



3 January 2017

Mr Richard Duffy
Branch Secretary
Australian Municipal, Administrative, Clerical and Services Union – Victorian and Tasmanian
Authorities and Services Branch
1st Floor, 116-124 Queensberry Street
CARLTON SOUTH VIC 3053

via email: rduffy@asuvictas.com.au

Dear Mr Duffy

**Australian Municipal, Administrative, Clerical and Services Union Victorian and
Tasmanian Authorities and Services Branch Financial Report for the year ended 30 June
2016 - [FR2016/187]**

I acknowledge receipt of the financial report of the Australian Municipal, Administrative, Clerical and Services Union Victorian and Tasmanian Authorities and Services Branch (**the reporting unit**). The documents were lodged with the Fair Work Commission (**FWC**) on 15 December 2016.

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 2017 may be subject to an advanced compliance review.

I make the following comment to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged. The FWC will confirm this concern has been addressed prior to filing next year's report.

Leases

Leases

In Note 3 *Other Revenue* it states that an amount of \$72,599 was received in the 2016 financial year for rental income. Australian Accounting Standard, *AASB117 Leases* paragraph 56 provides for the disclosure requirements when an operating lease for a lessor exists. This information has not been included in the General Purpose Financial Report.

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Should you wish to discuss this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on 03) 8656 4681 or by email at joanne.fenwick@fwc.gov.au.

Yours sincerely

A handwritten signature in blue ink, consisting of a stylized 'J' followed by a horizontal line that tapers to the right.

Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch

**AUSTRALIAN SERVICES UNION
VICTORIAN AND TASMANIAN
AUTHORITIES & SERVICES BRANCH**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2016**

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**AUSTRALIAN SERVICES UNION
VICTORIAN AND TASMANIAN AUTHORITIES & SERVICES BRANCH**

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

The Committee of Management presents its report on the operation of the Branch for the financial year ended 30 June 2016.

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

The principal activities of the Branch during the financial year ended 30 June 2016 was to provide industrial, professional and managerial services to members consistent with the objects of the Union and particularly the object of protecting and improving the interests of the members

Operating Result

The operating result of the Branch for the year ended 30th June 2016 was a surplus of \$609,778 [2015: Deficit of (\$368,307)]. No provision for tax was necessary as the Branch is considered exempt.

Significant changes in financial affairs

There was no significant change in the financial affairs of the Branch during the year.

Right of members to resign

All members have the right to resign from the Union in accordance with National Rule 32 – Resignation of the Union Rules (and Section 174 of the Act); namely, by providing written notice addressed and delivered to the Secretary of the Branch of which they are a member.

Officers & employees who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee

The following officers and/or employees of the Branch are directors of companies that are trustees of superannuation funds which require one or more of their directors to be a member of a registered organisation –

| <u>Officer/Employee:</u> | <u>Trustee Company:</u> | <u>Name of Entity / Scheme:</u> | <u>Position:</u> | <u>Remuneration:</u> |
|--------------------------|-------------------------|---------------------------------|------------------|----------------------|
| Richard Duffy | Vision Super Pty Ltd | Vision Super | Director | \$ 60,828 |
| Wendy Phillips | Vision Super Pty Ltd | Vision Super | Director | \$ 60,828 |
| Lisa Darmanin | HEST Australia Pty Ltd | HESTA | Director | \$ 2,616 |

**AUSTRALIAN SERVICES UNION
VICTORIAN AND TASMANIAN AUTHORITIES & SERVICES BRANCH**

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

Officers & employees who are directors of a company or members of a board

The following officers and/or employees of the Branch are directors of companies or members of boards -

| <u>Officer/Employee:</u> | <u>Company/Board:</u> | <u>Principal Activity:</u> | <u>Criteria:</u> |
|--------------------------|---|---|--|
| Lisa Darmanin | Community Services & Health Industry Training Board | Overseeing the training needs of SACS industry | Nominated by Branch |
| | Emilys List Australia | Provide support including financial support to women candidates in federal, state, territory and local government elections | Appointed by the National Committee of Emilys List Australia |
| | VTHC Executive Council | Victorian Unions' peak organisation | Nominated by Branch |

Number of members

In accordance with Regulation 159 of the Fair Work (Registered Organisations) Regulations 2009:

The number of persons that were at the end of the financial year recorded in the register of members for sec. 230 of the Fair Work (Registered Organisations) Act 2009 and who are taken to be members of the Branch under sec. 244 of the Fair Work (Registered Organisations) Act 2009 was 23,407.

Number of employees

The number of persons who were at the end of the financial year employees of the Branch including both full-time and part-time employees measured on a full-time equivalent basis was 69;

**AUSTRALIAN SERVICES UNION
VICTORIAN AND TASMANIAN AUTHORITIES & SERVICES BRANCH**

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

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

The names of those who have been members of the Committee of Management of the Branch at any time during the financial year and the periods for which he or she held office were:

| Name: | Position: | Period: |
|----------------------------------|------------------------------|-----------------------|
| <u>Full-time Officers</u> | | |
| Richard Duffy | Branch Secretary | 1/7/2015 to 30/6/2016 |
| Lisa Darmanin | Branch Executive President | 1/7/2015 to 30/6/2016 |
| <u>Honorary Officers</u> | | |
| Wendy Phillips | Branch President | 1/7/2015 to 30/6/2016 |
| Robyn Glascott | Branch Senior Vice President | 1/7/2015 to 30/6/2016 |
| Josephine Ackerman | Branch Vice President Women | 1/7/2015 to 30/6/2016 |
| Hayley Davies | Branch Executive Youth | 1/7/2015 to 21/6/2016 |
| Nicola Callinan | Branch Executive Youth | 1/7/2015 to 21/6/2016 |
| <u>Committee Members</u> | | |
| David Andrews | Committee Member | 1/7/2015 to 30/6/2016 |
| Ann Beck | Committee Member | 1/7/2015 to 30/6/2016 |
| Darren Cresswell | Committee Member | 1/7/2015 to 30/6/2016 |
| Hayley Davies | Committee Member | 1/7/2015 to 21/6/2016 |
| Aaron De La Torre | Committee Member | 1/7/2015 to 21/6/2016 |
| Kim Delahey | Committee Member | 1/7/2015 to 30/6/2016 |
| Kate Evans | Committee Member | 1/7/2015 to 30/6/2016 |
| Barry Gough | Committee Member | 1/7/2015 to 30/6/2016 |
| Raymond Lamaro | Committee Member | 1/7/2015 to 30/6/2016 |
| Piergiorgio Moro | Committee Member | 1/7/2015 to 30/6/2016 |
| Troy Parkinson | Committee Member | 1/7/2015 to 30/6/2016 |
| Maree Renden | Committee Member | 1/7/2015 to 30/6/2016 |
| Liane Simko | Committee Member | 1/7/2015 to 30/6/2016 |
| Katrina Spence | Committee Member | 1/7/2015 to 30/6/2016 |

**AUSTRALIAN SERVICES UNION
VICTORIAN AND TASMANIAN AUTHORITIES & SERVICES BRANCH**

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

Disclosure statements – Remuneration and non-cash benefits of highest paid officers

The two highest paid officers of the Branch for the disclosure period ended 30th June 2016 and the amounts of relevant remuneration paid to them and the value or form of non-cash benefits received by them is as set out in the table below:

| Name of officer | Actual amount of relevant remuneration | Value of or form of non-cash benefits |
|------------------------|---|--|
| Richard Duffy | \$ 161,161 | \$ 2,739 |
| Lisa Darmanin | \$ 169,503 | \$ 2,613 |

Disclosure statements – Officers’ material personal interests

No officer of the Branch has disclosed any material personal interests that they or a relative of theirs has in a matter that relates to the affairs of the Branch during the year ended 30th June 2016.

Disclosure by Branch of payments to related parties or declared persons

The Branch has made total payments to the following related parties of the Branch during the year ended 30th June 2016:

| Related Party | Officer | Total of payments made |
|----------------------|----------------|-------------------------------|
| Brendan Parkinson | No | \$ 79,712 |
| Matthew Parkinson | No | \$ 84,727 |
| Brian Parkinson | No | \$ 7,450 |
| Luke Cherry | No | \$ 107,472 |

Signature of designated officer: 

Name and title of designated officer: RICHARD DUFFY - BRANCH SECRETARY

Dated: 18/10/2016

**AUSTRALIAN SERVICES UNION
VICTORIAN AND TASMANIAN AUTHORITIES & SERVICES BRANCH**

**COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016**

On the 18th October 2016 the Committee of Management of the Australian Services Union – Victorian and Tasmanian Authorities & Services Branch passed the following resolution in relation to the general purpose financial report (GPRF) for the year ended 30th June 2016:

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (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 GPRF 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 General Manager duly made under section 272 of the RO Act, it has been provided to the member or General Manager; 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.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period

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

Signature of designated officer: 

Name and title of designated officer: RICHARD DUFFY - BRANCH SECRETARY

Dated: 18/10/2016

**AUSTRALIAN SERVICES UNION
VICTORIAN AND TASMANIAN AUTHORITIES & SERVICES BRANCH**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016**

| | Note | 2016 \$ | 2015 \$ |
|--|------|-------------------|-------------------|
| Revenue | | | |
| Membership subscriptions | | 11,543,146 | 11,231,679 |
| Interest | | 57,141 | 82,337 |
| Other revenue | 3 | 483,890 | 430,022 |
| Total revenue | | 12,084,177 | 11,744,038 |
| Expenses | | | |
| Employee expenses | 4 | 7,987,646 | 8,206,734 |
| Capitation fees | 4 | 611,739 | 698,869 |
| Affiliation fees | 4 | 237,226 | 232,593 |
| Administration expenses | 4 | 993,331 | 1,128,314 |
| Grants or donations | 4 | 13,218 | 13,943 |
| Depreciation and amortisation | 4 | 413,617 | 467,914 |
| Legal costs | 4 | 166,599 | 183,548 |
| Audit fees | | 27,150 | 26,650 |
| Motor Vehicle expenses | | 343,184 | 378,228 |
| Travel expenses | | 191,364 | 250,075 |
| Occupancy expenses | | 264,987 | 247,310 |
| Communications expenses | | 160,639 | 171,542 |
| Net losses from sale of assets | | 63,699 | 100,589 |
| Impairment losses | | - | 6,036 |
| Total expenses | | 11,474,399 | 12,112,345 |
| Profit (loss) for the year | | 609,778 | (368,307) |
| Other comprehensive income | | | |
| Items that will not be subsequently reclassified to profit or loss | | - | - |
| Total comprehensive income for the year | | 609,778 | (368,307) |

The accompanying notes form part of the financial statements.

**AUSTRALIAN SERVICES UNION
VICTORIAN AND TASMANIAN AUTHORITIES & SERVICES BRANCH**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016**

| | Notes | 2016 \$ | 2015 \$ |
|--------------------------------------|-------|-------------------|------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | 5 | 3,154,593 | 1,957,607 |
| Trade and other receivables | 6 | 256,470 | 224,459 |
| Other current assets | 7 | 52,804 | 92,118 |
| Total current assets | | 3,463,867 | 2,274,184 |
| Non-Current Assets | | | |
| Trade and other receivables | 6 | 27,337 | 45,562 |
| Property, plant and equipment | 8 | 5,074,048 | 5,290,122 |
| Other investments | 9 | 2,211,689 | 2,210,615 |
| Total non-financial assets | | 7,313,074 | 7,546,299 |
| Total assets | | 10,776,941 | 9,820,483 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade and other payables | 10 | 505,209 | 454,686 |
| Provisions | 11 | 1,972,251 | 1,704,250 |
| Total current liabilities | | 2,477,460 | 2,158,936 |
| Non-Current Liabilities | | | |
| Provisions | 11 | 157,491 | 129,335 |
| Total non-current liabilities | | 157,491 | 129,335 |
| Total liabilities | | 2,634,951 | 2,288,271 |
| Net assets | | 8,141,990 | 7,532,212 |
| EQUITY | | | |
| Accumulated Funds | | 8,141,990 | 7,532,212 |
| Total equity | | 8,141,990 | 7,532,212 |

The accompanying notes form part of the financial statements.

**AUSTRALIAN SERVICES UNION
VICTORIAN AND TASMANIAN AUTHORITIES & SERVICES BRANCH**

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

| | Retained earnings | Total equity |
|-----------------------------------|-------------------|------------------|
| | \$ | \$ |
| Balance as at 1 July 2014 | 7,900,519 | 7,900,519 |
| Profit/(deficit) for the year | (368,307) | (368,307) |
| Balance as at 30 June 2015 | <u>7,532,212</u> | <u>7,532,212</u> |
| | | |
| Balance as at 1 July 2015 | 7,532,212 | 7,532,212 |
| Profit/(deficit) for the year | 609,778 | 609,778 |
| Balance as at 30 June 2016 | <u>8,141,990</u> | <u>8,141,990</u> |

The accompanying notes form part of the financial statements.

**AUSTRALIAN SERVICES UNION
VICTORIAN AND TASMANIAN AUTHORITIES & SERVICES BRANCH**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016**

| | Note | 2016 \$ | 2015 \$ |
|---|------|------------------|--------------------|
| OPERATING ACTIVITIES | | | |
| Cash received | | | |
| Receipts from other reporting units | 13B | 172,375 | 177,548 |
| Receipts from members | | 11,563,373 | 11,218,813 |
| Interest | | 56,369 | 79,625 |
| Other | | 303,124 | 289,251 |
| Cash used | | | |
| Payments to Employees & Suppliers | | (9,613,110) | (10,544,985) |
| Payment to other reporting units | 13B | (1,042,237) | (1,098,429) |
| Net cash from (used by) operating activities | 13A | 1,439,894 | 121,823 |
| INVESTING ACTIVITIES | | | |
| Cash received | | | |
| Proceeds from sale of motor vehicles, furniture and equipment | | 110,136 | 112,318 |
| Proceeds from sale of investments | | 109 | - |
| Cash used | | | |
| Purchase of motor vehicles, furniture and equipment | | (371,378) | (452,009) |
| Purchase of investments | | - | (1,077,813) |
| Net cash from (used by) investing activities | | (261,133) | (1,417,504) |
| FINANCING ACTIVITIES | | | |
| Cash received | | | |
| Repayment of loans | 13B | 18,225 | 18,225 |
| Cash used | | | |
| Loan provided | 13B | - | - |
| Net cash from (used by) financing activities | | 18,225 | 18,225 |
| Net increase (decrease) in cash held | | 1,196,986 | (1,277,456) |
| Cash & cash equivalents at the beginning of the reporting period | | 1,957,607 | 3,235,063 |
| Cash & cash equivalents at the end of the reporting period | 5 | 3,154,593 | 1,957,607 |

The accompanying notes form part of the financial statements.

**AUSTRALIAN SERVICES UNION
VICTORIAN AND TASMANIAN AUTHORITIES & SERVICES BRANCH**

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

1. Summary of significant accounting policies

1a Basis of preparation of the financial statements

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

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

1b Comparative amounts

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

1c Significant accounting judgements and estimates

The preparation of financial statements requires the Branch to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

1d New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

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

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

Future Australian Accounting Standards Requirements

There were no new standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact on Australian Services Union – Victorian and Tasmanian Authorities & Services Branch.

**AUSTRALIAN SERVICES UNION
VICTORIAN AND TASMANIAN AUTHORITIES & SERVICES BRANCH**

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

1e Revenue

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

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

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

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

Investment revenue is recognised in the period in which it is earned.

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

1f Government grants

Government grants are not recognised until there is reasonable assurance that the Australian Services Union – Victorian and Tasmanian Authorities & Services Branch will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss when the Union obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Union and the amount of the grant can be measured reliably.

1g Gains

Sale of assets

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

1h Capitation fees and levies

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

**AUSTRALIAN SERVICES UNION
VICTORIAN AND TASMANIAN AUTHORITIES & SERVICES BRANCH**

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

1i Employee benefits (continued)

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

Liabilities for short-term employee benefits which are expected to be settled within twelve months of the end of the reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability including related on costs.

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

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

Contributions made by the Union to employee superannuation funds are charged as expenses when incurred.

1j Leases

Lease payments for operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged as expenses in the period in which they are incurred.

1k Cash and cash equivalents

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

**AUSTRALIAN SERVICES UNION
VICTORIAN AND TASMANIAN AUTHORITIES & SERVICES BRANCH**

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

11 Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1m Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Fair value through profit or loss

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

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the Union has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Available-for-sale

Listed shares and listed redeemable notes held by the Union that are traded in an active market are classified as available-for-sale and are stated at fair value. Dividends from available-for-sale equity instruments are recognised in profit or loss when received.

Loans and receivables

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

**AUSTRALIAN SERVICES UNION
VICTORIAN AND TASMANIAN AUTHORITIES & SERVICES BRANCH**

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

1m Financial assets (continued)

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.

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.

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.

**AUSTRALIAN SERVICES UNION
VICTORIAN AND TASMANIAN AUTHORITIES & SERVICES BRANCH**

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

1n Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities.

Other financial liabilities

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

Derecognition of financial liabilities

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

1o Property, plant and equipment

Property, plant and equipment are brought to account at cost less, where applicable, any accumulated depreciation or amortisation.

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses.

Depreciation

The depreciable amount of property, plant and equipment (other than freehold land) is depreciated on either a straight line or diminishing value basis over their useful lives commencing from the time the asset is held ready for use.

The depreciation rates used for each class of asset are:

| <u>Class of Fixed Asset</u> | <u>Depreciation Rate</u> |
|-----------------------------|--------------------------|
| Buildings | 2.5% |
| Motor Vehicles | 25% |
| Furniture and Equipment | 7.5% - 40% |

All minor purchases of assets are considered by the Committee as having a useful life relative only to the period of purchase and as such are written off during that period.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. 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.

**AUSTRALIAN SERVICES UNION
VICTORIAN AND TASMANIAN AUTHORITIES & SERVICES BRANCH**

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

1p Taxation

The Union is exempt from income tax under Section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

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

2 Events after the reporting period

There were no events that occurred after 30 June 2016, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of Australian Services Union – Victorian and Tasmanian Authorities & Services Branch.

**AUSTRALIAN SERVICES UNION
VICTORIAN AND TASMANIAN AUTHORITIES & SERVICES BRANCH**

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

3. Other Revenue

| | 2016 | 2015 |
|---|----------------|----------------|
| | \$ | \$ |
| Rent Received | 72,599 | 70,484 |
| Grant Monies Received | - | - |
| Gain on Revaluation of Investments | 1,183 | - |
| Dividends & Distributions Received | 144,442 | 93,939 |
| Sundry Income | 265,666 | 165,599 |
| National Office Equity Loan Forgiven | - | 100,000 |
| Capitation Fees | - | - |
| Levies | - | - |
| Donations Received | - | - |
| Financial support from another reporting unit | - | - |
| | <u>483,890</u> | <u>430,022</u> |

4. Expenses

Employee expenses

Holders of office:

| | | |
|---|----------------|----------------|
| Wages and salaries | 422,494 | 310,022 |
| Superannuation | 65,042 | 56,990 |
| Leave and other entitlements | 14,334 | (274,995) |
| Separation and redundancies | - | 250,091 |
| Other employee expenses | 31,386 | 25,202 |
| Subtotal employee expenses holders of office | <u>533,256</u> | <u>367,310</u> |

Employees other than office holders:

| | | |
|---|------------------|------------------|
| Wages and salaries | 5,540,272 | 5,681,690 |
| Superannuation | 1,003,817 | 991,483 |
| Leave and other entitlements | 281,823 | 339,359 |
| Separation and redundancies | 84,540 | 262,489 |
| Other employee expenses | 543,938 | 564,403 |
| Subtotal employee expenses employees other than office holders | <u>7,454,390</u> | <u>7,839,424</u> |
| Total employee expenses | <u>7,987,646</u> | <u>8,206,734</u> |

Capitation fees

| | | |
|------------------------------|----------------|----------------|
| ASU National Office | 611,739 | 698,869 |
| Total capitation fees | <u>611,739</u> | <u>698,869</u> |

**AUSTRALIAN SERVICES UNION
VICTORIAN AND TASMANIAN AUTHORITIES & SERVICES BRANCH**

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

4. Expenses (continued)

| | 2016 | 2015 |
|---|----------------|------------------|
| | \$ | \$ |
| Affiliation fees | | |
| Australian Labor Party | 119,935 | 120,441 |
| Victorian Trades Hall Council | 82,715 | 80,996 |
| Ballarat Trades & Labour Council | 4,600 | 3,136 |
| Bendigo Trades & Labour Council | 1,575 | 945 |
| Geelong Trades & Labour Council | 8,748 | 8,556 |
| Gippsland Trades & Labour Council | 1,455 | 1,364 |
| Goulburn Valley Trades & Labour Council | 1,120 | 960 |
| North East Trades & Labour Council | 2,452 | 2,452 |
| South West Trades & Labour Council | 1,500 | 750 |
| Sunraysia Trades & Labour Council | 1,079 | 932 |
| Unions Tasmania | 11,138 | 11,606 |
| Australia Asia Worker Links | 909 | 455 |
| Total affiliation fees | 237,226 | 232,593 |
| | | |
| Administration expenses | | |
| Consideration to employers for payroll deductions | - | - |
| Industry Division Levy – ASU National Office | 1,301 | 1,344 |
| Campaign Levy – ACTU | 68,501 | - |
| Campaign Levy – VTHC | - | 40,000 |
| Fees/allowances - meeting and conferences | - | - |
| Conference and meeting expenses | 290,268 | 315,313 |
| Other | 633,261 | 771,657 |
| Penalties - via RO Act or RO Regulations | - | - |
| Total administration expenses | 993,331 | 1,128,314 |
| | | |
| Donations | | |
| Total paid that were \$1,000 or less | 6,218 | 3,443 |
| Total paid that exceeded \$1,000 | 7,000 | 10,500 |
| Total donations | 13,218 | 13,943 |
| | | |
| Grants | | |
| Total paid that were \$1,000 or less | - | - |
| Total paid that exceeded \$1,000 | - | - |
| Total grants | - | - |

**AUSTRALIAN SERVICES UNION
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

4. Expenses (continued)

| | 2016 | 2015 |
|---------------------------------------|----------------|----------------|
| | \$ | \$ |
| Depreciation | | |
| Depreciation | | |
| Buildings | 70,615 | 70,615 |
| Motor Vehicles | 250,622 | 272,184 |
| Furniture and Equipment | 92,380 | 125,115 |
| Total depreciation | <u>413,617</u> | <u>467,914</u> |
| | | |
| Legal costs | | |
| Litigation | 116,497 | 37,161 |
| Other legal matters | 50,102 | 146,387 |
| Total legal costs | <u>166,599</u> | <u>183,548</u> |
| | | |
| Remuneration of auditors | | |
| Financial statement audit services | 26,500 | 26,000 |
| Other services | 6,150 | 6,150 |
| Total remuneration of auditors | <u>32,650</u> | <u>32,150</u> |

Other services include the audit of the political membership return and completion of fringe benefits tax return.

5. Cash and cash equivalents

| | | |
|--|------------------|------------------|
| Cash on hand | 2,332 | 2,069 |
| Cash at bank | 3,152,261 | 1,955,538 |
| Total cash and cash equivalents | <u>3,154,593</u> | <u>1,957,607</u> |

Cash at bank includes –

- Term deposit held with Members Equity Bank with an interest rate of 3.11% (2015: 2.85%)
- Term deposits held with Commonwealth Bank with an interest rate of 2.59% (2015: 2.45%)

**AUSTRALIAN SERVICES UNION
VICTORIAN AND TASMANIAN AUTHORITIES & SERVICES BRANCH**

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

6. Trade and other receivables

| | 2016 | 2015 |
|---|----------------|----------------|
| | \$ | \$ |
| <u>Current</u> | | |
| Receivables from other reporting units | | |
| ASU National Office | 40,135 | 36,252 |
| ASU Victorian Private Sector Branch | 22,494 | 22,252 |
| Total receivables from other reporting units | 62,629 | 58,504 |
| Other receivables: | | |
| Other trade receivables | 193,841 | 165,955 |
| Total other receivables | 193,841 | 165,955 |
| Total trade and other receivables | 256,470 | 224,459 |

Non-Current

| | | |
|---|---------------|---------------|
| Receivables from other reporting units | | |
| ASU Victorian Private Sector Branch | 27,337 | 45,562 |
| Total receivables from other reporting units | 27,337 | 45,562 |

The carrying amounts of all current trade and other receivables are equal to their fair values as they are short term receivables and non-interest bearing.

As part of its tenancy agreement the Branch agreed to an interest free loan to the ASU Victorian Private Sector Branch for the cost of fitout for its new premises. This loan is to be repaid over a 60 month term. This loan is included in the above amounts owing from ASU Victorian Private Sector Branch.

7. Other current assets

| | 2016 | 2015 |
|-----------------------------------|---------------|---------------|
| | \$ | \$ |
| Prepayments | 47,506 | 87,592 |
| Interest receivable | 5,298 | 4,526 |
| Total other current assets | 52,804 | 92,118 |

**AUSTRALIAN SERVICES UNION
VICTORIAN AND TASMANIAN AUTHORITIES & SERVICES BRANCH**

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

8. Property, Plant and Equipment

Land & Buildings – Queensberry Street

| | | |
|---------------------------------|------------------|------------------|
| At Cost | 4,091,253 | 4,091,253 |
| Less Accumulated Depreciation | (631,385) | (563,270) |
| Net Land & Buildings | 3,459,868 | 3,527,983 |

Land & Buildings – Macquarie Street

| | | |
|---------------------------------|----------------|----------------|
| At Cost | 570,000 | 570,000 |
| Less Accumulated Depreciation | (7,856) | (5,356) |
| Net Land & Buildings | 562,144 | 564,644 |

Motor Vehicles

| | | |
|-------------------------------|----------------|----------------|
| At Cost | 1,440,876 | 1,464,366 |
| Less Accumulated Depreciation | (650,986) | (610,392) |
| Net Motor Vehicles | 789,890 | 853,974 |

Furniture & Equipment

| | | |
|--------------------------------------|----------------|----------------|
| At Cost | 1,098,725 | 1,102,241 |
| Less Accumulated Depreciation | (836,579) | (758,720) |
| Net Furniture & Equipment | 262,146 | 343,521 |

Total property, plant and equipment

| | |
|------------------|------------------|
| 5,074,048 | 5,290,122 |
|------------------|------------------|

Movements in Carrying Amounts

| 2016 | Land & Buildings \$ | Motor Vehicles \$ | Furniture & Equipment \$ | Total \$ |
|---------------------------------------|---------------------------|-------------------------|-----------------------------------|------------------|
| Balance at beginning of year | 4,092,627 | 853,974 | 343,521 | 5,290,122 |
| Additions | - | 359,750 | 11,626 | 371,376 |
| Depreciation expense | (70,615) | (250,622) | (92,380) | (413,617) |
| Disposals | - | (173,212) | (621) | (173,833) |
| Carrying amount at end of year | 4,022,012 | 789,890 | 262,146 | 5,074,048 |

**AUSTRALIAN SERVICES UNION
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

8. Property, Plant and Equipment (continued)

Movements in Carrying Amounts

| 2015 | Land & Buildings \$ | Motor Vehicles \$ | Furniture & Equipment \$ | Total \$ |
|--------------------------------|---------------------------|-------------------------|-----------------------------------|-------------|
| Balance at beginning of year | 4,163,242 | 914,274 | 441,418 | 5,518,934 |
| Additions | - | 417,094 | 34,916 | 452,010 |
| Depreciation expense | (70,615) | (272,184) | (125,115) | (467,914) |
| Disposals | - | (205,210) | (7,698) | (212,908) |
| Carrying amount at end of year | 4,092,627 | 853,974 | 343,521 | 5,290,122 |

Land & Buildings – 116-124 Queensberry Street, Carlton South

The Branch has a 76.70% interest in the building together with the National Office.

The property was independently valued at \$10,080,000 on the 16th May 2016 by WBP Property Group. The Branch's 76.70% share is therefore \$7,731,360.

Land & Buildings – 265 Macquarie Street, Hobart

The property was transferred into the Union's name on 10th May 2013. The valuation used was the capital value of \$570,000 as shown on the Hobart City Council rates notice.

**AUSTRALIAN SERVICES UNION
VICTORIAN AND TASMANIAN AUTHORITIES & SERVICES BRANCH**

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

9. Other Investments

| | 2016 | 2015 |
|--|------------------|------------------|
| | \$ | \$ |
| Industry Fund Services Portfolio – At Fair Value | 2,210,091 | 2,208,746 |
| MyState Limited – At Fair Value | 1,598 | 1,869 |
| Total investment | 2,211,689 | 2,210,615 |
| <u>Movement in Fair Value – Industry Fund Services</u> | | |
| Opening Balance | 2,208,746 | 1,137,042 |
| Net (Disposals)/Additions | (109) | 1,077,813 |
| Fair value adjustment | 1,454 | (6,109) |
| Closing Balance | 2,210,091 | 2,208,746 |
| <u>Movement in Fair Value – MyState Limited</u> | | |
| Opening Balance | 1,869 | 1,796 |
| Net (Disposals)/Additions | - | - |
| Fair value adjustment | (271) | 73 |
| Closing Balance | 1,598 | 1,869 |

The equity investments are managed on behalf of the ASU – Victorian and Tasmanian Authorities & Services Branch by Industry Fund Services Limited.

10. Trade and other payables

| | 2016 | 2015 |
|---|----------------|----------------|
| | \$ | \$ |
| Trade creditors and accruals | 242,614 | 177,947 |
| GST Payable | 223,116 | 221,039 |
| Consideration to employers for payroll deductions | - | - |
| Legal Fees Payable – Litigation | - | 9,918 |
| Legal Fees Payable – Other Legal Matters | 3,640 | 13,891 |
| Subtotal trade and other payables | 469,370 | 422,795 |
| Payables to other reporting units | | |
| ASU National Office | 33,929 | 31,891 |
| ASU Victorian Private Sector Branch | 1,910 | - |
| Subtotal payables to other reporting units | 35,839 | 31,891 |
| Total trade and other payables | 505,209 | 454,686 |

**AUSTRALIAN SERVICES UNION
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

11. Provisions

| | 2016 | 2015 |
|--|------------------|------------------|
| | \$ | \$ |
| Employee provisions - Current | | |
| Office Holders: | | |
| Annual leave | 79,959 | 66,813 |
| Long service leave | 89,747 | 88,560 |
| Separations and redundancies | - | - |
| Other | - | - |
| | <u>169,706</u> | <u>155,373</u> |
| Employees other than office holders: | | |
| Annual leave | 923,858 | 753,520 |
| Long service leave | 810,910 | 728,252 |
| Separations and redundancies | - | - |
| Other | 67,777 | 67,105 |
| | <u>1,802,545</u> | <u>1,548,877</u> |
| Total employee provisions - current | <u>1,972,251</u> | <u>1,704,250</u> |
| Employee provisions – Non-Current | | |
| Office Holders: | | |
| Annual leave | - | - |
| Long service leave | - | - |
| Separations and redundancies | - | - |
| Other | - | - |
| | <u>-</u> | <u>-</u> |
| Employees other than office holders: | | |
| Annual leave | - | - |
| Long service leave | 157,491 | 129,335 |
| Separations and redundancies | - | - |
| Other | - | - |
| | <u>157,491</u> | <u>129,335</u> |
| Total employee provisions – non-current | <u>157,491</u> | <u>129,335</u> |

12. Contingent liabilities

The members of the Committee of Management are unaware of any contingent liability, the effect of which may be material in relation to the financial statements.

**AUSTRALIAN SERVICES UNION
VICTORIAN AND TASMANIAN AUTHORITIES & SERVICES BRANCH**

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

13. Cash flow information

13A: Cash flow reconciliation

| | 2016 | 2015 |
|--|------------------|------------------|
| | \$ | \$ |
| Reconciliation of surplus(deficit) to net cash from operating activities: | | |
| Surplus/(deficit) for the year | 609,778 | (368,307) |
| Adjustments for non-cash items | | |
| Depreciation | 413,617 | 467,914 |
| National Office loan forgiven | - | (100,000) |
| Loss/(Profit) on disposal of assets | 63,699 | 100,589 |
| Unrealised Loss/(Gain) on value of investments | (1,183) | 6,036 |
| Changes in assets/liabilities | | |
| (Increase)/decrease in trade and receivables | (32,011) | (4,152) |
| (Increase)/decrease in other assets | 39,314 | 7,783 |
| Increase/(decrease) in trade and other payables | 50,523 | (52,404) |
| Increase/(decrease) in employee provisions | 296,157 | 64,364 |
| Net cash from (used by) operating activities | 1,439,894 | 121,823 |

13B: Cash flow information

Cash inflows

| | | |
|---------------------------------------|----------------|----------------|
| ASU – National Office | 79,888 | 82,315 |
| ASU – Victorian Private Sector Branch | 110,712 | 113,458 |
| Total cash inflows | 190,600 | 195,773 |

Cash outflows

| | | |
|---------------------------------------|------------------|------------------|
| ASU – National Office | 1,042,237 | 1,098,429 |
| ASU – Victorian Private Sector Branch | - | - |
| Total cash outflows | 1,042,237 | 1,098,429 |

**AUSTRALIAN SERVICES UNION
VICTORIAN AND TASMANIAN AUTHORITIES & SERVICES BRANCH**

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

14. Related party disclosures

14A: Related party transactions for the reporting period

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

| | 2016 | 2015 |
|--|------------------|------------------|
| | \$ | \$ |
| <u>Revenue received includes the following:</u> | | |
| ASU National Office | | |
| Other revenue | 25,233 | 24,517 |
| Administration expenses recovered | 58,334 | 50,508 |
| | <u>83,567</u> | <u>75,025</u> |
| ASU Victorian Private Sector Branch | | |
| Other revenue | 72,599 | 70,484 |
| Administration expenses recovered | 20,164 | 23,497 |
| | <u>92,763</u> | <u>93,981</u> |
| <u>Expenses paid includes the following:</u> | | |
| ASU National Office | | |
| Industry Division Levy | 1,301 | 1,344 |
| Payroll Tax | 341,300 | 348,861 |
| Capitation Fees | 611,739 | 698,869 |
| Administration Expenses | 88,312 | 15,028 |
| | <u>1,042,652</u> | <u>1,064,102</u> |
| ASU Victorian Private Sector Branch | | |
| Administration Expenses | 1,736 | - |
| | <u>1,736</u> | <u>-</u> |
| <u>Amounts owed by -</u> | | |
| ASU Victorian Private Sector Branch | 49,831 | 67,814 |
| ASU National Office | 40,135 | 36,252 |
| | <u>89,966</u> | <u>104,066</u> |
| <u>Amounts owed to -</u> | | |
| ASU Victorian Private Sector Branch | 1,910 | - |
| ASU National Office | 33,929 | 31,891 |
| | <u>35,839</u> | <u>31,891</u> |

**AUSTRALIAN SERVICES UNION
VICTORIAN AND TASMANIAN AUTHORITIES & SERVICES BRANCH**

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

14. Related party disclosures (continued)

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2016, the ASU Victorian and Tasmanian Authorities & Services Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2015: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

14B: Key management personnel remuneration for the reporting period

| | 2016 | 2015 |
|---|----------------|------------------|
| | \$ | \$ |
| Short-term employee benefits | | |
| Salary (including annual leave taken) | 422,494 | 310,022 |
| Annual and sick leave accrued | 13,147 | (147,035) |
| Total short-term employee benefits | <u>435,641</u> | <u>162,987</u> |
| Post-employment benefits: | | |
| Superannuation | 65,042 | 56,990 |
| Total post-employment benefits | <u>65,042</u> | <u>56,990</u> |
| Other long-term benefits: | | |
| Long-service leave | 1,187 | (127,960) |
| Total other long-term benefits | <u>1,187</u> | <u>(127,960)</u> |
| Termination benefits | - | 250,091 |
| Total | <u>501,870</u> | <u>342,108</u> |

**AUSTRALIAN SERVICES UNION
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

14. Related party disclosures (continued)

14C: Transactions with key management personnel and their close family members

Brendan Parkinson

Brother of Troy Parkinson

Employed as an Organiser by Branch

Total payments made \$79,712

Matthew Parkinson

Brother of Troy Parkinson

Employed as an Organiser by Branch

Total payments made \$84,727

Brian Parkinson

Father of Troy Parkinson

Consultancy services provided to Branch

Total payments made \$7,450

Luke Cherry

Spouse of Lisa Darmanin

Employed as an Organiser by Branch

Total payments made \$107,472

**AUSTRALIAN SERVICES UNION
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

15. Financial instruments

The Union's activities expose it to the primary financial risks of market, liquidity, credit and interest rate risk. The Union's overall risk management approach is to identify the risks and implement safeguards which seek to minimise potential adverse effects on the financial performance of the Union.

Market Risk

The Union is exposed to equity securities price risk. This arises from investments held by the Union and classified on the statement of financial position either as available-for-sale or at fair value through profit or loss.

The table below summarises the impact of increases/(decreases) of the unit prices on the Union's equity. The analysis is based on the assumption that the unit prices had increased/(decreased) by 10% (2015 – 10%) with all other variables held constant and all the Union's equity instruments moved according to the historical correlation with the unit prices.

| | 2016 | 2015 |
|--------------------------------|------------------|-----------|
| | \$ | \$ |
| Effect on equity: | | |
| Increase of unit prices by 10% | 221,169 | 221,062 |
| Decrease of unit prices by 10% | (221,169) | (221,062) |

Liquidity Risk

Liquidity risk is the risk that the Union may not be able to meet its financial obligations as they fall due. The Union has both short term and long term investments which enable sufficient cash to be available to settle obligations as they fall due.

Credit Risk

Credit risk is the risk of financial loss to the Union if a member or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, receivables, deposits with banks and financial institutions and loans to branches.

There is no concentration of credit risk with respect to current receivables. The maximum exposure to credit risk for receivables at the reporting date is the carrying amount in the statement of financial position.

Cash transactions are limited to high credit quality financial institutions. Currently the investments are held in Australian banks. The Union has no significant concentrations of credit risk.

**AUSTRALIAN SERVICES UNION
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

15. Financial instruments (continued)

Credit Risk

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets. The credit quality of financial assets can be assessed by reference to external credit ratings as follows :

| | 2016 | 2015 |
|----------------------|------------------|------------------|
| | \$ | \$ |
| Cash at bank | | |
| AA- Rating | - | 487,929 |
| A1+ Rating | 513,474 | - |
| A2 Rating | 1,520,080 | 431,722 |
| A- Rating | 101,470 | - |
| | <u>2,135,024</u> | <u>919,651</u> |
| Term Deposits | | |
| AA- Rating | - | 106,335 |
| A1+ Rating | 60,580 | - |
| A2 Rating | 956,657 | 929,552 |
| | <u>1,017,237</u> | <u>1,035,887</u> |

Interest Rate Risk

Interest rate risk is the risk that a financial instrument's value and future cash flows will fluctuate as a result of changes in market interest rates. The Union's exposure to interest rate risk arises from cash at bank and term deposits.

Sensitivity analysis

As at 30 June the effect on the surplus/(deficit) as a result of changes in interest rates, with all other variables remaining constant would be as follows:

| | 2016 | 2015 |
|----------------------------------|----------|----------|
| | \$ | \$ |
| Effect on results: | | |
| Increase of interest rates by 1% | 31,522 | 19,555 |
| Decrease of interest rates by 1% | (31,522) | (19,555) |

**AUSTRALIAN SERVICES UNION
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

15. Financial instruments (continued)

Maturity profile of financial instruments

The maturity profile of financial assets and liabilities held are detailed below:

| 2016 | Weighted Average Interest Rate | Floating Interest Rate | 1 year or less | 1 to 5 years | Non Interest Bearing | Total |
|------------------------------|---|------------------------------|-------------------|-----------------|----------------------------|-----------|
| | % | \$ | \$ | \$ | \$ | \$ |
| Financial Assets | | | | | | |
| Cash on hand | | - | - | - | 2,332 | 2,332 |
| Cash at bank | 2.25 | 2,135,024 | - | - | - | 2,135,024 |
| Term Deposits | 2.77 | - | 1,017,237 | - | - | 1,017,237 |
| Other Receivables | | - | - | - | 283,807 | 283,807 |
| Investments | | 2,211,689 | - | - | - | 2,211,689 |
| | | 4,346,713 | 1,017,237 | - | 286,139 | 5,650,089 |
| Financial Liabilities | | | | | | |
| Trade & other payables | | - | - | - | 505,209 | 505,209 |
| Net Financial Assets | | 4,346,713 | 1,017,237 | - | (219,070) | 5,144,880 |

| 2015 | Weighted Average Interest Rate | Floating Interest Rate | 1 year or less | 1 to 5 years | Non Interest Bearing | Total |
|------------------------------|---|------------------------------|-------------------|-----------------|----------------------------|-----------|
| | % | \$ | \$ | \$ | \$ | \$ |
| Financial Assets | | | | | | |
| Cash on hand | | - | - | - | 2,069 | 2,069 |
| Cash at bank | 2.50 | 919,651 | - | - | - | 919,651 |
| Term Deposits | 2.81 | - | 1,035,887 | - | - | 1,035,887 |
| Other Receivables | | - | - | - | 270,021 | 270,021 |
| Investments | | 2,210,615 | - | - | - | 2,210,615 |
| | | 3,130,266 | 1,035,887 | - | 272,090 | 4,438,243 |
| Financial Liabilities | | | | | | |
| Trade & other payables | | - | - | - | 454,686 | 454,686 |
| Net Financial Assets | | 3,130,266 | 1,035,887 | - | (182,596) | 3,983,557 |

**AUSTRALIAN SERVICES UNION
VICTORIAN AND TASMANIAN AUTHORITIES & SERVICES BRANCH**

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

16. Fair value measurement

AASB 13: Fair Value Measurement requires the disclosure of fair value information according to the relevant level in the fair value hierarchy as follows:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Unobservable inputs for the asset or liability.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial assets available-for-sale is based on quoted market prices at the end of the reporting period.

The table below shows the assigned level for each asset and liability held at fair value –

| 30th June 2016 | Level 1 | Level 2 | Level 3 | Total |
|-------------------------------------|----------------|----------------|----------------|--------------|
| Assets | \$ | \$ | \$ | \$ |
| Available-for-sale financial assets | 2,211,689 | - | - | 2,211,689 |
| 30th June 2015 | Level 1 | Level 2 | Level 3 | Total |
| Assets | \$ | \$ | \$ | \$ |
| Available-for-sale financial assets | 2,210,615 | - | - | 2,210,615 |

**AUSTRALIAN SERVICES UNION
VICTORIAN AND TASMANIAN AUTHORITIES & SERVICES BRANCH**

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

17. Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or General Manager:

- (1) A member of a reporting unit, or the General Manager, 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).

18. Other Information

(i) Going Concern

The branch's ability to continue as a going concern is not reliant on financial support from another reporting unit.

(ii) Financial Support

No financial support has been provided to another reporting unit to ensure that it continues as a going concern.

(iii) Acquisition of assets and liability under specific sections:

The branch did not acquire any asset or a 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 organization;
- A determination by the General Manager under s245(1) of the RO Act;
- A revocation by the General Manager under s249(1) of the RO Act;

(iv) Acquisition of assets and liability as part of a business combination:

If assets and liabilities were acquired during the financial year as part of a business combination, the requirement of the Australian Accounting Standards will be complied with. No such acquisition has occurred during the financial year.



Eddy Partners Accountants

Eddy Partners
Accountants and Auditors
ABN 87 382 183 920

Level 8,
501 LaTrobe Street,
Melbourne, Victoria 3000.

PO Box 13105,
Law Courts,
Melbourne, Victoria 8010.

Telephone: (03) 9602 5177

Facsimile: (03) 9602 5766

Email: info@eddypartners.com.au

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF AUSTRALIAN SERVICES UNION VICTORIAN AND TASMANIAN AUTHORITIES & SERVICES BRANCH

We have audited the accompanying general purpose financial report of the Australian Services Union – Victorian and Tasmanian Authorities & Services Branch for the year ended 30th June 2016 comprising Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Cash Flow Statement, Notes to and Forming Part of the Financial Statements and Committee of Management Statement.

Committee of Management’s Responsibility for the Financial Report

The Union’s Committee of Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009 and for such internal control as the Committee determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

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

Partners:

David J. Eddy CPA
Stephen J. Eedy CPA
Suzanne J. Eddy CPA



Liability limited by a scheme approved
under Professional Standards Legislation.



EddyPartners
Accountants

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Audit Opinion

In our opinion we have concluded that management's use of the going concern basis of accounting in the preparation of the Union's financial report is appropriate.

In our opinion the financial report presents fairly, in all material respects, the financial position as at 30 June 2016 and of its financial performance and cash flows for the year then ended and is in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009.

Signed at Melbourne, this 18th day of October 2016.

Eddy Partners
8th Floor,
501 Latrobe Street
MELBOURNE, VIC, . 3000
Tel: (03) 9602 5177
Fax: (03) 9602 5766

EDDY PARTNERS,
Certified Practising Accountants.

David James Eddy, CPA
Registered Company Auditor.
Holder of a Current Public Practice Certificate

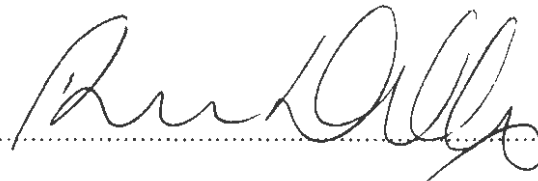
**AUSTRALIAN SERVICES UNION
VICTORIAN AND TASMANIAN AUTHORITIES & SERVICES BRANCH**

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER
FOR YEAR ENDED 30TH JUNE 2016**

I, **Richard Duffy** being the Secretary of the Australian Services Union – Victorian and Tasmanian Authorities & Services Branch certify:

- that the documents lodged herewith are copies of the full report for the Australian Services Union – Victorian and Tasmanian Authorities & Services Branch for the year ended 30th June 2016 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 25th day of October 2016; and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on 13th day of December 2016 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:



Name of prescribed designated officer:

Richard Duffy

Title of prescribed designated officer:

Branch Secretary

Dated:

15/12/2016



8 December 2016

Mr Richard Duffy
Branch Secretary
Australian Municipal, Administrative, Clerical and Services Union - Victorian and Tasmanian
Authorities and Services Branch

Sent via email: rduffy@asuvictas.com.au

Dear Mr Duffy,

Lodgement of Financial Report - Reminder to lodge

The Fair Work Commission's (the Commission) records disclose that the financial year of the Australian Municipal, Administrative, Clerical and Services Union - Victorian and Tasmanian Authorities and Services Branch (the reporting unit) ended on the 30 June 2016.

As you would be aware, the *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires that a reporting unit prepare a financial report in accordance with the RO Act, make it available to the members and then must lodge the financial report within 14 days after the general meeting of members, or if the rules of the reporting unit allow, the Committee of Management meeting (s.268).

The maximum period of time allowed under the RO Act for the full financial report to be presented to a general meeting of members or a committee of management meeting is six months after the expiry date of its financial year (s.253, s.254, s.265, s.266, s.268). The full report must be lodged with the Commission within 14 days of that meeting.

The Commission encourages your reporting unit to lodge its financial report at the earliest opportunity in order to ensure compliance with its obligations. Failure of a reporting unit to lodge its financial report is a breach of a civil penalty provision of the RO Act. This can result in the General Manager instituting an inquiry or investigation into a reporting unit's non-compliance under Chapter 11, Part 4 of the RO Act. The actions available to the General Manager following an investigation include issuing Federal Court legal proceedings for breach of a civil penalty provision. The orders available to the Federal Court include imposition of a pecuniary penalty on the organisation or individual officer, whose conduct led to the contravention, of up to \$54,000 per contravention on the organisation and up to \$10,800 per contravention on an officer whose conduct led to the contravention.

Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

We encourage you to lodge the full financial report directly to orgs@fwc.gov.au. That is the official email address for electronic lodgements of material related to registered organisations matters.

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Telephone : (03) 8661 7777
Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au

Should you seek any clarification in relation to the above, please contact me on (03) 8656 4699 or via email at Sam.Gallichio@fwc.gov.au.

Yours sincerely,



Sam Gallichio
Adviser
Regulatory Compliance Branch



15 July 2016

Mr Richard Duffy
Branch Secretary

Australian Municipal, Administrative, Clerical and Services Union - Victorian and Tasmanian Authorities and Services Branch

By email: rduffy@asuvictas.com.au

Dear Mr Duffy,

**Re: Lodgement of Financial Report - [FR2016/187]
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Australian Municipal, Administrative, Clerical and Services Union - Victorian and Tasmanian Authorities and Services Branch (the reporting unit) ended on 30 June 2016.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date under s.268 of the RO Act, that being within 14 days after the meeting referred to in s.266 of the RO Act.

Timelines

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

Fact sheets, guidance notes and model statements

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. This includes a model set of financial statements which have been developed by the FWC. 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. The model statement, Reporting Guidelines and other resources can be accessed through our website under [Financial Reporting](#) in the Compliance and Governance section.

Loans, grants and donations: our focus this year

Also you are reminded of the obligation to prepare and 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 requires this statement to be lodged with the FWC within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2016. A sample statement of loans, grants or donations is available at [sample documents](#).

Over the past year we have noted issues in organisations' financial reports relating to timelines and how loans, grants and donations are reported. We will be focusing closely on these areas this year. Please find attached below fact sheets relating to these requirements or alternatively visit our website for information regarding [financial reporting timelines](#) and [loans, grants and donations](#).

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Telephone : (03) 8661 7777
Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au

It is requested that the financial report and any Statement of Loans, Grant or Donations be lodged electronically by emailing orgs@fwc.gov.au.

Civil penalties may apply

It should be noted that s.268 is a civil penalty provision. Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

Contact

Should you wish to seek any clarification in relation to the above, email orgs@fwc.gov.au.

Yours sincerely,

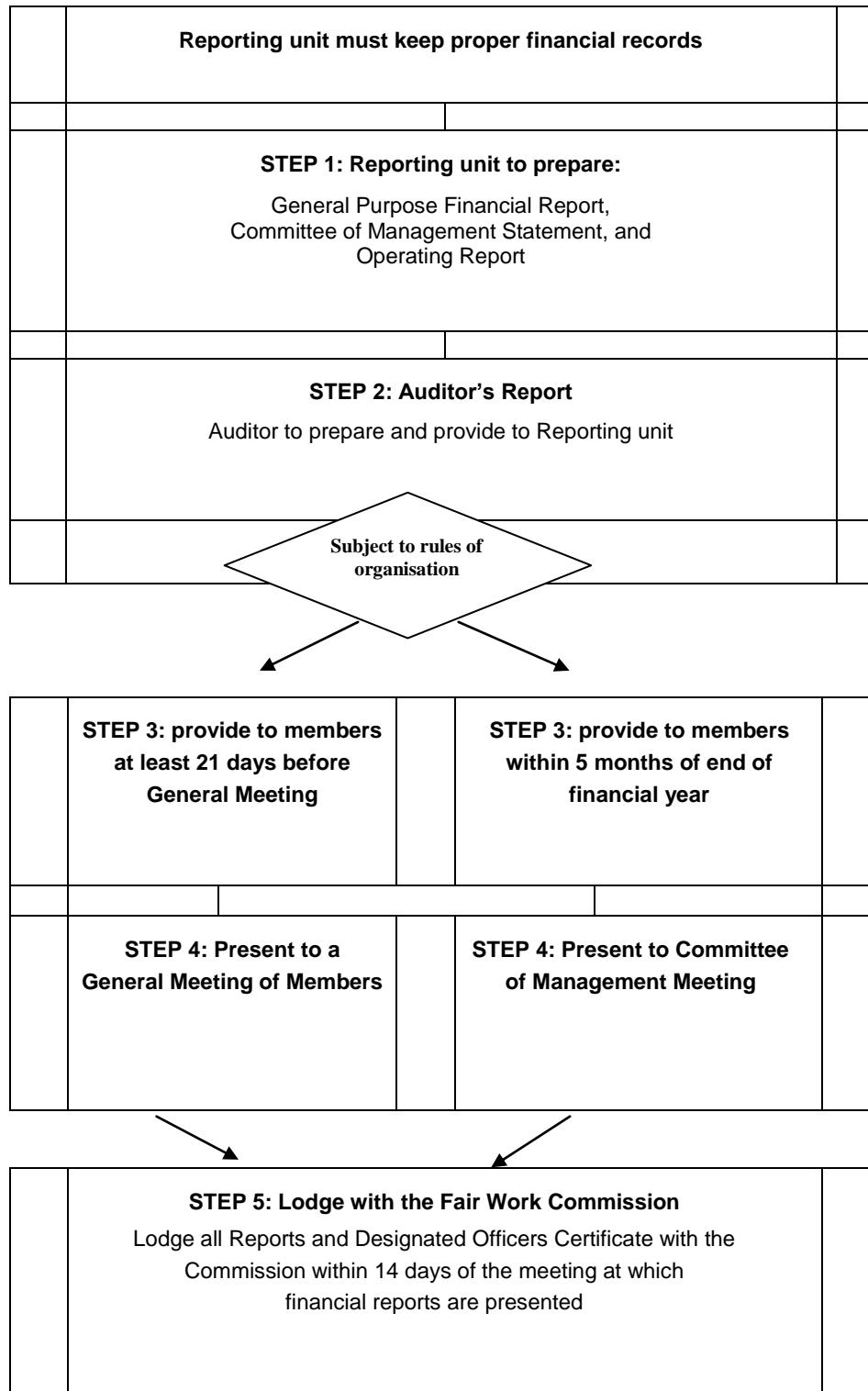


Annastasia Kyriakidis
Adviser
Regulatory Compliance Branch

Financial reporting timelines

Financial reports are to be lodged with the Fair Work Commission (the Commission) within 14 days of the meeting at which the financial reports have been presented, by completing the steps as outlined below.

See Fact sheet—Financial reporting for an explanation of each of these steps.



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 General Manager'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 exceed \$1000. The following information must be supplied to the Commission 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 Commission has a [Template Loans, Grants and Donations Statement](#) on its website. The Commission 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. |

Grants & Donations within the Financial Report

Item 16(e) of the [General Manager'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 [Commission's Model Statements](#) the note appears as follows:

Note 4E: Grants or donations*

| Grants: | 2016 | 2015 |
|--------------------------------------|----------|----------|
| 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 | - | - |

Item 17 of the General Manager'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 2016 financial report staff of the Commission will 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 2015 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 [Commission's 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 Regulatory Compliance Branch on orgs@fwc.gov.au