u>
<b>Total Non-Current Assets</b>		<u>121,835</u>	<u>127,568</u>
<b>TOTAL ASSETS</b>		<u>358,307</u>	<u>320,623</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	10	<u>65,703</u>	<u>16,106</u>
<b>Total Current Liabilities</b>		<u>65,703</u>	<u>16,106</u>
<b>TOTAL LIABILITIES</b>		<u>65,703</u>	<u>16,106</u>
<b>NET ASSETS</b>		<u>292,604</u>	<u>304,517</u>
<b>EQUITY</b>			
Accumulated Surplus		<u>292,604</u>	<u>304,517</u>
<b>TOTAL EQUITY</b>		<u>292,604</u>	<u>304,517</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 2018**

	<b>Accumulated Surplus</b>	<b>Total</b>
<b>Balance at 30 June 2016</b>	279,103	279,103
Surplus for the year	25,414	25,414
<b>Balance at 30 June 2017</b>	<u>304,517</u>	<u>304,517</u>
Deficit for the year	(11,913)	(11,913)
<b>Balance at 30 June 2018</b>	<u>292,604</u>	<u>292,604</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 2018**

	<b>Note</b>	<b>2018</b>	<b>2017</b>
		<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Members		53,630	46,333
Payment of ASU National Office Capitation Fees		(860,323)	(1,074,770)
Payments to Suppliers		(78,406)	149,611
Interest Received		180	668
Rent Received		61,643	67,907
Other Receipts		<u>860,323</u>	<u>858,598</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	16(b)	<u>37,047</u>	<u>48,347</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>NET CASH USED BY INVESTING ACTIVITIES</b>		<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>NET CASH USED BY FINANCING ACTIVITIES</b>		<u>-</u>	<u>-</u>
<b>NET INCREASE IN CASH</b>		37,047	48,347
<b>CASH AT BEGINNING OF YEAR</b>		<u>152,535</u>	<u>104,188</u>
<b>CASH AT END OF FINANCIAL YEAR</b>	16(a)	<u>189,582</u>	<u>152,535</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**

#### **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

##### **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 deficit of \$11,913 for the year ended 30 June 2018 (2017: surplus of \$25,414) and had net assets of \$292,604 as at 30 June 2018 (2017: \$304,517).

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 \$860,323 (2017: \$858,598) 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 2018 (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 - 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.

**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 2018 (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.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018 (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 periods.

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### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 (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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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018 (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.

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

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018 (Cont'd)**

**1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

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

- 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).

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 2018 (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 2018 (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. 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).

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018 (Cont'd)

	2018	2017
	\$	\$
<b>4. INCOME</b>		
<b>a) Capitation fees and other revenue from another reporting unit</b>		
Total capitation fees	-	-
Total revenue from another reporting unit	\$61,643	\$60,407
<b>b) Levies</b>	-	-
Total levies	-	-
<b>c) Grants or donations</b>		
Grants	-	-
Donations	-	-
Total grants or donations	-	-
<b>d) Revenue from recovery of wages activity</b>	-	-
Total revenue from recovery of wages activity	-	-
<b>5. EXPENSES</b>		
<b>a) Affiliation fees</b>	-	-
Total affiliation fees/subscriptions	-	-
<b>b) Administration expenses</b>		
Consideration to employers for payroll deductions of membership subscription	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	-	-
Total administration expense	-	-

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018 (Cont'd)

5. EXPENSES (Cont'd)

	2018	2017
	\$	\$
<b>c) Employee expenses</b>		
<b>Holders of office:</b>		
Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Subtotal employee expenses holders of office</b>	<hr/> -	<hr/> -
<b>Employees other than office holders:</b>		
Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Subtotal employee expenses employees other than office holders</b>	<hr/> -	<hr/> -
<b>Total employee expenses</b>	<hr/> <hr/> -	<hr/> <hr/> -
<b>d) Capitation fees and other expenses to another reporting unit</b>		
<b>Total capitation fees</b>	<hr/> \$860,323	<hr/> \$858,598
<b>Total other expense to another reporting unit</b>	<hr/> \$62,949	<hr/> \$24,874
<b>e) Grants or donations</b>		
Grants:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
<b>Total grants or donations</b>	<hr/> -	<hr/> -

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018 (Cont'd)

5. EXPENSES (Cont'd)

f) Legal costs

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

g) Other expenses

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

6. CASH AND CASH EQUIVALENTS

	\$	\$
Cash at Bank	<u>189,582</u>	<u>152,535</u>
	<u>189,582</u>	<u>152,535</u>

7. TRADE & OTHER RECEIVABLES

**Current**

ASU National Office	41,025	35,534
Contributions in Arrears	1,300	422
Sundry Debtors	4,565	4,564
Receivable from other reporting Unit	-	-
Less provision for doubtful debts from other reporting Unit	<u>-</u>	<u>-</u>
	<u>46,890</u>	<u>40,520</u>

8. PROPERTY, PLANT AND EQUIPMENT

	<b>2018</b>	<b>2017</b>
	\$	\$
<b>Buildings</b>		
Unit 6, ACTU Building, Canberra		
At Cost	286,665	286,665
Less Accumulated Depreciation	<u>(164,830)</u>	<u>(159,097)</u>
<b>TOTAL PROPERTY PLANT AND EQUIPMENT</b>	<u>121,835</u>	<u>127,568</u>

**VALUATION OF BUILDINGS**

A valuation of the strata office unit was performed on 30 June 2016 by CBRE Valuations Pty Limited, an accredited independent valuer. As at the date of valuation the strata office's fair value was \$500,000. The value of the strata office was determined by using a Capitalisation approach.

In accordance with the accounting policy disclosed at Note 1 (c), the Branch has continued to show the strata office unit at cost in the financial statements.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018 (Cont'd)**

**8. PROPERTY, PLANT AND EQUIPMENT (Cont'd)**

	<b>Buildings 2018</b>	<b>Total 2018</b>
	<b>\$</b>	<b>\$</b>
Balance at 1 July 2017	127,568	127,568
Depreciation	(5,733)	(5,733)
Balance at 30 June 2018	<u>121,835</u>	<u>121,835</u>

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>9. AUDITORS' REMUNERATION</b>		
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>

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

**10. TRADE & OTHER PAYABLES**

ASU National Office - Capitation Fees	-	-
Contributions in Advance	1,170	1,205
United Services Union – Service Fee	49,696	5,064
Other	14,837	9,837
Consideration to Employers for Deductions of membership subscriptions	-	-
Legal Cost:	-	-
- Litigation	-	-
- Other Legal Matters	-	-
Payable to other reporting Unit	-	-
	<u>65,703</u>	<u>16,106</u>

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FOR THE YEAR ENDED 30 JUNE 2018 (Cont'd)**

**11. EMPLOYEE PROVISIONS**

	2018	2017
	\$	\$
<b>Office Holders:</b>		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions—office holders</b>	<u>-</u>	<u>-</u>
<b>Employees other than office holders:</b>		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions—employees other than office holders</b>	<u>-</u>	<u>-</u>
<b>Total employee provisions</b>	<u>-</u>	<u>-</u>
Current	-	-
Non Current	-	-
<b>Total employee provisions</b>	<u>-</u>	<u>-</u>

**12. OTHER SPECIFIC DISCLOSURES - FUNDS**

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

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

<b>Balance as at start of year</b>	<u>-</u>	<u>-</u>
<b>Balance as at end of year</b>	<u>-</u>	<u>-</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 2018 (Cont'd)

#### 13. 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:

	2018	2017
	\$	\$
<b>Financial Assets</b>		
Cash and cash equivalents	189,582	152,535
Trade and other receivables	46,890	40,520
<b>Total financial assets</b>	<u>236,472</u>	<u>193,055</u>
<b>Financial Liabilities</b>		
Financial liabilities at amortised cost		
Trade and other payables	65,703	16,106
<b>Total financial liabilities</b>	<u>65,703</u>	<u>16,106</u>

#### (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 2018 (Cont'd)**

**13. 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.

**14. ADMINISTRATION OF FINANCIAL AFFAIRS BY A THIRD PARTY**

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

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

	2018	2017
	\$	\$
<b>Revenue</b>		
Contribution	54,542	44,197
<b>Total revenue</b>	<u>54,542</u>	<u>44,197</u>
<b>Expenses</b>		
Service Fee	54,542	44,197
<b>Total expenses</b>	<u>54,542</u>	<u>44,197</u>



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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018 (Cont'd)**

**15. 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.

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 10 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 10 of the accounts.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018 (Cont'd)**

	2018 \$	2017 \$
<b>16. CASH FLOW INFORMATION</b>		
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>189,582</u>	<u>152,535</u>
b) <b>RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH (DEFICIT)/SURPLUS FOR YEAR:</b>		
(Deficit)/Surplus for year	(11,913)	25,414
<b>Non-cash flows in Surplus</b>		
Depreciation	5,733	5,733
<b>Changes in Assets and Liabilities</b>		
Increase/(Decrease) in Trade & Other Payables	49,597	(213,428)
(Decrease)/Increase in Trade & Other Receivables	<u>(6,370)</u>	<u>230,628</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u><b>37,047</b></u>	<u><b>48,347</b></u>
c) <b>Cash flow information</b>		
Cash inflows from another reporting unit		
Australian Services Union National Office	<u>\$36,922</u>	<u>\$35,534</u>
<b>Total cash inflows</b>	<u><b>\$36,922</b></u>	<u><b>\$35,534</b></u>
Cash outflows to another reporting unit		
Australian Services Union National Office	<u>\$860,323</u>	<u>\$858,598</u>
<b>Total cash outflows</b>	<u><b>\$860,323</b></u>	<u><b>\$858,598</b></u>

**17. 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".

**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 2018 (Cont'd)**

**18. 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.

**19. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

In the opinion of the branch executive, the Branch did not have any contingencies at 30 June 2018 (30 June 2017: None).

**20. REGISTERED OFFICE**

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



Bentleys NSW Audit Pty Ltd  
Level 14, 60 Margaret Street  
Sydney NSW 2000  
Australia

ABN 49 141 611 896

T +61 2 9220 0700

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directors@bentleysnsw.com.au  
bentleys.com.au

## Independent Audit Report to the members of Australian Municipal, Administrative, Clerical and Service Union, NSW Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch

ABN: 77 278 017 470

### Report on the Audit of the Financial Report

#### *Opinion*

I have audited the financial report of the Australian Municipal, Administrative, Clerical and Service Union, NSW Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch (the Reporting Unit), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other 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 and the subsection 255(2A) report.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Australian Municipal, Administrative, Clerical and Service Union, NSW Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch as at 30 June 2018, and its financial performance and its cash flows for the year ended on that date in accordance with:

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

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

#### *Basis of Opinion*

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

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

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

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

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

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

### ***Responsibilities of Committee of Management for the Financial Report***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Report***

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

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

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

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

I declare that I am an auditor registered under the RO Act.

*Bentleys NSW Audit Pty Ltd*  
BENTLEYS NSW AUDIT PTY LTD  
Chartered Accountants

*R J Evett*

R J Evett  
Director  
Sydney

Dated: *September 10, 2018.*

Registration number: AA2017/113