



The AFS & Associates Community Bank® team. From left to right: Kylie Donald, Lachlan Shawyer, Jess Pay, Nik Pell, Rose Abbott, Kate Mannix, Josh Griffin, David Hutchings, Rechelle O'Sullivan, Kath Hutchings, Anthony Smith, Magnus Cochrane, Brigitte Matthews, Bec Rockliff.

Absent: Graeme Stewart, Dennis Barnett, Jayde Mullane, James Avery, Jas Singh, Laura Flanagan.

Welcoming Josh Griffin to the Partnership

As you may have read in our client newsletter we are proud to announce Josh Griffin has been appointed as the firm's newest Partner.

Most of you would have worked with Josh while he has been a Senior Manager in our Community Bank® audit team. Josh shares our passion for Community Banking and we have no doubt that he will continue to provide the highest level of service to you.

Congratulations Josh, we look forward to having you help lead the firm into the future.

Western Australia Community Bank® State Conference

We were delighted to be invited to attend the WA Community Bank® State Conference held in Mandurah in May.

AFS Senior Partner David Hutchings and Senior Manager Jayde Mullane enjoyed the chance to present two sessions on the issues we see affecting Community Banks, including governance, audit and accounting issues and taxation.

It was also a great opportunity to catch up with many of our valued clients in Western Australia. We are happy to make similar presentations at state or regional conferences.

Celebrating 20 years of Community Banking

We were pleased to hear the National Community Bank® Conference is on in Bendigo again this year, celebrating 20 years of Community Banking. Will you be in town for the conference? We would love to see you. Please be in touch if you'd like to catch up or visit us during your time in Bendigo.

New Community Banks on the horizon

We are thrilled to be involved in two new community surveys (feasibility studies) at Gerringong and Eastwood, both in New South Wales. It is great to see communities continuing to embrace the Community Bank® concept.

AFS continues to be at the forefront of developments in Community Banking and we are delighted to be well into the planning stage for what we believe will be the first multiple language community survey.

There is a large Korean population in and around Eastwood and we will be running both paper and online surveys in English and in Korean.

This is proof, if more were needed of how Bendigo Bank's Community Bank® model has the potential to help every Australian community.



Rose Abbott
Share Registry Manager at AFS

Everything you could need in Share Registry

Ten years ago AFS saw an opportunity to add to its Community Bank® involvement. Computershare had moved away from its maintenance of the Community Bank® share registers and AFS embraced the gap in the market.

Beginning with the maintenance of three registers in 2008, we now maintain over 100.

Our services include updating shareholder records, paying dividends and dealing with statutory reporting obligations including the handling of unclaimed money.

We have also processed share buybacks and can offer additional assistance to administer the Community Bank® Low Volume Market for registers we maintain.

We are currently testing an online registry service. This facility will offer shareholders the option of making their own updates to their holding, including change of address, adding tax file numbers and contact and direct credit details. Shareholders will also be able to download copies of their distribution and holding statements.

The option to send out notice of AGM, proxy forms and other forms of communication to shareholders will also be available.

Naturally, we will still only be a phone call away and happy to assist as usual with any questions.

If you are interested in our share registry service please contact our Share Registry team on 03 4408 5329 or by email shareregistry@afsbendigo.com.au

New framework for revenue recognition

AASB 15: Revenue from Contracts with Customers establishes a new framework for revenue recognition and measurement following a five-step approach. The new standard replaces the existing accounting literature for revenue recognition which is currently spread across various standards and Interpretations.

The new standard applies to annual reporting periods commencing on or after 1 January 2018. For Community Bank® companies with June year-ends, AASB 15 will be effective from 1 July 2018.

The core principle of this Standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers, in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

An entity should apply AASB 15 if a contract exists, and if the counterparty to the contract is a customer.

A customer is a party that has contracted with an entity to obtain goods or services that are an output of the entity's ordinary activities in exchange for consideration.

A counterparty to the contract would not be a customer if, for example, the counterparty has contracted with the entity to participate in an activity or process in which the parties to the contract share in the risks and benefits that result from the activity or process.

We believe that Bendigo and Adelaide Bank Limited does not fit the definition of a 'customer' under the Standard on the basis that they share in the risks and benefits of the activity or process with the Community Bank® companies.

We expect the revenue received from Bendigo and Adelaide Bank Limited to continue to be recognised on a monthly basis in line with the profit share statements. Therefore this accounting standard is not expected to have a material impact on the financial statements.

ASIC fee changes

The Government has introduced new laws that change the way ASIC is funded. Under the new arrangements, regulated entities will receive an invoice to recover the costs for ASIC's regulatory services delivered in the prior year.

The change effectively means there will be two fees.

The first component is the annual review fee which is charged on the anniversary of the company's incorporation. This fee will be \$1,224 for 2018/19 for public companies.

The second component will be a new regulatory fee charged as part of an industry funding model. The industry funding model will recover costs associated with the previous financial year so it will effectively be billed in arrears. Fees for the 2017/18 period will be invoiced in January 2019.

ASIC's regulatory costs will be allocated among 48 different subsectors through either a flat levy or a graduated levy.

As part of the industry funding model, organisations will be required to submit what ASIC call "business activity metrics" (we assume they mean revenue or asset value) in the new ASIC Regulatory Portal every year during July to September. ASIC will then use this information to calculate the levy for each subsector.

Unlisted public companies (which are the majority of Community Bank® companies) will be charged an indicative flat levy of \$321 for 2017/18, while listed companies will be charged \$4,000 providing their market capitalisation is less than \$5 million.

Further instructions will be sent to your registered ASIC contact in July 2018 regarding the ASIC Regulatory Portal and business activity metrics. Once this information is received you will have until 27 September 2018 to register, validate your organisation's details and submit the business activity metrics requested. This ignores the fact that you have until 30 September to actually lodge the information with ASIC for the public record.

For more information about ASIC industry funding go to www.asic.gov.au/industry-funding.