



6 February 2018

Ms Michelle Jackson
Secretary, Victorian and Tasmanian Authorities and Services Branch
Australian Municipal, Administrative, Clerical and Services Union

Sent via email

Dear Ms Jackson

Re: – Australian Municipal, Administrative, Clerical and Services Union, Victorian and Tasmanian Authorities and Services Branch - financial report for year ending 30 June 2017 (FR2017/136)

I refer to the financial report of the Victorian and Tasmanian Authorities and Services Branch of the Australian Municipal, Administrative, Clerical and Services Union. The documents were lodged with the Registered Organisations Commission ('the ROC') on 22 December 2017.

The financial report has been filed. You are not required to take any further action in respect of the report lodged. However I make the following comments to assist you when preparing the next report.

Operating report - Review of principal activities

Subsection 254(2)(a) of the RO Act requires an Operating Report to contain a review of the principal activities of the reporting unit, the results of those activities and any significant changes in the nature of those activities. I note that the Operating Report provides a review of the principal activities, but does not provide detail of the results of these activities or indicate whether or not there were any significant changes in the nature of these activities.

Please note that (i) the results contemplated by subsection 254(2)(a) are descriptive, and are distinct and separate from a statement of financial (e.g. Operating) results; and (ii) a statement as to whether there have been any changes to the nature of the principal activities (i.e. providing industrial, professional and managerial services to members) is in addition to subsection 254(2)(b) of the RO Act which requires an Operating Report to give details of any significant changes in the reporting unit's financial affairs during the year.

Activities under Reporting Guidelines (RG) not disclosed

RG 23 states that if any activities identified in RG 22 have not occurred in the reporting period, a statement to this effect¹ must be included in the notes to the GPFR. I note that for the following RG items no such nil activity disclosure has been made:

- 22(a) - name and balance of each fund or account for compulsory levies or voluntary contributions
- 22(b) – name and value of any assets in which monies in (a) have been invested
- 22(c) – name and balance of each fund or account (other than the general fund or a fund referred to in 22(a)) whose operation is required by the rules of the organisation or branch

¹ Or itemised nil balances as illustrated in the model financial statements (extract attached)

- 22(d) - details of any transfer or withdrawal to a fund, account or controlled entity kept for a specific purpose

Operating report – non-mandatory disclosure

The disclosures under the sub-heading “Officers & employees who are directors of a company or members of a board” appear to be disclosures reflecting a former requirement that was included in the superseded 3rd edition of the Reporting Guidelines issued in 2013. This information is not required by the current 4th edition of the Reporting Guidelines issued in 2014 nor by section 254 of the RO Act. Unless the Branch considers it relevant information, under sub-section 254(2)(e), its inclusion in the Operating report is a matter for the Branch.

Reporting Requirements

On the ROC website is a number of factsheets in relation to the financial reporting process and associated timelines. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The ROC 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](#).

Please note that new Reporting Guidelines will apply to organisations and branches with financial years commencing on or after 1 July 2017. Updates and information on the new guidelines will be provided through the ROC website and the [subscription service](#).

Yours faithfully

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Stephen Kellett
Financial Reporting
Registered Organisations Commission

From: Lisa Darmanin [<mailto:ldarmanin@asuvictas.com.au>]

Sent: Friday, 22 December 2017 1:08 PM

To: ROC - Registered Org Commission

Cc: Connie Cachia

Subject: HPRM: ON CMS FR2017 136 ASU Vic Tas Authorities Lodgement of Financial Statements for Year Ended 30th June 2017

Importance: High

To: Registered Organisations Commission

Re: Financial report for the Australian Services Union - Victorian and Tasmanian Authorities & Services Branch 2016-2017

At 12.30pm on the 22nd December 2017, the Branch Executive Committee resolved the following:

RESOLUTION:

“Branch Executive notes the audited financial report of the Australian Services Union Victorian and Tasmanian Authorities and Services Branch for the year ended 30th June 2017 has been publicised on the ASU website for a period in excess of 21 days in accordance with the requirements of the Fair Work Act. Branch Executive resolves to adopt the statements.”

The Branch Financial Report for 2016-2017 together with signed designated Officer’s Certificate is attached for lodgement.

Would you please acknowledge receipt.

Thanks and regards,

(sent on behalf of ASU Branch Secretary, Michelle Jackson)

Lisa Darmanin

Branch Executive President

Australian Services Union- Victorian & Tasmanian Authorities & Services Branch

116 Queensberry Street

Carlton South Vic 3053

e: ldarmanin@asuvictas.com.au

p: 1300 85 5570

f: 03 93423499

ASU twitter: www.twitter.com/ASUVicTas website: www.asuvictas.com.au

Australian Services Union respectfully acknowledges that our building stands on the lands of the traditional owners and continuing custodians of Melbourne, the Boon Wurrung and Woi Wurrung language groups of the greater Kulin Nation.



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17113013480.pdf



S1st Floor
17122211420.pdf

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

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER
FOR YEAR ENDED 30TH JUNE 2017**

I, **Michelle Jackson**, being the Branch 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 2017 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 30th day of November 2017; and
- That the full report was presented to a meeting of the Committee of Management of the reporting unit on 22nd day of December 2017 in accordance with s. 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer: M. Jackson

Name of prescribed designated officer: Michelle Jackson

Title of prescribed designated officer: Branch Secretary

Dated: 22nd December 2017

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

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2017**

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

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2017**

The Committee of Management presents its report on the operation of the Branch for the financial year ended 30 June 2017.

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 2017 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 2017 was a surplus of \$172,793 [2016: Surplus of \$609,778]. 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>Entity / Scheme:</u>	<u>Position:</u>	<u>Salary:</u>	<u>Super:</u>
Richard Duffy	Vision Super Pty Ltd	Vision Super	Director	\$ -	\$5,553
Wendy Phillips	Vision Super Pty Ltd	Vision Super	Director	\$58,456	\$5,553
Brian Parkinson	Vision Super Pty Ltd	Vision Super	Chair	\$116,912	\$11,106
Lisa Darmanin	HESTA Australia Pty Ltd	HESTA	Director	\$ -	\$4,274

A superannuation contribution of the amount specified by legislation of Vision Super and HESTA director's fees is paid to the officers nominated superannuation fund. For the reporting period the contribution was as appears in the table above.

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

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2017**

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	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
Michelle Jackson	VTHC Executive Council Junior Vice-President	Victorian Unions' peak organisation	Nominated by Branch
Brian Parkinson	Brian Parkinson Consulting	Consulting services	Self owned
	The Meadows Greyhound Association	Greyhound racing	Elected by members of the association

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 23,054.

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 70;

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

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2017**

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	1/7/2016 to 30/6/2017
Lisa Darmanin	Branch Executive President	1/7/2016 to 30/6/2017
Michelle Jackson	Acting Branch Executive President	26/9/2016 to 30/6/2017

Honorary Officers

Wendy Phillips	Branch President	1/7/2016 to 30/6/2017
Robyn Glascott	Branch Senior Vice President	1/7/2016 to 30/6/2017
Josephine Ackerman	Branch Vice President Women	1/7/2016 to 30/6/2017
Darcy Edgar	Branch Executive Youth	16/8/2016 to 30/6/2017

Committee Members

David Andrews	Committee Member	1/7/2016 to 30/6/2017
Ann Beck	Committee Member	1/7/2016 to 30/6/2017
Darren Cresswell	Committee Member	1/7/2016 to 30/6/2017
Kim Delahey	Committee Member	1/7/2016 to 30/6/2017
Kate Evans	Committee Member	1/7/2016 to 30/6/2017
Barry Gough	Committee Member	1/7/2016 to 30/6/2017
Raymond Lamaro	Committee Member	1/7/2016 to 30/6/2017
Piergiorgio Moro	Committee Member	1/7/2016 to 30/6/2017
Troy Parkinson	Committee Member	1/7/2016 to 30/6/2017
Maree Renden	Committee Member	1/7/2016 to 30/6/2017
Liane Simko	Committee Member	1/7/2016 to 30/6/2017
Katrina Spence	Committee Member	1/7/2016 to 30/6/2017
Dale Borthwick	Committee Member	16/8/2016 to 30/6/2017

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

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2017**

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 2017 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	Superannuation guarantee – Board Director Fees
Richard Duffy	\$ 211,179	\$ 3,410	\$ 5,553
Michelle Jackson	\$ 157,760	\$ 5,386	\$ 0


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 2017.

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 2017:

Related Party	Officer	Total of payments made
Brendan Parkinson	No	\$ 95,640
Matthew Parkinson	No	\$ 90,678
Brian Parkinson	Yes	\$ 17,867
Louise Savage	No	\$ 50,074
Luke Cherry	No	\$ 90,133
Kim Edgar	No	\$126,298

Signature of designated officer: 

Name and title of designated officer: LISA DARMANIN, BRANCH EXECUTIVE PRESIDENT

Dated: 30/11/17

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

**COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017**

On the 28th November 2017 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 2017:

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 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 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 with the exception of the following:
 - 1. On 10 November 2017 the Branch Executive resolved that the former Branch Secretary Richard Duffy is guilty of a substantial breach of Rule 20(a) of Division 9 of Part IX of the ASU Rules in relation to procurement and payment for building maintenance services and also resolved to dismiss him from office
 - (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, it has been provided to the member or Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Registered Organisations 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: LISA D'ARMONIA, BRANCH EXECUTIVE

Dated: 30/11/17 PRESIDENT

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
Revenue			
Membership subscriptions		11,649,644	11,543,146
Interest		59,792	57,141
Other revenue	3	618,802	517,348
Total revenue		12,328,238	12,117,635
Expenses			
Employee expenses	4	8,447,825	8,021,104
Capitation fees	4	635,122	611,739
Affiliation fees	4	260,777	237,226
Administration expenses	4	953,897	993,331
Grants or donations	4	17,259	13,218
Depreciation and amortisation	4	399,591	413,617
Legal costs	4	264,363	166,599
Audit fees		27,650	27,150
Motor Vehicle expenses		427,787	343,184
Travel expenses		209,320	191,364
Occupancy expenses		261,742	264,987
Communications expenses		155,299	160,639
Net losses from sale of assets		40,067	63,699
Impairment losses		54,746	-
Total expenses		12,155,445	11,507,857
Profit (loss) for the year		172,793	609,778
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss		-	-
Total comprehensive income for the year		172,793	609,778

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 2017**

	Notes	2017 \$	2016 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	3,629,945	3,154,593
Trade and other receivables	6	346,738	256,470
Other current assets	7	25,986	52,804
Total current assets		4,002,669	3,463,867
Non-Current Assets			
Trade and other receivables	6	9,112	27,337
Property, plant and equipment	8	4,956,099	5,074,048
Other investments	9	2,274,003	2,211,689
Total non-financial assets		7,239,214	7,313,074
Total assets		11,241,883	10,776,941
LIABILITIES			
Current Liabilities			
Trade and other payables	10	598,888	505,209
Provisions	11	2,149,566	1,972,251
Total current liabilities		2,748,454	2,477,460
Non-Current Liabilities			
Provisions	11	178,646	157,491
Total non-current liabilities		178,646	157,491
Total liabilities		2,927,100	2,634,951
Net assets		8,314,783	8,141,990
EQUITY			
Accumulated Funds		8,314,783	8,141,990
Total equity		8,314,783	8,141,990

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 2017**

	Retained earnings	Total equity
	\$	\$
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>
Balance as at 1 July 2016	8,141,990	8,141,990
Profit/(deficit) for the year	172,793	172,793
Balance as at 30 June 2017	<u>8,314,783</u>	<u>8,314,783</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 2017**

	Note	2017 \$	2016 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units	13B	184,607	172,375
Receipts from members		11,631,966	11,563,373
Interest		64,062	56,369
Other		490,851	303,124
Cash used			
Payments to Employees & Suppliers		(10,454,438)	(9,613,110)
Payment to other reporting units	13B	(1,021,151)	(1,042,237)
Net cash from (used by) operating activities	13A	895,897	1,439,894
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of motor vehicles, furniture and equipment		72,746	110,136
Proceeds from sale of investments		-	109
Cash used			
Purchase of motor vehicles, furniture and equipment		(394,456)	(371,378)
Purchase of investments		(117,060)	-
Net cash from (used by) investing activities		(438,770)	(261,133)
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		475,352	1,196,986
Cash & cash equivalents at the beginning of the reporting period		3,154,593	1,957,607
Cash & cash equivalents at the end of the reporting period	5	3,629,945	3,154,593

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 2017**

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 2017**

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 2017**

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 2017**

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 2017**

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 2017**

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 2017**

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

Since the end of the financial year, action has been taken by the Branch Executive against the elected Branch Secretary under Rule 35 in relation to a building services contract and the breach of union policy regarding Vision Super directors fees. As a result of this action, on 10th November 2017 the Branch Executive resolved to dismiss the elected Branch Secretary from office. Pursuant to Rule 35c the elected Branch Secretary has 28 days to appeal this decision. As at the date of this report no appeal had been lodged. No provision has been made in the financial statements for any legal or other costs which may be incurred by the Branch in relation to this matter.

Apart from the above, there were no other events that occurred after 30 June 2017, 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 2017**

3. Other Revenue

	2017	2016
	\$	\$
Rent Received	74,777	72,599
Grant Monies Received	-	-
Gain on Revaluation of Investments	-	1,183
Dividends & Distributions Received	137,687	144,442
Sundry Income	305,561	254,513
Super Board Directors Fees Received	100,777	44,611
Capitation Fees	-	-
Levies	-	-
Donations Received	-	-
Financial support from another reporting unit	-	-
	618,802	517,348

4. Expenses

Employee expenses

Holders of office:

Wages and salaries	333,690	422,494
Superannuation	53,717	65,042
Leave and other entitlements	120,445	14,334
Separation and redundancies	-	-
Other employee expenses	27,732	31,386
Subtotal employee expenses holders of office	535,584	533,256

Employees other than office holders:

Wages and salaries	6,144,721	5,573,731
Superannuation	1,079,104	1,003,817
Leave and other entitlements	78,026	281,823
Separation and redundancies	22,987	84,540
Other employee expenses	587,403	543,937
Subtotal employee expenses employees other than office holders	7,912,241	7,487,848
Total employee expenses	8,447,825	8,021,104

Capitation fees

ASU National Office	635,122	611,739
Total capitation fees	635,122	611,739

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

4. Expenses (continued)

	2017	2016
	\$	\$
Affiliation fees		
Australian Labor Party	120,770	119,935
Victorian Trades Hall Council	105,891	82,715
Ballarat Trades & Labour Council	4,600	4,600
Bendigo Trades & Labour Council	2,520	1,575
Geelong Trades & Labour Council	8,820	8,748
Gippsland Trades & Labour Council	1,545	1,455
Goulburn Valley Trades & Labour Council	1,116	1,120
North East Trades & Labour Council	2,828	2,452
South West Trades & Labour Council	-	1,500
Sunraysia Trades & Labour Council	981	1,079
Unions Tasmania	10,797	11,138
Australia Asia Worker Links	909	909
Total affiliation fees	260,777	237,226
Administration expenses		
Consideration to employers for payroll deductions	-	-
Industry Division Levy – ASU National Office	1,301	1,301
Campaign Levy – ACTU	-	68,501
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	333,430	290,268
Other	619,166	633,261
Penalties - via RO Act or RO Regulations	-	-
Total administration expenses	953,897	993,331
Donations		
Total paid that were \$1,000 or less	1,759	6,218
Total paid that exceeded \$1,000	15,500	7,000
Total donations	17,259	13,218
Grants		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total grants	-	-

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VICTORIAN AND TASMANIAN AUTHORITIES & SERVICES BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

4. Expenses (continued)

	2017	2016
	\$	\$
Depreciation		
Depreciation		
Buildings	70,615	70,615
Motor Vehicles	258,512	250,622
Furniture and Equipment	70,464	92,380
Total depreciation	<u>399,591</u>	<u>413,617</u>
Legal costs		
Litigation	173,739	116,497
Other legal matters	90,624	50,102
Total legal costs	<u>264,363</u>	<u>166,599</u>
Remuneration of auditors		
Financial statement audit services	27,000	26,500
Other services	6,150	6,150
Total remuneration of auditors	<u>33,150</u>	<u>32,650</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	842	2,332
Cash at bank	3,629,103	3,152,261
Total cash and cash equivalents	<u>3,629,945</u>	<u>3,154,593</u>

Cash at bank includes –

- Term deposit held with Members Equity Bank with an interest rate of 2.57% (2016: 3.11%)
- Term deposits held with Commonwealth Bank with an interest rate of 2.20% (2016: 2.59%)

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

6. Trade and other receivables

	2017	2016
	\$	\$
<u>Current</u>		
Receivables from other reporting units		
ASU National Office	41,544	40,135
ASU Victorian Private Sector Branch	22,494	22,494
Total receivables from other reporting units	64,038	62,629
Other receivables:		
Other trade receivables	282,700	193,841
Total other receivables	282,700	193,841
Total trade and other receivables	346,738	256,470

Non-Current

Receivables from other reporting units		
ASU Victorian Private Sector Branch	9,112	27,337
Total receivables from other reporting units	9,112	27,337

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

	2017	2016
	\$	\$
Prepayments	24,958	47,506
Interest receivable	1,028	5,298
Total other current assets	25,986	52,804

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

8. Property, Plant and Equipment

	2017	2016
	\$	\$
Land & Buildings – Queensberry Street		
At Cost	4,091,253	4,091,253
Less Accumulated Depreciation	(699,500)	(631,385)
Net Land & Buildings	<u>3,391,753</u>	<u>3,459,868</u>
Land & Buildings – Macquarie Street		
At Cost	570,000	570,000
Less Accumulated Depreciation	(10,356)	(7,856)
Net Land & Buildings	<u>559,644</u>	<u>562,144</u>
Motor Vehicles		
At Cost	1,528,978	1,440,876
Less Accumulated Depreciation	(749,560)	(650,986)
Net Motor Vehicles	<u>779,418</u>	<u>789,890</u>
Furniture & Equipment		
At Cost	1,107,094	1,098,725
Less Accumulated Depreciation	(881,810)	(836,579)
Net Furniture & Equipment	<u>225,284</u>	<u>262,146</u>
Total property, plant and equipment	<u>4,956,099</u>	<u>5,074,048</u>

Movements in Carrying Amounts

2017	Land & Buildings \$	Motor Vehicles \$	Furniture & Equipment \$	Total \$
Balance at beginning of year	4,022,012	789,890	262,146	5,074,048
Additions	-	355,419	39,037	394,456
Depreciation expense	(70,615)	(258,512)	(70,464)	(399,591)
Disposals	-	(107,379)	(5,435)	(112,814)
Carrying amount at end of year	<u>3,951,397</u>	<u>779,418</u>	<u>225,284</u>	<u>4,956,099</u>

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

8. Property, Plant and Equipment (continued)

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

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
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

9. Other Investments

	2017 \$	2016 \$
Industry Fund Services Portfolio – At Fair Value	2,272,126	2,210,091
MyState Limited – At Fair Value	1,877	1,598
Total investment	2,274,003	2,211,689

Movement in Fair Value – Industry Fund Services

Opening Balance	2,210,091	2,208,746
Net (Disposals)/Additions	117,060	(109)
Fair value adjustment	(55,025)	1,454
Closing Balance	2,272,126	2,210,091

Movement in Fair Value – MyState Limited

Opening Balance	1,598	1,869
Net (Disposals)/Additions	-	-
Fair value adjustment	279	(271)
Closing Balance	1,877	1,598

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

	2017 \$	2016 \$
Trade creditors and accruals	242,663	242,614
GST Payable	247,403	223,116
Consideration to employers for payroll deductions	-	-
Legal Fees Payable – Litigation	56,034	-
Legal Fees Payable – Other Legal Matters	9,406	3,640
Subtotal trade and other payables	555,506	469,370
Payables to other reporting units		
ASU National Office	43,382	33,929
ASU Victorian Private Sector Branch	-	1,910
Subtotal payables to other reporting units	43,382	35,839
Total trade and other payables	598,888	505,209

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

11. Provisions

	2017	2016
	\$	\$
Employee provisions - Current		
Office Holders:		
Annual leave	135,572	79,959
Long service leave	154,579	89,747
Separations and redundancies	-	-
Other	-	-
	<u>290,151</u>	<u>169,706</u>
Employees other than office holders:		
Annual leave	992,219	923,858
Long service leave	798,132	810,910
Separations and redundancies	-	-
Other	69,064	67,777
	<u>1,859,415</u>	<u>1,802,545</u>
Total employee provisions - current	<u>2,149,566</u>	<u>1,972,251</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	178,646	157,491
Separations and redundancies	-	-
Other	-	-
	<u>178,646</u>	<u>157,491</u>
Total employee provisions – non-current	<u>178,646</u>	<u>157,491</u>

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VICTORIAN AND TASMANIAN AUTHORITIES & SERVICES BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

12. Contingent Liabilities, Assets and Commitments

	2017	2016
	\$	\$

Note 12A: Commitments and Contingencies

Operating lease commitments—as lessee

12 month lease of office premises expiring 30/7/2018;

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

Within one year	7,622	7,507
After one year but not more than five years	-	7,622
More than five years	-	-
	7,622	15,129

Operating lease commitments—as lessor

5 year lease of office premises expiring 1/1/2019;

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

Within one year	77,020	74,777
After one year but not more than five years	39,665	116,685
More than five years	-	-
	116,685	191,462

Capital commitments

At 30 June 2017 the Union has no significant capital commitments.

Other contingent assets or liabilities

Since the end of the financial year, action has been taken by the Branch Executive against the elected Branch Secretary under Rule 35 in relation to a building services contract and the breach of union policy regarding Vision Super directors fees. As a result of this action, on 10th November 2017 the Branch Executive resolved to dismiss the elected Branch Secretary from office. Pursuant to Rule 35c the elected Branch Secretary has 28 days to appeal this decision. As at the date of this report no appeal had been lodged. No provision has been made in the financial statements for any legal or other costs which may be incurred by the Branch in relation to this matter.

Apart from the above, the members of the Committee of Management are unaware of any other contingent asset or liability, the effect of which may be material in relation to the financial statements.

**AUSTRALIAN SERVICES UNION
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

13. Cash flow information

13A: Cash flow reconciliation

	2017	2016
	\$	\$
Reconciliation of surplus(deficit) to net cash from operating activities:		
Surplus/(deficit) for the year	172,793	609,778
Adjustments for non-cash items		
Depreciation	399,591	413,617
Loss/(Profit) on disposal of assets	40,068	63,699
Unrealised Loss/(Gain) on value of investments	54,746	(1,183)
Changes in assets/liabilities		
(Increase)/decrease in trade and receivables	(90,268)	(32,011)
(Increase)/decrease in other assets	26,818	39,314
Increase/(decrease) in trade and other payables	93,679	50,523
Increase/(decrease) in employee provisions	198,470	296,157
Net cash from (used by) operating activities	<u>895,897</u>	<u>1,439,894</u>

13B: Cash flow Information

<u>Cash inflows</u>		
ASU – National Office	90,239	79,888
ASU – Victorian Private Sector Branch	112,593	110,712
Total cash inflows	<u>202,832</u>	<u>190,600</u>
<u>Cash outflows</u>		
ASU – National Office	1,019,104	1,042,237
ASU – NSW & ACT (Services) Branch	311	-
ASU – Victorian Private Sector Branch	1,736	-
Total cash outflows	<u>1,021,151</u>	<u>1,042,237</u>

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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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.

	2017 \$	2016 \$
<u>Revenue received includes the following:</u>		
ASU National Office		
Other revenue	32,563	25,233
Administration expenses recovered	59,010	58,334
	91,573	83,567
ASU Victorian Private Sector Branch		
Other revenue	74,777	72,599
Administration expenses recovered	19,613	20,164
	94,390	92,763
Vision Super		
Sponsorship revenue	109,091	109,091
Board Directors Fees ^	56,396	-
	165,487	109,091
HESTA Super		
Sponsorship revenue	5,000	5,000
Board Directors Fees	44,381	44,611
	49,381	49,611

^ From 1st July 2016 as per a change in Union policy the Vision Super directors fees were paid directly to the Union. A proportion of these fees were then paid to the relevant elected official as additional salary in respect to their additional duties.

Expenses paid includes the following:

ASU National Office		
Industry Division Levy	1,301	1,301
Payroll Tax	363,691	341,300
Capitation Fees	635,122	611,739
Administration Expenses	29,370	88,312
	1,029,484	1,042,652
ASU Victorian Private Sector Branch		
Administration Expenses	-	1,736
	-	1,736
ASU NSW & ACT (Services) Branch		
Administration Expenses	311	-
	311	-

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VICTORIAN AND TASMANIAN AUTHORITIES & SERVICES BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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14. Related party disclosures (continued)

14A: Related party transactions for the reporting period

	2017	2016
	\$	\$
<u>Amounts owed by -</u>		
ASU Victorian Private Sector Branch	31,606	49,831
ASU National Office	41,544	40,135
	<u>73,150</u>	<u>89,966</u>
<u>Amounts owed to -</u>		
ASU Victorian Private Sector Branch	-	1,910
ASU National Office	43,382	33,929
	<u>43,382</u>	<u>35,839</u>

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 2017, 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 (2016: \$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

	2017	2016
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	333,690	422,494
Annual and sick leave accrued	55,613	13,147
Total short-term employee benefits	<u>389,303</u>	<u>435,641</u>
Post-employment benefits:		
Superannuation	53,717	65,042
Total post-employment benefits	<u>53,717</u>	<u>65,042</u>
Other long-term benefits:		
Long-service leave	64,832	1,187
Total other long-term benefits	<u>64,832</u>	<u>1,187</u>
Termination benefits	-	-
Total	<u>507,852</u>	<u>501,870</u>

**AUSTRALIAN SERVICES UNION
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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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 \$95,640

Matthew Parkinson

Brother of Troy Parkinson

Employed as an Organiser by Branch

Total payments made \$90,678

Brian Parkinson

Father of Troy Parkinson

Consultancy services provided to Branch

Total payments made \$17,867

Louise Savage

Stepmother of Troy Parkinson

Building maintenance services provided to Branch

Total payments made \$50,074

Luke Cherry

Spouse of Lisa Darmanin

Employed as an Organiser by Branch

Total payments made \$90,133

Kim Edgar

Mother of Darcy Edgar

Employed as Communications Coordinator by Branch

Total payments made \$126,298

**AUSTRALIAN SERVICES UNION
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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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% (2016 – 10%) with all other variables held constant and all the Union's equity instruments moved according to the historical correlation with the unit prices.

	2017	2016
	\$	\$
Effect on equity:		
Increase of unit prices by 10%	227,400	221,169
Decrease of unit prices by 10%	(227,400)	(221,169)

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 2017**

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 :

	2017	2016
	\$	\$
Cash at bank		
AA- Rating	-	513,474
A- Rating	815,657	101,470
A-2 Rating	-	1,520,080
BBB+ Rating	74,030	-
BBB Rating	1,747,566	-
	<u>2,637,253</u>	<u>2,135,024</u>
Term Deposits		
AA- Rating	-	60,580
A-2 Rating	-	956,657
A- Rating	4,925	-
BBB Rating	986,925	-
	<u>991,850</u>	<u>1,017,237</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:

	2017	2016
	\$	\$
Effect on results:		
Increase of interest rates by 1%	36,291	31,522
Decrease of interest rates by 1%	(36,291)	(31,522)

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

15. Financial instruments (continued)

Maturity profile of financial instruments

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

2017	Weighted Average Interest Rate	Floating Interest Rate	1 year or less	1 to 5 years	Non Interest Bearing	Total
	%	\$	\$	\$	\$	\$
Financial Assets						
Cash on hand		-	-	-	842	842
Cash at bank	2.00	2,637,253	-	-	-	2,637,253
Term Deposits	2.56	-	991,850	-	-	991,850
Other Receivables		-	-	-	355,850	355,850
Investments		2,274,003	-	-	-	2,274,003
		4,911,256	991,850	-	356,692	6,259,798
Financial Liabilities						
Trade & other payables		-	-	-	598,888	598,888
Net Financial Assets		4,911,256	991,850	-	(242,196)	5,660,910

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

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

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 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Available-for-sale financial assets	2,274,003	-	-	2,274,003
30th June 2016	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Available-for-sale financial assets	2,211,689	-	-	2,211,689

**AUSTRALIAN SERVICES UNION
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FOR THE YEAR ENDED 30 JUNE 2017**

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 87 387 183 920
Level 8,
501 LaTrobe Street,
Melbourne, Victoria 3000.
PO Box 13105,
Law Courts,
Melbourne, Victoria 8010.
Telephone: (03) 9602 5177
Facsimile: (03) 9602 5766
e-mail: info@eddypartners.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN SERVICES UNION VICTORIAN AND TASMANIAN AUTHORITIES & SERVICES BRANCH

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian Services Union – Victorian and Tasmanian Authorities & Services Branch, which comprises the statement of financial position as at 30th June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30th June 2017, 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:

- a) presents fairly, in all material aspects, the financial position of Australian Services Union – Victorian and Tasmanian Authorities & Services Branch as at 30th June 2017, and its financial performance and its cash flows for the year ended on that date; and:
- b) complies with the Australian Accounting Standards; and
- c) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

We declare that the Committee of Management's use of the going concern basis in the preparation of the financial statements of the Union is appropriate.

Partners:
David J. Eddy CPA
Stephen J. Eddy CPA
Suzanne J. Eddy CPA





EddyPartners
Accountants

Eddy Partners
Accountants and Auditors
ABN 87 382 183 920
Level 8,
551 LaTrobe Street,
Melbourne, Victoria 3000
PO Box 13105,
Law Courts,
Melbourne, Victoria 8010.
Telephone: (03) 9602 5177
Facsimile: (03) 9602 5766
e-mail: info@eddypartners.com.au

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
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(Continued)**

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

Independence

We are independent of the Union 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.

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.

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

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





EddyPartners
Accountants

Eddy Partners
Accountants and Auditors
ABN 87 382 183 970

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

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

Telephone: (03) 9602 5177
Facsimile: (03) 9602 5766

e-mail: info@eddypartners.com.au

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
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(Continued)**

Information Other than the Financial Report and Auditor's Report 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 that fact. We have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Union is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009, 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 Union'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 Union or to cease operations, or have no realistic alternative but to do so.

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





Eddy Partners
Accountants

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ABN 87 382 183 920
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
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(Continued)**

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, 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 Union'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.

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David J. Eddy CPA
Stephanie J. Eddy CPA
Suzanne J. Eddy CPA





EddyPartners Accountants

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN SERVICES UNION VICTORIAN AND TASMANIAN AUTHORITIES & SERVICES BRANCH (Continued)

Auditor's Responsibilities for the Audit of the Financial Report (continued)

- 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 Union'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 Union 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 Union to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Union audit. We remain solely responsible for our audit opinion.

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501 LaTrobe Street,
Melbourne, Victoria 3000,
PO Box 13105,
Law Courts,
Melbourne, Victoria 3010
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Facsimile: (03) 9602 5766
e-mail: info@eddypartners.com.au

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
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(Continued)**

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.

EDDY PARTNERS ACCOUNTANTS & AUDITORS

DJ Eddy

David James Eddy, CPA – Partner

Approved auditor (AA2017/89)

Member of CPA Australia

Holder of current Public Practice Certificate

Melbourne

Date: *30th November 2017*

Partners:
David J. Eddy CPA
Stephen J. Eddy CPA
Suzanne J. Eddy CPA

