



3 March 2020

Lisa Darmanin
Secretary, Victorian and Tasmanian Authorities and Services Branch
Australian Municipal, Administrative, Clerical and Services Union

Dear Secretary

Re: – Australian Municipal, Administrative, Clerical and Services Union – Victorian and Tasmanian Authorities and Services Branch - financial report for year ending 30 June 2019 (FR2019/226)

I refer to the financial report of the Victorian and Tasmanian Authorities and Services Branch. The documents were lodged with the Registered Organisations Commission (**ROC**) on 18 December 2019.

The financial report has been filed. The financial report was filed based on a primary review. This involved confirming whether 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 2020 may be subject to an advanced compliance review.

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

Reports must be provided to members within 5 months of end of financial year where report is presented to committee of management meeting

The designated officer's certificate states that the full report was provided to members on 3 December 2019. Under section 265(5)(b) of the RO Act, where the report is presented to a committee of management meeting, the report must be provided to members within 5 months of the end of the financial year, which, in the Branch's case, is ordinarily 30 November.¹

I have noted your covering letter dated 18 December 2019. If in future years it is anticipated that the Branch will not be able to provide the report within the prescribed period, a written request for an extension of time, signed by a relevant officer, including any reason for the delay, must be made *prior to* the expiry of the 5 months.

Difference in figure reporting in LGD statement and financial report

I have received advice that (a) the figure for donations disclosed in the loans, grants and donations statement lodged with the ROC under subsection 237(1) on 26 September 2019 was incorrect and that (b) the figure for the total of donations paid that exceeded \$1,000 disclosed at note 5(e) on page 20 of the report should have been included in the total of donations paid that were \$1,000 or less.

For the avoidance of doubt, a donation of exactly \$1,000 should be reported in the total of donations paid that were \$1,000 or less, and should not be included in a statement of loans, grants and donations.

¹ unless subsection 36(2) of the *Acts Interpretation Act 1901* applies
GPO Box 2983, Melbourne VIC 3001
Telephone: 1300 341 665 | Email: regorgs@roc.gov.au
Website: www.roc.gov.au

The 2019 comparative figures for donations paid that were \$1,000 or less and for donations paid that exceeded \$1,000 should be corrected in the 2020 report.

Please lodge an amended statement of loans, grants and donations showing nil donations so that the ROC records show the correct information.

Reporting Requirements

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

If you have any questions about the above or the reporting requirements, please do not hesitate to contact me by email at stephen.kellett@roc.gov.au.

Yours faithfully



Stephen Kellett
Financial Reporting
Registered Organisations Commission



18 December 2019

Responsible Officer
Registered Organisations Commission

By email: regorgs@roc.gov.au

Dear Registered Organisations Commission

Re: FR2019/226 - Financial statements for financial year ended 30 June 2019

I refer to the financial statements of the Australian Municipal, Administrative, Clerical and Services Union, Victorian and Tasmanian Authorities and Services Branch (the Branch) for the year ended 30 June 2019, and related processes.

As noted in the designated officer certificate, the financial statements were presented to the committee of management (the 'second meeting'), and the financial statements were provided to members on 3 December 2019. Our understanding is that 2 December 2019 was the last day the financial statements could be provided to members to be compliant with section 265(5)(b) of the *Fair Work (Registered Organisations) Act 2009* (given the end of November fell on a weekend and 2 December 2019 was the next working day).

The Branch's Finance Manager, Ms Liz Kelly, took preliminary steps prior to the end of November, towards the Branch seeking the Commissioner exercise his discretion to grant the Branch an extension of time. ROC staff provided assistance to facilitate the Branch making an application for an extension. The Branch did not however make an application for an extension.

The Branch was under the mistaken belief that its auditors would provide its signed report on 2 December 2019. Although signoff on the report occurred that day, the documents were not provided to the Branch by the auditors until 3 December 2019, at which point they were provided to members without further delay. I provide this for context, not to make excuses.

The Branch takes compliance with its reporting requirements seriously, and I have directed the Branch's Legal & Governance Manager, Mr Scott Shepherd, to review the Branch's internal processes with a view to identifying ways in which we can improve.

I am instructed that when this issue came to Mr Shepherd's attention on 3 December 2019, he contacted the ROC's Financial Reporting Specialist, Ms Joanne Fenwick, to discuss the matter. The discussion included steps the Branch could take to ensure such issues do not arise in the future. I understand that Ms Fenwick noted the Branch can request that she can attend the Branch, including a meeting of the committee of management, to answer any questions the committee members may have. The Branch will be making such a request next calendar year. In the new year I will also be looking into formal training opportunities for relevant staff.

If you have any queries or require further information please contact Mr Shepherd by email at sshepherd@asuvictas.com.au or by phone on (03) 9342 3402.

Yours sincerely



Lisa Darmanin
Branch Secretary

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

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

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the year ended 30 June 2019

I, Lisa Darmanin, being the Branch Secretary of the Australian Municipal, Administrative, Clerical and Services Union, Victorian and Tasmanian Authorities and Services Branch, certify:

- that the documents lodged herewith are copies of the full report for the Australian Municipal, Administrative, Clerical and Services Union, Victorian and Tasmanian Authorities and Services Branch for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the Australian Municipal, Administrative, Clerical and Services Union, Victorian and Tasmanian Authorities and Services Branch on 3 December 2019; and
- that the full report was presented to a meeting of the committee of management of the Australian Municipal, Administrative, Clerical and Services Union, Victorian and Tasmanian Authorities and Services Branch on 16 December 2019 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:



Name of prescribed designated officer:

Lisa Darmanin

Title of prescribed designated officer:

Branch Secretary

Dated:

18 December 2019



ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

Financial Statements

For the Year Ended 30 June 2019

ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

Contents

For the Year Ended 30 June 2019

	Page
Financial Statements	
Operating Report	1
Expenditure Report Required Under Subsection 255(2A)	5
Statement of Profit or Loss and Other Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Statement by the Committee of Management	35
Independent Audit Report	36

ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

Operating Report

For the Year Ended 30 June 2019

The Committee of Management presents its operating report on the Reporting Unit for the year ended 30 June 2019.

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

The principal activities of the Branch during the financial year ended 30 June 2018 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. There was no significant change in the nature of those activities during the year.

The Branch's activities resulted in member's interests being advanced across numerous forums including in their workplaces and in various legal and political forums.

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

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/Schem e</u>	<u>Position</u>
Lisa Darmanin	Vision Super Pty Ltd	Vision Super	Director 1/7/2018 -26/7/2018 Deputy Chair 26/7/2018- 30/6/2019
Wendy Phillips	Vision Super Pty Ltd	Vision Super	Deputy Chair 1/7/2018- 31/7/2018
Diane Smith	Vision Super Pty Ltd	Vision Super	Director 31/8/2018-30/6/2019

ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

Operating Report

For the Year Ended 30 June 2019

<u>Officer/ Employee</u>	<u>Trustee Company</u>	<u>Entity/Schem e</u>	<u>Position</u>
Peter Gebert	Vision Super Pty Ltd	Vision Super	Director 1/8/2018 -30/6/2019

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 s.230 of the Fair Work (Registered Organisations) Act 2009 and who are taken to be members of the Branch under s.244 of the Fair Work (Registered Organisations) Act 2009 was 23,789 (2018: 23,707)

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 67 (2018: 67).

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:

<u>Name</u>	<u>Position</u>	<u>Period</u>
<u>Full time Officers</u>		
Lisa Darmanin	Branch Secretary	1/7/2018 to 30/6/2018
Raymond (Billy) King	Branch Executive President	1/7/2018 to 30/6/2018
Michelle Jackson	Deputy Secretary	23/5/2019 to 30/6/2019
Melissa Wainwright	Assistant Secretary	23/5/2019 to 30/6/2019
Leon Wiegard	Assistant Secretary	23/5/2019 to 30/6/2019

ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

Operating Report For the Year Ended 30 June 2019

<u>Name</u>	<u>Position</u>	<u>Period</u>
<u>Honorary Officers</u>		
Wendy Phillips	Branch President	1/7/2018 to 23/5/2019
Wendy Phillips	Vice President Women	23/5/2019 to 30/6/2019
Barry Gough	Branch President	23/5/2019 to 30/6/2019
Robyn Glascott	Branch Senior Vice President	1/7/2018 to 23/5/2019
Jan Wrigley	Branch Senior Vice President	23/5/2019 to 30/6/2019
Josephine Ackerman	Branch Vice President Women	1/7/2018 to 23/5/2019
Darcy Edgar	Branch Executive Youth	1/7/2018 to 23/5/2019
Bianca Long	Branch Executive Youth	23/5/2019 to 30/6/2019
<u>Committee Members</u>		
Ann Beck	Committee Member	1/7/2018 to 23/5/2019
Dale Borthwick	Committee Member	1/7/2018 to 30/6/2019
Darren Cresswell	Committee Member	1/7/2018 to 23/5/2019
Kim Delahey	Committee Member	1/7/2018 to 23/5/2019
Barry Gough	Committee Member	1/7/2018 to 23/5/2019
Piergiorgio Moro	Committee Member	1/7/2018 to 30/6/2019
Troy Parkinson	Committee Member	1/7/2018 to 23/5/2019
Maree Renden	Committee Member	1/7/2018 to 30/6/2019
Liane Simko	Committee Member	1/7/2018 to 23/5/2019
Jan Wrigley	Committee Member	1/7/2018 to 23/5/2019
Thomas Hillebrand	Committee Member	1/7/2018 to 30/6/2019

ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

Operating Report

For the Year Ended 30 June 2019

<u>Name</u>	<u>Position</u>	<u>Period</u>
Leonie Grant	Committee Member	1/7/2018 to 23/5/2019
Diane Smith	Committee Member	1/7/2018 to 30/6/2019
Andrew Bayes	Committee Member	1/7/2018 to 30/6/2019
Brad Pierce	Committee Member	23/5/2019 to 30/6/2019
Kristy Meikle	Committee Member	23/5/2019 to 30/6/2019
Gary Browne	Committee Member	23/5/2019 to 30/6/2019
Simon Davis	Committee Member	23/5/2019 to 30/6/2019
Susan Bratby	Committee Member	23/5/2019 to 30/6/2019
Dawn Stuart	Committee Member	23/5/2019 to 30/6/2019
Libby Jamieson	Committee Member	23/5/2019 to 30/6/2019
Penny Flynn	Committee Member	23/5/2019 to 30/6/2019

Signature of designated officer: 

Name and title of designated officer: LISA DARMANIN, BRANCH SECRETARY

Dated: 2/12/19

ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

Expenditure Report Required under Subsection 255(2A) For the Year Ended 30 June 2019

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2019.

Categories of expenditure	2019 \$	2018 \$
Remuneration and other employment-related costs and expenses - employees	8,772,920	8,738,908
Advertising	103,001	34,372
Operating costs	2,828,511	2,676,102
Donations to political parties	1,000	595
Legal costs	325,603	407,886

Branch Secretary



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Lisa Darmanin

Dated:

2/12/19

ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2019

		2019	2018
	Note	\$	\$
Member subscriptions		11,755,791	11,680,025
interest source UD1		79,090	69,552
Other revenue	4	552,727	850,682
Total Revenue		12,387,608	12,600,259
Employee benefits expense	5(a)	(8,772,920)	(8,738,908)
Capitation fees	5(b)	(602,962)	(612,081)
Affiliation fees	5(c)	(295,098)	(254,834)
Operational expenses	5(d)	(1,082,205)	(857,124)
Donations	5(e)	(3,050)	(11,686)
Depreciation	5(g)	(376,365)	(373,480)
Legal fees	5(h)	(325,603)	(407,886)
Communications expenses		(148,112)	(164,404)
Travel expenses		(121,955)	(146,187)
Motor vehicle expenses		(408,604)	(426,648)
Occupancy expenses		(292,153)	(249,185)
Loss on fixed asset disposal		(7,729)	(15,885)
Doubtful debt expense		-	(132,274)
Total Expenses		(12,436,756)	(12,390,582)
Surplus/(Deficit) for the year		(49,148)	209,677
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(49,148)	209,677

The accompanying notes form part of these financial statements.

ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

Statement of Financial Position

As at 30 June 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	3,625,773	3,842,611
Trade and other receivables	7	160,388	177,681
Other current assets	8	283,241	53,536
TOTAL CURRENT ASSETS		<u>4,069,402</u>	<u>4,073,828</u>
NON-CURRENT ASSETS			
Other financial assets	10	2,280,029	2,514,749
Property, plant and equipment	9	4,687,241	4,843,798
TOTAL NON-CURRENT ASSETS		<u>6,967,270</u>	<u>7,358,547</u>
TOTAL ASSETS		<u>11,036,672</u>	<u>11,432,375</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	542,867	756,933
Short-term provisions	12(a)	1,986,874	2,040,836
TOTAL CURRENT LIABILITIES		<u>2,529,741</u>	<u>2,797,769</u>
NON-CURRENT LIABILITIES			
Long-term provisions	12(b)	31,619	110,146
TOTAL NON-CURRENT LIABILITIES		<u>31,619</u>	<u>110,146</u>
TOTAL LIABILITIES		<u>2,561,360</u>	<u>2,907,915</u>
NET ASSETS		<u>8,475,312</u>	<u>8,524,460</u>
EQUITY			
Reserves		-	276,446
Retained earnings		8,475,312	8,248,014
TOTAL EQUITY		<u>8,475,312</u>	<u>8,524,460</u>

The accompanying notes form part of these financial statements.

ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

Statement of Changes in Equity

For the Year Ended 30 June 2019

2019

	Retained earnings	Grants reserve	Total
	\$	\$	\$
Balance at 1 July 2018	8,248,014	276,446	8,524,460
Deficit for the year	(49,148)	-	(49,148)
Transfers to retained earnings from grants reserves	276,446	(276,446)	-
Balance at 30 June 2019	8,475,312	-	8,475,312

2018

	Retained earnings	Grants reserve	Total
	\$	\$	\$
Balance at 1 July 2017	8,314,783	-	8,314,783
Surplus for the year	209,677	-	209,677
Transfers from retained earnings to grants reserve	(276,446)	276,446	-
Balance at 30 June 2018	8,248,014	276,446	8,524,460

The accompanying notes form part of these financial statements.

ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

Statement of Cash Flows For the Year Ended 30 June 2019

	2019	2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from members and other customers	13,289,063	13,563,012
Receipts from other reporting units	208,482	243,359
Interest received	84,822	58,906
Investment distribution received	101,297	177,518
Payments to employees & suppliers	(12,476,494)	(12,338,546)
Payments to other reporting units	(1,458,094)	(976,362)
Net cash provided by/(used in) operating activities	14 <u>(250,924)</u>	<u>727,887</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	125,828	71,818
Purchase of plant and equipment	(352,776)	(348,881)
Purchase of investments	(116,467)	(237,958)
Proceeds from sale of investments	377,501	-
Net cash provided by/(used in) investing activities	<u>34,086</u>	<u>(515,021)</u>
Net increase/(decrease) in cash and cash equivalents held	(216,838)	212,866
Cash and cash equivalents at beginning of year	3,842,611	3,629,745
Cash and cash equivalents at end of financial year	6 <u>3,625,773</u>	<u>3,842,611</u>

The accompanying notes form part of these financial statements.

ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

Notes to the Financial Statements

For the Year Ended 30 June 2019

1 Basis of Preparation

General purpose

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 basis of accounting, except for certain assets and liabilities at 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. The financial statements are presented in Australian dollars.

Except where otherwise stated, the accounting policies in the preparation of this financial report are consistent with those of the previous financial year. The financial statements were authorised for issue on the same date the statement by the Committee of Management was signed.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

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

Revenue from membership subscription fee 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 transactions will flow to the entity.

Grant and sponsorship revenue is recognised in the statement of profit or loss when the reporting unit obtains control of the grant or sponsorship, it is probable that the economic benefits gained from the grant or sponsorship will flow to the reporting unit and the amount of the grant or sponsorship can be measured reliably. If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

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

Rental revenue from operating leases is recognised on a straight line basis over the term of the lease.

Trust distribution income is recognised when the right to receive the distribution has been established.

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

ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Gain and losses

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

(b) Employee benefits

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

Liabilities for short-term employee benefits (as defined in AASB 119 Employee Benefits) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

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

Provision is made for separation and redundancy benefit payments. The reporting unit recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

(c) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(d) 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 statement of financial position.

(e) Financial instruments

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The reporting unit's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the reporting unit] commits to purchase or sell the asset.

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

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets at amortised cost

The reporting unit measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The reporting unit's financial assets at amortised cost includes trade receivables and term deposits.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

De-recognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The reporting unit has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - (a) the reporting unit has transferred substantially all the risks and rewards of the asset, or
 - (b) the reporting unit has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(e) Financial instruments

When the reporting unit has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the reporting unit continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment of financial assets - Trade receivables

For trade receivables that do not have a significant financing component, the reporting unit applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the reporting unit does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The reporting unit has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(f) Impairment of non-financial assets

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

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

ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(g) Property, plant and equipment

Cost model

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Land and buildings

Land and buildings are measured using the cost model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the reporting unit, commencing when the asset is ready for use.

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

Fixed asset class	Depreciation rate
Buildings	2.5%
Furniture and Equipment	7.5% - 40%
Motor Vehicles	25%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

De-recognition

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

(h) Contingent assets and liabilities

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

ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(i) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(j) Adoption of new and revised accounting standards

(i) Adoption of new Australian Accounting Standards requirements

The reporting unit has adopted all standards which became effective for the first time at 30 June 2019. The adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the reporting unit.

(ii) Future Australian Accounting Standards Requirements

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the reporting unit. The reporting unit has decided not to early adopt any of the new and amended pronouncements. The reporting unit's assessment of the new and amended pronouncements that are relevant to the reporting unit but applicable in future reporting periods is set out below:

AASB 15: Revenue from Contracts with Customers

(applicable for annual reporting periods commencing on or after 1 January 2019)

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(j) Adoption of new and revised accounting standards

(ii) Future Australian Accounting Standards Requirements

The committee of management anticipate that the adoption of AASB 15 will not have a significant impact on the reporting unit's financial statements.

AASB 16: Leases

(applicable for annual reporting periods commencing on or after 1 January 2019)

AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments.

A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying AASB 107 Statement of Cash Flows.

Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease.

Although the committee of management anticipate that the adoption of AASB 16 may have an impact on the reporting unit's financial statements, it is anticipated that the effect will be insignificant to the financial statements as a whole.

3 Significant Accounting Estimates and Judgments

The committee of management make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

The significant estimates and judgements made have been described below.

The preparation of financial statements require the reporting unit 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.

ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

Notes to the Financial Statements

For the Year Ended 30 June 2019

3 Significant Accounting Estimates and Judgments

Key estimates - Impairment of property, plant and equipment

The reporting unit assesses impairment at the end of each reporting year by evaluating conditions specific to the reporting unit that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key judgement - Useful lives of property, plant and equipment

Property, plant and equipment are depreciated over their useful life and the depreciation rates are assessed when the assets are acquired or when there is a significant change that affects the remaining useful life of the asset.

Key judgement- Provisions for impairment of receivables

The value of the provision for impairment of receivables is estimated by considering debtors historical credit loss experience, adjusted for forward-looking factors specific to the debtors and economic environment.

ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

Notes to the Financial Statements

For the Year Ended 30 June 2019

4 Other Revenue

	2019	2018
	\$	\$
Other Revenue		
- Rental income from ASU Victorian Private Sector Branch	79,113	77,020
- Rental income from other non-reporting units	20,930	2,528
- Government grants	159,945	350,000
- Sponsorship income	14,637	174,091
- Net movement in fair value in financial assets	26,314	2,788
- Sundry income	68,981	74,324
- Investment income	101,297	85,660
- Dividend received	589	-
- Super board director fees received	80,921	84,271
- Capitation fees	-	-
- Levies	-	-
- Donations received	-	-
- Financial support from other reporting units	-	-
- Revenue derived from undertaking recovery of wages activity	-	-
	<u>552,727</u>	<u>850,682</u>

5 Expenses

(a) Employee benefits

Office holders

Wages & Salaries	299,544	356,697
Superannuation contributions	44,223	48,338
Leave entitlements	80,609	43,181
Separation and redundancies	-	-
Other employee expenses	20,652	23,347

Subtotal employee expenses - Holders of Office

	<u>445,028</u>	<u>471,563</u>
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Employees (including contract staff) other than office holders

Wages and salaries	5,214,796	5,069,185
Superannuation contributions	801,537	781,747
Leave entitlements	1,623,236	1,466,591
Separation and redundancies	301,852	540,516
Other employee expenses	386,471	409,306

Subtotal employee expense - employees other than office holders

	<u>8,327,892</u>	<u>8,267,345</u>
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Total employee benefits

	<u>8,772,920</u>	<u>8,738,908</u>
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ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

Notes to the Financial Statements

For the Year Ended 30 June 2019

5 Expenses

(b) Capitation fees

	2019	2018
	\$	\$
ASU National Office	602,962	612,081
Total capitation fees	602,962	612,081

(c) Affiliation fees

Victorian Trades Hall Council	139,929	108,436
Regional Trades & Labour Councils	22,025	21,915
Australian Labor Party	133,144	124,483
Total affiliation fees	295,098	254,834

(d) Operating expenses

Consideration to employers for payroll deductions	636	676
Industry Division Levy - ASU National Office (i)	1,301	1,301
ACTU campaign contribution	66,020	66,020
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	257,566	251,975
Administration expenses	756,682	537,152
Penalties - via RO Act or RO Regulations	-	-
Total operating expenses	1,082,205	857,124

(i) Industry division levy is a contribution to ASU National Airlines Industry Division. The levy is paid to ASU National Office, who administers the fund.

(ii) ACTU campaign contribution is paid via ASU National Office.

(e) Donations

Total paid that were \$1,000 or less	1,050	3,086
Total paid that exceeded \$1,000	2,000	8,600
Total donations	3,050	11,686

ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

Notes to the Financial Statements

For the Year Ended 30 June 2019

5 Expenses

(f) Grants

	2019	2018
	\$	\$
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total grants	-	-

(g) Depreciation

Motor Vehicles	226,644	247,980
Buildings	104,782	70,615
Furniture and equipment	44,939	54,885
Total depreciation	376,365	373,480

(h) Legal costs

Litigation	234,730	200,733
Other legal matters	90,873	207,153
Total legal costs	325,603	407,886

(i) Remuneration of auditors

Financial statement audit services	22,300	21,500
Other services	17,200	9,500
Total remuneration of auditors	39,500	31,000

6 Cash and Cash Equivalents

Cash on hand	879	856
Bank balances	1,162,108	1,440,087
Short-term deposits	2,462,786	2,401,668
Total cash and cash equivalents	3,625,773	3,842,611

ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

Notes to the Financial Statements

For the Year Ended 30 June 2019

7 Trade and Other Receivables	2019	2018
	\$	\$
CURRENT		
Receivables from other reporting units		
ASU National Office	83,237	41,241
ASU Victorian Private Sector Branch	-	11,339
	<u>83,237</u>	<u>52,580</u>
Other receivables		
Other trade receivables	89,526	257,376
	<u>89,526</u>	<u>257,376</u>
Less provision for doubtful debt		
Non-reporting units	(12,375)	(132,275)
	<u>(12,375)</u>	<u>(132,275)</u>
Total current trade and other receivables	<u><u>160,388</u></u>	<u><u>177,681</u></u>

The carrying amounts of all current trade and other receivables are equal to their fair values as they are short term receivables (less than 30 days) and non-interest bearing.

8 Other Assets		
CURRENT		
Prepayments	277,101	41,663
Interest receivable	5,940	11,673
Rental bond	200	200
Total other assets	<u><u>283,241</u></u>	<u><u>53,536</u></u>

ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

Notes to the Financial Statements

For the Year Ended 30 June 2019

9 Property, plant and equipment

Land & Buildings - Queensberry Street

At cost	3,817,105	3,817,105
Building improvement	274,148	274,148
Accumulated depreciation	(869,903)	(767,615)
Total land and buildings - Queensberry Street	<u>3,221,350</u>	<u>3,323,638</u>

Land & Buildings - Macquarie Street

At cost	570,000	570,000
Accumulated depreciation	(15,350)	(12,856)
Total land and buildings - Macquarie Street	<u>554,650</u>	<u>557,144</u>

Furniture, fixtures and fittings

At cost	1,176,656	1,155,558
Accumulated depreciation	(1,011,748)	(965,450)
Total furniture, fixtures and fittings	<u>164,908</u>	<u>190,108</u>

Motor vehicles

At cost	1,548,572	1,588,050
Accumulated depreciation	(802,239)	(815,142)
Total motor vehicles	<u>746,333</u>	<u>772,908</u>

Total property, plant and equipment

	<u>4,687,241</u>	<u>4,843,798</u>
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ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

Notes to the Financial Statements

For the Year Ended 30 June 2019

9 Property, plant and equipment

Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land & Buildings \$	Furniture and Equipment \$	Motor Vehicles \$	Total \$
Year ended 30 June 2019				
Balance at the beginning of year	3,880,782	190,108	772,908	4,843,798
Additions	-	19,739	331,679	351,418
Disposals	-	-	(131,610)	(131,610)
Depreciation expense	(104,782)	(44,939)	(226,644)	(376,365)
Balance at the end of the year	3,776,000	164,908	746,333	4,687,241

	Land & Buildings \$	Furniture and Equipment \$	Motor Vehicles \$	Total \$
Year ended 30 June 2018				
Balance at the beginning of year	3,951,397	225,285	779,418	4,956,100
Additions	-	19,708	329,173	348,881
Disposals	-	-	(87,703)	(87,703)
Depreciation expense	(70,615)	(54,885)	(247,980)	(373,480)
Balance at the end of the year	3,880,782	190,108	772,908	4,843,798

Land & Buildings - 116 124 Queensberry Street, Carlton South

Office premises at 116-124 Queensberry Street Carlton is partly-owned by the reporting unit with National Office having a 23.3% share and Victorian and Tasmanian Authorities & Services Branch having a 76.7%. With reference to note 1(g), the property is stated in the accounts at historical cost less accumulated depreciation. The indicative fair value of the property based on 16 May 2016 independent valuation by WBP Property Group based on continuation of existing use basis is \$10,080,000 (76.7% = \$7,731,360).

Land & Building - 265 Macquarie Street, Hobart

The property was transferred into the reporting unit's name on 10th May 2013. The indicative fair value of the property based 8 June 2017 independent valuation by Preston Rowe Paterson is \$800,000.

ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

Notes to the Financial Statements

For the Year Ended 30 June 2019

10 Financial Assets

	2019	2018
	\$	\$
Managed fund - Industry Fund Services	2,278,152	2,512,872
Listed shares - MyState Limited	1,877	1,877
Total investment	2,280,029	2,514,749

The reporting unit measures the financial assets at fair value on a recurring basis. Level 1 input is used where fair value is based on unadjusted quoted prices in active markets for identical assets that the reporting unit can access at the measurement date.

11 Trade and Other Payables

Current		
Trade payables and accruals	248,675	219,470
GST payable	270,095	247,173
Consideration to employers for payroll deductions	31	37
Legal fee payable - Litigation	7,405	24,102
Legal fee payable - Other legal matters	10,557	14,009
Subtotal trade and other payables	536,763	504,791
Payable to other reporting units		
ASU National Office	6,104	252,142
Subtotal payables to other reporting units	6,104	252,142
	542,867	756,933

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

Notes to the Financial Statements

For the Year Ended 30 June 2019

12 Provisions

(a) Employee provisions - Current

	2019	2018
	\$	\$
Office holders		
Annual leave	55,177	41,551
Long service leave	149,867	108,810
Separations and redundancies	-	-
Other	-	-
	<u>205,044</u>	<u>150,361</u>
Employees other than office holders		
Annual leave	915,051	988,327
Long service leave	866,779	902,148
Separations and redundancies	-	-
Other	-	-
	<u>1,781,830</u>	<u>1,890,475</u>
Total employee provisions - Current	<u><u>1,986,874</u></u>	<u><u>2,040,836</u></u>

(b) 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	31,619	110,146
Separations and redundancies	-	-
Other	-	-
	<u>31,619</u>	<u>110,146</u>
Total employee provisions - non-current	<u><u>31,619</u></u>	<u><u>110,146</u></u>

ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

Notes to the Financial Statements

For the Year Ended 30 June 2019

12 Provisions

The liability for employee entitlements represents the amount accrued for annual leave and long service leave. The current portion represents entitlements that have vested due to employees having completed the required period of service whilst the non-current portion represents those entitlements that have not yet vested.

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

13 Capital and Leasing Commitments

(a) Operating Lease commitments - as lessee

	2019	2018
	\$	\$
Minimum lease payments under non-cancellable operating leases:	-	-
- not later than one year	2,777	-
- between one year and five years	11,965	-
	<u>14,742</u>	<u>-</u>

4 years lease of the Geelong Trades Hall office expiring 1 July 2023.

(b) Operating Lease commitments - as lessor

- no later than one year	98,316	39,665
- between one year and five years	477,019	-
	<u>575,335</u>	<u>39,665</u>

5 years lease of office premise expiring 1 January 2022.

(c) Capital commitments

At 30 June 2019 the reporting unit has no significant capital commitments.

ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

Notes to the Financial Statements

For the Year Ended 30 June 2019

14 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2019	2018
	\$	\$
Surplus/(Deficit) for the year	(49,148)	209,677
Non-cash flows in result:		
- depreciation	376,365	373,480
- net gain on disposal of property, plant and equipment	7,140	15,885
- impairment of receivables	-	132,275
- fair value movements on investments	(26,314)	(2,788)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	17,293	35,248
- (increase)/decrease in other assets	(229,705)	(16,705)
- increase/(decrease) in trade and other payables	(214,066)	158,045
- increase/(decrease) in employee benefits	(132,489)	(177,230)
Cashflows from operations	<u>(250,924)</u>	<u>727,887</u>

(b) Cash flow information

Cash inflows

ASU - National office	99,645	111,812
ASU - Victorian Private Sector Branch	108,837	131,547
Total cash inflows	<u>208,482</u>	<u>243,359</u>

Cash outflows

ASU - National Office	1,457,297	976,362
ASU - SA & NT Branch	797	-
Total cash outflows	<u>1,458,094</u>	<u>976,362</u>

ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

Notes to the Financial Statements

For the Year Ended 30 June 2019

15 Related Parties

(a) Related party transactions for the reporting period

	2019	2018
	\$	\$
Revenue received includes the following:		
ASU National Office		
Office and administration expenses recovered	95,202	99,903
ASU Victorian Private Sector Branch		
Office rental	79,113	77,020
Office and administration expenses recovered	29,506	23,464
	<u>108,619</u>	<u>100,484</u>
Vision Super		
Sponsorship revenue	-	109,000
Board Directors fees	80,921	44,107
	<u>80,921</u>	<u>153,107</u>
HESTA Super		
Sponsorship revenue	6,818	6,591
Board Directors fees	-	10,165
	<u>6,818</u>	<u>16,756</u>
Expenses paid include the following:		
ASU National Office		
Industry division levy	1,301	1,301
Payroll tax	411,602	374,690
Capitation fees	602,962	635,122
Administration expenses	56,774	57,362
ACTU campaign contribution	66,020	66,020
	<u>1,138,659</u>	<u>1,134,495</u>
ASU SA & NT Branch		
Administration expense	797	-
	<u>797</u>	<u>-</u>

ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

Notes to the Financial Statements

For the Year Ended 30 June 2019

15 Related Parties

(a) Related party transactions for the reporting period

Terms and conditions of transactions with related parties:

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 2018, ASU Victorian and Tasmanian Authorities & Services Branch has a provision for doubtful debt of \$109,000 plus GST for Vision Super sponsorship revenue as this receivable is in dispute. In the 2019 year, this amount has been deemed uncollectible and therefore have been written off.

Except for the above, ASU Victorian and Tasmanian Authorities & Services Branch has not recorded any other impairment of receivables relating to amounts owed by related parties and declared person or body. 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.

(b) Key management personnel remuneration for the reporting period

	2019	2018
	\$	\$
Short-term employee benefits	380,153	386,795
Post-employment benefits	44,223	48,338
Other long-term benefits	-	13,083
Termination benefits	-	-
Total key-management personnel remuneration	424,376	448,216

ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

Notes to the Financial Statements

For the Year Ended 30 June 2019

15 Related Parties

(c) Transactions with key management personnel and their close family members

1. Close family members of key management personnel employed by the reporting unit

The reporting unit has employed close family members of the reporting unit's key management personnel. Total salaries and wages paid to these employees during the year was \$399,141 (2018: 462,193).

Key management personnel with close family members employed by the reporting units are as follow:

- Troy Parkinson - Brendan Parkinson;
- Lisa Darmanin - Luke Cherry;
- Darcy Edgar - Kim Edgar; and
- Billy King - Brittany King.

2. Transactions with entities owned by key management personnel's close family members

The reporting unit has transacted with the following entities owned by key management personnel's close family members:

- **Advance People Property Management Solutions**
Owned by Louise Savage, close family member of Troy Parkinson
Provided building maintenance services to the reporting unit
Total payments made \$nil (2018: \$3,667)

ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

Notes to the Financial Statements

For the Year Ended 30 June 2019

16 Financial Risk Management

The reporting unit's activities expose it to the primary financial risks of market, liquidity, credit and interest rate risk. The reporting unit'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 reporting unit.

(a) Market risk

The reporting unit is exposed to market risk through its use of financial instruments and specifically to interest rate risk, which result from both its operating and investing activities.

(b) Liquidity risk

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

(c) Credit risk

Credit risk is the risk of financial loss to the reporting unit 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 reporting unit has no significant concentrations of credit risk.

(d) 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 reporting unit'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

	2019	2018
	\$	\$
Effect on results		
Increase of interest rate by 1%	59,049	63,565
Decrease of interest rate by 1%	(59,049)	(63,565)

ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

Notes to the Financial Statements

For the Year Ended 30 June 2019

17 Reserves

Grants Reserve

Grants reserve records unspent grant money that were set aside for the purpose of the grant. Grant is recognised as revenue when the reporting unit obtains control of the grant or the right to receive the grant. As such, recognition of revenue may not be in accordance with the timing of expenditure.

18 Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or Commissioner

(1) A member of a reporting unit, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

(3) A reporting unit must comply with an application made under subsection (1).

19 Other Information

Going Concern

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

Financial Support

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

Acquisition of assets and liability under specific sections

The reporting unit 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 in which the organisation (of which the reporting unit form part) was the amalgamated organisation; or
- A restructure of the branches of the organisation;
- A determination by the General manager under s245(1) of the RO Act of an alternative reporting structure for the organisation; or
- A revocation by the General Manager under s249(1) of the RO Act of a certificate issued to an organisation under subsection 245(1).

ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

Notes to the Financial Statements

For the Year Ended 30 June 2019

19 Other Information

Other Disclosure Requirements

Other than the disclosures made in this financial report, no activity occurred during the year (nor in the previous year) in relation to the following specific items required to be disclosed under the Reporting Guidelines issues under s.253 of the *Fair Work (Registered Organisations) Act 2009*;

- Receivables nor payables from another reporting unit;
- Administration of financial affairs by another entity;
- Acquisition of assets and liabilities as part of a business combination;
- Acquisition of assets and liabilities under specific sections;
- Having a fund or account for compulsory levies, voluntary contributions or required by the rules of the company; and
- Making a payment to a former related party of the reporting unit.
- Transferring to or withdrawing from a fund (other than the grants reserves), account, asset or controlled entity.

20 Contingent liabilities

The Committee of Management are unaware of any other contingent asset or liabilities, the effect of which may be material in relation to the financial statements.

21 Events Occurring After the Reporting Date

The financial report was authorised for issue on the same date the declaration is made in accordance with a resolution of the Committee of management.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the reporting unit, the results of those operations, or the state of affairs of the reporting unit in future financial years.

22 Statutory Information

The registered office and principal place of business of the reporting unit is:

ASU Victorian and Tasmanian Authorities & Services Branch
116-124 Queensberry Street
Carlton South
Victoria

ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

Statement by the Committee of Management

On the 2/12/19 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 (GPFR) for the year ended 30 June 2019:

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 GPFR relates and since the end of that year:
 - i. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a Branch concerned;
 - 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;
 - iii. the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009;
 - iv. the financial records of the Branches considered as reporting units under the organisation have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation.
 - v. where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner;
 - vi. where any order of inspection of the financial records has been made by the Fair Work Commission under Section 273 of the RO Act, there has been compliance

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

Branch Secretary 

Lisa Darmanin

Dated

2/12/19

ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

Independent Audit Report to the members of ASU Victorian and Tasmanian Authorities & Services Branch

Audit Report

We have audited the financial report of ASU Victorian and Tasmanian Authorities & Services Branch (reporting unit), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, subsection 255(2A) report and the statement by the committee of management.

In our opinion:

- (a) the general purpose financial report of Australian Services Union Victorian and Tasmanian Authorities & Services Branch presents fairly, in all material respects, the financial position as at 30 June 2019, and of its financial performance and its cash flows for the year then ended and is in accordance with:
 - (i) Australian Accounting Standards; and
 - (ii) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act).
- (b) the management's use of the going concern basis of accounting in the preparation of the reporting unit's financial report is appropriate.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibility* section of our report. We are independent of the reporting unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

Independent Audit Report to the members of ASU Victorian and Tasmanian Authorities & Services Branch

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.

In connection with my 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.

Committee of Management's Responsibility for the Financial Report

The committee of management of the reporting unit is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009, and for such internal control as the committee of management determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

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

ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

Independent Audit Report to the members of ASU Victorian and Tasmanian Authorities & Services Branch

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 reporting unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee of managements.
- Conclude on the appropriateness of the committee of managements' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the reporting unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the reporting unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

Independent Audit Report to the members of ASU Victorian and Tasmanian Authorities & Services Branch

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We declare that Peter Shields is a registered auditor under the RO Act.

Saward Dawson

Saward Dawson

Peter Shields

Peter Shields
Partner
Registration Number: A2017/112
Blackburn VIC

Dated this2..... day ofDecember.....2019