



Finance Sector Union of Australia

Concise Report to Members

2011-2012

Finance Sector Union of Australia (the reporting unit)

OPERATING REPORT for the period 1 July 2011 to 30 June 2012

Prepared in accordance with Schedule 1 - Registration and Accountability of Organisation; Chapter 8 - Records and Accounts; Part 3 - Accounts and Audit; Section 254 - Reporting Unit To Prepare Operating Report of the Fair Work (Registered Organisations) Act 2009 (Commonwealth).

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

Principally, the reporting unit'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 Occupational, 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 1/7/11 - 30/6/12, the Finance Sector Union:

- Received application for and admitted 6,746 members;
- Appointed 833 members as FSU workplace representatives;
- Provided training to 642 workplace representatives;
- Provided representation to 9,583 members at the workplace or enterprise level.
- Was party to more than 88 collective agreements in current operation across the finance sector;
- Made approximately 61 applications to Fair Work Australia regarding industrial disputes, award variations and seeking award coverage of award free employees;
- Negotiated and had approved 20 enterprise agreements covering approximately 36,636 employees;
- Made submissions to, and appeared before, Commonwealth of Australia Parliamentary Committees and various Federal and State Inquiries and consultations.

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

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

In accordance with Section 230 of the Fair Work (Registered Organisations) Act 2009, the reporting unit had a recorded 40,049 members at the end of the reporting period.

The reporting unit employed 154 FTE employees nationally at the end of the reporting period.

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

Arnfield L.	Filipovski B.
Black D.A.	Jordan F.S.
Carter L.	Marshall D.
Conlan. W.	Martin D.L.
Clifford M.S.	McWhirter P.A (to 10/11/11)
Derrick G.	O'Connell A.
Doolan E.	Pearce S.J.
Fay A.C.	Waclawik P

No officer or member of the Finance Sector Union is a trustee (or a director of a company that is a trustee) of a superannuation entity, where a criteria for them being a trustee (or a director) is that they are an officer or member of the Finance Sector Union.



Leon Carter
National Secretary

Signed at Melbourne, this 9th day of November, 2012

DISCUSSION AND ANALYSIS OF FINANCIAL POSITION

- (a) The Financial Statements of the Union for the year ended June 30, 2012 disclose a net deficit from ordinary activities for the period of \$1,506,532. This result has been adversely impacted by poor investment returns achieved on the Union's managed funds. The operating result, before investment returns, is in line with the previous year.
- (b) A comprehensive surplus of \$1,350,807 was recorded for the year, following a gain on revaluation of land and buildings.

The following major factors have impacted on this result and comparisons with the prior year:

Income:

- (a) The unrealised market value of managed funds held by the Union increased by \$136,931 during the financial year, well down on the gain last year of \$942,876. This result reflects the performance of Australian and worldwide financial markets during the year.
- (b) Income from member subscriptions was in line with the previous year.
- (c) A \$2,872,250 gain on the revaluation of land and buildings was brought to account for the year, reflecting market values as at 30 June 2012.

Expenditure:

- (a) Operating Expenditure, before depreciation, reduced by \$53,518, compared to the prior year. This cost saving, although modest, was achieved despite an increase in redundancy costs incurred and follows corresponding reductions of \$616,611 in 2010 / 2011, \$423,172 in 2009/2010 and \$491,266 in 2008/2009. These cost savings are a product of the restructuring and rationalisation of operations that has been undertaken in recent years.
- (b) A further \$354,108 in redundancy payments was incurred during the year, as a result of ongoing restructuring and as the Union moves to a more streamlined organisational structure.

Financial Position:

The consolidated group remains in a strong financial position, with net assets of \$46.6 million. Cash reserves and receivables of \$14.7 million contributed to a working capital surplus of \$11.1 million (ie current assets minus current liabilities).

CONCISE FINANCIAL REPORT

The National Executive (Committee of Management) of the Finance Sector Union of Australia has resolved to provide a concise financial report to members for the financial year ended June 30, 2012.

The concise financial report has been derived from the full report and cannot be expected to provide as full an understanding of the financial performance, financial position and financial and investing activities of the reporting unit as the full report. A copy of the full report and auditor's report will be sent to any member who requests them, free of charge.

Members are advised of the following provision of the Fair Work (Registered Organisations) Act 2009:

272 Information to be provided to members or General Manager:

- (1) A member of a reporting unit, or a General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2012

	2012 (\$)	2011 (\$)
Income From Ordinary Activities	19,366,119	20,405,548
Expenses From Ordinary Activities		
Employee Benefits	(14,808,835)	(14,575,171)
Building & Equipment Expenses	(1,360,478)	(1,318,137)
Industrial & Campaign Expenses	(576,341)	(745,694)
Depreciation and Amortisation	(1,261,379)	(1,304,999)
ACTU Affiliation Fees	(144,067)	(174,993)
Office Expenses	(1,449,657)	(1,578,419)
Other Expenses	(1,271,894)	(1,272,376)
	(20,872,651)	(20,969,789)
NET DEFICIT FROM ORDINARY ACTIVITIES	(1,506,532)	(564,241)
Other Comprehensive Income		
Gain on listed shares held for long term investment	(14,911)	16,424
Gain on revaluation of land and buildings	2,872,250	-
TOTAL COMPREHENSIVE SURPLUS/ (DEFICIT)	1,350,807	(547,817)

STATEMENT OF FINANCIAL POSITION

as at 30 June 2012

	2012 (\$)	2011 (\$)
TOTAL ACCUMULATED FUNDS	46,627,827	45,277,020
represented by:		
CURRENT ASSETS		
Cash and equivalents	13,727,598	14,017,809
Trade and other receivables	961,574	917,387
Other assets	230,899	244,996
TOTAL CURRENT ASSETS	14,920,071	15,180,192
NON CURRENT ASSETS		
Trade and other receivables	151,606	179,910
Financial assets	8,357,813	8,360,229
Available-for-sale financial assets	394,242	409,152
Property, Plant and Equipment	27,882,879	26,013,062
TOTAL NON CURRENT ASSETS	36,786,540	34,962,353
TOTAL ASSETS	51,706,611	50,142,545
CURRENT LIABILITIES		
Trade and other payables	1,547,814	1,502,442
Provision - Employee Entitlements	2,297,227	2,160,080
TOTAL CURRENT LIABILITIES	3,845,041	3,662,522
NON CURRENT LIABILITIES		
Provision - Employee Entitlements	1,233,743	1,203,003
TOTAL NON CURRENT LIABILITIES	1,233,743	1,203,003
TOTAL LIABILITIES	5,078,784	4,865,525
NET ASSETS	46,627,827	45,277,020

STATEMENT OF CHANGES IN EQUITY

as at 30 June 2012

	General Fund	Asset Revaluation Reserve	Total Accumulated Funds
	\$	\$	\$
Total at the beginning of the financial year	31,233,650	14,591,187	45,824,837
Deficit from ordinary activities	(564,241)	-	(564,241)
Gain on listed shares held for long term investment	-	16,424	16,424
Balance as at 30 June 2011	30,669,409	14,607,611	45,277,020
Deficit from ordinary activities	(1,506,532)	-	(1,506,532)
Loss on listed shares held for long term investment	-	(14,911)	(14,911)
Gain on revaluation of land and buildings	-	2,872,250	2,872,250
Balance as at 30 June 2012	29,162,877	17,464,950	46,627,827

STATEMENT OF CASH FLOWS

for the year ended 30 June 2012

	2012 (\$)	2011 (\$)
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Members	16,955,692	17,368,960
Interest Received	870,427	691,068
Rent	1,078,617	1,165,440
Other	577,428	543,037
Payments to Suppliers and Employees	(19,585,816)	(20,044,218)
CASH FLOW USED IN OPERATING ACTIVITIES	(103,652)	(275,713)
CASH FLOWS FROM INVESTING ACTIVITIES		
Amelioration Fund loans repaid	61,792	127,725
Net OLI bonus payments distributed	(54)	288
Purchase of property, plant and equipment	(400,522)	(344,870)
Proceeds from the sale of fixed assets	152,225	399,223
GST recovered from sale of property	-	160,718
CASH FLOW PROVIDED BY INVESTING ACTIVITIES	(186,559)	343,084
NET CASH INCREASE / (DECREASE)	(290,211)	67,371
CASH AT THE BEGINNING OF THE YEAR	14,017,809	13,950,438
CASH AT THE END OF THE FINANCIAL YEAR	13,727,598	14,017,809

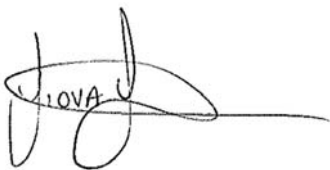
STATEMENT OF THE NATIONAL EXECUTIVE

On November 9, 2012 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 reporting unit for the financial year ended June 30, 2012:

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 the reporting guidelines of Fair Work Australia;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009; and
 - (iv) no requests for information have been received from a member of the reporting unit 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 Commission under section 273 of the Fair Work (Registered Organisations) Act 2009 during the period.
 - (vi) there has been no recovery of wages for the financial year.

Signed on behalf of the National Executive



F JORDAN
NATIONAL PRESIDENT



L.J. CARTER
NATIONAL SECRETARY

Signed at Melbourne, this 19th day of November, 2012

Independent Auditor's Report to the Members of the Finance Sector Union of Australia and controlled entity

Report on the concise financial report

We have audited the accompanying concise financial report of the Finance Sector Union of Australia and controlled entity, which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, derived from the audited financial report of the Finance Sector Union of Australia and controlled entity for the year ended 30 June 2012, as well as the discussion and analysis. The concise financial report does not contain all the disclosures required by Australian Accounting Standards and accordingly, reading the concise financial report is not a substitute for reading the audited financial report.

National Executive's responsibility for the concise financial report

The National Executive is responsible for the preparation of the concise financial report in accordance with Accounting Standard AASB 1039: *Concise Financial Reports*, statutory and other requirements. This responsibility includes establishing and maintaining internal controls relevant to the preparation of the concise financial report, selecting and applying appropriate policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the concise financial report based on our procedures which were conducted in accordance with Auditing Standards ASA 810: *Engagements to Report on Summary Financial Statements*. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of the Finance Sector Union of Australia and controlled entity for the year ended 30 June 2012. We expressed an unmodified audit opinion on that financial report in our report dated 20 November 2012. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the concise financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the concise financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the concise financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our procedures included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of audit evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion on whether, in all material respects, the concise financial report complies with AASB 1039: *Concise Financial Reports* and whether the discussion and analysis complies with the requirements laid down in AASB 1039: *Concise Financial Reports*.

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

Auditor's opinion

In our opinion, the concise financial report including the discussion and analysis of the Finance Sector Union of Australia and controlled entity for the year ended 30 June 2012 complies with Accounting Standard AASB 1039: *Concise Financial Reports* and the requirements imposed by Part 3 of Chapter 8 the Fair Work (Registered Organisations) Act 2009.



CROWE HORWATH MELBOURNE



Peter Sexton
Partner

Level 17, 181 William Street, Melbourne, Victoria

Member of the Institute of Chartered Accountants in Australia
And holder of a Current Public Practice Certificate
Registered Company Auditor # 85044

Dated this 20th day of November 2012



Finance Sector Union of Australia