THE SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION (VICTORIAN BRANCH) AND ITS CONTROLLED ENTITY

ANNUAL FINANCIAL REPORT
30 JUNE 2022

sda
VICTORIA

Shop, Distributive & Allied Employees' Association (Victorian Branch)
and its controlled entity
Annual Financial Report as at 30 June 2022

Contents

Operating Report

For the year ended 30 June 2022

State Council presents its Operating Report together with the financial statements of the Victorian Branch of the Shop, Distributive and Allied Employees' Association for the financial year ended 30 June 2022 and the auditor's report thereon.

1. Membership

Membership of the Victorian Branch of the Association as at 30 June 2022 was 46,101.

Persons eligible to do so under the rules of the Association were actively encouraged to join the Association. Persons join or resign through the Victorian Branch of the Association in accordance with Branch Rules 23 and 24. See also attached Section 174 of the Fair Work (Registered Organizations) Act 2009.

2. Employees

Employee numbers at the Victorian Branch of the Association as at 30 June 2022 was 64 full-time equivalents.

3. Committee of Management

The members of the Committee of Management of the Branch during the financial year, unless indicated otherwise, were:

Branch Secretary/Treasurer	Michael Donovan
Branch Assistant Secretary/Treasurer	Mauro Moretta
Branch President	Ada Scibilia, Resigned 30/9/2021
Branch Vice-President	Sue Nance
Branch Vice-President	Debra Becker
State Councillors	Antony Burke
State Councillors	Sue Hollingsworth
State Councillors	Simon Preest
State Councillors	Tammy Trimble
State Councillors	Patricia Ryan
State Councillors	Julie Davis, Branch President from 30/9/2021
State Councillors	John Gigliotti
State Councillors	Nola Jones
State Councillors	Kathy Cannon
State Councillors	Peter Ericksen
State Councillors	Julie Holland

4. Affiliations & Directorships

The Association is affiliated to the Australian Council of Trade Unions.

The Association is affiliated to the Australian Labor Party (Victorian Branch) and the Branch Secretary/Treasurer is a member of the Interim Governance Committee of the ALP Victorian Branch.

The Branch Secretary/Treasurer is a member of the Occupational Health and Safety Advisory Committee under the Occupational Health and Safety Act 2004.

Operating Report (continued)

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

The Association maintained its industrial awards and agreements and produced a range of publications for its members.

During the Coronavirus pandemic the Association has worked to protect the health and safety, and financial security, of essential retail, online retail, warehousing, fast food, and pharmacy workers who have continued to work tirelessly at the frontline.

During the year ended 30 June 2022, the Association continued with its significant campaign on Customer Violence & Abuse in Retail and Fast Food, called "No One Deserves A Serve". This campaign produced a range of materials to address the increased levels of customer abuse and violence, including sexual harassment by customers, experienced by SDA members. The Association continues to engage with employers, employer associations and safety regulators on developing preventative measures to reduce the harm caused by customer abuse and violence.

In October 2021, the Association released a significant research report: "Challenges of work, family and care. Who Cares? A Fair share of work and care" which was done in partnership with the UNSW Social Policy Research Centre. The report details the work life collision that retail and fast-food workers experience when trying to manage work with their care responsibilities. The Association has engaged extensively on this important research both here and internationally with industry, employers, unions, civil society, and state and federal governments.

The Association continues to focus and engage on sustainability, particularly in relation to labour rights and the Sustainable Development Goals of Decent Work and Gender Equality.

The Association's bargaining agenda continues with multiple EBA's being secured for members in warehousing. Bargaining is also underway with a range of retail companies.

The Association continues to pursue multiple underpayment claims, including a Federal Court action against McDonalds. The Association continues its defence of penalty rates in the Hair and Beauty Award and continues to protect other entitlements from attack by employers. The Association also promotes and protects members interests by participating in a range of legislative inquiries and reviews.

The Association continues to undertake research into areas of importance to SDA members, including affordable housing, work and care, the future of work, and regional communities.

6. Significant changes in financial affairs

There were no significant changes in financial affairs.

7. Officers or members who are superannuation fund trustees or director of a company that is a superannuation fund trustee

Julia Fox, National Assistant Secretary, is an Employee Director of the trustee company of the Retail Employees Superannuation Trust (REST).

The Branch Secretary/Treasurer, Michael Donovan, is an Alternate Employee Director of the trustee company of the Retail Employees Superannuation Trust (REST).

Operating Report (continued)

8. Rights of members to resign

Section 174 of the Fair Work (Registered Organisations) Act 2009 provides as follows:

Section 174 Resignation from membership

174 (1) A member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.

Note: The notice of resignation can be given electronically if the organisation's rules allow for this (see section 9 of the Electronic Transactions Act 1999).

174 (2) A notice of resignation from membership of an organisation takes effect:

(a) where the member ceases to be eligible to become a member of the organisation:
(i) on the day on which the notice is received by the organisation; or
(ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member; whichever is later; or
(b) in any other case:
(i) at the end of 2 weeks, or such shorter period as is specified in the rules of the organisation, after the notice is received by the organisation; or
(ii) on the day specified in the notice; whichever is later.

174 (3) Any dues payable but not paid by a former member of an organisation, in relation to a period before the member's resignation from the organisation took effect, may be sued for and recovered in the name of the organisation, in a court of competent jurisdiction, as a debt due to the organisation.

174 (4) A notice delivered to the person mentioned in subsection (1) is taken to have been received by the organisation when it was delivered.

174 (5) A notice of resignation that has been received by the organisation is not invalid because it was not addressed and delivered in accordance with subsection (1).

174 (6) A resignation from membership of an organisation is valid even if it is not effected in accordance with this section if the member is informed in writing by or on behalf of the organisation that the resignation has been accepted.

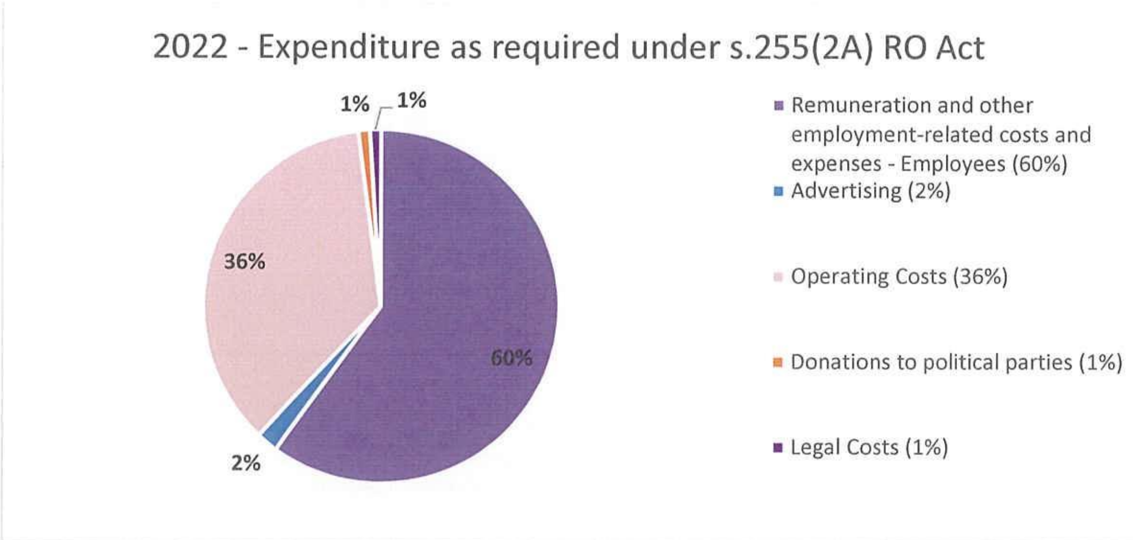
Michael Donovan

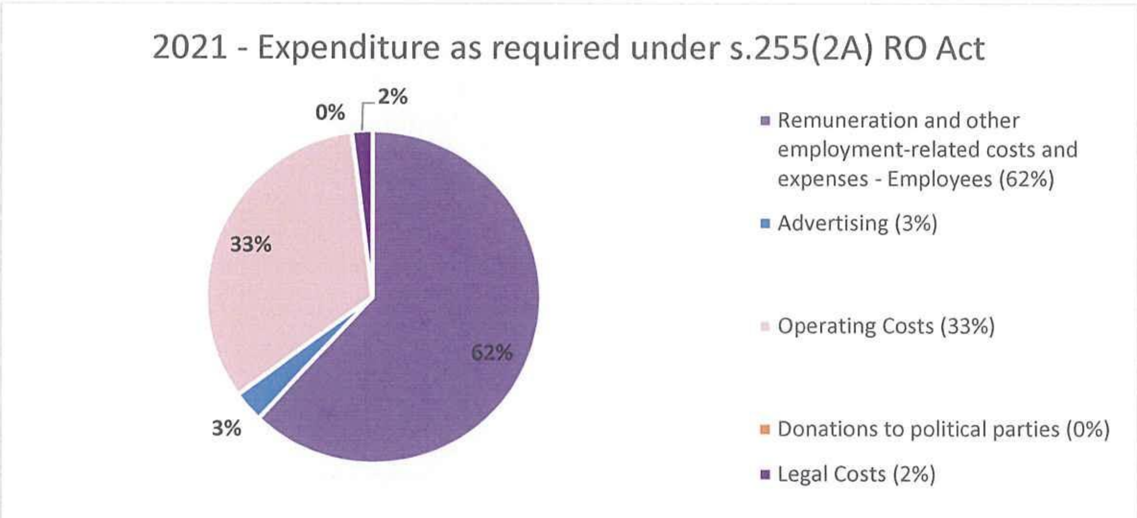
Michael Donovan
Branch Secretary/Treasurer
Dated this 28th day of September, 2022
Melbourne, Victoria

Expenditure report required under subsection 255(2A)

For the year ended 30 June 2022

The committee of management presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 30 June 2022.





Michael Donovan

Michael Donovan
Branch Secretary/Treasurer
Dated this 28th day of September, 2022
Melbourne, Victoria

Committee of Management Statement

On 28 September 2022 the Committee of Management of the Shop, Distributive & Allied Employees' Association (Victorian Branch) passed the following resolution in relation to the general purpose financial report (**GPFR**) for the year ended 30 June 2022:

The Committee of Management declares that in its opinion:

a) the financial statements and notes comply with the Australian Accounting Standards;

b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the **RO Act**);

c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;

d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and

e) during the financial year to which the GPFR relates and since the end of that year:

   i. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; 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 RO Act; and

   iv. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and

   v. where information has been sought in any request by a member of the reporting unit or the Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and

   vi. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

This declaration is made in accordance with a resolution of the committee of management.

Michael Donovan

Michael Donovan
Branch Secretary/Treasurer
Dated this 28th day of September, 2022
Melbourne, Victoria

Officer Declaration Statement

I, Michael Donovan, being the Branch Secretary of the Shop, Distributive & Allied Employees' Association (Victorian Branch), declare that the following activities did not occur during the reporting period ending 30 June 2022.

The Association did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive revenue from undertaking recovery of wages activity
- pay compulsory levies
- pay separation and redundancy to holders of office
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a separation and redundancy provision in respect of holders of office
- have a separation and redundancy provision in respect of employees (other than the holders of office)
- have a fund or reserve account in equity for compulsory levies, voluntary contributions or required by the rules of the organisation
- transfer to or withdraw from a fund or reserve account in equity (other than the general fund in equity), 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

Michael Donovan

Michael Donovan
Branch Secretary/Treasurer
Dated this 28th day of September, 2022
Melbourne, Victoria

Consolidated Statement of Profit and Loss and Other Comprehensive Income

For the year ended 30 June 2022

	Notes	2022 $	2021 $
Gross revenue from membership subscriptions	6	**13,685,476**	14,216,670
Capitation fees and other revenue from another reporting unit		**-**	-
Other revenue	6	**678,596**	253,900
Other income	6	**409,726**	373,010
Share of net loss of associates accounted for using the equity method	10	**-**	-
Impairment of investment in associates	10	**-**	-
Affiliation expenses	7	**(1,448,402)**	(1,196,793)
Delegate expenses		**(97,481)**	(110,651)
Depreciation, amortisation and impairments	7	**(468,403)**	(584,135)
Employee benefits expense	7	**(8,919,349)**	(8,740,196)
Employer commission expenses		**(67,605)**	(73,400)
Gain on disposal of property, plant and equipment		**67,109**	13,701
Member service expenses		**(740,479)**	(830,491)
Office administration expenses		**(1,524,992)**	(1,251,397)
Property expenses		**(477,765)**	(543,644)
Advertising expenses		**(292,244)**	(455,594)
Other expenses	7	**(1,152,270)**	(714,812)
Surplus/(Deficit) attributable to members		**(348,083)**	356,168
Other comprehensive income/(loss)			
Items that will not be reclassified subsequently to profit or loss			
Actuarial gain in retirement benefit asset/liability recognised directly in other comprehensive income	16	**843,588**	1,044,590
Other comprehensive income for the year		**843,588**	1,044,590
Total Comprehensive income attributable to members		**495,505**	1,400,758

The accompanying notes from part of these financial statements.

Consolidated Statement of Financial Position

As at 30 June 2022

	Notes	2022 $	2021 $
ASSETS			
Current assets			
Cash and cash equivalents	8	**7,029,312**	6,870,013
Trade and other receivables	9	**2,352,416**	2,468,079
Inventory		**-**	-
Financial assets	11	**15,774,233**	15,703,616
Other current assets	13	**-**	-
Total current assets		**25,155,961**	25,041,708
Non-current assets			
Investment in Associates	10	**-**	-
Property, plant and equipment	14	**9,751,419**	9,778,688
Intangibles assets	15	**-**	-
Retirement benefit asset	16	**1,100,136**	618,129
Other non-current assets	13	**-**	-
Total non-current assets		**10,851,555**	10,396,817
Total assets		**36,007,516**	35,438,525
LIABILITIES			
Current liabilities			
Trade and other payables	17	**780,269**	609,076
Provisions	18	**2,511,121**	2,483,442
Total current liabilities		**3,291,390**	3,092,518
Non-current liabilities			
Provisions	18	**71,115**	196,501
Total non-current liabilities		**71,115**	196,501
Total liabilities		**3,362,505**	3,289,019
Net assets		**32,645,011**	32,149,506
EQUITY			
Members' funds		**32,645,011**	32,149,506
Total equity		**32,645,011**	32,149,506

The accompanying notes from part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2022

2022	**$**
Equity as at the beginning of the year	**32,149,506**
Deficit attributable to members	**(348,083)**
Other comprehensive income for the year	**843,588**
Total comprehensive income for the year	**495,505**
Equity as at the end of the year	**32,645,011**

2021	
Equity as at the beginning of the year	30,748,748
Surplus attributable to members	356,168
Other comprehensive income for the year	1,044,590
Total comprehensive income for the year	1,400,758
Equity as at the end of the year	32,149,506

The accompanying notes from part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2022

	Notes	2022 $	2021 $
Cash flows from operating activities			
Cash receipts from members and tenants		**16,224,066**	16,341,777
Cash receipts from other reporting units		**4,399**	100,687
Cash payments to employees and suppliers		**(15,453,785)**	(13,683,847)
Cash payments to other reporting units, including affiliation fee		**(1,349,640)**	(1,758,759)
Payment for income tax		**-**	-
Affiliation fees paid for other parties		**(243,602)**	(243,669)
Interest received	6a	**148,608**	99,815
Net cash provided by operating activities	22	**669,954**	856,004
Cash flows from investing activities			
Proceeds from sale of plant and equipment		**67,109**	96,255
Payments to term deposits		**(70,615)**	(191,084)
Payments for property, plant and equipment	14	**(507,149)**	(565,622)
Net cash used in investing activities		**(510,655)**	(660,451)
Cash flows from financing activities		**-**	-
Net cash from financing activities		**-**	-
Net increase in cash and cash equivalents		**159,299**	195,553
Cash & cash equivalents at the beginning of the year		**6,870,013**	6,674,460
Cash & cash equivalents at the end of the year	8	**7,029,312**	6,870,013

The accompanying notes from part of these financial statements.

Notes to the Consolidated Financial Statements

1. Reporting entity

These general-purpose financial statements cover the consolidated entity of The Shop, Distributive and Allied Employees' Association (Victorian Branch) and controlled entity (the 'Association') The financial statements were authorised for issue in accordance with a resolution of the State Council on 28 September 2022.

The following is a summary of the material accounting policies adopted by the Association in the preparation of these financial statements.

2. Basis of Preparation

a) Statement of Compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the *Fair Work (Registered Organisations) Act 2009* (RO Act). For the purposes of preparing the general-purpose financial statements, the Association is a not-for-profit entity.

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. The financial statements have been prepared on a historical cost basis, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets.

b) Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Association operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars which is the Association's functional and presentational currency.

c) Comparative Amounts

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

d) Significant Accounting Judgements and Estimates

The preparation of financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Notes to Consolidated Financial Statements

2. Basis of Preparation (continued)

(d) Significant Accounting Judgements and Estimates (continued)

Assumptions and Estimation Uncertainties

The present value of defined benefit obligations depends upon a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for defined benefits include the discount rate and an apportionment of the assets and liabilities of the defined benefit fund between the Association and The Shop, Distributive and Allied Employees' Association (National Office), an entity which contributes to the fund on behalf of its employees Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

The Association determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash flows expected to be required to settle the defined benefit obligations. In determining the appropriate discount rate, the Association considers the yield of long term corporate bonds that are denominated in Australian dollars and that have terms to maturity approximating the terms of the related defined benefit obligation. These discount rates are utilised gross of tax.

Other key assumptions for defined benefit obligations are based in part on current market conditions. Additional information is disclosed in Note 16.

- Note 16 - Defined benefit obligation.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following note:

- Note 18 — Employee benefits.

Measurement of fair *values*

A number of the Association's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Association has an established control framework with respect to the measurement of fair values. Significant fair value measurements are overseen and reviewed regularly, including unobservable inputs and valuation adjustments. If third party information is used to measure fair values, the Association assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of AASBs, including the level in the fair value hierarchy in which such valuations should be classified. Significant valuation issues are reviewed by the Association's Committee of Management.

Notes to Consolidated Financial Statements

2. Basis of Preparation (continued)

(d) Significant Accounting Judgements and Estimates (continued)

Assumptions and Estimation Uncertainties (continued)

Measurement of fair values (continued)

When measuring the fair value of an asset or a liability, the Association uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1 — quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Association recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3. New Australian Accounting Standards

a) Adoption of New Australian Standards and Amendments

The accounting policies adopted are consistent with those of the previous financial year except for the following amendments to accounting standards and other changes in accounting policy, which have been adopted for the first time this financial year:

- International Financial Reporting Standards Interpretations Committee (IFRS IC) agenda decision on configuration or customisation costs in cloud computing or Software-as-a-Service (SaaS) arrangements;
- AASB 2021-3 Amendments to AASs – COVID-19-Related Rent Concessions beyond 30 June 2021;

No accounting standard has been adopted earlier than the application date stated in the standard.

Notes to Consolidated Financial Statements

3. New Australian Accounting Standards (continued)

a) Adoption of New Australian Accounting Standards and amendments (continued)

Impact on application of IFRS IC agenda decision on configuration or customisation costs in cloud computing or SaaS arrangements

In April 2021, the IFRS IC published an agenda decision relating to the accounting for configuration and customisation costs incurred related to a SaaS arrangement. As a result, a change in accounting policy has been made in relation to configuration and customisation costs incurred in implementing SaaS arrangements..

The adoption did not have a material impact on the Association's financial statements.

Impact on adoption of AASB2021-3 *Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions beyond 30 June 2021*

These amendments provide relief to lessees from applying AASB 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under AASB 16 Leases, if the change were not a lease modification.

The adoption of AASB 2020-4 did not have a material impact on the Association's financial statements.

Notes to Consolidated Financial Statements

3. New Australian Accounting Standards (continued)

b) Future Australian Accounting Standards

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods that are expected to have a future financial impact on the Association include:

AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*

This Standard amends AASB 101 *Presentation of Financial Statements* to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted.

AASB 2020-2 and AASB 1060

The AASB approved an amending standard (2020-2) that will remove the ability of certain for-profit private sector entities to prepare special purpose financial statements (SPFS). The AASB also approved a new simplified disclosure standard (AASB 1060) that will replace the previous Tier 2 reduced disclosure framework.

Notes to Consolidated Financial Statements

4. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all period presented in these financial statements by the Association.

a) Revenue

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

Membership subscription revenue is recognized overtime on an accruals basis as the membership service is provided which is typically based on the passage of time over the membership period. AASB 15 uses the terminology 'Customers' to describe the source of the revenue. The most significant source of revenue for the Shop, Distributive & Allied Employees' Association (Victorian Branch) comes from members. Members pledge themselves to advance the objectives and receive in return access to mutual assistance consistent with the Association's objectives. Whilst in many senses the mutuality of members means they are the organisation, for the purposes of accounting standards the term 'Members' and its meaning in terms of revenue is the same as the accounting term 'Customers' in the standard AASB 15. Revenue from member subscription is recognised gross of employer commissions.

Similar to prior year, commissions rates applied to revenue vary from 0-2.5% at 30 June 2022. Commissions are accounted for on an accruals basis and is recorded as an expense in the year to which it relates on the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Commissions for the year ended 30 June 2022 were $67.605 (2021: $73,400). Employer commissions are required to be disclosed as per section 253 of the Fair Work (Registered Organisations) Act 2009.

Rental income arising is accounted for on a straight-line basis over the relevant lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as income in the period in which they are earned. All revenue is stated net of the amount of goods and services tax (GST).

The Association has elected not to recognise volunteer services at fair value.

b) Finance Income and Finance Costs

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

Notes to Consolidated Financial Statements

4. Significant Accounting Policies (continued)

b) Finance Income and Finance Costs (continued)

Interest income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

c) Gains

Sale of Assets

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

d) Affiliation feed and levies

Affiliation fees and levies are recognised on an accrual basis and recorded as an expense in the year to which it relates.

e) Employee Benefits

(i) Defined benefit plans

The Association's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Association, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits consideration is given to any applicable minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the elect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Association determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

Notes to Consolidated Financial Statements

4. Significant Accounting Policies (continued)

e) Employee Benefits (continued)

(i) Defined benefit plans (continued)

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Association recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(ii) Other long-term employee benefits

The Association's net obligation in respect of long-term employee benefits other than defined benefit superannuation funds is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on -costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on Australian Corporate bonds that have maturity dates approximating the terms of the Association's obligations in which the benefits are expected to be paid.

(iii) Short-term benefits

Liabilities for employee benefits for wages, salaries and annual leave represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts and expensed based on remuneration wage and salary rates that the Association expects to pay as at reporting date including related on-costs such as workers compensation insurance and payroll tax, Amounts that are expected to be settled beyond 12 months are measured in accordance with long term benefits.

Notes to Consolidated Financial Statements

4. Significant Accounting Policies (continued)

f) Leases

The Association assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Association as a lessee

The Association applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Association recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Association recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use), Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities, The cost of right-of-use assets includes the amount of lease liabilities recognised, Initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Association at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease Liabilities

At the commencement date of the lease, the Association recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Association and payments: of penalties for terminating the lease, if the lease term reflects the Association exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that trippers the payment occurs.

Notes to Consolidated Financial Statements

4. Significant Accounting Policies (continued)

f) Leases(continued)

Lease Liabilities(continued)

In calculating the present value of lease payments, the Association uses the implicit the interest rate or incremental borrowing rate if the implicit lease rate is not readily determinable. After the commencement date the amount of lease labilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Association's short-term leases are those that have a lease term of 12 months or less from the commencement. It also applies the lease of low-value assets recognition exemption, Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight line basis over the lease term.

The Association as a lessor

At inception or on modification of a contract that contains a lease component, the Association allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Association acts as a lessor, it determines at inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Association makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Association considers certain indicators such as whether the lease is the major part of the economic life of the asset.

The Association recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of other revenue.

g) Cash and cash equivalents

Cash is recognised at its nominal amount. Cash and cash equivalents include cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

Notes to Consolidated Financial Statements

4. Significant Accounting Policies (continued)

h) Financial Instruments

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the instrument.

Financial Assets

(i) Initial recognition and measurement

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

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

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

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

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

Notes to Consolidated Financial Statements

4. Significant Accounting Policies (continued)

h) Financial Instruments (continued)

(ii) Subsequent measurement

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

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss.

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

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

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

The Association's financial assets at amortized cost includes trade and other receivables (Note 9), term deposits held with the Westpac Banking Corporation (Note 11) and cash and cash equivalents (Note 8).

Notes to Consolidated Financial Statements

4. Significant Accounting Policies (continued)

h) Financial Instruments (continued)

(iii) De-recognition

A financial asset is derecognised when:

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

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

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

(iv) Offsetting

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

Impairment of Financial Assets

(i) Trade Receivables

For trade receivables that do not have a significant financing component, the Association applies a simplified approach in calculating ECLs. Therefore, the Association does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Association has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Notes to Consolidated Financial Statements

4. Significant Accounting Policies (continued)

h) Financial Instruments (continued)

Impairment of Financial Assets (continued)

(ii) Debt instruments other than Trade Receivables

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the Association recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the reporting unit expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages:

- For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL).
- For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Association considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Association may also consider a financial asset to be in default when internal or external information indicates that the Association is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial Liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Association's financial liabilities include trade and other payables.

Notes to Consolidated Financial Statements

4. Significant Accounting Policies (continued)

h) Financial Instruments (continued)

(ii) Subsequent measurement

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Share Capital

The Association is a registered organisation under the Fair Work (Registered Organisations) Act 2009 and does not have share capital.

Foreign Currency Transactions

Transactions in foreign currencies are translated to the functional currency of the Association at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date, The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction,

Foreign currency differences arising on retranslation are recognised in profit or loss.

Notes to Consolidated Financial Statements

4. Significant Accounting Policies (continued)

i) Contingent assets and liabilities

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

j) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The initial cost of an asset includes expenditures that are directly attributable to the acquisition of the asset

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within other income/other expenses in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Association and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Notes to Consolidated Financial Statements

4. Significant Accounting Policies (continued)

j) Property, plant and equipment (continued)

(iii) Depreciation

Depreciable is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in profit or loss on a straight-line or diminishing value over the estimated useful lives of each part of an item of property, plant and equipment, to most closely reflect the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Association will obtain ownership by the end of the lease term.

Depreciation rates (useful live), residual values and methods are reviewed at each reporting date and adjusted as appropriate.

Depreciation rates applying to each class of depreciable assets:

	2022	2021
Building structures and improvements	2% - 20%	2% - 20%
Motor vehicles	28.57%	28.57%
Office equipment	0% - 33%	0% - 33%

(iv) Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

Notes to Consolidated Financial Statements

4. Significant Accounting Policies (continued)

k) Intangibles

Costs incurred in developing computer software that will contribute to future period benefits through efficiencies are capitalised to software. Costs capitalised include external direct costs of material and service costs of IT consultants spent on the project. Amortisation is calculated on a straight-line basis over a period of 10 years. IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the Association has an intention and ability to use the asset.

Amortisation rates apply to finite intangibles such as computer software.

De-recognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit and loss when the asset is derecognised.

l) Impairment of non-financial assets

The carrying amounts of the Association's non-financial assets, other than investment property, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount. A CGU is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. 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 Association were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss hadbeen recognised.

Notes to Consolidated Financial Statements

4. Significant Accounting Policies (continued)

m) Taxation

The Association is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has an obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of the amount of good and services tax (GST) except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated with the amount of GST excluded, as the Association reports to the ATO for GST on a cash-basis. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

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

n) Provisions

A provision is recognised if, as a result of a past event, the Association has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

The Association records provision for cancelled members based its reliable estimates.

o) Fair value measurements

A number of the Association's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 12.

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.

Notes to Consolidated Financial Statements

4. Significant Accounting Policies (continued)

o) Fair value measurements (continued)

The principal or the most advantageous market must be accessible by the Association. 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 Association 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 Association determines whether transfers have occurred between levels 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 Association 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) Segment reporting

An operating segment is a component of the Association that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the other Association's other components. All operating segments' operating results are reviewed regularly by the Association's office holders to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available. There is no separate operating segments disclosure as there is only one reportable segment.

Notes to Consolidated Financial Statements

4. Significant Accounting Policies (continued)

q) Financial risk management

The Association has exposure to the following risks from their use of financial instruments:

i) Credit risk
ii) Liquidity risk
iii) Market risk
iv) Operational risk

Risk Management Framework

The State Council has overall responsibility for the establishment and oversight of the risk management framework. Risk management policies are established to identify and analyse the risks faced by the Association, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Association's activities. The Association, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

A detailed assessment of the Association's exposure to the above risk is included in Note 8 and 11.

r) Basis of consolidation

(i) Business combinations

The Association accounts for business combinations using the acquisition method when control is transferred to the Association (see Note 4 (r)(ii)). The consideration transferred is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in fair value of the contingent consideration are recognised in profit or loss.

Notes to Consolidated Financial Statements

4. Significant Accounting Policies (continued)

r) Basis of consolidation (continued)

(ii) Subsidiaries

Subsidiaries are entities controlled by the Association. The Association 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(iii) Non-controlling interests

Non-controlling interest (NCI) are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Association's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iv) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(v) Interests in equity-accounted investees

The Association's interest in equity-accounted investees comprise interests in associates.

Associates are those entities in which the Association has significant influence, but not control or joint control, over the financial and operating policies. (see Note 4(s)).

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealise income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Notes to Consolidated Financial Statements

4. Significant Accounting Policies (continued)

s) Investment in associates

An associate is an entity over which the Association has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates in these financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the share of the profit or loss and other comprehensive income of the associate. When the share of losses of an associate exceeds the interest in that associate, the Association discontinues recognising its share of further losses. Additional losses are recognised only to the extent that it has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

t) Parent entity financial information

Investment in subsidiaries and associates

Investments in subsidiaries and associates are accounted for at cost. Dividends received from associates are recognised as revenue in the parent entity's profit or loss in the statement of profit or loss and other comprehensive income, rather than being deducted from the carrying amount of the investment.

5. Events after the reporting period

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

6. Revenue and Other income

Disaggregation of revenue from contracts with customers:
A disaggregation of revenue by type of arrangement is provided on the face of the Statement of Comprehensive Income. The table below also sets out a disaggregation of revenue by type of customer:

	2022	2021
Gross revenue by type of customer:	$	$
Membership subscriptions	13,685,476	14,216,670
Total revenue from contracts with customers	13,685,476	14,216,670

Membership subscriptions revenue are recognised over time and earned only within Victoria.

Other revenue:	Notes	2022 $	2021 $
Interest revenue	(a)	148,608	99,815
Other revenue		529,988	154,085
Capitation Fees		-	-
Levies		-	-
Grants and/or donations		-	-
Revenue from recovery of wages activity		-	-
		678,596	253,900

	2022	2021
(a) Interest received		
Interest on cash balances and short term deposits	14,749	3,056
Interest on financial assets	133,859	96,759
Total received	148,608	99,815
Other income:		
Rental revenue for property	409,726	373,010

7. Expenses

	Notes	2022 $	2021 $
Surplus/(Deficit) including the following specific expenses			
Depreciation:			
Buildings		205,277	199,367
Motor vehicles		206,095	187,742
Office equipment		57,031	62,979
	14(a)	468,403	450,088
Amortisation:			
Software – membership system	15(a)	-	134,047
Total depreciation and amortisation		468,403	584,135

7. Expenses (continued)

	2022 $	2021 $
Affiliation fees:		
Shop, Distributive & Allied Employees' Association (National Office) – national Funds	**1,034,223**	848,066
Shop, Distributive & Allied Employees' Association (National Office) – International funds	**192,722**	127,210
Australian Labor Party	**221,457**	221,517
	1,448,402	1,196,793

	2022 $	2021 $
Employee benefits expense:		
Employee benefits expense related to holders of office*:		
Salaries and wages	**399,086**	304,342
Superannuation	**39,909**	30,434
Leave and other entitlements	**23,787**	19,935
Other	**45,791**	35,022
	508,573	389,733

*The holders of office of the association in FY22 were Michael Donovan, Mauro Moretta and Julie Davis (President from 30/9/21). In FY21 the holders of office of the association were Michael Donovan and Mauro Moretta.

Employee benefits expense related to employees (other than holders of office):

	2022 $	2021 $
Salaries and wages	**7,119,424**	6,451,732
Superannuation	**765,739**	707,468
Leave and other entitlements	**7,548**	304,415
Other	**518,065**	886,848
	8,410,776	8,350,463
Total employee benefits expense	**8,919,349**	8,740,196

	2022 $	2021 $
Other expenses:		
Capitation fees	**-**	-
Compulsory levies	**-**	-
Professional fees	**295,164**	370,834
Information communications technology	**120,125**	105,039
Travel expenses	**31,421**	45,374
Office expenses	**162,520**	82,408
Conference and meeting expenses	**84,665**	7,039
Fees/allowances – meeting and conferences	**28,020**	20,189
Donations	**194,933**	43,044
Other expenses	**235,422**	40,885
Total other expenses	**1,152,270**	714,812

7. Expenses (continued)

Consideration to employers for payroll deductions has been shown on the face of the Statement of Profit or Loss and other comprehensive income as commission expenses.

	2022	2021
Legal Costs:	$	$
Litigation	-	-
Other legal matters	97,076	190,100
Total legal expenses	97,076	190,100

	2022	2021
Grants or Donations	$	$
Grants:		
Total paid were $1,000 or less	-	-
Total paid that exceeded $1,000	-	-
	-	-

	2022	2021
Donations:	$	$
Total paid were $1,000 or less	-	-
Total paid that exceeded $1,000	194,933	43,044
	194,933	43,044

8. Cash and Cash Equivalents

	2022	2021
Cash on hand	900	900
Cash at bank	7,028,412	6,869,113
Total cash and cash equivalents	7,029,312	6,870,013

Cash on hand is non-interest bearing, and as such is not subject to interest rate risk.

Cash at bank is subject to interest rate as it earns interest as floating rates. For cash and bank in 2022, the average floating rates were 0.42% (2021: 0.04%).

The fair value of cash and cash equivalents is equal to the amounts disclosed above.

(a) Sensitivity analysis
A 100 point (2021:100 point) increase in the BBSW at the reporting date would have increased the surplus by $70,290 (2021: 68,690), and an equal change in the opposite direction would have decrease the surplus by $70,290 (2021: 68,690).

9. Trade and Other Receivables

	Note	2022 $	2021 $
CURRENT			
Trade receivables	(a)	**1,108,023**	1,159,052
Prepayments	(c)	**1,244,471**	1,126,205
Other receivables	(b)	**16,945**	84,021
Amounts receivable from other reporting units – SDA National Office		**(17,023)**	98,801
Less allowance for impairment loss		**-**	-
		2,352,416	2,468,079

The carrying amounts of all trade and other receivables are equal to their fair values as they are short term receivables and non-interest bearing.

(a) Ageing and impairment losses of trade receivables

	Gross 2022 $	Impairment 2022 $	Gross 2021 $	Impairment 2021 $
Not past due	**1,090,427**	-	1,141,564	-
Past due 0 – 30 days	**706**	-	-	-
Past due 31 – 60days	**-**	-	4,174	-
Past due over 60 days	**16,890**	-	13,314	-
	1,108,023	-	1,159,052	

(b) Other receivables

Other receivables arise primarily from interest due from cash at bank and term deposits. None of the other current receivables are impaired or past due.

(c) Prepayments

This amount includes affiliation fees from other reporting units – SDA National Office amounting to $739,307 (2021: $487,638).

(d) Credit risk

The maximum exposure to credit risk is the carrying amount of all receivables less impairment, if any (excluding prepayments).

The entity's most significant receivable from an employer of the members, a retailer, accounts for $458,727 (2021: $466,063) of receivables at the reporting date.

(e) Interest rate risk

All current receivables are non-interest bearing.

(f) Foreign currency risk

The entity is not exposed to foreign currency risk.

(g) Renegotiation of terms

No extension on credit terms have been given to customers during the year.

10. Non-Current Assets – Investment in Associates

	2022	2021
	$	$
Investments in associates	**-**	-

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting and are carried at cost less impairment by the parent entity.

	2022	2021
	$	$
(a) Movements in carrying amounts		
Carrying amount at the beginning of the financial year	**-**	-
Share of loss after income tax	**-**	-
Impairment of investments	**-**	-
Carrying amount at the end of the financial year	**-**	-
	-	-

(b) Summarised financial information of associates

The entity's share of the results of its principle associates and its aggregated assets (including goodwill) and liabilities are as follows:

		Group's share of:			
	Ownership Interest	**Assets**	**Liabilities**	**Revenues**	**(Loss) / Profit**
	%	**$**	**$**	**$**	**$**
2022					
Industrial Printing and Publishing Pty Ltd and controlled entities	**23.9%**	**119,821**	**(70,574)**	**1,441**	**(18,254)**
2021					
Industrial Printing and Publishing Pty Ltd and controlled entities	23.9%	629,110	(561,612)	594,742	(329,523)

All of the above associates were incorporated in Australia.

Dividend received from associates were $nil (2021: $nil).

(c) Contingent liabilities of associates

There are no contingent liabilities of capital commitments of associates (2021: $nil)

11. Other Financial Assets

	Note	2022 $	2021 $
CURRENT			
Financial assets at amortised cost			
Term deposits	(a)	15,774,233	15,703,616
Financial assets at amortised cost		15,774,233	15,703,616

(a) Term deposits
Term deposits bear fixed interest rates between 0.25%-0.60% (2021: 0.25%-0.60%). As at 30 June 2022, the maturity term of the term deposits ranging between 6 to 12 months (2021: 5 to 10 months).

(b) Interest rate risk – Sensitivity analysis
The Association's investments in floating rate interest securities are not quoted on the Australian Stock Exchange.

The Association's term deposits expose it to a risk of change in their fair value or future cash flows due to changes in interest rates. There are no financial assets where the fair value of the assets differs materially from the carrying value.

A 100 point (2021:100 point) increase in the BBSW at the reporting date would have increase the surplus by $157,742 (2021: $157,030), and an equal change in the opposite direction would have decreased surplus by $157,742 (2021: $157,030).

(c) Credit risk

Concentrations of risk
The Association's investment in term deposits is in 5 term deposits issued by Westpac Banking Corporation. All investments were issued by entities rated 'AA-'. None of the financial assets at amortised cost are either past due or impaired.

Maximum exposure to credit risk
The maximum exposure to credit risk at reporting date is the total of term deposits.

12. Fair value measurements of Financial Instruments

This note provides an update on the judgements and estimates made by the group in determining the fair values of the financial instruments since the last annual financial report.

Valuation processes and fair values of other financial instruments

The fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the Group approximates their carrying amounts.

The fair value of other monetary financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles. Non-interest-bearing related party receivables are repayable on demand; thus face value equates to fair value.

The carrying amounts of financial assets and liabilities equates to their fair values at balance date.

13. Other Assets

	2022 $	2021 $
CURRENT		
Lease incentive asset	-	-
NON CURRENT		
Lease incentive asset	-	-

14. Property, Plant and Equipment

	2022	2021
Land & buildings at cost	12,827,796	12,742,321
Less accumulated depreciation	(4,117,489)	(3,912,212)
Total land & buildings	8,710,307	8,830,109
Motor vehicles at cost	1,466,755	1,308,285
Less accumulated depreciation	(648,352)	(621,471)
Total motor vehicles	818,403	686,814
Office equipment at cost	1,068,342	1,050,367
Less accumulated depreciation	(845,633)	(788,602)
Total office equipment	222,709	261,765
Total property, plant and equipment	9,751,419	9,778,688

(a) Movements in carrying amounts

	Land & Buildings $	Motor Vehicles $	Office Equipment $	Total $
2022				
Balance at the beginning of year	8,830,109	686,814	261,765	9,778,688
Additions	57,402	403,686	46,061	507,149
Depreciation expense	(205,277)	(206,082)	(57,044)	(468,403)
Net Disposals	-	(66,015)	-	(66,015)
Carrying amount at the end of year	8,682,234	818,403	250,782	9,751,419
2021				
Balance at the beginning of year	9,029,476	582,398	133,834	9,745,708
Additions	-	374,712	190,910	565,622
Depreciation expense	(199,367)	(187,742)	(62,979)	(450,088)
Disposals	-	(82,554)	-	(82,554)
Carrying amount at the end of year	8,830,109	686,814	261,765	9,778,688

14. Property, Plant and Equipment (continued)

An independent valuation was performed for the Group's premises on 30 June 2020 by m3property, an accredited independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the property being valued. The valuation shows that the property has a market value of $15,900,000. The Association do not believe that there have been any changes in market conditions between the valuation date and the current year end date that would have an impact on the market value derived.

	2022 $	2021 $
(b) Amounts recognised in profit and loss for property, plant and equipment		
Rental Income	**409,726**	373,010
Direct operating expenses that generated rental income	**(555,144)**	(543,644)
Total	**(145,418)**	(170,634)

(c) Leasing arrangements for rental income

Excess space within the owner-occupied property is leased to tenants under leases with rentals payable monthly. All lease arrangements with leases are operating leases, the minimum lease payments under non-cancellable operating lease not recognised in the financial statements are receivable as follows:

2022 – Operating leases under AASB16	
Within one year	1,060,542
After one year but not more than two years	580,096
Total	1,640,638

2021 – Operating leases under AASB16	
Within one year	390,383
After one year but not more than two years	385,772
Total	776,155

The above leasing arrangements represent 39% of the total unit space, which is leased out to unrelated external parties at an arm's length transaction. The remaining 61% of unit space is occupied by Shop, Distributive and Allied Employees' Association (Victorian Branch).

15. Intangible Assets

	2022 $	2021 $
Software at cost	3,706,980	3,706,980
Less accumulated amortisation	(3,706,980)	(3,706,980)
Net carrying value	-	-

	2022 $	2021 $
(a) Movements in carrying amounts		
Balance at the beginning of year	-	134,047
Additions	-	-
Amortisation expense	-	(134,047)
Carrying amount at the end of year	-	-

16. Retirement Benefit Asset

	2022 $	2021 $
NON-CURRENT ASSET		
Retirement benefit asset	1,100,136	618,129

(a) Superannuation plan

The Association sought Professional Financial Solutions to prepare a valuation report to assist with the measurement, recognition and disclosure requirements of AASB 119 Employee Benefits. The report covered the superannuation plan of The Shop, Distributive & Allied Employees' Association (Victorian Branch), but also included members that are employees of the National Office. Apportionment of the amounts included in the report between the Victorian Branch and the National Office is based on the percentage of the superannuation asset attributed to each entity's members to the total superannuation asset.

A different methodology in regard to the apportionment of the superannuation amounts could result in a change to the carrying value of the retirement benefit asset. Apportionment percentage as at balance date was 77.04% (2021: 76.03%). This is based on members hip data as at 30 June 2022.

(b) Plan characteristics and associated risks

The Plan is a defined benefit superannuation fund providing lump sum benefits to members on retirement, resignation, death and total and permanent disablement. The benefits are based on the member's annual salary near retirement and the length of their membership of the Plan. The Plan is open to new members.

Members may also have a defined contribution component of their benefit but, given that for such benefits the assets and liabilities are matched, these disclosures only relate to the defined benefit component of members' benefits.

16. Retirement Benefit Asset (continued)

(b) Plan characteristics and associated risks (continued)

The Plan is a defined benefit sub-plan of the Retail Employees Superannuation Trust ("REST"), a regulated superannuation entity (RSE) subject to superannuation law, including the Superannuation Industry (Supervision) Act 2003 and certain sections of tax law, and the regulator is the Australian Prudential Regulation Authority (APRA). RSEs receive concessional tax treatment provided they comply with relevant law.

There is a minimum funding requirement such that a member's benefit must not be less than the Minimum Requisite Benefit (MRB) as defined in the Superannuation Guarantee Charge (Administration) Act 1992. An actuarial Benefit Certificate specifies how the MRB is calculated and an actuarial Funding and Solvency Certificate (FSC) specifies the minimum level of contribution to be paid by the Association. Further, a new APRA Prudential Standard (SPS 160), which took effect from 1 July 2013, requires vested benefit short falls to be funded over a period not exceeding three years, unless APRA agrees to vary this requirement.

Any net asset determined under AASB 119 may be used to reduce future contributions payable by the Association and therefore, such an asset may be recognised in the financial statements of the Association. Further, it is possible, under superannuation law, that the Association may receive a payment of any surplus assets from the Plan provided certain conditions are met, and, if this is the case, there is no asset ceiling as defined in paragraphs 64-65 of AASB 119.

The major risk of the Plan for the Association is that there is insufficient money in the Plan to meet the benefit liabilities and there may be a call on the Association to make additional payments This situation may occur if the experience of the Plan is unfavourable relative to the assumptions used by the Actuary to determine the contributions to be made by the Association. Examples of unfavourable experience are lower than expected investment returns and higher than expected increases in member salaries. There is also a risk, albeit relatively small, that the Plan may be overfunded by contributions in excess of those required to fund benefits and the Association is unable to recoup any benefit from those overpaid contributions. The assets of the Plan are allocated across a number of asset classes and there is no particular concentration risk.

	Note	2022 $	2021 $
(c) Statement of financial position amounts			
The amounts recognised in the statement of financial position are determined as follows:			
Fair value of defined benefit plan assets	(e)	8,282,571	8,941,129
Present value of the defined benefit obligation	(e)	(7,182,435)	(8,323,000)
		1,100,136	618,129

16. Retirement Benefit Asset (continued)

	2022 $	2021 $
(d) Movements in the net asset for defined benefit obligation recognised in the statement of financial position:		
Net asset for defined benefit obligations at 1 July	618,129	18,533
Contributions paid into the plan	-	-
Amount recognised in other comprehensive income – actuarial gains (losses)	843,588	1,044,590
Expenses recognised in statement of profit and loss and other comprehensive income within employee benefits expenses	(361,581)	(444,994)
Net asset for defined benefit obligations at 30 June	1,100,136	618,129
(e) Reconciliation		
Reconciliation of the present value of the defined benefit obligation:		
Balance at the start of the financial year	8,323,000	8,075,668
Current service cost	404,353	319,556
Interest cost	149,458	145,969
Actuarial losses/(gains)	(1,156,370)	180,941
Benefits paid	(447,869)	(323,869)
Taxes, premiums & expenses paid	(90,137)	(75,265)
Balance at the end of the year	7,182,435	8,323,000
Reconciliation of the fair value of the plan asset:		
Balance at the start of the financial year	8,941,129	8,094,201
Return on plan asset	154,424	20,531
Actuarial gains/(losses)	(312,782)	1,225,531
Employer contributions	37,806	-
Benefits paid	(447,869)	(323,869)
Taxes, premiums and expenses paid	(90,137)	(75,265
Balance at the end of the year	8,282,571	8,941,129
(f) Expense recognised in profit or loss		
Current service costs	404,353	319,556
Net interest costs	(42,772)	125,438
	361,581	444,994
(g) Re-measurements of net defined benefit liability/asset		
Loss/(Gain) on defined benefit obligation	(1,156,370)	180,941
(Gain)/Loss on assets	312,782	(1,225,531)
Recognised in other comprehensive income	(843,588)	(1,044,590)

16. Retirement Benefit Asset (continued)

	2022 $	2021 $
(h) Actuarial gains and (losses) recognised in other comprehensive income		
Cumulative amount at 1 July	706,364	(338,226)
Recognised during the period	843,588	1,044,590
Cumulative amount at 30 June	1,549,952	706,364
(i) Categories of plan assets		
The major categories of plan assets are as follows:		
Australian equity	0%	24%
International equity	0%	24%
Fixed income	0%	16%
Property	0%	9%
Cash	100%	4%
Other	0%	23%
(j) Principal actuarial assumptions		
The principal actuarial assumptions used (expressed as weight averages) were as follows:		
Discount rate	5.00%	2.00%
Future salary increases	3.00%	3.00%

(k) Employer contributions and funding arrangements

The Association contributes such amounts as are recommended by the actuary. Actuarial investigations are conducted at least every three years and the Association contribution rate is reviewed after allowing for the current financial status of the Plan and the value of benefits accruing in the future. The Association is currently on a contribution holiday.

	2022 $	2021 $
Estimated employer contributions	159,000	-

(l) Effect of the asset ceiling

The asset ceiling has no effect at this time.

(m) Reimbursement rights

There are no explicit reimbursement rights in the rules governing the Plan. However, under superannuation law, repayments from benefit plan are possible provided certain conditions are met.

(n) In-house asset disclosure

The fair value of Plan assets includes no amounts relating to any of the Association's financial instruments or any property occupied by, or other assets used by, the Association.

(o) Asset-liability matching

The Plan has no specific asset-liability matching. However, the asset allocation has been determined to provide protection from the risk of salary increases in that there is a significant component of the assets which are likely to increase with inflation. Investments in Australian and International shares and property are expected to increase in the long term, in line with inflation.

(p) Sensitivity analysis

The defined benefit obligation, calculated under various assumptions, has been presented below and reflect different potential results arising from changes in discount rates applied.

	2022 $	2021 $
Increase in net obligation for a 1% decrease in the discount rate	**449,914**	566,390
Reduction in net obligation for a 1% decrease in the discount rate	**403,690**	(669,024)

17. Trade and Other Payables

	2022 $	2021 $
CURRENT		
Unsecured liabilities		
Trade payables	**437,386**	103,164
Other payables	**342,883**	493,268
Legal costs – other legal matters	**-**	12,644
Payables to other reporting units	**-**	-
	780,269	609,076

Trade and other payables are non-interest bearing. Trade payables are current liabilities which results in their fair value being equal to the current carrying amount.

(a) Liquidity risk

The contractual maturities of all payables are 0-12months.

18. Provisions

Employee entitlements

	2022 $	2021 $
Employee provisions in respect to holders of office:		
Current		
Annual leave	**48,846**	41,893
Long service leave	**224,104**	211,150
	272,950	253,043
Employee provisions related to employees (other than holders of office)		
Current		
Annual leave	**1,049,784**	977,878
Long service leave	**933,763**	1,055,162
	1,983,547	2,033,040
	2,256,497	2,286,083
Other current provisions		
Provisions for cancelled member funds	254,624	197,359
Total current provisions	**2,511,121**	2,483,442
Employee provisions related to employees (other than holders of office):		
Non-Current		
Long service leave	**71,115**	196,501
Total non-current provisions	**71,115**	196,501

19. Executive Officers and Key Management Personnel

(a) Executive Officers (holders of office)

The following persons were executive officers of the Association during the financial year:

Michael Donovan	Branch Secretary/Treasurer	
Mauro Moretta	Branch Assistant Secretary/Treasurer	
Ada Scibilia,	Branch President	(resigned 30/9/2021)
Julie Davis	Branch President	(appointed 30/9/2021)

(b) Other key management personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the association, directly or indirectly through the year:

Sue Nance	Branch Vice-President
Debra Becker	Branch Vice-President
Antony Burke	State Councillor
Sue Hollingsworth	State Councillor
Simon Preest	State Councillor
Tammy Trimble	State Councillor
Patricia Ryan	State Councillor
John Gigliotti	State Councillor
Nola Jones	State Councillor
Kathy Cannon	State Councillor
Peter Ericksen	State Councillor
Julie Holland	State Councillor

(c) Compensation of executive officers and other key management personnel	2022 $	2021 $
Salary	733,048	657,403
Annual leave accrual movement	20,779	29,476
Other expenses	123,402	108,731
Short-term employment benefits	877,229	795,610
Post-employment benefits – superannuation	74,211	65,740
Other long-term benefits	-	-
Termination benefits	-	-
Share based payments	-	-
	951,440	861,350

Each officer and relative of the officers of the Association has not acquired any material personal interest relating to the affairs of the Association during the year.

20. Auditor's Remuneration

	2022 $	2021 $
Remuneration of the auditor of the Association for:		
Auditing the financial statements	**33,000**	116,600
Financial report assistance	**7,000**	17,000
Other audit service	**8,000**	10,000
	48,000	143,600

21. Related Parties

(a) Interest free loans to related parties

The Shop, Distributive and Allied Employees' Association (Victorian Branch) and Controlled Entity, the ultimate controlling entity, has granted interest free loans to the controlled entity, FEDSDA Unit Trust, of which $9,000,000 is receivable as at 30 June 2022 (refer to parent entity current assets at Note 24). These loans are without specific terms of repayment and are included in parent entity*s current receivables in the statement of financial position. This amount is eliminated upon consolidation.

(b) Transaction with associates

Amounts received from Industrial Printing and Publishing Pty Ltd and Publicity Works Pty Ltd, a controlled entity of Industrial Printing and Publishing Pty Ltd, an associate, in relation to directorate duties performed by SDA staff and consulting services paid to Publicity Works Pty Ltd, split as follows:

	2022 $	2021 $
Directors' fees paid to SDA	**12,000**	13,200
Amounts paid to Publicity Works Pty Ltd, a controlled entity of Industrial Printing and Publishing Pty, an associate, for consulting services.	-	32,487

21. Related Parties (continued)

	2022 $	2021 $
(c) Transactions with controlled entity		
Amount of distribution payment from FEDSDA unit Trust as a subsidiary of the Shop, Distributive and Allied Employees' Association (Victorian Branch). This amount has been eliminated upon consolidation	**220,683**	216,320
Amount of rent paid to FEDSDA unit Trust as a subsidiary of the Shop, Distributive and Allied Employees' Association (Victorian Branch). This amount has been eliminated upon consolidation.	**636,000**	636,600
Amount of secretarial fees paid by FEDSDA unit Trust as a subsidiary of the Shop, Distributive and Allied Employees' Association (Victorian Branch). This amount has been eliminated upon consolidation.	**74,200**	62,400
(d) Transaction with the National Office		
Affiliation fees paid to the Shop, Distributive & Allied Employees Association (National Office)	**1,226,945**	975,276
Advance affiliation fees paid to the Shop, Distributive & Allied Employees Association (National Office)	**739,307**	487,638
Reimbursement of Victorian payroll tax from the Shop, Distributive and Allied Employees' Association (National Office).	**(98,228)**	(100,687)
Reimbursement of expenses to the Shop, Distributive and Allied Employees' Association (National Office).	**258,558**	138,897
Reimbursement by Shop, Distributive and Allied Employees' Association (National Office) to the Shop, Distributive and Allied Employees' Association (Victorian Branch) for expenses paid on their behalf	**81,108**	-

22. Cash Flow Information

	2022 $	2021 $
Reconciliation of cash flow from operations with surplus/(deficit)		
Net surplus/(deficit) for the year	(348,083)	356,168
Cash flows excluded from deficit attributable to operating activities		
Depreciation & amortisation	468,403	584,135
Impairment of related party loan receivable	-	-
Net gain on disposal of plant and equipment	(67,109)	(13,701)
Share of profit of associates	-	-
Impairment of investment in associate	-	-
Non-cash defined benefit adjustment	361,581	444,994
Provision for expected credit losses	16,390	-
Changes in assets and liabilities		
(Increase)/Decrease in receivables	165,286	(937,044)
(Increase)/Decrease in other current assets	-	8,994
(Increase)/Decrease in other non-current assets	-	3,794
Increase/(Decrease) in payables	171,193	142,935
Increase/(Decrease) in provisions	(97,707)	265,729
Net cash provided by operating activities	669,954	856,004
Cash flow information		
Cash inflows		
SDA National Office	70,632	100,687
Total cash inflows	70,632	100,687
Cash outflows		
SDA National Office	1,626,476	1,758,847
Total cash outflows	1,626,476	1,758,847

23. Commitments

There are no capital or leasing commitments which the Association has entered into as at 30 June 2022

Within 1 year	-	-
Later than 1 year but not later than 5years	-	-
Total	-	-

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

24. Parent Entity Information

The following detailed information related to the parent entity, the Shop, Distributive and Allied Employees' Association (Victorian Branch), at 30 June 2022. The information presented here has been prepared using consistent accounting policies as presented in Notes 1 to 4, except as follows:

Investments in subsidiaries and associates
Investments in subsidiaries and associates are accounted for at cost. Dividends received from associates are recognised as revenue in the parent entity's profit or loss in the statement of profit or loss and other comprehensive income, rather than being deducted from the carrying amount of the investment.

Summary financial information
The individual financial statements for the parent entity show the following aggregate amounts:

	2022 $	2021 $
Summary statement of financial position		
Current assets	23,618,826	24,012,426
Non-current assets	12,866,920	12,324,168
Total assets	36,485,746	36,336,594
Current liabilities	2,080,131	3,037,050
Non-current liabilities	1,157,866	196,501
Total liabilities	3,237,997	3,233,551
Members funds	33,247,751	33,103,043
Total equity	33,247,751	33,103,043
Summary statement of profit or loss and other comprehensive income		
Surplus/(Deficit) for the year	**(274,822)**	356,168
Other comprehensive income (loss) for the year	**843,588**	1,044,590
Total comprehensive income (loss) for the year	**(568,766)**	1,400,758

The consolidated financial statements include the financial information of FEDSDA Unit Trust, a 100% owned Australian property holding unit trust (2021:100%).

25. Association Details

The registered office and principal place of business of the Association is:

The Shop, Distributive, and Allied Employees' Association (Victorian Branch)
Level 3, 65 Southbank Boulevard
Southbank VIC 3006

26. Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or Commissioner:

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

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

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

Independent Audit Report

To the Members of Shop, Distributive & Allied Employees' Association (Victorian Branch) and its controlled entity

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the Financial Report of the Shop, Distributive and Allied Employees' Association (Victorian Branch) (the Association). In our opinion, the accompanying Financial Report presents fairly, in all material respects, the financial position of the Shop, Distributive and Allied Employees' Association (Victorian Branch) and its controlled entity as at 30 June 2022, and of its financial performance and its cash flows for the year then ended, in accordance with the Australian Accounting Standards and other requirements imposed by the reporting guidelines and Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

The Financial Report comprises the Consolidated statement of financial position as at 30 June 2022, Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended, Notes including a summary of significant accounting policies, and Other explanatory information including the Committee of Management Statement, the subsection 255(2A) report and the Officer Declaration Statement.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial report of the Company is in accordance with the *Part 3 of Chapter 8 of 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 2022 and of its financial performance for the year ended; and

(ii) complying with Australian Accounting Standards to the extent described in Note 1 and the Fair Work (Registered Organisations) Act 2009.

Basis for Qualified Opinion

The previous financial report for the year ended 30 June 2021 was audited by another auditor. We were unable to satisfy ourselves by alternative means the accuracy of certain of the opening balances disclosed as comparative figures in the balance sheet and statements of profit and loss for the year ended 30 June 2022. Whilst we were satisfied with the material accuracy of amounts recorded in the balance sheet and statement of profit and loss as at 30 June 2022, the impact of the opening balances on the current period financial position and performance prevents us from expressing an unqualified opinion on the financial report taken as a whole.

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 Company in accordance with the auditor independence requirements of the *Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009* and 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 Matter
The financial report of the Company for the previous financial year ended 30 June 2021 was audited by another auditor. The auditor issued a qualified opinion on the financial report.

Restriction on use and distribution

The Financial Report has been prepared to assist the Committee of Management of the Shop, Distributive and Allied Employees' Association (Victorian Branch) in complying with the financial reporting requirements of the Fair Work (Registered Organisation) Act 2009.

As a result, the Financial Report and this Auditor's Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Our report is intended solely for the Committee of Management and members of the Shop, Distributive and Allied Employees' Association (Victorian Branch) and should not be used by parties other than the Committee of Management and the members of Shop, Distributive and Allied Employees' Association (Victorian Branch). We disclaim any assumption of responsibility for any reliance on this report, or on the Financial Report to which it relates, to any person other than the Committee of Management and the members of the Shop, Distributive and Allied Employees' Association (Victorian Branch) or for any other purpose than that for which it was prepared.

Responsibilities of Committee of Management for the Financial Report

The Committee of Management are responsible for the preparation and fair presentation of the Financial Report in accordance with the financial reporting requirements of Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009;

- implementing necessary internal control to enable the preparation of a Financial Report that is free from material misstatement, whether due to fraud or error;
- assessing the Association's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Association or to cease operations or have 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 expect to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and asses the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Declaration by the Auditor

I declare that I am an auditor registered under the Fair Work (Registered Organisations) Act 2009. I am a member of the Chartered Accountants Australia New Zealand and hold a current Public Practice Certificate.

Opinion

I declare that, as part of the audit of the financial report for the financial year ended 30 June 2022, the Committee of Management's use of the going concern basis of accounting in the preparation of the Shop, Distributive and Allied Employees' Association (Victorian Branch)'s financial report is appropriate.

MVA Bennett

MVA BENNETT
Chartered Accountants
Level 5, North Tower
485 La Trobe Street,
Melbourne Vic 3000

SHAUN EVANS
Partner

Dated: 28 September 2022