



16 January 2019

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

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

CC: gmillier@nmmaccountants.com.au

Dear Mr Lapidos,

**Australian Municipal, Administrative, Clerical and Services Union-Taxation Officers Branch
Financial Report for the year ended 30 June 2018 - [FR2018/100]**

I acknowledge receipt of the financial report of the Australian Municipal, Administrative, Clerical and Services Union-Taxation Officers Branch (**the reporting unit**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 6 December 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. 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.

Presentation of full report to relevant meeting – section 266 RO Act

Presentation of full report – to committee of management meeting only where rules permit

Subsection 266(1) requires the full financial report to be presented to a general meeting of members within 6 months of the end of the financial year. I note the designated officer's certificate states that the full report was presented to a meeting of the committee of management rather than a general meeting of members.

The full report may only be presented to a committee of management meeting if subsection 266(3) applies, that is, where the rules of the reporting unit contain a provision ('a 5% rule') for a specified percentage (not exceeding 5%) of members to be able to call a general meeting of the reporting unit for the purpose of considering the full report.

Although presentation of the full report to the committee of management is consistent with the previous practice of the branch since at least 2005, it has not been in accordance with the RO Act

since 2015, when the current branch rule 35 was certified in matter R2014/264, on 16 February 2015. Rule 35 provides that a request to summon a general meeting to consider the full report requires the signature of 10% of members and is therefore not a 5% rule. This rule replaced the former rule 27, which was a 5% rule, which had been certified on 13 January 2005 in matter R2004/522.

The effect of the rule change in 2015 appears to have been overlooked by the Fair Work Commission (**FWC**) and the ROC in respect of the last three years. If the branch wishes to present its financial documents in future financial years to a committee of management meeting (rather than a general meeting of members) it will be necessary for the organisation to amend its rules in accordance with the requirements of subsection 266(3). The FWC can provide advice and assistance regarding any draft rules the branch may wish to submit with respect to this issue.

Please note that until an appropriate rule alteration is certified by the FWC, in order for the branch to comply with the RO Act, it must in future years present its full report to a general meeting of members.

General Purpose Financial Report (GPFR)

Nil activities disclosure

Item 21 of the reporting guidelines (**RGs**) states that if any of the activities identified within items 10-20 of the RGs 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:

- Having a liability for other employment provisions for holders of offices (RG 16(c)(iv));
- Having a liability for other employment provisions for employees (other than holders of offices) (RG 16(d)(iv));
- Having another entity administer the financial affairs of the reporting unit (RG 19); and
- Making a payment to a former related party of the reporting unit (RG 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 notes includes the following nil activity disclosures for which there was already an equivalent form of disclosure in other section of the notes:

- "Agreeing to receive financial support from another reporting unit to continue as a going concern" is disclosed in both Note 16 and Note 18.

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

Disclosure of legal costs

RG 14(j) requires legal costs to be disclosed by litigation and by other legal matters. The statement of comprehensive income discloses \$49,005 of legal costs but does not distinguish between legal costs relating to litigation and legal costs relating to other legal matters. In future years, please ensure that legal costs are presented in accordance with RG 14(j).

Notes to the financial statements

I note that Note 2 Revenue and Other Income and Note 4 *Expenses* in the financial statement do not reconciled with the revenue and expense figures in the statement of comprehensive income.

I also note that there is no reference to Note 3 in the statement of comprehensive income. However, note 3 *Employee Expenses* is included in the body of the notes.

In future years, please ensure that the Notes to the financial statements refer back to the financial statements.

Redaction of information

In the financial report, certain information disclosed in Note 11 on page 22, and in the operating report under the heading *Remuneration statement*, has been redacted from the copy of the 2018 financial report by the ROC before publishing it on its website.

In relation to Note 11, the Australian Accounting Standard *AASB 124 Related Party Disclosures* (paragraph 17) requires the disclosure of certain information relating to key management personnel compensation however, AASB 124 does not require a reporting entity to identify those individuals who meet the definition of key management personnel.

Within the operating report, information provided under the heading *Remuneration statement* appears to be similar to the information required under section 293J of the RO Act. Section 293J of Part 2A of Chapter 9 of the RO Act now requires a branch of an organisation to provide its members and lodge with the ROC a copy of an officer and related party disclosure statement in respect of certain remuneration¹ and payments² paid during the relevant financial year. This requirement applied to the financial year ending 30 June 2018.

The reporting unit's officer and related party disclosure statement was lodged with the ROC on the 17 December 2018.

Please note that the officer and related party disclosure statement is separate from, and does not form part of, the general purpose financial report required under section 253 of Part 3 of Chapter 8.

Further information about officer and related party statements may be found on the ROC website at the following link: [Disclosure Obligation](#).

The ROC takes its obligations relating to privacy seriously and endeavours to ensure compliance with the requirements under the *Privacy Act 1988 (Privacy Act)*. The redactions have been effected in accordance with the ROC privacy policy to protect the personal information of persons identified in the financial report. A copy of the ROC privacy policy can be found via [this link](#).

Auditor's report

Audit scope to include subsection 255(2A) report

A GPFR prepared under section 253 of the RO Act also includes the expenditure report required to be prepared under subsection 255(2A) as prescribed by RG 22.

The subsection 255(2A) report must be identified by title in the auditor's statement in accordance with paragraph 24(c) of Australian Auditing Standard *ASA 700 Forming an Opinion and Reporting on a Financial Report*.

A subsection 255(2A) report was included in the copy of the documents lodged with the ROC but the auditor did not refer to the statement in the auditor's report.

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

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](#).

¹ see section 293BC

² see section 293G

If you have any queries regarding this letter, please contact me on (03) 9603 0764 or via email at Kylie.Ngo@roc.gov.au.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Kylie Ngo', with a horizontal flourish underneath.

Kylie Ngo
Financial Reporting Assistant
Registered Organisations Commission

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

Financial Statements
For the year ended 30 June 2018

Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch

Contents

[Operating Report](#)

[Report Required under Subsection 255\(2A\)](#)

[Statement of Comprehensive Income](#)

[Statement of Financial Position](#)

[Statement of Changes in Equity](#)

[Statement of Cash Flows](#)

[Notes to the Financial Statements](#)

[Independent Auditor's Report to the Members](#)

Australian Servicers Union Taxation Officers' Branch

OPERATING REPORT

for the year ended 30 June 2018

The Committee of Management presents the operating report of the Australian Services Union Taxation Officers' Branch for the year ended 30 June 2018.

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 2017-18 financial year was that of a registered trade union that covers all employees of the Australian Taxation Office. No significant change occurred in the nature of those activities during the year.

The results of our activities over the year

Making enterprise agreements with the ATO

The 2017-18 year commenced with our Union working with the ATO to obtain approval from the Fair Work Commission (FWC) of the ATO Enterprise Agreement 2017. 82.9% of eligible employees had voted YES to the proposed agreement, which the ASU had endorsed, when the tally was announced on 28 June 2017. This followed the ASU successfully campaigning for staff to vote NO in the previous three votes over three years. The ATO then applied to the FWC for the approval on 7 July, the ASU applied on 10 July and the CPSU applied on 11 July. The FWC approved the Agreement and it came into effect on 3 August 2017. Base salaries increased by 3% for those covered by the new Agreement from this date. There was provision for a further 2% and 1% pay increases. The pay increase was the highest allowed by the Government's Bargaining Policy. The Agreement maintained employees workplace rights, despite the Bargaining Policy making this extraordinarily difficult.

We got the right EL2 allowance paid

The first major issue we had to deal with in the ATO's implementation of the new ATO Enterprise Agreement concerned the payment of its EL2 allowance. The ATO informed its EL2 staff that it would pay them \$1640 in accordance with the 2011 ATO Agreement, instead of the \$1689 provided for by the 2017 Agreement. The ASU discussed the issues with the ATO and we were able to persuade the delegate to pay the higher amount.

Protecting ASU members health and resolving their workers compensation claims

The ASU regularly represented members with their health-related matters. We helped members negotiate return to work and graduated return to work plans. We assisted members prepare for fitness for duty assessments required by the ATO. We are concerned that the ATO gives members little notice of the documentation it provides to its doctors. The ATO used to provide these documents a minimum of 14 days before the assessment. No longer. We will campaign to regain the 14 day notice period. We also assisted members with medical condition(s) apply for reasonable adjustment in their duties and in the equipment and support provided to them. The Office is generally supportive of making appropriate adjustments. We also assist members with partial and permanent invalidity claims. These crop up only occasionally. We found there was a jump in the number of workers compensation claims rejected by the ATO as Comcare's delegate during the year as part of the ongoing pilot. We have assisted members apply for reconsiderations and when they were invariably rejected, we have applied to the Administrative Appeals Tribunal to have those decisions reviewed. We were able to resolve several claims during the year. Our approach is to do all this work ourselves, with advice when necessary from a barrister who specialises in Comcare matters.

PIDs, Internal Investigations and Suspected Breaches of the Code

These arise from time to time. We assist members draft and lodge public interest disclosures and represent members when they are subject to internal investigations.

The Office has a mixed record in dealing with these issues. Some issues which should be sorted out informally are taken way too far. We have found internal investigators act unprofessionally on occasion. One problem occurs when a member is first notified of an investigation. This can be a very shocking experience. Investigators should be very clear at this time to tell staff they should not respond immediately, that there will be no adverse inferences drawn by them for not responding immediately. Any response given at a time of such high stress has no real probative value, but some investigators seem to delight in extracting such 'confessions' and will report on what was allegedly said. This is an old issue, which has re-occurred. The ASU will be press the Office to stop it.

Our opposition to hot desking does not convince Fair Work Commission

The ATO had piloted hot desking on level 8 of its office at Docklands in Melbourne.

The ASU did not oppose this because it was done on an entirely voluntary basis. The ATO then decided it would use hot desking at its new Gosford office which opened at the end of calendar 2017. The ASU took the issue of whether the ATO Enterprise Agreement prohibited hot desking to a hearing before the Fair Work Commission and then appealed the adverse decision to a Full Bench of the Fair Work Commission, but without success. We considered seeking review of that decision by the Federal Court, but our legal advice was this would be unsuccessful because the *Fair Work Act 2009* does not allow appeals purely on questions of law. We briefed a barrister to represent us for the original hearing, at the appeal and for advice about our prospects at the Federal Court. This was the main reason for our high legal costs during the year of approximately \$49,000 net of GST. We funded part of these costs from our Litigation Fund and the balance from our General Fund. It was a very disappointing result. The ASU will continue to monitor the ATO's use of hot desking and will challenge it where we can.

9 Box Grid assessments of EL2s

The ASU received complaints from EL2 members in the first half of the financial year about the ATO's use of a Public Service Commission tool to assess their potential for further advancement. We also found the Service Delivery Group was using the tool to assess their EL1 staff. The ATO agreed with us that the 9-Box Grid would only be used to assess EL2s and SES. We continued discussions with the Office about our concerns with the assessment process: lack of procedural fairness, lack of transparency and lack of rigour. Our concerns were resolved when the Office agreed to address our concerns when the 9-Box Grid assessments are next made 2018-19.

Unauthorised absences

The ATO started refusing sick leave without pay when employees had used up all their paid personal leave credits. We regarded this as unconscionable. We obtained a barrister's opinion on the issue, so we could feel confident about how we approached the issue. We have used the dispute procedures of the ATO Enterprise Agreement to have the Office reconsider such decisions. So far, we have been satisfied with the outcome of each individual matter and so have not had to take the issue for adjudication by the Fair Work Commission.

Legal Expenses - Barristers

We spent \$46,100 on issues associated with our hot desking dispute before the Fair Work Commission. We spent a further \$1,450 for advice and representation on Comcare workers compensation matters. We also spent \$1,454.55 for a barrister's opinion on the authorised absence issue. These amounts were after GST. This was a record amount on barristers fees for us, but we considered it necessary.

ASU Tax Litigation Fund

We have a litigation fund to assist us in any litigation we may have to undertake to further the interests of our members. We successfully applied to the Australian Taxation Office during the year for a class ruling which confirms that contributions to this Litigation Fund by serving tax officers is tax deductible for them. We withdrew 26,050 from the Fund to assist payment of our barrister for the hot desking matters we took to the Fair Work Commission. Members made voluntary tax deductible contributions to the Fund of \$9,083.60 and the Fund earned \$448.28 in interest.

1 July 2017	Opening balance	\$32,750.66
	Contributions received	9,083.60
	Interest earned	<u>448.28</u>
	Sub-total	\$42,282.54
	Payment to barrister	<u>26,050.00</u>
30 June 2018	Closing balance	\$16,232.54

Remuneration statement

The ASU now declares the remuneration it provides for its officials. All members of the ASU Tax Executive are honorary, except for the Branch Secretary.

The ASU provides 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 annual remuneration package consisted of a salary at 30 June 2018 of [REDACTED], superannuation of [REDACTED] and a home office allowance of [REDACTED]. The Branch Secretary is able to salary sacrifice for superannuation purposes without charge. The Branch Secretary is also provided with a fully maintained 2012 Ford Falcon LPG powered sedan with a value in 2017-18 of [REDACTED], a smart phone, a lap top computer, a multi-function printer, internet access and office consumables for his home office. The ASU reimbursed the Branch Secretary for his reasonable travel costs, including accommodation and travel allowance for meals and incidentals at the rate payable under the ATO Enterprise Agreement 2011 for general employees. The Branch Secretary has been authorised to retain for private use any frequent flyer points he receives as a result of his business travel.

The Branch also reimburses Officers and our employee for any expenses reasonably incurred for the purposes of the Union, such as travel expenses or purchases of materials. This is necessary because the Branch does not use credit or debit cards for any expenditure. All claims for re-imburement are fully detailed and supported by relevant documentation.

Staffing

Amelia Tucker is our full time Industrial Officer, Organiser and our solicitor. Amelia is based at our Carlton office in Melbourne. Amelia works with the Branch Secretary and our members to resolve concerns through discussion with ATO management. We do this using the ATO Enterprise Agreement, ATO Policies and a range of legislation that applies to employment in the ATO. The most important of these are: *Public Service Act 1999*, *Safety Rehabilitation and Compensation Act 1988*, *Public Interest Disclosure Act 2013*, *Disability Discrimination Act 1992*, *Fair Work Act 2009*, *Work Health and Safety Act 2011* and *the Administrative Appeals Tribunal Act 1975*.

Material personal interest disclosures

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

Increasing our membership fees

The ASU had not increased our membership fees for our members in the ATO since July 2013. Our Committee of Management had believed we should maintain our subscription levels while we were unable to negotiate a new enterprise agreement with the ATO. We commenced consultation with our members in late May 2018 about a fee increase for 2018-19.

We explained our costs has risen significantly and our members would get pay increases because we had been able to successfully negotiate the new ATO Enterprise Agreement. Our membership supported the resolution with a 94.2% YES vote. The general subscription level increased by 10%, with other changes to part time rates and to the discount for those who pay their annual subscription in advance. We undertook to keep this level of fees in place for a minimum of two years.

Operating Result

The operating result of the organisation for the year ended 30th June 2018 was a deficit of \$13,306. This included interest earned by the Litigation Fund account. The deficit was due in large measure to our high legal expenses for the year.

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 operating deficit that is reported in the financial statements and the matters reported on above.

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.

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

Ancel Greenwood, Branch President	1 July 2017 to 30 June 2018
Veronika Bonora, Branch Vice President	1 July 2017 to 30 June 2018
Jeffrey Lapidos, Branch Secretary:	1 July 2017 to 30 June 2018
Neil Colebrook, Branch Assistant Secretary	1 July 2017 to 30 June 2018
Gisele Wood, Branch Treasurer	1 July 2017 to 30 June 2018
George Northend, Branch Executive Member	1 July 2017 to 30 June 2018
Geoffrey Southern, Branch Executive Member	1 July 2017 to 30 June 2018

Number of members

There were 1,294 members, both financial and un-financial at 30 June 2018

Number of employees

There were two full time employees at the end of the 2017-18 financial year.

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**.

A handwritten signature in blue ink, appearing to read 'J. Lapidos', is enclosed within a hand-drawn blue oval.

Jeffrey Lapidos

Branch Secretary

15 November 2018

Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch

REPORT REQUIRED UNDER SUBSECTION 255(2A)

for the year ended 30 June 2018

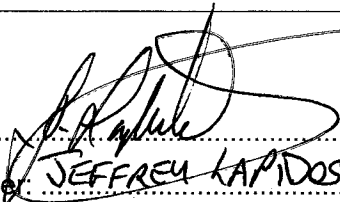
The Committee of Management presents the expenditure report¹ as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2018.

Categories of expenditures	2018 \$	2017 \$
Remuneration and other employment-related costs and expenses - employees	230,262	225,456
Advertising	-	-
Operating costs	76,488	87,283
Donations to political parties	-	-
Legal costs	49,005	5,741

Signature of designated officer:

Name and title of designated officer:

Dated: *15-11-2018*


JEFFREY LAPIDOS ASUTAX BRANCH SECRETARY

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

Statement of Comprehensive Income For the year ended 30 June 2018

	2018	2017
	\$	\$
Revenue		
Membership Fees	321,628	299,334
Interest Received	9,465	9,487
Other Income	218	409
Reimbursements from ASU	1,294	504
Special Fees Collected	2 1,587	2,311
Legal Fees Reimbursed	2 -	7,096
Litigation Fund Contributions	2 8,258	-
Total revenue	342,449	319,142
Expenses		
Capitation Fees	4 23,119	23,328
Audit Fees	4 4,600	4,600
Bank Fees and Charges	1,412	1,103
Accounting Fees	4,200	4,180
Computer Supplies	1,174	-
Depreciation	6,870	5,158
Entertainment	505	-
Fringe Benefits Tax	731	742
Insurance	4,784	5,015
Legal Fees	49,005	5,741
Motor Vehicle Expenses	8,169	7,692
Payroll Tax	3,956	3,958
Parking and Tolls	1,162	1,668
Postage, Printing & Stationery	805	1,488
Provision for LSL and AL	12,843	12,124
Rent on Land & Buildings	6,852	6,653
Repairs & Maintenance	197	367
Replacements (tools, etc)	-	335
Salaries	171,496	165,037
Salaries - Allowances	4 3,923	7,515
Staff Training	582	-
Subscriptions	4,241	4,836
Sundry Expenses	1,039	1,360

The accompanying notes form part of these financial statements.

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

**Statement of Comprehensive Income
For the year ended 30 June 2018**

	2018	2017
	\$	\$
Superannuation	27,847	27,264
Telephone	4,367	3,974
Travel, Accom & Conference	10,452	19,231
Website expenses	-	3,243
Workcover	1,424	1,866
Total expenses	355,755	318,480
Surplus (deficit) for year	(13,306)	661

The accompanying notes form part of these financial statements.

Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch

Statement of Financial Position as at 30 June 2018

	Note	2018 \$	2017 \$
Assets			
Current Assets			
Cash and cash equivalents	5	160,069	155,074
Trade and other receivables	6	392	-
Term Deposits	5	312,139	304,463
Total Current Assets		472,600	459,537
Non-Current Assets			
Property, plant and equipment	7	15,551	22,582
Total Non-Current Assets		15,551	22,582
Total Assets		488,151	482,119
Liabilities			
Current Liabilities			
Trade and other payables	8	35,419	28,169
Current tax liabilities	9	12,148	11,228
Employee provisions	10	110,346	97,503
Subscriptions in advance		25,736	27,432
Other		720	700
Total Current Liabilities		184,370	165,032
Total Liabilities		184,370	165,032
Net Assets		303,781	317,086
Equity			
Litigation Fund	12	16,232	30,979
Accumulated surplus (deficit)		287,549	286,107
Total Members' Funds		303,781	317,086

The accompanying notes form part of these financial statements.

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

Statement of Changes in Equity for the year ended 30/06/2018

	Notes	Retained Earnings	Litigation Fund	Total
Balance at 01/07/2016		284,671	31,753	316,424
Surplus/(deficit)		(336)	997	661
Closing balance as at 30 June 2017		284,335	32,751	317,086
Balance at 01/07/2017		284,335	32,751	317,086
Surplus/(deficit)		3,214	(16,519)	(13,306)
Closing balance as at 30 June 2018		287,549	16,232	303,781

The accompanying notes form part of these financial statements.

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

**Statement of Cash Flows
For the year ended 30 June 2018**

	2018	2017
	\$	\$
Cash Flow From Operating Activities		
Receipts from members	329,478	314,175
Transfers from ASU National Executive	1,423	555
Payments to suppliers and employees	(290,526)	(257,942)
Transfers to ASU National Executive	(34,935)	(38,841)
Interest received	9,465	9,487
Net cash provided by (used in) operating activities (note 20)	<u>14,905</u>	<u>27,434</u>
Cash Flow From Investing Activities		
Purchase of fixed assets	<u>(2,234)</u>	<u>(6,080)</u>
Net cash provided by (used in) investing activities	<u>(2,234)</u>	<u>(6,080)</u>
Net increase (decrease) in cash held	12,671	21,354
Cash at the beginning of the year	<u>459,537</u>	<u>438,183</u>
Cash at the end of the year (note 5)	<u><u>472,208</u></u>	<u><u>459,537</u></u>

The accompanying notes form part of these financial statements.

Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch

Notes to the Financial Statements

For the year ended 30 June 2018

Note 1: Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with 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 report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The financial statements are presented in Australian dollars.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been constantly applied, unless otherwise stated. The financial statements were authorised for issue on the same date the statement by the Committee of Management was signed.

Income tax

No provision has been made in the financial report for income tax on the basis that the Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch is exempt from income tax under Section 50-15 of the Income Tax Assessment Act 1997. However, it still has obligations for Goods & Services Tax (GST).

Property, Plant and Equipment

Cost Model

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, 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.

a) Plant and equipment

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining the recoverable amounts.

b) Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, 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.

The depreciation rates used for each class of depreciable asset are:

Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch

Notes to the Financial Statements

For the year ended 30 June 2018

Class of Asset	Depreciation Rate %
Plant and equipment	20 - 66.67%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed and adjusted if appropriate.

De-recognition

An item of property, plant and equipment is derecognised upon its disposal or when no future economic benefits are expected from its use. Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the profit or loss in the statement of comprehensive income.

Investment property

The union does not hold any investment property.

Impairment of non-financial assets

At the end of each reporting period the union determines whether there is evidence of an impairment indicator for non-financial assets. Where this indicator exists, the recoverable amount of the asset is estimated and an impairment adjustment is made in all cases where the recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset.

Where the future economic benefit of an asset is not primarily dependent on the ability of the asset to generate future cash flows and the asset would be replaced if the union were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Government grants

Government grants are not recognised until there is reasonable assurance that the union 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 union recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the union 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 union with no future related costs are recognised in profit or loss in the period in which they become receivable.

The accompanying notes form part of these financial statements.

Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch

Notes to the Financial Statements

For the year ended 30 June 2018

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).

Employee entitlements

Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash out flows to be made for those entitlements.

The union does not expect the full amount of the liability classified as current to be settled within the next twelve months. However, there is no unconditional right to defer settlement in the event of employees wishing to use their entitlements and, accordingly, the amount must be shown as a current liability.

Cash and Cash Equivalents

Cash is recognised at its nominal amount. Cash and cash equivalents comprises cash on hand, demand deposits and short-term highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value with original maturities of three months or less. Bank overdrafts are shown within short-term borrowings in current liabilities in the statement of financial position.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than twelve months after the balance sheet date with are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

Inventories

Inventories are measured at the lower of cost and net realised value.

Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch

Notes to the Financial Statements

For the year ended 30 June 2018

Investments

Investments held to maturity are recorded at their face value. They are confined to a term deposit with ME Bank.

Gains and losses

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

Leases

Finance 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 leased term.

Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch

Notes to the Financial Statements

For the year ended 30 June 2018

Comparative figures

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

Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Member subscriptions are accounted for on an accrual basis and is recorded as revenue in the year to which it relates. Any subscriptions received for a future period is recognised in the Statement of Financial Position as Subscriptions in Advance

Interest revenue and other income are recognised when it is received.

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

Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the branch becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

- Financial assets

Financial assets are divided into the following categories which are described in detail below:

- Loans and receivables;
- Financial assets at fair value through profit or loss;
- Available-for-sale financial assets; and
- Held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in the profit or loss or in other comprehensive income.

- Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than twelve months after the balance date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch

Notes to the Financial Statements

For the year ended 30 June 2018

- Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:

- Acquired principally for the purpose of selling in the near future.
- Designated by the entity to be carried at fair value through profit or loss upon initial recognition or
- Which are derivatives not qualifying for hedge accounting.

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.

- Available-for-sale financial assets

Listed shares and listed redeemable notes that are traded in an active market are classified as available-for-sale and are stated at fair value. The branch currently has no unlisted shares. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

- Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the unions management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. Held-to-maturity financial assets are included in non-current assets, except for those with maturities of less than twelve months from the reporting date, which are classified as current assets.

- Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

The accompanying notes form part of these financial statements.

Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch

Notes to the Financial Statements

For the year ended 30 June 2018

- 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 estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reserved in subsequent periods.

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.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

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 of impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

- Derecognition of financial assets

The union derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

The accompanying notes form part of these financial statements.

Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch

Notes to the Financial Statements

For the year ended 30 June 2018

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability is acquired. Financial liabilities are recognised and derecognised upon 'trade date.'

- Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit of loss.

A financial liability is classified as held for trading if:

- It has been acquired principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if;

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

- Other financial liabilities

Other financial liabilities include borrowings and trade and other payables (including finance lease liabilities), are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on an effective yield basis.

- De-recognition of financial liabilities

The union derecognises financial liabilities when, and only when, the branch's obligations are discharged, cancelled or expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch

Notes to the Financial Statements

For the year ended 30 June 2018

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of the cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in the receipts from customers or payments to suppliers.

Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for the goods and services received by the union during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of the recognition of the liability.

Recovery of Wages

In reference to items 26-30 and 35(f) & (g) and 37(b) of the Reporting Guidelines for the purposes of section 253 of Fair Work (Registered Organisations) Act 2009, Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch has not undertaken any recovery of wages activity in the financial year.

Critical Accounting Estimates and Judgements

The committee of management evaluates estimates and judgements incorporated into financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the union.

New Australian Accounting Standards and Future Australian Accounting Standards Requirements

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

The accounting policies adopted are consistent with those of the previous financial year.

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting periods and that are expected to have a future financial impact on the union include:

- AASB 9: Financial Instruments and associated Amending Standards. Expected to be initially applied in the financial year 30 June 2019.
- AASB 15: Revenue from Contracts with Customers. Expected to be initially applied in the financial year 30 June 2019.
- AASB 16: Leases. Expected to be initially applied in the financial year 30 June 2020.

Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch

Notes to the Financial Statements

For the year ended 30 June 2018

Acquisition of assets and liability under specific sections

The union did not acquire any asset or liability during the financial year as a result of;

- An amalgamation under part 2 of Chapter 3, of the RO Act;
- A restructure of the Branches of the organisation;
- A determination by the Commissioner under s245(1) of the RO Act;
- A revocation by the Commissioner under s249(1) of the RO Act

Acquisition of assets and liability as part of a business combination

No assets or liabilities were acquired during the year as part of a business combination.

Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch

Notes to the Financial Statements

For the year ended 30 June 2018

2018

2017

Note 2: Revenue and Other Income

Revenue:

Capitation fee from another entity	-	-
Compulsory levies from members	-	-
Other financial support from another entity	-	-
Special fees from new members including legal fees reimbursed	1,587	9,407
Donations or grants received	-	-
Litigation Fund Contributions	8,258	-
	<u>342,449</u>	<u>319,142</u>

The special fees collected from new members includes legal fees reimbursed. There were no donations or grants received this year.

Note 3: Employee Expenses

Surplus (deficit) from ordinary activities before income tax has been determined after:

Holders of office:

Wages and salaries	103,781	104,196
Superannuation	20,644	20,051
Leave and other entitlements	8,219	7,871
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses holders of office	<u>132,644</u>	<u>132,118</u>

Employees other than office holders:

Wages and salaries	79,807	76,048
Superannuation	7,807	7,213
Leave and other entitlements	4,624	4,253
Separation and redundancies	-	-
Other employee expenses	-	-

The accompanying notes form part of these financial statements.

Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch

Notes to the Financial Statements

For the year ended 30 June 2018

	2018	2017
Subtotal employee expenses employees other than office holders	92,238	87,514
Payroll Tax	3,956	3,958
Workcover	1,424	1,866
	230,262	225,456

Wages and salaries stated in the above include salary, salary sacrifice and allowances paid.

Salaries - allowances include home office allowances and travel allowances (for breakfast, lunch and dinner) paid to the office holder, whereas Travel, Accom & Conference includes accommodation and airfares reimbursed to officeholders and employees.

Note 4: Expenses

Affiliation fees	-	-
Capitation fees paid to ASU National Executive	23,119	23,328
Compulsory levies paid	-	-
Conferences and meeting expenses	-	-
Consideration to employers for payroll	-	-
Donations or grants paid	-	-
Fees/allowances paid for meeting and conferences	-	-
Fees/subscriptions paid to a political party, federation, congress, council or group of organisations, or an international body having an interest in industrial matters	-	-
Penalty paid under the Fair Work (Registered Organisations) Act 2009	-	-
Remuneration for auditing and review of the financial report	4,600	4,600

Note 5: Cash and Cash Equivalents

Bank accounts:

- Cash at Bank	67,190	47,006
- Me Bank Account 849	16,233	32,751
- Me Bank Account 332	76,646	75,318
- Term Deposits	312,139	304,463
	472,208	459,537

The accompanying notes form part of these financial statements.

Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch

Notes to the Financial Statements

For the year ended 30 June 2018

	2018	2017
Note 6: Receivables		
Current		
Trade debtors	387	-
Sundry debtors	5	-
Less: Provision for doubtful debt	-	-
	392	-
	392	-
 Note 7: Property, Plant and Equipment		
Plant and equipment:		
- At cost	33,891	31,657
- Less: Accumulated depreciation	(28,949)	(25,119)
	4,942	6,538
Software (at cost):		
- At cost	6,080	6,080
- Less: Accumulated depreciation	(5,847)	(2,807)
	233	3,273
Motor vehicles:		
- At cost	33,664	33,664
- Less: Accumulated depreciation	(23,287)	(20,892)
	10,377	12,772
	15,551	22,582
	15,551	22,582

The accompanying notes form part of these financial statements.

Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch

Notes to the Financial Statements

For the year ended 30 June 2018

2018

2017

Note 8: Payables

Trade creditors	23,516	21,487
Superannuation Payable	11,903	6,682
Consideration to employers for payroll	-	-
Legal costs	-	-
	<u>35,419</u>	<u>28,169</u>
	<u>35,419</u>	<u>28,169</u>

Note 9: Current Tax Liabilities

GST Payable Control Account	11,242	9,983
Input Tax Credit Control Account	(2,637)	(2,598)
Amounts Withheld from Salary and Wages	3,543	3,843
	<u>12,148</u>	<u>11,228</u>

The accompanying notes form part of these financial statements.

Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch

Notes to the Financial Statements

For the year ended 30 June 2018

2018

2017

Note 10: Provision for Leave Entitlements

Provision for Annual Leave - Office Holders	54,073	49,239
Provision for Annual Leave - Employees	12,217	9,860
Provision for Long Service Leave - Office Holders	36,450	33,066
Provision for Long Service Leave - Employees	7,606	5,338
Provision for Redundancy - Office Holders	-	-
Provision for Redundancy - Employees	-	-
	110,346	97,503

Note 11: 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.

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.

Expense reimbursements paid to ASU National Executive	12,345	16,750
Receivable from ASU National Executive	-	-
Receivable to ASU other branches	-	-
Payable to ASU National Executive	14,479	10,801
Payable to ASU other branches	-	-

Key management personnel remuneration for the reporting period

Short-term benefits:

- Wages and salaries	103,781	104,196
- Annual leave accrued	4,835	5,653

Post-employment benefits:

- Superannuation Payable	10,361	5,398
- Long service leave	36,450	33,060
	155,427	148,313

The accompanying notes form part of these financial statements.

Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch

Notes to the Financial Statements

For the year ended 30 June 2018

2018

2017

[REDACTED]

No other 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 12: Litigation Fund

Litigation Fund is the only fund operated by the union. It is not invested in any assets. It is kept in a separate bank account. During the year members made voluntary contributions to the Litigation Fund account of \$9,084. Withdrawals of \$26,050 were also made from the litigation account during the year. The only other movement in the fund is interest on the bank account. There have been no other transfers into or withdrawals from the fund during the year.

Note 13: Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Statement of Financial Position and instead, where applicable, are reported in the relevant notes. They may arise from uncertainty as to the existence of an asset or a liability or represent an existing asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probably but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote. The committee of the management is not aware of any contingent liabilities and contingent assets at the balance date the effect of which may be material in relation to this financial report.

Note 14: Events Subsequent to 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.

Note 15: Segment Reporting

The union is an independent segment of the Australian Services Union National Executive. The union does not have separate reporting segments.

Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch

Notes to the Financial Statements

For the year ended 30 June 2018

2018

2017

Note 16: Economic Dependence

The union's ability to continue as a going concern is not reliant on any financial support from another entity. The union did not receive any financial support from any entity in the year ended. Also the union has not agreed to provide any financial support to ensure another entity has the ability to continue as a going concern. The union did not provide any financial support to another entity in the year ended.

Note 17: Capital and Leasing Commitments

(a) Hire purchase and finance lease commitments

No hire purchase or finance lease contracts were entered into during the year, nor were there any on hand as at the end of the financial year (nor the end of the previous financial year).

(b) Non-cancellable operating lease commitments

The union is not a party of any non-cancellable operating leases for which a commitment to make minimum lease payments exist.

(c) Capital expenditure and/or other commitments

No capital expenditure or other contracts were entered into during the year, nor subsisted at the end of the financial year for which a commitment to make a payment exists.

Note 18: Going Concern

The union is not reliant on the agreed financial support of another reporting unit to continue as a going concern.

Note 19: Financial Risk Management

Financial instruments held by the union 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 maturity profile may be summarised as follows:

Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch

Notes to the Financial Statements

For the year ended 30 June 2018

	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
	Floating Interest Rate	1 year or less to Maturity	1 to 5 years to Maturity	Non-Interest Bearing	Total
30 June 2017	\$	\$	\$	\$	\$
Cash on Hand					
Cash at Bank	155,074				155,074
Term Deposit		304,463			304,463
Other Receivables					
Total financial assets	155,074	304,463			459,537
Less financial liabilities					
Trade and other payables				(28,169)	(28,169)
Net financial assets	155,74	304,463		(28,169)	431,368

(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 payables excludes amounts provided for relating to annual and long service leave which is not considered a financial instrument.

(b) Financial risk management policies

The union 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 faced are described below:

The accompanying notes form part of these financial statements.

Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch

Notes to the Financial Statements

For the year ended 30 June 2018

2018

2017

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.

Bank deposits

Commonwealth Bank	67,190	47,006
Member's Equity Bank	405,018	412,531

Other receivables

Trade and sundry debtors	392	-
	<u>472,600</u>	<u>459,537</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 accompanying notes form part of these financial statements.

Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch

Notes to the Financial Statements

For the year ended 30 June 2018

2018

2017

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 20: 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	472,208	459,537
Balance Sheet	472,208	459,537
	-	-
	-	-

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

Profit/(deficit) for the year	(13,306)	661
Adjustments for non-cash items		
Depreciation	9,265	8,105
Changes in assets/liabilities		
(Increase)/decrease in net receivables	(392)	608
Increase/(decrease) in supplier payments	7,250	(1,612)
Increase/(decrease) in other payables	920	1,970
Increase/(decrease) in employee provisions	12,843	12,124
Increase/(decrease) in other provisions	(1,675)	5,578
	14,905	27,434
	14,905	27,434

The accompanying notes form part of these financial statements.

COMMITTEE OF MANAGEMENT STATEMENT

for the year ended 30 June 2018

On 15 November 2018 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 2018:

The Australian 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 Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

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



Jeffrey Lapidos

Branch Secretary

15 November 2018



**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 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Committee of Management 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 2018, 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).

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

Basis for Opinion

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.
- 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.

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

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

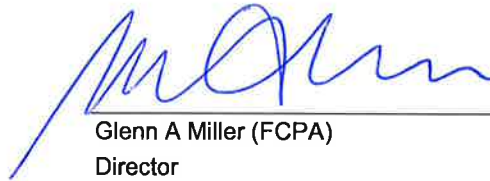
From the work performed, no deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act was noted.

Report on the Recovery of Wages Activity Financial Report

The union has not undertaken any recovery of wages activity in the financial year.

NMM Audit & Assurance Pty Ltd

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


Glenn A Miller (FCPA)
Director

Dated this *19th* day of *November*, *2018*



5 September 2018

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

By Email: jeff.lapidos@asutax.asn.au

Dear Mr Lapidos,

**Re: Lodgement of Financial Report - [FR2018/100]
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Australian Municipal, Administrative, Clerical and Services Union-Taxation Officers Branch (the reporting unit) ended on 30 June 2018. This is a courtesy letter to remind you of the reporting unit's obligations regarding financial reporting.

Loans Grants and Donations Statement

The reporting unit is required to lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 of the RO Act requires this statement to be lodged with the Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, namely on or before 28 September 2018.

The attached fact sheet *Loans Grants and Donations (FS 009)* summarises the requirements of the Loans Grants and Donations Statement. A sample statement of loans, grants or donations is available on our [website](#).

It should be noted that s.237 is a civil penalty provision. If a loan, grant or donation over \$1000 has been made, failure to lodge a statement of loans, grants and donations (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty. Currently penalties are up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual and may be imposed upon your organisation and/or an officer whose conduct led to the contravention.

Financial report

The RO Act sets out a particular chronological order in which your financial report must be prepared, audited, provided to members, presented to a meeting and then lodged with the ROC. The attached document *Summary of Financial Reporting timelines (FS 008)* summarises these requirements.

We emphasise that the reporting unit is required to present its audited financial report to a meeting (either of members or of the committee of management, depending on its rules) no later than 30 December 2018 (s.266). The full financial report must be lodged with the ROC within 14 days of that meeting (s.268).

When assessing your financial report, we will continue to focus closely on timelines as well as how loans, grants and donations are reported (see attached *Loans Grants and Donations* fact sheet FS 009). The financial report must break down the amounts of grants and donations and these figures will be compared to the loans, grants and donations statement.

You can visit our website for more information regarding [financial reporting](#), and fact sheets regarding [financial reporting processes and requirements](#). A model set of financial statements developed by the ROC is also available on our website. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards.

It should be noted that s.268 of the RO Act is a civil penalty provision. Failure to lodge the full financial report (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty, as set out above, being imposed upon your organisation and/or an officer whose conduct led to the contravention (s.268).

Auditor's report

When assessing the financial report we will also focus on the structure and content of the auditor's report to ensure that it complies with the revisions made to the Auditing Standards which came into operation with effect from 15 December 2016. Please find [here](#) a link to guidance note *Illustrative Auditor's Report* (GN 004) relating to these requirements (also available on our website).

REMINDER

YOUR AUDITOR MUST BE REGISTERED (s.256)

You must ensure that your auditor is registered by the Registered Organisations Commissioner. A list of registered auditors is available on our [website](#).

Contact

Should you require any clarification in relation to the above, please email regorgs@roc.gov.au.

Yours faithfully,



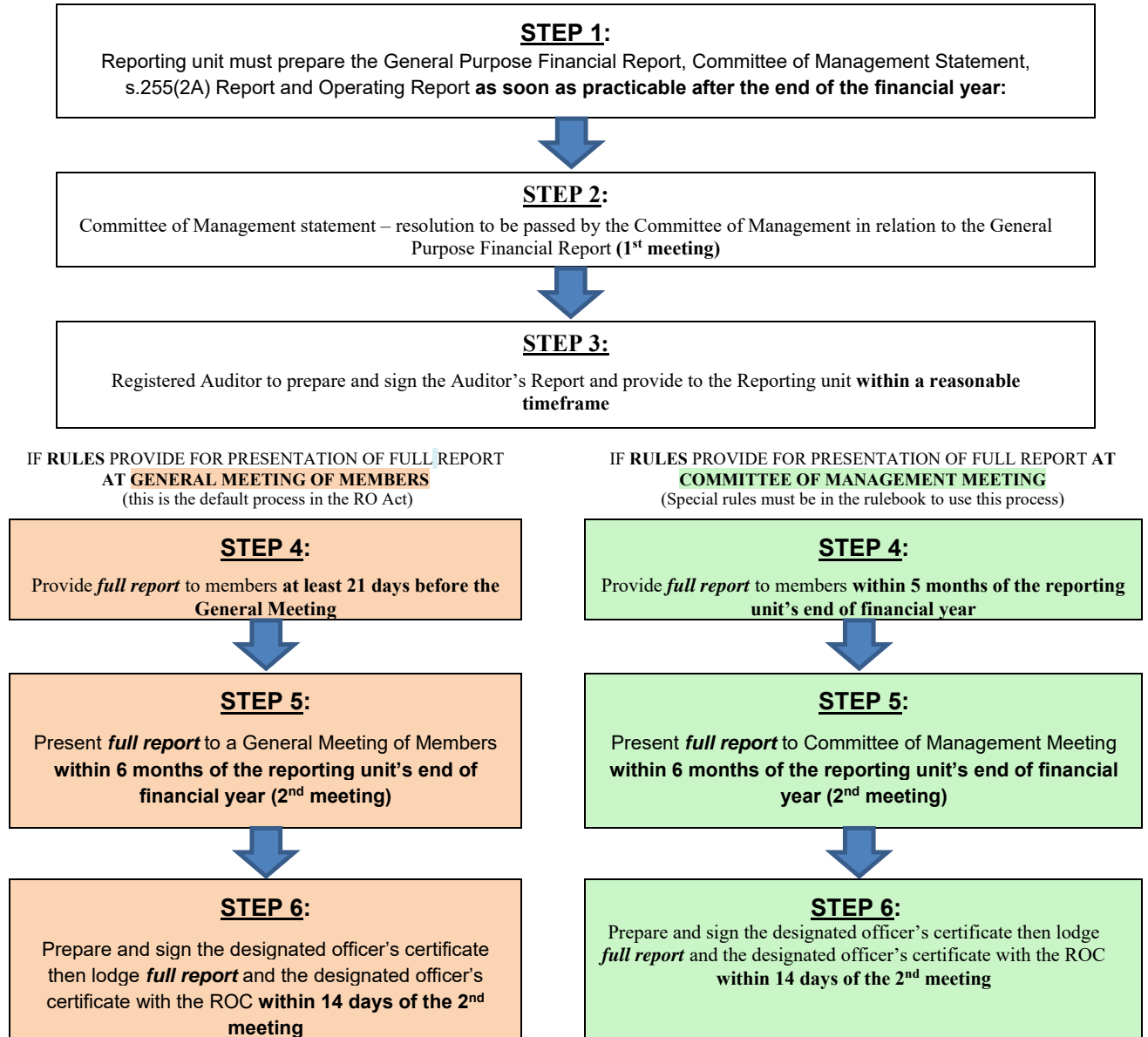
Sarah Wilkin
Registered Organisations Commission

Fact sheet

Summary of financial reporting timelines – s.253 financial reports

General Information:

- The **full report** consists of the General Purpose Financial Report, Committee of Management Statement, Operating report, s.255(2A) Report and signed Auditors' Report
- For an explanation of each of the steps below see our [Fact sheet—financial reporting process](#).



Fact sheet



Australian Government
Registered Organisations Commission

FS 009
(19 June 2017)

Fact sheet

Loans, Grants & Donations

The Loans, Grants & Donations Requirements

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the Commissioner's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.





The Loans, Grants & Donations Statement



Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceeds \$1000. The following information must be supplied to the Registered Organisations Commission (the ROC) for each relevant loan, grant or donation:

- the amount,
- the purpose,
- the security (if it is a loan),
- the name and address of the person to whom it was made,* and
- the arrangements for repaying the loan.*

*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the ROC has a [Template Loans, Grants and Donations Statement](#) on its website. The ROC encourages branches and organisations to lodge the statement even if all of the figures are NIL. Common misconceptions Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
 Only reporting units must lodge the Statement.	 All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
 Employees can sign the Statement.	 The statement must be signed by an elected officer of the relevant branch.

	Statements can be lodged with the financial report.		The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.
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Grants & Donations within the Financial Report

Item 16(e) of the Commissioner’s Reporting Guidelines requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines. In the [ROC's Model Statements](#) the note appears as follows:

Note 4E: Grants ~~OR~~ donations*

Grants:	[Current year]	[Previous year]
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total grants or donations	-	-

The Commissioner’s Reporting Guidelines requires that these line items appear in the financial report even if the figures are NIL.

Implications for filing the Financial Report

During their review of the financial report staff of the ROC may confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their last financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the website.

Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the ROC on regorgs@roc.gov.au