



Finance Sector Union of Australia

Concise Report to Members

2012-2013



Finance Sector Union of Australia (the union)

OPERATING REPORT for the period 1 July 2012 to 30 June 2013

Prepared in accordance with Schedule 1 - Registration and Accountability of Organisation; Chapter 8 - Records and Accounts; Part 3 - Accounts and Audit; Section 254 - Union 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 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 1/7/12 - 30/6/13, the Finance Sector Union:

- Received application for and admitted 5,344 members;
- Appointed 795 members as FSU workplace representatives;
- Provided training to 532 workplace representatives;
- Provided representation to 10,793 members at the workplace or enterprise level.
- Was party to more than 80 collective agreements in current operation across the finance sector;
- Made approximately 58 applications to Fair Work Australia (renamed the Fair Work Commission effective 1 January 2013)

regarding industrial disputes, award variations and seeking award coverage of award free employees;

- Negotiated and had approved 21 enterprise agreements covering approximately 100,000 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 union during the reporting period. There were no significant changes to the union's financial affairs during the reporting period.

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.

In accordance with Section 230 of the Fair Work (Registered Organisations) Act 2009, the union had a recorded 37,515 members at the end of the reporting period.

The union employed 179 employees nationally at the end of the reporting period.

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

Angrisano J. (from 1/10/2012)
Arnfield L.
Black D.A.
Carter L.J.
Clifford M.S. (to 20/7/2012)
Derrick G.
Doolan E.
Fay A.C.
Filipovski B.
Hall J. (from 4/3/2013)
Jensen N. (from 31/12/2012)
Jordan F.S.
O'Connell A. (to 31/12/2012)
Marshall D.
Martin D.L.
Pearce S.J.
Streets W. (from 20/7/2012)
Selke P. (from 31/12/2012)
Waclawik P.
Willshire W.

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.

Union Governance Report

FSU continues to ensure our Union Governance is in order. This year there have been changes to the Reporting Guidelines under the Fair Work (Registered Organisations) Act 2009, the following reports are in line with those changes.

Remuneration Disclosure

National Secretary:

- \$142,495 plus 15% superannuation and motor vehicle

State Local Executive Secretaries:

- salary range from \$90,162 to \$120,886 plus 15% superannuation and motor vehicle

FSU Staff are remunerated in line with FSU Staff Collective Agreement 2013.

Trustee/Directorship Disclosure

The following Officials and Employees are either a trustee of a superannuation fund, a director of a company that is a trustee of a superannuation fund or a director of a company:

- L. Carter** – Director, Member Connect & FSU Property; Alternate Director, AustralianSuper
- G. Derrick** – Director, Trades Hall Association
- A. Budai** – Director, Beila Corporation Ltd
- I. Crawford** – Director, Beila Corporation Ltd
- D. Faddoul** – Director, Australian Fair Trade and Investment Network Ltd
- D. Rothwell** – Director, G & D Investments Pty Ltd and Upandgrowing Pty Ltd
- L. Colangelo** – Director, Lou & Lucy Investments and LLJR Investments Pty Ltd
- N. Bristow** – Director, N Bristow Superannuation Fund
- A. Catt** – Trustee, Catt Family Superannuation Fund
- M. Deacon** – Trustee, Deacon Family Super Fund and Director, Deacon Family Super Fund Pty Ltd
- J. Jamieson** – Trustee, Linra Developments Staff Superannuation Fund; Trustee, Linra Super Pty Ltd; Director of Fraser Dunes Pty Ltd and Linra Developments



Wendy Streets
Employee Relations Manager



Leon Carter
National Secretary

Signed at Melbourne, this 25th day of November, 2013

DISCUSSION AND ANALYSIS OF FINANCIAL POSITION

The Financial Statements of the Union for the year ended June 30, 2013 disclose a net deficit from ordinary activities for the period of \$66,751. This result compares favourably with the prior year's net deficit of \$1,506,532 and reflects excellent investment returns earned on the Union's investment funds during the 2012/2013 financial year.

A comprehensive surplus of \$59,469 was recorded for the year, following a gain on listed shares held for long term investment.

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 \$1,511,735 during the financial year, compared to a gain of \$136,931 for the prior year. 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.

EXPENDITURE:

- (a) Operating Expenditure, before depreciation, reduced by \$452,077 compared to the previous year. This reduction reflects the high level of redundancy payments made in the previous financial year (\$354,108) as part of the restructuring that has been undertaken in recent years.
- (b) Operating Expenditure, before depreciation, has reduced by \$2,036,645 over the past 5 financial years, due to the Union's restructuring and rationalisation of operations during this period.

FINANCIAL POSITION:

The consolidated group remains in a strong financial position, with net assets of \$46.7 million. Cash reserves and receivables of \$13.9 million contributed to a working capital surplus of \$10.4 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, 2013.

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).

Finance Sector Union of Australia and Controlled Entity

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2013

	2013 (\$)	2012 (\$)
Income From Ordinary Activities	20,169,627	19,366,119
Expenses From Ordinary Activities		
Employee Benefits	(14,303,149)	(14,808,835)
Building & Equipment Expenses	(1,388,048)	(1,360,478)
Industrial & Campaign Expenses	(413,483)	(576,341)
Depreciation and Amortisation	(1,077,183)	(1,261,379)
Affiliations & Levies	(662,657)	(556,667)
Office Expenses	(1,734,857)	(1,627,021)
Other Expenses	(657,001)	(681,930)
	(20,236,378)	(20,872,651)
NET DEFICIT FROM ORDINARY ACTIVITIES	(66,751)	(1,506,532)
Other Comprehensive Income		
Gain on listed shares held for long term investment	126,220	(14,911)
Gain on revaluation of land and buildings	-	2,872,250
TOTAL COMPREHENSIVE SURPLUS	59,469	1,350,807

STATEMENT OF FINANCIAL POSITION

as at 30 June 2013

	2013 (\$)	2012 (\$)
TOTAL ACCUMULATED FUNDS	46,687,296	46,627,827
represented by:		
CURRENT ASSETS		
Cash and equivalents	13,047,894	13,727,598
Trade and other receivables	820,653	961,574
Other current assets	239,081	230,899
TOTAL CURRENT ASSETS	14,107,628	14,920,071
NON CURRENT ASSETS		
Trade and other receivables	129,956	151,606
Financial assets at fair value through profit or loss	9,749,055	8,357,813
Available-for-sale financial assets	520,461	394,242
Property, Plant and Equipment	26,907,338	27,882,879
TOTAL NON CURRENT ASSETS	37,306,810	36,786,540
TOTAL ASSETS	51,414,438	51,706,611
CURRENT LIABILITIES		
Trade and other payables	1,376,986	1,547,814
Provision - Employee Entitlements	2,349,808	2,297,227
TOTAL CURRENT LIABILITIES	3,726,794	3,845,041
NON CURRENT LIABILITIES		
Provision - Employee Entitlements	1,000,348	1,233,743
TOTAL NON CURRENT LIABILITIES	1,000,348	1,233,743
TOTAL LIABILITIES	4,727,142	5,078,784
NET ASSETS	46,687,296	46,627,827

STATEMENT OF CHANGES IN EQUITY

as at 30 June 2013

	General Fund	Asset Revaluation Reserve	Total Accumulated Funds
	\$	\$	\$
Total at the beginning of the financial year	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
Deficit from ordinary activities	(66,751)	-	(66,751)
Gain on listed shares held for long term investment	-	126,220	126,220
Balance as at 30 June 2013	29,096,126	17,591,170	46,687,296

STATEMENT OF CASH FLOWS

for the year ended 30 June 2013

	2013 (\$)	2012 (\$)
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Members	16,783,353	16,955,692
Interest Received	709,789	870,427
Rent	1,035,217	1,078,617
Other	562,530	577,428
Payments to Suppliers and Employees	(19,738,800)	(19,585,816)
CASH FLOW USED IN OPERATING ACTIVITIES	(647,911)	(103,652)
CASH FLOWS FROM INVESTING ACTIVITIES		
Amelioration Fund loans repaid	81,404	61,792
Net OLI bonus payments distributed	-	(54)
Purchase of property, plant and equipment	(212,288)	(400,522)
Proceeds from the sale of fixed assets	99,091	152,225
CASH FLOW PROVIDED BY INVESTING ACTIVITIES	(31,793)	(186,559)
NET CASH INCREASE / (DECREASE)	(679,704)	(290,211)
CASH AT THE BEGINNING OF THE YEAR	13,727,598	14,017,809
CASH AT THE END OF THE FINANCIAL YEAR	13,047,894	13,727,598

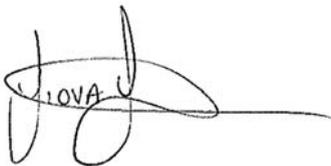
STATEMENT OF THE NATIONAL EXECUTIVE

On November 25, 2013 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, 2013:

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 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 union 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 Commission under section 273 of the Fair Work Commission (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.S. JORDAN
NATIONAL PRESIDENT



L.J. CARTER
NATIONAL SECRETARY

Signed at Melbourne, this 25th day of November, 2013

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 2013, the statement of profit or loss and other 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 2013, as well as the discussion and analysis. The concise financial report does not contain all the disclosures required by the 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 financial report

The National Executive is responsible for the preparation of the concise financial report that gives a true and fair view in accordance with Accounting Standard AASB 1039: *Concise Financial Reports* and the *Corporations Act 2001* and for such internal control as the directors 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.

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 Standard 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 Australia and controlled entity for the year ended 30 June 2013. We expressed an unmodified audit opinion on that financial report in our report dated 27 November 2013. 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 about whether the financial report 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 judgment, 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 company's preparation of the concise financial report that gives a true and fair view 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.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the National Executive of the Finance Sector Union of Australia and controlled entity, would be in the same terms if provided to the National Executive as at the time of this auditor's report.

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 2013 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

CROWE HORWATH MELBOURNE



JOHN GAVENS

Partner

Level 17, 181 William Street, Melbourne, Victoria

Registered Company Auditor #7516

Dated this 27th day of November 2013

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Finance Sector Union of Australia