

**FINANCE SECTOR UNION OF AUSTRALIA  
AND CONTROLLED ENTITY**

**FULL FINANCIAL REPORT**

**30 JUNE 2018**

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**FINANCE SECTOR UNION OF AUSTRALIA  
AND CONTROLLED ENTITY**

**STATEMENT OF THE NATIONAL EXECUTIVE**

On 23 November 2018, the National Executive (Committee of Management) of the Finance Sector Union of Australia passed the following resolution in relation to the general purpose financial report (GPFR) of the union for the financial year ended June 30, 2018:

The National Executive declares in relation to the GPFR 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 union for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the union will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - (i) meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (ii) the financial affairs of the union have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (iii) the financial records of the union have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009; and
  - (iv) no requests for information have been received from a member of the union or the General Manager under section 272 of the Fair Work (Registered Organisations) Act 2009 during the period; and
  - (v) no orders have been made by the Fair Work Commission under section 273 of the Fair Work (Registered Organisations) Act 2009 during the period.

Signed on behalf of the National Executive



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**J. TRAN**  
NATIONAL PRESIDENT



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**J. ANGRISANO**  
NATIONAL SECRETARY

Signed at Sydney this 23rd day of November, 2018

**FINANCE SECTOR UNION OF AUSTRALIA  
AND CONTROLLED ENTITY**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2018**

|  | Note | 2018<br>\$          | 2017<br>\$          |
|--|------|---------------------|---------------------|
| Income   | 2    | 17,737,326          | 18,429,577          |
| Expenses   | 2    |                     |                     |
| Employee benefits  |      | (12,489,810)        | (12,567,392)        |
| Officer benefits   |      | (1,204,965)         | (1,157,455)         |
| Building & equipment expenses                              |      | (1,715,720)         | (1,672,706)         |
| Industrial & campaign expenses                             |      | (427,065)           | (239,055)           |
| Depreciation and amortisation                              |      | (547,836)           | (633,928)           |
| Affiliations & levies                                      |      | (641,444)           | (650,521)           |
| Office expenses  |      | (1,618,506)         | (1,491,404)         |
| Other expenses   |      | (588,800)           | (599,380)           |
|  |      | <u>(19,234,146)</u> | <u>(19,011,841)</u> |
| <b>NET DEFICIT</b>   |      | <u>(1,496,820)</u>  | <u>(582,264)</u>    |
| Other Income   |      |                     |                     |
| Net gain/(loss) on disposal of non-current physical asset  |      | (101,798)           | 14,330              |
| <b>NET DEFICIT FOR THE YEAR</b>                            |      | <u>(1,598,618)</u>  | <u>(567,934)</u>    |
| Other Comprehensive Income                                 |      |                     |                     |
| Gain/(Loss) on listed shares held for long term investment |      | (34,786)            | 60,055              |
| Loss on revaluation of land and building                   | 5    | (87,563)            | (31,148)            |
| <b>TOTAL COMPREHENSIVE DEFICIT FOR THE YEAR</b>            |      | <u>(1,720,967)</u>  | <u>(539,027)</u>    |

*The accompanying notes form part of these financial statements*

**FINANCE SECTOR UNION OF AUSTRALIA  
AND CONTROLLED ENTITY**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2018**

|   | Note   | 2018<br>\$        | 2017<br>\$        |
|---|--------|-------------------|-------------------|
| <b>TOTAL ACCUMULATED FUNDS</b>                        |        | <u>46,407,738</u> | <u>48,128,705</u> |
| represented by:                                       |        |                   |                   |
| <b>CURRENT ASSETS</b>                                 |        |                   |                   |
| Cash and cash equivalents                             | 13 (a) | 1,127,561         | 650,089           |
| Financial assets at fair value through profit or loss | 4      | 5,879,827         | 6,247,478         |
| Trade and other receivables                           | 3      | 423,863           | 453,056           |
| Other current assets                                  |        | <u>322,597</u>    | <u>472,064</u>    |
| <b>TOTAL CURRENT ASSETS</b>                           |        | <u>7,753,848</u>  | <u>7,822,687</u>  |
| <b>NON CURRENT ASSETS</b>                             |        |                   |                   |
| Trade and other receivables                           | 3      | 40,324            | 50,986            |
| Financial assets at fair value through profit or loss | 4      | 27,855,835        | 28,972,303        |
| Available for sale financial assets                   | 4      | 541,622           | 576,408           |
| Property, plant and equipment                         | 5      | <u>14,947,120</u> | <u>15,458,808</u> |
| <b>TOTAL NON CURRENT ASSETS</b>                       |        | <u>43,384,901</u> | <u>45,058,505</u> |
| <b>TOTAL ASSETS</b>                                   |        | <u>51,138,749</u> | <u>52,881,192</u> |
| <b>CURRENT LIABILITIES</b>                            |        |                   |                   |
| Trade and other payables                              | 6      | 1,384,898         | 1,319,778         |
| Provision - employee entitlements                     | 10     | <u>2,500,147</u>  | <u>2,511,404</u>  |
| <b>TOTAL CURRENT LIABILITIES</b>                      |        | <u>3,885,045</u>  | <u>3,831,182</u>  |
| <b>NON CURRENT LIABILITIES</b>                        |        |                   |                   |
| Provision - employee entitlements                     | 10     | <u>845,966</u>    | <u>921,305</u>    |
| <b>TOTAL NON CURRENT LIABILITIES</b>                  |        | <u>845,966</u>    | <u>921,305</u>    |
| <b>TOTAL LIABILITIES</b>                              |        | <u>4,731,011</u>  | <u>4,752,487</u>  |
| <b>NET ASSETS</b>                                     |        | <u>46,407,738</u> | <u>48,128,705</u> |

*The accompanying notes form part of these financial statements*

**FINANCE SECTOR UNION OF AUSTRALIA  
AND CONTROLLED ENTITY**

**STATEMENT OF CHANGES IN EQUITY  
AS AT 30 JUNE 2018**

|   | General<br>fund   | Asset<br>revaluation<br>reserve | Fair<br>value<br>reserve | Total<br>accumulated<br>funds |
|---|-------------------|---------------------------------|--------------------------|-------------------------------|
|   | \$                | \$                              | \$                       | \$                            |
| <b>Balance as at 1 July 2016</b>                    | 34,705,540        | 13,863,772                      | 98,420                   | 48,667,732                    |
| Transfer to General Fund                            | 2,430,105         | (2,430,105)                     | -                        | -                             |
| Deficit for the year                                | (567,934)         | -                               | -                        | (567,934)                     |
| Gain on listed shares held for long term investment | -                 | -                               | 60,055                   | 60,055                        |
| Loss on revaluation of land and building            | -                 | (31,148)                        | -                        | (31,148)                      |
| <b>Balance as at 30 June 2017</b>                   | <u>36,567,711</u> | <u>11,402,519</u>               | 158,475                  | <u>48,128,705</u>             |
| Deficit for the year                                | (1,598,618)       | -                               | -                        | (1,598,618)                   |
| Loss on listed shares held for long term investment | -                 | -                               | (34,786)                 | (34,786)                      |
| Loss on revaluation of land and building            | -                 | (87,563)                        | -                        | (87,563)                      |
| <b>Balance as at 30 June 2018</b>                   | <u>34,969,093</u> | <u>11,314,956</u>               | 123,689                  | <u>46,407,738</u>             |

*The accompanying notes form part of these financial statements*

**FINANCE SECTOR UNION OF AUSTRALIA  
AND CONTROLLED ENTITY**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2018**

|   | Note   | 2018<br>\$         | 2017<br>\$         |
|---|--------|--------------------|--------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>       |        |                    |                    |
| Receipts from members                             |        | 16,329,456         | 16,481,198         |
| Interest received                                 |        | 177,898            | 149,514            |
| Rent received                                     |        | 633,219            | 539,553            |
| Other receipts                                    |        | 264,624            | 358,961            |
| Payments to suppliers and employees               |        | (20,105,654)       | (20,660,516)       |
| <b>CASH FLOW USED IN OPERATING ACTIVITIES</b>     | 13 (b) | <b>(2,700,457)</b> | <b>(3,131,290)</b> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>       |        |                    |                    |
| Net amelioration fund loans repaid                |        | 35,787             | 53,846             |
| Purchase of property, plant and equipment         |        | (318,059)          | (188,237)          |
| Proceeds from the sale of fixed assets            |        | 92,550             | 122,134            |
| Redemption of Term Deposits                       |        | 367,651            | 101,919            |
| Redemption of Managed Fund                        |        | 3,000,000          | 3,000,000          |
| <b>CASH FLOW PROVIDED BY INVESTING ACTIVITIES</b> |        | <b>3,177,929</b>   | <b>3,089,662</b>   |
| <b>NET CASH USED</b>                              |        | <b>477,472</b>     | <b>(41,628)</b>    |
| <b>CASH AT THE BEGINNING OF THE YEAR</b>          |        | <b>650,089</b>     | <b>691,717</b>     |
| <b>CASH AT THE END OF THE FINANCIAL YEAR</b>      | 13 (a) | <b>1,127,561</b>   | <b>650,089</b>     |

*The accompanying notes form part of these financial statements*

**FINANCE SECTOR UNION OF AUSTRALIA  
AND CONTROLLED ENTITY**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

This financial report is a general-purpose report that has been prepared in accordance with the Fair Work (Registered Organisations) Act 2009, applicable Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period. These financial statements also comply with International Financial Reporting standards as issued by the International Accounting Standards Board. For the purposes of preparing the general purpose financial statements, the union is a not-for-profit entity.

The financial report has been prepared on an accruals basis and on the basis of historical costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets. Cost is based on fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated. The financial statements are presented in Australian dollars.

The following is a summary of the material accounting policies adopted by the union in the preparation and presentation of the financial report:

*(a) Revenue*

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

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

*(b) Principles of Consolidation*

The consolidated accounts comprise the accounts of the Finance Sector Union of Australia (FSUA) and of its controlled entity. A controlled entity is any entity controlled by the FSUA. Control exists where the FSUA has the capacity to dominate the decision making in relation to the financial and operating policies of another entity so as that other entity operates with the FSUA to achieve the objectives of the FSUA. Details of the controlled entity are contained in note 9 to the financial statements.

All inter-entity balances and transactions between the economic entity, including any unrealised profits or losses, have been eliminated on consolidation.

*(c) Income Tax*

No provision for income tax is necessary, as "Trade Unions" are exempt from income tax under Section 50 – 15 of the Income Tax Assessment Act 1997.

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables and payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

**FINANCE SECTOR UNION OF AUSTRALIA  
AND CONTROLLED ENTITY**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

*(d) Property*

Property is brought to account at fair value less any accumulated depreciation or amortisation. The carrying amount of property is reviewed annually by the National Executive to ensure that it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Freehold land and buildings are revalued every three years. Freehold land and buildings in NSW and WA were revalued as at June 2016 and as at June 2017 respectively.

Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation increment of the same class of assets that was previously recognised in the profit or loss. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class of assets. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

*(e) 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 the carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell 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 union were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

*(f) Available-for-sale properties*

Property expected to be sold within 12 months of the end of the financial year is classified as Available for Sale Property.

*(g) Plant & Equipment*

Plant and equipment is brought to account at cost less any accumulated depreciation.

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated over their useful lives to the economic entity commencing from the date the asset is installed ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

All items of property, plant and equipment other than freehold land are depreciated using the straight line method at the following rates:

|                   |             |                   |           |
|-------------------|-------------|-------------------|-----------|
| Buildings         | 2.5% - 3.3% | Computers         | 33%       |
| Motor vehicles    | 15%         | Furniture         | 10% - 20% |
| Plant & equipment | 13%         | Building Fittings | 20%       |



**FINANCE SECTOR UNION OF AUSTRALIA  
AND CONTROLLED ENTITY**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(h) *Leases*

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to entities within the economic entity are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are amortised over their useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

(i) *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 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.

(j) *Financial assets*

*Financial assets at fair value through profit or loss:*

This category comprises of investments in:

- i. Term deposits held by banking institutions with more than 90 days until maturity, as at reporting date. Term deposits with more than one year until maturity, as at reporting date, are included in non current assets.
- ii. Managed funds that are held by fund managers on behalf of the Union for trading to make a profit. They are recorded in the Statement of Financial Position at market value and any gains or losses are recorded through the Statement of Comprehensive Income. Managed funds are included in non current assets as it is the intention of management to maintain this portfolio of investments for the longer term.
- iii. Investments in Unlisted Unit Trusts where no active market exists are shown at recoverable amount. Recoverable amount is assessed as cost less any provision for diminution in value caused by a shortfall in net assets of the investment entity. Any gains or losses are recorded through the Statement of Comprehensive Income.

*Available for sale financial assets:*

This category comprises of shares in listed companies. They are non-derivatives and are included in non current assets as it is the intention of management to hold these shares as a strategic investment for the longer term. The shares are disclosed at their fair value at year end in accordance with quoted market pricing provided by the Australian Stock Exchange and any gains and losses arising from changes in the fair value are recorded directly to equity and disclosed in the Statement of Changes in Equity and recorded through the Statement of Comprehensive Income.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period, which will be classified as current assets.

**FINANCE SECTOR UNION OF AUSTRALIA  
AND CONTROLLED ENTITY**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

*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.

(k) *Financial Liabilities*

Financial liabilities are classified as other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

*Other financial liabilities*

Other financial liabilities, comprising 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.

(l) *Employee entitlements*

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Provision is made for the liability for employee entitlements arising from services rendered by employees to reporting date. 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 employee entitlements payable after one year, have been measured at the present value of the estimated future outflows to be made for those entitlements using the corporate bonds rate. Contributions made by the economic entity to employee superannuation funds are charged as expenses when incurred.

(m) *Cash*

For the purposes of the statement of cash flows, cash includes cash on hand, at call deposits with financial institutions net of bank overdrafts and term deposits held by banking institutions, with 90 days or less until maturity as at reporting date.

(n) *Comparative figures*

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

(o) *Fair Value Measurement*

The consolidated entity measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 14.

**FINANCE SECTOR UNION OF AUSTRALIA  
AND CONTROLLED ENTITY**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- *In the principal market for the asset or liability, or*
- *In the absence of a principal market, in the most advantageous market for the asset or liability*

The principal or the most advantageous market must be accessible by the consolidated entity. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The consolidated entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- *Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities*
- *Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable*
- *Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable*

For assets and liabilities that are recognised in the financial statements on a recurring basis, the consolidated entity determines whether transfers have occurred between level in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the consolidated entity has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

*(p) Critical Accounting Estimates and Judgements*

Estimates and judgements made by the Committee of Management for incorporation into the financial statements are based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Union.

*Key Estimates*

*i. Impairment*

The Union assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the Union that may be indicative of impairment triggers. There have been no impairment triggers identified to impact on the Union at 30 June 2018.

**FINANCE SECTOR UNION OF AUSTRALIA  
AND CONTROLLED ENTITY**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**NOTE 1: STATEMENT OF ACCOUNTING POLICIES (CONTINUED)**

*Key Judgements*

i. *Provision for impairment of receivables*

The collectability of UCF loans was assessed at year end and a provision has been made for impairment of doubtful loans.

ii. *Provision for employee entitlements*

The provision for LSL is measured as the present value of the estimated future cash flows to be made by the union in respect of services provided by employees up to the reporting date.

(q) *Current and non-current classification*

Assets and liabilities are presented in the Statement of Financial Position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

(r) *New Australian Accounting Standards*

*Adoption of New Australian Accounting Standard Requirements*

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

*Future Australian Accounting Standards Requirements*

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 the Union include:

| Reference | Title  | Summary  | Application date of standard | Impact on financial report   | Application date for Company |
|-----------|--|--|------------------------------|--|------------------------------|
| AASB 9    | Financial Instruments (December 2010) and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) | These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.<br>The key changes made to accounting requirements that may impact the company are:<br>- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value; and<br>- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. | 1 January 2018               | This standard is not expected to significantly impact the Union's financial statements | 1 July 2018                  |

**FINANCE SECTOR UNION OF AUSTRALIA  
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**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

| Reference | Title                                 | Summary   | Application date of standard | Impact on financial report   | Application date for Company |
|-----------|---------------------------------------|---|------------------------------|--|------------------------------|
| AASB 16   | Leases                                | 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.   | 1 January 2019               | The directors have not determined the impact of AASB 16 on the Union's financial statements. | 1 July 2019                  |
| AASB 15   | Revenue from contracts with customers | AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including AASB 118 Revenue and other revenue standards.<br><br>AASB 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The core principle of AASB 15 is that an entity should 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 those goods or services.<br><br>The standard will have little, if any, effect on the amount and timing of revenue recognised for most straightforward contracts. However, there is likely to be changes to the amount or timing of revenue recognition where contracts extend over time, have variable considerations or have multiple elements. | 1 January 2018               | This standard is not expected to significantly impact the Union's financial statements       | 1 July 2018                  |

NOTE 2: NET DEFICIT

|   | 2018                     | 2017                     |
|---|--------------------------|--------------------------|
|   | \$                       | \$                       |
| Net deficit has been determined after:                      |                          |                          |
| <i>(a) Crediting as income</i>                              |                          |                          |
| Membership subscriptions                                    | 14,886,759               | 15,068,461               |
| Interest  | 169,030                  | 191,716                  |
| Dividend income   | 33,228                   | 32,836                   |
| Increase in market value of managed funds                   | 1,883,532                | 2,366,437                |
| Rental revenue - properties                                 | 558,551                  | 504,993                  |
| Net loss on sale of financial assets                        | -                        | -                        |
| Other income  | 206,226                  | 265,134                  |
| Capitation fees received                                    | -                        | -                        |
| Levies received   | -                        | -                        |
| Grants / donations received                                 | -                        | -                        |
| Other financial support                                     | -                        | -                        |
| Income  | <u>17,737,326</u>        | <u>18,429,577</u>        |
| Net (loss) / gain on disposal of non-current physical asset | <u>(101,798)</u>         | <u>14,330</u>            |
| Other Income  | <u>(101,798)</u>         | <u>14,330</u>            |
| Total Income  | <u><u>17,635,528</u></u> | <u><u>18,443,907</u></u> |

**FINANCE SECTOR UNION OF AUSTRALIA  
AND CONTROLLED ENTITY**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 2: NET DEFICIT (CONTINUED)

|  | 2018       | 2017       |
|--|------------|------------|
|  | \$         | \$         |
| <i>(b) Charging as an expense</i>          |            |            |
| Employee benefits:                         |            |            |
| Employee salaries                          | 9,081,328  | 8,864,660  |
| Employee superannuation contributions      | 1,618,964  | 1,670,221  |
| Employee redundancy & termination payments | 48,662     | 125,352    |
| Employee leave entitlements                | 306,112    | 486,047    |
| Employee other expenses                    | 1,434,744  | 1,421,112  |
| Total employee benefits                    | 12,489,810 | 12,567,392 |
| Officer benefits:                          |            |            |
| Officer salaries                           | 837,075    | 784,541    |
| Officer allowances                         | 51,137     | 52,500     |
| Officer superannuation contributions       | 137,167    | 114,064    |
| Officer redundancy & termination payments  | -          | -          |
| Officer leave entitlements                 | 34,641     | 37,040     |
| Officer other expenses                     | 144,945    | 169,310    |
| Total officer benefits                     | 1,204,965  | 1,157,455  |
| Building and equipment expenses:           |            |            |
| Office rent                                | 997,808    | 962,359    |
| Cleaning                                   | 86,846     | 107,252    |
| Utilities                                  | 115,598    | 107,132    |
| Building maintenance                       | 37,983     | 43,370     |
| Rates & taxes                              | 136,927    | 130,963    |
| Strata levies                              | 332,661    | 311,107    |
| Other office and building expenses         | 7,897      | 10,523     |
| Total building & equipment expenses        | 1,715,720  | 1,672,706  |
| Industrial & campaign expenses:            |            |            |
| Travel and accommodation                   | 82,991     | 95,649     |
| Campaigns and projects                     |            |            |
| - Donations in excess of \$1,000           | -          | -          |
| - Donations \$1,000 or less                | -          | -          |
| - Other campaign and project expenses      | 128,840    | 52,916     |
| Member publications                        | 59,763     | 45,620     |
| Education and training (members)           | 7,106      | 14,480     |
| Legal fees:                                |            |            |
| - Litigation                               | 11,302     | 9,283      |
| - Other legal matters                      | 110,962    | 2,955      |
| Other expenses                             | 26,101     | 18,152     |
| Total industrial & campaign expenses       | 427,065    | 239,055    |

**FINANCE SECTOR UNION OF AUSTRALIA  
AND CONTROLLED ENTITY**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 2: NET DEFICIT (CONTINUED)

|  | 2018    | 2017    |
|--|---------|---------|
|  | \$      | \$      |
| Depreciation expenses:                       |         |         |
| Land & Building                              | 342,688 | 346,477 |
| Furniture, Fittings & Equipment              | 63,967  | 137,352 |
| Motor Vehicles                               | 141,181 | 150,099 |
| Total depreciation expenses                  | 547,836 | 633,928 |
| <br>Affiliations & levies:                   |         |         |
| <br>Affiliations:                            |         |         |
| - UNI Global Union                           | 97,458  | 101,226 |
| - Australian Council of Trade Unions         | 200,328 | 208,746 |
| - Unions NSW                                 | 44,586  | 46,778  |
| - Unions ACT                                 | 1,445   | 1,047   |
| - Victorian Trades Hall Council              | 63,792  | 62,377  |
| - Unions Tasmania                            | 3,264   | 3,263   |
| - Queensland Council of Unions               | 33,255  | 28,818  |
| - Northern Territory Trades & Labour Council | 75      | 1,450   |
| - Unions WA                                  | 25,589  | 26,076  |
| - ALP: NSW Branch                            | 57,858  | 59,907  |
| - ALP: VIC Branch                            | 45,100  | 46,448  |
| - ALP: QLD Branch                            | 19,899  | 19,899  |
| - ALP: SA Branch                             | 6,921   | 7,096   |
| - ALP: WA Branch                             | 27,528  | 26,933  |
| -McKell Institute                            | 7,000   | -       |
| - Other Affiliations                         | 2,728   | 3,665   |
| <br>Levies:                                  |         |         |
| -Unions NSW                                  |         |         |
| May Day levy                                 | 1,000   | 1,000   |
| -Unions ACT                                  |         |         |
| Campaign levy                                | -       | 542     |
| -Australian Labor Party (QLD)                |         |         |
| State Election Levy                          | 3,618   | -       |
| -WA Labour                                   |         |         |
| Campaign Contribution Levy                   | -       | 5,250   |
| Total affiliations & levies                  | 641,444 | 650,521 |

**FINANCE SECTOR UNION OF AUSTRALIA  
AND CONTROLLED ENTITY**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 2: NET DEFICIT (CONTINUED)

|  | 2018       | 2017       |
|--|------------|------------|
|  | \$         | \$         |
| Office expenses:                                   |            |            |
| Operating lease rentals                            | -          | -          |
| Telecommunications                                 | 325,099    | 297,703    |
| Information technology                             | 808,495    | 642,663    |
| Insurance  | 116,836    | 135,230    |
| Education & training (staff)                       | 50,000     | 67,558     |
| Other office expenses                              | 318,076    | 348,250    |
| Total office expenses                              | 1,618,506  | 1,491,404  |
| Other expenses:                                    |            |            |
| Meeting and conference expenses                    | 113,282    | 70,347     |
| Auditors remuneration                              |            |            |
| - Auditing the financial statements                | 51,200     | 69,000     |
| - Other services                                   | -          | -          |
| Accounting Services                                | -          | -          |
| Legal fees   |            |            |
| - Litigation                                       | 33,702     | 16,902     |
| - Other legal matters                              | 48,128     | 18,088     |
| Other professional services                        |            | -          |
| Bank charges – revenue collection                  | 80,534     | 82,156     |
| Bank charges – other                               | 16,764     | 15,245     |
| Donations in excess of \$1,000                     | 6,000      | -          |
| Donations \$1,000 or less                          | 500        | 906        |
| Purchase of movie tickets for resale               | 35,013     | 114,932    |
| Amelioration fund:                                 |            |            |
| - Mortuary benefits                                | 138,343    | 153,063    |
| - Grants in excess of \$1,000                      | 3,000      | -          |
| - Grants \$1,000 or less                           | 1,000      | 806        |
| - Remission of debts                               | 6,317      | 2,470      |
| Other expenses                                     | 55,017     | 55,465     |
| Consideration to employers for payroll deductions  | -          | -          |
| Capitation fees                                    | -          | -          |
| Penalties – via RO Act or Fair Work Act 2009       | -          | -          |
| Other fees or allowances re conferences / meetings | -          | -          |
| Total other expenses                               | 588,800    | 599,380    |
| Total Expenses                                     | 19,234,146 | 19,011,841 |



FINANCE SECTOR UNION OF AUSTRALIA  
AND CONTROLLED ENTITY

NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 3: RECEIVABLES

|                                    | 2018     | 2017     |
|------------------------------------|----------|----------|
|                                    | \$       | \$       |
| <i>Current</i>                     |          |          |
| Subscriptions income accrued       | 138,229  | 118,062  |
| Sundry debtors                     | 179,312  | 203,547  |
| Less provision for doubtful debts  | -        | -        |
|                                    | 317,541  | 321,609  |
| <br>                               |          |          |
| Amelioration fund loans to members | 121,322  | 146,447  |
| Less provision for doubtful debts  | (15,000) | (15,000) |
|                                    | 106,322  | 131,447  |
|                                    | 423,863  | 453,056  |
| <br>                               |          |          |
| <i>Non-Current</i>                 |          |          |
| Amelioration fund loans to members | 40,324   | 50,986   |
|                                    | 40,324   | 50,986   |

NOTE 4: FINANCIAL ASSETS

|   |            |            |
|---|------------|------------|
| <i>Current</i>  |            |            |
| Financial assets at fair value through profit or loss |            |            |
| Term deposits   | 5,879,827  | 6,247,478  |
|   | 5,879,827  | 6,247,478  |
| <br>  |            |            |
| <i>Non-Current</i>                                    |            |            |
| Financial assets at fair value through profit or loss |            |            |
| Managed investments                                   | 27,855,806 | 28,972,274 |
| <br>  |            |            |
| Units in unlisted trusts                              | 35,935     | 35,935     |
| Less provision for diminution                         | (35,906)   | (35,906)   |
|   | 29         | 29         |
|   | 27,855,835 | 28,972,303 |
| <br>  |            |            |
| Financial assets available for sale                   |            |            |
| Shares in listed companies at market value            | 541,622    | 576,408    |

**FINANCE SECTOR UNION OF AUSTRALIA  
AND CONTROLLED ENTITY**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**NOTE 5: PROPERTY, PLANT & EQUIPMENT**

|                                   | 2018              | 2017              |
|-----------------------------------|-------------------|-------------------|
|                                   | \$                | \$                |
| Freehold land & buildings         |                   |                   |
| Fair value                        | 14,710,000        | 14,860,000        |
| Accumulated depreciation          | <u>(542,750)</u>  | <u>(262,500)</u>  |
| Total freehold land and buildings | <u>14,167,250</u> | <u>14,597,500</u> |

Reconciliation of the Opening and Closing Balances of Freehold Land and Buildings

|                              |                   |                   |
|------------------------------|-------------------|-------------------|
| Gross book value 1 July 2017 | 14,860,000        | 14,995,000        |
| Accumulated depreciation     | <u>(262,500)</u>  | <u>(19,875)</u>   |
| Net book value 1 July 2017   | <u>14,597,500</u> | <u>14,975,125</u> |
| Revaluations                 | (87,563)          | (31,148)          |
| Depreciation expense         | <u>(342,687)</u>  | <u>(346,477)</u>  |
| Net book value 30 June 2018  | <u>14,167,250</u> | <u>14,597,500</u> |

Net book value as of 30 June 2018 represented by:

|                             |                   |                   |
|-----------------------------|-------------------|-------------------|
| Gross book value            | 14,710,000        | 14,860,000        |
| Accumulated depreciation    | <u>(542,750)</u>  | <u>(262,500)</u>  |
| Net book value 30 June 2018 | <u>14,167,250</u> | <u>14,597,500</u> |

Furniture, fittings & equipment

|                                       |                    |                    |
|---------------------------------------|--------------------|--------------------|
| At cost                               | 4,809,364          | 5,029,549          |
| Accumulated depreciation              | <u>(4,581,316)</u> | <u>(4,783,848)</u> |
| Total furniture, fittings & equipment | <u>228,048</u>     | <u>245,701</u>     |

Reconciliation of the Opening and Closing Balances of Furniture, fittings and equipment

|                              |                    |                    |
|------------------------------|--------------------|--------------------|
| Gross book value 1 July 2017 | 5,029,549          | 5,030,276          |
| Accumulated depreciation     | <u>(4,783,848)</u> | <u>(4,647,224)</u> |
| Net book value 1 July 2017   | <u>245,701</u>     | <u>383,052</u>     |

|                             |                  |                |
|-----------------------------|------------------|----------------|
| Additions                   | 157,674          | -              |
| Depreciation expense        | (63,967)         | (137,351)      |
| Disposals                   | <u>(111,360)</u> | <u>-</u>       |
| Net book value 30 June 2018 | <u>228,048</u>   | <u>245,701</u> |

Net book value as of 30 June 2018 represented by:

|                             |                    |                    |
|-----------------------------|--------------------|--------------------|
| Gross book value            | 4,809,364          | 5,029,549          |
| Accumulated depreciation    | <u>(4,581,316)</u> | <u>(4,783,848)</u> |
| Net book value 30 June 2018 | <u>228,048</u>     | <u>245,701</u>     |

**FINANCE SECTOR UNION OF AUSTRALIA  
AND CONTROLLED ENTITY**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 5: PROPERTY, PLANT & EQUIPMENT (CONTINUED)

|   | 2018               | 2017               |
|---|--------------------|--------------------|
|   | \$                 | \$                 |
| Motor Vehicles  |                    |                    |
| At cost   | 933,194            | 970,451            |
| Accumulated depreciation  | <u>(381,372)</u>   | <u>(354,844)</u>   |
| Total motor vehicles  | <u>551,822</u>     | <u>615,607</u>     |
| Reconciliation of the Opening and Closing Balances of Motor Vehicles              |                    |                    |
| Gross book value 1 July 2017  | 970,451            | 1,039,805          |
| Accumulated depreciation  | <u>(354,844)</u>   | <u>(354,531)</u>   |
| Net book value 1 July 2017  | <u>615,607</u>     | <u>685,274</u>     |
| Additions   | 160,385            | 188,237            |
| Depreciation expense  | (141,182)          | (150,100)          |
| Disposals   | <u>(82,988)</u>    | <u>(107,804)</u>   |
| Net book value 30 June 2018   | <u>551,822</u>     | <u>615,607</u>     |
| Net book value as of 30 June 2018 represented by:                                 |                    |                    |
| Gross book value  | 933,194            | 970,451            |
| Accumulated depreciation  | <u>(381,372)</u>   | <u>(354,844)</u>   |
| Net book value 30 June 2018   | <u>551,822</u>     | <u>615,607</u>     |
| Property, plant & equipment   |                    |                    |
| Fair value/at cost  | 20,452,558         | 20,860,000         |
| Accumulated depreciation  | <u>(5,505,438)</u> | <u>(5,401,192)</u> |
| Total property, plant and equipment   | <u>14,947,120</u>  | <u>15,458,808</u>  |
| Reconciliation of the Opening and Closing Balances of Property, Plant & Equipment |                    |                    |
| Gross book value 1 July 2017  | 20,860,000         | 21,065,081         |
| Accumulated depreciation  | <u>(5,401,192)</u> | <u>(5,021,630)</u> |
| Net book value 1 July 2017  | <u>15,458,808</u>  | <u>16,043,451</u>  |
| Additions   | 318,059            | 188,237            |
| Revaluations  | (87,563)           | (31,148)           |
| Depreciation expense  | (547,836)          | (633,928)          |
| Disposals   | <u>(194,348)</u>   | <u>(107,804)</u>   |
| Net book value 30 June 2018   | <u>14,947,120</u>  | <u>15,458,808</u>  |
| Net book value as of 30 June 2018 represented by:                                 |                    |                    |
| Gross book value  | 20,452,558         | 20,860,000         |
| Accumulated depreciation  | <u>(5,505,438)</u> | <u>(5,401,192)</u> |
| Net book value 30 June 2018   | <u>14,947,120</u>  | <u>15,458,808</u>  |

The revaluations of freehold land and buildings as at 30 June 2016 for NSW and as at 30 June 2017 for WA were based on the assessment of their market value as at that date.

Further, during the year ended 30 June 2018, management has sought an independent valuation of 1 property by Herron Todd White, an accredited independent valuer, and a revaluation decrement aggregating \$62,437 has been recorded in the financial statements.

**FINANCE SECTOR UNION OF AUSTRALIA  
AND CONTROLLED ENTITY**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2018**

| <u>NOTE 6: TRADE AND OTHER PAYABLES</u>                                    | 2018             | 2017             |
|--|------------------|------------------|
|  | \$               | \$               |
| Trade creditors and accruals   | 151,068          | 87,268           |
| Employee Benefits  | 329,298          | 318,843          |
| Payables to employers as consideration for facilitating payroll deductions | -                | -                |
| Legal Costs:   |                  |                  |
| -Litigation  | 582              | 933              |
| -Other legal matters   | 72,234           | 2,420            |
| Membership fees collected in advance                                       | 225,404          | 247,036          |
| OLI bonuses payable  | 235,025          | 235,025          |
| GST payable  | 306,295          | 331,350          |
| Other  | 64,992           | 96,903           |
|  | <u>1,384,898</u> | <u>1,319,778</u> |

NOTE 7: KEY MANAGEMENT PERSONNEL

Key Management Personnel, for the reporting period

- J. Angrisano (National Secretary)
- N. Rees (Assistant National Secretary)
- D. Martin (Local Executive Secretary - VIC/TAS)
- R. Reilly (Local Executive Secretary - NSW/ACT)
- W. Streets (Local Executive Secretary - QLD)
- J. Hall (Local Executive Secretary - SA/NT)
- D. Marshall (Local Executive Secretary - WA)
- H. Sapin (Manager Finance & Administration)
- L. Cheong (Acting IT Manager)

| Key management personnel remuneration           | 2018             | 2017             |
|---|------------------|------------------|
|   | \$               | \$               |
| Short term employee benefits                    |                  |                  |
| - Salary  | 1,056,371        | 1,055,981        |
| - Other short term benefits                     | 90,580           | 89,042           |
| - Annual leave accrued as at 30 June 2018       | 218,526          | 212,256          |
| Post-employment benefits                        |                  |                  |
| - Superannuation contributions                  | 204,993          | 186,867          |
| Other long term benefits                        |                  |                  |
| - Long service leave accrued as at 30 June 2018 | 503,324          | 470,612          |
| Termination benefits                            | -                | -                |
| Total   | <u>2,073,794</u> | <u>2,014,758</u> |

**FINANCE SECTOR UNION OF AUSTRALIA  
AND CONTROLLED ENTITY**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 8: PARENT INFORMATION

STATEMENT OF FINANCIAL POSITION

The following information has been extracted from the books and records of the parent and has been prepared in accordance with accounting standards.

|  | 2018<br>\$        | 2017<br>\$        |
|--|-------------------|-------------------|
| Total accumulated funds                  | <u>35,092,779</u> | <u>36,726,183</u> |
| represented by:                          |                   |                   |
| Current assets                           |                   |                   |
| Cash and equivalents                     | 1,083,976         | 595,122           |
| Financial assets, through profit or loss | 5,879,827         | 6,247,478         |
| Trade and other receivables              | 374,653           | 380,405           |
| Other current assets                     | <u>218,985</u>    | <u>358,901</u>    |
| Total current assets                     | <u>7,557,441</u>  | <u>7,581,906</u>  |
| Non current assets                       |                   |                   |
| Trade and other receivables              | 20,540,324        | 20,550,986        |
| Financial assets, through profit or loss | 27,855,835        | 28,972,303        |
| Available for sale financial assets      | 541,622           | 576,408           |
| Property, plant & equipment              | <u>773,145</u>    | <u>858,309</u>    |
| Total non current assets                 | <u>49,710,926</u> | <u>50,958,006</u> |
| Total assets                             | <u>57,268,367</u> | <u>58,539,912</u> |
| Current liabilities                      |                   |                   |
| Trade and other payables                 | 18,829,475        | 18,381,020        |
| Provision - employee entitlements        | <u>2,500,147</u>  | <u>2,511,404</u>  |
| Total current liabilities                | <u>21,329,622</u> | <u>20,892,424</u> |
| Non current liabilities                  |                   |                   |
| Provision - employee entitlements        | <u>845,966</u>    | <u>921,305</u>    |
| Total non current liabilities            | <u>845,966</u>    | <u>921,305</u>    |
| Total liabilities                        | <u>22,175,588</u> | <u>21,813,729</u> |
| Net assets                               | <u>35,092,779</u> | <u>36,726,183</u> |

**FINANCE SECTOR UNION OF AUSTRALIA  
AND CONTROLLED ENTITY**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 8: PARENT INFORMATION (CONTINUED)

STATEMENT OF COMPREHENSIVE INCOME

The following information has been extracted from the books and records of the parent and has been prepared in accordance with accounting standards.

|   | 2018<br>\$  | 2017<br>\$  |
|---|-------------|-------------|
| Net deficit   | (2,145,407) | (1,173,082) |
| Other income  |             |             |
| Net gain/(loss) on disposal of non-current physical asset | (101,798)   | 14,330      |
| Net Deficit for the year                                  | (2,247,205) | (1,158,752) |
| Other comprehensive income                                |             |             |
| Gain/(Loss) on shares held for long term investment       | (34,786)    | 60,055      |
| Total Comprehensive Deficit                               | (2,281,991) | (1,098,697) |

CONTINGENT LIABILITIES

At 30 June 2018, the Finance Sector Union of Australia had a contingent liability for \$256,362 (2017 - \$256,362) relating to a guarantee provided to the National Australia Bank on behalf of its subsidiary, in relation to a property lease contract entered into by its subsidiary. At the end of the reporting period the subsidiary, FSU Property Pty Ltd, is in a satisfactory financial position and is not likely to default on lease rental payment obligations.

NOTE 9: CONTROLLED ENTITIES

Subsidiary of Finance Sector Union of Australia:

FSU Property Pty. Ltd. as trustee for the FSU Property Trust.

|   | 2018      | 2017      |
|---|-----------|-----------|
| Country of incorporation                | Australia | Australia |
| Percentage owned                        | 100%      | 100%      |
| Investment at cost                      | \$2       | \$2       |
| Contribution to group operating surplus | \$648,587 | \$590,818 |

Rent of \$1,377,798 (2017 - \$1,344,982) was invoiced by the Property Trust to the FSUA during the year at commercial rates.

The FSU Property Trust made a trust distribution to FSUA, its sole beneficiary, of \$648,587 (2017 - \$590,818) at the end of the year.

**FINANCE SECTOR UNION OF AUSTRALIA  
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**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 10: PROVISION – EMPLOYEE ENTITLEMENTS

|                              | 2018      | 2017      |
|------------------------------|-----------|-----------|
|                              | \$        | \$        |
| <i>Current</i>               |           |           |
| Office holders:              |           |           |
| Annual leave                 | 118,014   | 108,687   |
| Long service leave           | 272,980   | 221,505   |
| Separation and redundancies  | -         | -         |
| Other office holder benefits | -         | -         |
|                              | 390,994   | 330,192   |
| Employees:                   |           |           |
| Annual leave                 | 902,185   | 890,612   |
| Long service leave           | 1,206,968 | 1,290,600 |
| Separation and redundancies  | -         | -         |
| Other office holder benefits | -         | -         |
|                              | 2,109,153 | 2,181,212 |
|                              | 2,500,147 | 2,511,404 |
| <br><i>Non-Current</i>       |           |           |
| Office holders:              |           |           |
| Annual leave                 | -         | -         |
| Long service leave           | 44,782    | 76,938    |
| Separation and redundancies  | -         | -         |
| Other office holder benefits | -         | -         |
|                              | 44,782    | 76,938    |
| Employees:                   |           |           |
| Annual leave                 | -         | -         |
| Long service leave           | 801,184   | 844,367   |
| Separation and redundancies  | -         | -         |
| Other office holder benefits | -         | -         |
|                              | 801,184   | 844,367   |
|                              | 845,966   | 921,305   |

NOTE 11: RELATED PARTY TRANSACTIONS

There were no related party transactions with any members of National Executive during the year, except for honorarium payments to members of the National Executive totalling \$51,137 (2017 - \$52,500).

*Receivable from and payable to related parties*

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

*Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

**FINANCE SECTOR UNION OF AUSTRALIA  
AND CONTROLLED ENTITY**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**NOTE 12: OPERATING LEASE COMMITMENT**

As at 30 June 2018 the Finance Sector Union of Australia has a commitment to six operating leases, with the following lessors:-

Ricoh Australia Pty Ltd-Lease of Photocopy machine-remaining term 1-5 years  
AGK Properties Pty Ltd-FSU Office Queen Street, Melbourne-remaining term 1-5 years  
Tzortz Pty Ltd-FSU Office Cordelia Street, South Brisbane-remaining term 1-5 years  
Automotive, Food, Metals, Engineering, Printing and Kindred Industries Unions -FSU Office Greenhill Road, Dulwich-remaining term 1-5 years

Future lease commitments are as follows:

|             | 2018      | 2017    |
|-------------|-----------|---------|
|             | \$        | \$      |
| 0 - 1 year  | 993,778   | 514,793 |
| 1 – 5 years | 3,691,821 | -       |

**NOTE 13: CASH FLOW**

|   | 2018               | 2017               |
|---|--------------------|--------------------|
|   | \$                 | \$                 |
| <b>CASH FLOW RECONCILIATION</b>   |                    |                    |
| <b>(a) Reconciliation of cash and cash equivalents</b>  |                    |                    |
| Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the statement of financial position as follows: |                    |                    |
| Cash on hand  | 2,135              | 2,385              |
| Cash at bank  | 1,125,426          | 647,704            |
|   | <u>1,127,561</u>   | <u>650,089</u>     |
| <b>(b) Reconciliation of (deficit) /surplus to net cash from operating activities:</b>  |                    |                    |
| Deficit for the year  | (1,598,618)        | (567,934)          |
| Adjustments for non-cash items  |                    |                    |
| Depreciation & amortisation   | 547,836            | 633,928            |
| Increase in market value of non-current investments   | (1,883,532)        | (2,366,437)        |
| (Profit)/loss on sale of assets   | 101,798            | (14,330)           |
| Changes in assets & liabilities   |                    |                    |
| Increase/(decrease) in accounts payable   | 65,120             | (603,529)          |
| Increase/(decrease) in provision for employee entitlements  | (86,596)           | (132,631)          |
| (Increase)/decrease in subscriptions receivable   | (20,167)           | (2,951)            |
| (Increase)/decrease sundry receivables  | 24,235             | (33,912)           |
| (Increase)/decrease prepayments   | 149,467            | (43,494)           |
| Cash Flow used in operating activities  | <u>(2,700,457)</u> | <u>(3,131,290)</u> |



**FINANCE SECTOR UNION OF AUSTRALIA  
AND CONTROLLED ENTITY**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 13: CASH FLOW (CONTINUED)

|                              | 2018    | 2017    |
|------------------------------|---------|---------|
|                              | \$      | \$      |
| <b>CASH FLOW INFORMATION</b> |         |         |
| Cash inflows                 |         |         |
| FSU Property Trust Pty Ltd   | 915,373 | 953,539 |
| Total cash inflows           | 915,373 | 953,539 |
| Cash outflows                |         |         |
| FSU Property Trust Pty Ltd   | 926,754 | 933,053 |
| Total cash outflows          | 926,754 | 933,053 |

NOTE 14: FINANCIAL INSTRUMENTS

The Union's financial instruments consist mainly of deposits with banks, investment funds managed on behalf of the Union in a range of investment trusts, shares available for sale and accounts receivable and payable.

Funds on deposit with banks are monitored on a daily basis, and are utilised and invested in a manner which ensures that the Union has adequate funding for day-to-day operations. Managed funds are mostly managed by Jana Investment Advisers Pty Ltd (JANA). Funds are placed in various investment trusts, collectively known as the JANA Investment Trusts, within the JANA Implemented Consulting Investment Platform. MLC Investments Limited is the responsible entity and trustee of the Trusts and is ultimately responsible for all aspects of operating the Trusts. The funds are invested in Australian Equities, International Equities (Hedged and Unhedged), Property, Low Correlation Strategy, Fixed Interest and Cash products. Henderson Global Investors managed our Cash Management Trusts.

|                                     | Weighted<br>Average<br>Interest<br>Rate | Floating<br>Interest<br>Rate | Non<br>Interest<br>Bearing | Fixed Interest Rate Maturing |                        |
|-------------------------------------|---|------------------------------|----------------------------|------------------------------|------------------------|
|                                     |   |                              |                            | Within<br>1 Year             | Within<br>1 to 5 Years |
| <u>2018</u>                         |   |                              |                            |                              |                        |
| <i>Financial assets</i>             |   |                              |                            |                              |                        |
| Cash on hand                        | N/A                                     | -                            | 2,135                      | -                            | -                      |
| Cash at bank and bank term deposits | 2.40%                                   | 7,005,253                    | -                          | -                            | -                      |
| Managed investments                 | N/A                                     | -                            | 27,855,806                 | -                            | -                      |
| Available for sale assets           | N/A                                     | -                            | 541,622                    | -                            | -                      |
| Unlisted shares and units           | N/A                                     | -                            | 29                         | -                            | -                      |
| Receivables – other                 | N/A                                     | -                            | 317,541                    | -                            | -                      |
| Receivables – UCF                   | 5.00%                                   | -                            | -                          | 106,322                      | 40,324                 |
| Total financial assets              |   |                              | 7,005,253                  | 28,717,133                   | 106,322<br>40,324      |
| <i>Financial liabilities</i>        |   |                              |                            |                              |                        |
| Accounts payable                    | N/A                                     | -                            | 1,384,898                  | -                            | -                      |
| Total financial liabilities         |   |                              | -                          | 1,384,898                    | -                      |

**FINANCE SECTOR UNION OF AUSTRALIA  
AND CONTROLLED ENTITY**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 14: FINANCIAL INSTRUMENTS (CONTINUED)

|                                     | Weighted<br>Average<br>Interest<br>Rate | Floating<br>Interest<br>Rate | Non<br>Interest<br>Bearing | Fixed Interest Rate Maturing |                        |
|-------------------------------------|---|------------------------------|----------------------------|------------------------------|------------------------|
|                                     |   |                              |                            | Within<br>1 Year             | Within<br>1 to 5 Years |
| <u>2017</u>                         |   |                              |                            |                              |                        |
| <i>Financial assets</i>             |   |                              |                            |                              |                        |
| Cash on hand                        | N/A                                     | -                            | 2,385                      | -                            | -                      |
| Cash at bank and bank term deposits | 2.63%                                   | 6,895,183                    | -                          | -                            | -                      |
| Managed investments                 | N/A                                     | -                            | 28,972,274                 | -                            | -                      |
| Available for sale assets           | N/A                                     | -                            | 576,408                    | -                            | -                      |
| Unlisted shares and units           | N/A                                     | -                            | 29                         | -                            | -                      |
| Receivables – other                 | N/A                                     | -                            | 321,609                    | -                            | -                      |
| Receivables – UCF                   | 5.00%                                   | -                            | -                          | 131,447                      | 50,986                 |
| Total financial assets              |   | 6,895,183                    | 29,872,705                 | 131,447                      | 50,986                 |
| <i>Financial liabilities</i>        |   |                              |                            |                              |                        |
| Accounts payable                    | N/A                                     | -                            | 1,319,778                  | -                            | -                      |
| Total financial liabilities         |   | -                            | 1,319,778                  | -                            | -                      |

*Fair value of financial instruments*

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

(a) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to and forming part of the financial statements.

Tenants of Union properties are required to pay their rental on a monthly basis in advance, by direct credit to the FSU Property Trust bank account

Loans made to members through the Amelioration Fund of the Union are unsecured, but loans are required to be repaid within 4 years by fortnightly direct debit and are subject to a maximum amount of \$3,000.

The economic entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the economic entity.

**Credit quality of trade and other receivables not past due or individually determined as impaired**

|                                    | Not Past Due<br>Nor Impaired<br>2018<br>\$ | Past due or<br>impaired<br>2018<br>\$ | Not Past Due<br>Nor Impaired<br>2017<br>\$ | Past due or<br>impaired<br>2017<br>\$ |
|------------------------------------|--|---------------------------------------|--|---------------------------------------|
| Subscriptions income accrued       | 138,229                                    | -                                     | 118,062                                    | -                                     |
| Sundry debtors                     | 177,991                                    | 1,321                                 | 184,177                                    | 19,370                                |
| Amelioration fund loans to members | 146,646                                    | 15,000                                | 182,433                                    | 15,000                                |
| Total                              | 462,866                                    | 16,321                                | 484,672                                    | 34,370                                |

**FINANCE SECTOR UNION OF AUSTRALIA  
AND CONTROLLED ENTITY**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 14: FINANCIAL INSTRUMENTS (CONTINUED)

**Ageing of trade and other receivables that were past due but not impaired for 2018**

|                | 0 to 30 days | 31 to 60 days | 61 to 90 days | 90+ days | Total |
|----------------|--------------|---------------|---------------|----------|-------|
|                | \$           | \$            | \$            | \$       | \$    |
| Sundry debtors | -            | -             | -             | 1,321    | 1,321 |
| Total          | -            | -             | -             | 1,321    | 1,321 |

**Ageing of trade and other receivables that were past due but not impaired for 2017**

|                | 0 to 30 days | 31 to 60 days | 61 to 90 days | 90+ days | Total  |
|----------------|--------------|---------------|---------------|----------|--------|
|                | \$           | \$            | \$            | \$       | \$     |
| Sundry debtors | 18,049       | -             | -             | 1,321    | 19,370 |
| Total          | 18,049       | -             | -             | 1,321    | 19,370 |

The Management of the Union believe that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour of the debtors.

(b) Liquidity Risk

Subscription revenue from members for the year ended June 30, 2018 of \$14,886,759 (2017 - \$15,068,461) is the major income source of the Union. Consequently, the future liquidity of the Union will be impacted by the level of membership.

(c) Market Risk

(i) Interest Rate Risk

Interest rate risk is dependent on short-term interest rates offered by banking institutions. Most deposits are made with National Australia Bank, with a smaller amount deposited with Members Equity Bank.

Accounts receivable, subject to interest rates, are loans made to members through the Amelioration Fund of the Union. The interest rate is reviewed and set by the National Executive.

(ii) Foreign Currency Risk

Foreign currency risk is limited to the managed funds which are invested in Overseas Equities - Unhedged. These risks are managed by JANA.

(iii) Price Risk

Subscription revenue from members is the major income source of the Union, and the price risk relates to members maintaining their membership at the subscription rates set by the National Executive on an annual basis.

NOTE 15: FAIR VALUE HIERARCHY

Management of the Union assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

**FINANCE SECTOR UNION OF AUSTRALIA  
AND CONTROLLED ENTITY**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 15: FAIR VALUE HIERARCHY (CONTINUED)

*Fair value hierarchy*

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) 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 following table contains the carrying amounts and related fair values for the Union's assets:

| <b>Consolidated – 2018</b> | Level 1           | Level 2           | Level 3   | Total             |
|----------------------------|-------------------|-------------------|-----------|-------------------|
| <i>Assets</i>              |                   |                   |           |                   |
| Managed investments        | 27,855,806        | -                 | -         | 27,855,806        |
| Available for sale assets  | 541,622           | -                 | -         | 541,622           |
| Unlisted shares and units  | -                 | -                 | 29        | 29                |
| Land and buildings         | -                 | 14,167,250        | -         | 14,167,250        |
| <b>Total assets</b>        | <b>28,397,428</b> | <b>14,167,250</b> | <b>29</b> | <b>42,564,707</b> |
| <br>                       |                   |                   |           |                   |
| <b>Consolidated – 2017</b> | Level 1           | Level 2           | Level 3   | Total             |
| <i>Assets</i>              |                   |                   |           |                   |
| Managed investments        | 28,972,274        | -                 | -         | 28,972,274        |
| Available for sale assets  | 576,408           | -                 | -         | 576,408           |
| Unlisted shares and units  | -                 | -                 | 29        | 29                |
| Land and buildings         | -                 | 14,597,500        | -         | 14,597,500        |
| <b>Total assets</b>        | <b>29,548,682</b> | <b>14,597,500</b> | <b>29</b> | <b>44,146,211</b> |

There were no transfers between levels during the financial year.

The descriptions of the significant unobservable inputs are as follows:

The valuation technique utilised in the determination of the fair value of land and buildings is the direct comparison approach. The significant unobservable inputs relate to the direct cost/value per square meter with estimated ranges between \$4,000/m<sup>2</sup> to \$5,000/m<sup>2</sup>. The estimated fair value would increase (decrease) if the estimated price per square meter were higher or lower.

NOTE 16: REMUNERATION OF AUDITORS

|                                       | 2018          | 2017          |
|---------------------------------------|---------------|---------------|
|                                       | \$            | \$            |
| Value of the services provided        |               |               |
| Financial statement audit services    | 51,200        | 69,000        |
| Other services                        | -             | -             |
| <b>Total remuneration of auditors</b> | <b>51,200</b> | <b>69,000</b> |

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

**FINANCE SECTOR UNION OF AUSTRALIA  
AND CONTROLLED ENTITY**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 17: EVENTS SUBSEQUENT TO REPORTING DATE

(a) Investment Valuations

Investments shown in these accounts are shown at their value as at June 30, 2018. Since that the value of the Union's investments has increased/decreased in line with movements on Australian and global financial markets.

There were no other events that occurred after 30 June 2018, or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the union.

NOTE 18: INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 272 of Part 3 of Chapter 8, which reads as follows:

- (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 sub-section (1).

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is also drawn to the following reporting disclosures:

- (1) The reporting unit's ability to continue as a going concern is not reliant on the agreed financial support of another reporting unit.
- (2) The reporting unit has not agreed to provide financial support to ensure any another reporting unit has the ability to continue as a going concern.
- (3) The reporting unit has not acquired assets or liabilities during the financial year as a result of:
  - (a) an amalgamation under Part 2 of Chapter 3, of the Fair Work (Registered Organisations) Act 2009; or
  - (b) a restructure of the branches of the organisation; or
  - (c) a determination by the General Manager under subsection 345(1) of the Fair Work (Registered Organisations) Act 2009 of an alternative reporting structure for the organisation; or
  - (d) a revocation by the General manager under 249(1) of the Fair Work (Registered Organisations) Act 2009 of a certificate issued to an organisation under subsection 245(1)

FINANCE SECTOR UNION OF AUSTRALIA

**EXPENDITURE REPORT REQUIRED UNDER SUBSECTION 255(2A)  
for the year ended 30 June 2018**

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

|   | 2018             | 2017             |
|---|------------------|------------------|
|   | \$               | \$               |
| Remuneration and other employment -<br>related costs and expenses - employees | 13,694,775       | 13,724,847       |
| Advertising   | -                | -                |
| Operating Costs   | 4,776,941        | 4,604,126        |
| Donations to political parties  | 6,000            | -                |
| Legal Costs   | 204,094          | 47,228           |
|   | <hr/> 18,681,810 | <hr/> 18,376,201 |



\_\_\_\_\_  
Signature of Designated Officer

Julia Angrisano, National Secretary  
Name and title of designated officer

\_\_\_\_\_  
23 November 2018

Date

**FINANCE SECTOR UNION OF AUSTRALIA  
OFFICER DECLARATION STATEMENT**

I, Julia Angrisano, being the National Secretary of the Finance Sector Union of Australia, declare that the following activities did not occur during the reporting period ending 30 June 2018.

The reporting unit did not:

- receive any other revenue from another reporting unit
- receive revenue from undertaking recovery of wages activity
- pay any other expense to another reporting unit
- have a receivable with other reporting unit(s)
- have a payable with other reporting unit(s)
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Signed by the officer:



Dated:

23 November 2018

**INDEPENDENT AUDITOR'S REPORT  
To the Members of Finance Sector Union of Australia****Opinion**

We have audited the financial report of Finance Sector Union of Australia (the union) and its controlled entity (the reporting unit), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, 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, the statement of the National Executive, the subsection 255(2A) report and the Officer Declaration Statement.

In our opinion, the accompanying financial report of the company's is in accordance with the *Fair Work (Registered Organisations) Act 2009*, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and 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 management's use of the going concern basis in the preparation of the financial statements of the reporting unit is appropriate.

**Basis for Opinion**

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

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

**Other Information**

The National Executive is responsible for the other information. The other information comprises the Operating Report included in the reporting unit's financial report for the year ended 30 June 2018, but does not include the financial report and the auditor's report thereon.

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 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.



### **National Executives' Responsibilities for the Financial Report**

The National Executive of the reporting unit are responsible for the preparation of the financial report that gives a true and fair view with Australian Accounting Standards and the RO Act and for such internal control as the National Executive 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 National Executive 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 management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

We declare that we are auditor as registered under the RO Act.

### **Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of section 257(7) of the RO Act, we are required to describe any deficiency, failure or shortcoming in respect of the matters referred to section 252 and 257(2) of the RO Act. In relation to these matters, we have nothing to report.



### **RSM AUSTRALIA PARTNERS**



**R B MIANO**  
Partner

Dated: 26 November 2018  
Melbourne, Victoria

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/58

# OPERATING REPORT

For the period ending 30 June 2018

## The National Executive presents its report on the reporting unit for the financial year ended 30 June 2018.

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

### Review of Activities

The Finance Sector Union is a member based, federally registered trade union, representing finance sector workers who are actively pursuing better working lives and stronger communities.

The union's activities are directed by its National Executive in pursuit of this aim and in accordance with its rules of registration.

Principally, the union's activities consist of:

- » Organising finance sector employees;
- » Training and education of members;
- » Providing individual members with informed and expert representation in workplace related matters;
- » Maintaining and monitoring the compliance with relevant industrial awards and agreements;
- » Collectively bargaining with employers on behalf of and in the interests of members;
- » Representing and assisting members in all matters pursuant to the Fair Work (Registered Organisations) Act 2009;
- » Representing and assisting members in all matters pursuant to the relevant national and state Work, Health and Safety Acts;
- » Advocating on behalf of members and in the interests of finance sector employees in all relevant tribunals, courts of law, parliamentary committees and inquiries;
- » Administering union resources;
- » Other matters as directed by the National Executive.

### Results of Activities

During the period 1/7/17-30/6/18, the Finance Sector Union:

- » Received application for and admitted 4650 members;
- » Appointed 392 members as FSU workplace representatives;

- » Provided training to 195 workplace representatives;
- » Negotiated and had approved 26 enterprise agreements covering approximately 25 502 employees.
- » Made at least 6 submissions to, and appeared before, Commonwealth of Australia Parliamentary Committees and various Federal and State inquiries and consultations.
- » Made approximately 34 applications to Fair Work Commission regarding Industrial disputes, award variations and seeking award coverage of award free employees;
- » Provided representation to 3398 members at the workplace or enterprise level;
- » Was party to more than 80 collective agreements in current operations across the finance sector.

### Significant changes in financial affairs

There was no significant change to the nature of the activities of the union during the reporting period. There were no significant changes to the union's financial affairs during the reporting period.

### Right of members to resign

In accordance with Section 174 of the Fair Work (Registered Organisations) Act 2009, members of the union may resign from membership by written notice addressed and delivered to the National Secretary or the relevant Local Executive Secretary.

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

No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.

### Number of members

In accordance with Section 230 of the Fair Work (Registered Organisations) Act 2009, the union had a recorded 30 029 members at the end of the reporting period.

### Number of employees


The union employed 146 employees nationally at the end of the reporting period.

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

The name of each person holding a position on the National Executive of the union during the reporting period is as follows:

Julia Angrisano  
Louise Arnfield  
Marcia Byrnes  
Melissa Carmichael (till 11 July 2017)  
Allison Cruze (from 27 July 2017)  
Julie Engel  
Adam Fay  
Paul Ferrari  
Jason Hall  
Dolly Jensen (till 29 March 2018)  
Mark Barratt (from 29 March 2018)  
Dianne Marshall  
Darren Martin  
Pauline Olson  
Susanne Pearce  
Nathan Rees  
Rebecca Reilly  
Wendy Streets  
Peter Tancred

All members held their position for the entire financial year unless indicated otherwise.



*Signature of designated officer*

Julia Angrisano

*Name of designated officer*

National Secretary

*Title of designated officer*

23 November 2018

*Date*