



12 February 2019

Mr Michael McKittrick  
State Secretary  
Australian Federated Union of Locomotive Employees  
41 Peel Street  
SOUTH BRISBANE QLD 4101

By email: [statesecretary@afule.org.au](mailto:statesecretary@afule.org.au)

CC: [gkent@mgisq.com.au](mailto:gkent@mgisq.com.au)

Dear Mr McKittrick,

### **Australian Federated Union of Locomotive Employees**

#### **Financial Report for the year ended 30 June 2018 - [FR2018/115]**

I acknowledge receipt of the financial report for the year ended 30 June 2018 for the Australian Federated Union of Locomotive Employees (**the reporting unit**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 6 December 2018.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009 (RO Act)* have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2019 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged, however I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these matters have been addressed prior to filing next year's report.

#### Recovery of wages disclosure

Please note that under the 5<sup>th</sup> edition of the reporting guidelines made under section 255 of the RO Act issued 4 May 2018 a recovery of wages activity statement is no longer required. Furthermore, the reporting guidelines no longer require a statement in regard to recovery of wages activity in the committee of management statement.

In place of the former requirements, item 13(e) of the 5<sup>th</sup> edition reporting guidelines requires the disclosure of any revenue derived from undertaking recovery of wages activity in either the statement of comprehensive income or the notes to the financial statements. Reporting guideline 21 states that if any activity described within items 10-20 of the reporting guidelines have not occurred in the reporting period, a statement to this effect must be included in the financial statements, the notes or in an officer's declaration statement.

## Nil activities disclosure

Item 21 of the reporting guidelines states that if any of the activities identified within items 10-20 of the reporting guidelines have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement. The financial statements and the notes contained nil activity information for all prescribed reporting guideline categories except the following:

- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch (reporting guideline 17(a));
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity (reporting guideline 17(b));
- have another entity administer the financial affairs of the reporting unit (reporting guideline 19);
- make a payment to a former related party of the reporting unit (reporting guideline 20).

Please ensure in future years that the above mentioned items are disclosed in either the financial statements, the notes or in the officer's declaration statement as per the reporting guidelines.

I also note that the following nil activity disclosures in the body of the notes were duplicated in the statement of comprehensive income:

- receive capitation fees from another reporting unit – is disclosed in both Note 3A and in the statement of comprehensive income;
- receive revenue via compulsory levies – is disclosed in both Note 3B and in the statement of comprehensive income;
- receive donations or grants – is disclosed in both Note 3D and in the statement of comprehensive income;
- pay capitation fees to another reporting unit – is disclosed in both Note 4B and in the statement of comprehensive income.

Please note that nil activities only need to be disclosed once.

## **Redaction of information from operating report**

### Officer-Related party remuneration and payment disclosures

In the operating report, certain information disclosed under the heading, *Disclosure Statements – Remuneration and Non-cash Benefits of Highest Paid Officers*, has been redacted from the copy of the 2018 financial report by the ROC before publishing it on its website.

Section 293J of Part 2A now requires an organisation to provide its members and lodge with the ROC a copy of an officer and related party disclosure statement in respect of certain remuneration<sup>1</sup> and payments<sup>2</sup> paid during the relevant financial year. This requirement applied to the financial year ending 30 June 2018. The statement is required to be lodged with the ROC within the period of 6 months starting at the end of the financial year, i.e. in this case, before or by no later than 31 December. I note that the reporting unit lodged an officer and related party disclosure statement with the ROC on 20 December 2018.

Please note that the officer and related party disclosure statement is separate from, and does not form part of, the general purpose financial report required under section 253 of Part 3 of Chapter 8.

Further information about officer and related party statements may be found on the ROC website at the following link: <http://www.roc.gov.au/running-a-registered-organisation/disclosure-obligations>.

---

<sup>1</sup> see section 293BC

<sup>2</sup> see section 293G

The ROC takes its obligations relating to privacy seriously and endeavours to ensure compliance with the requirements under the *Privacy Act 1988* (**Privacy Act**). The redactions have been effected in accordance with the ROC privacy policy to protect the personal information of persons identified in the financial report. A copy of the ROC privacy policy can be found via [this link](#).

### **Reporting Requirements**

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements. The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (02) 8293 4654 or via email at [david.vale@roc.gov.au](mailto:david.vale@roc.gov.au).

Yours faithfully

A handwritten signature in blue ink, appearing to read 'David Vale', with a long horizontal flourish extending to the right.

David Vale  
Registered Organisations Commission

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES**

*s.268 Fair Work (Registered Organisations) Act 2009*

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER**

Certificate for the year ended 30 June 2018

I Michael McKitrick, being the State Secretary of the Australian Federated Union of Locomotive Employees certify:

- that the documents lodged herewith are copies of the full report for the Australian Federated Union of Locomotive Employees for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 28 November 2018; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 29 November 2018 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:  .....

Name of prescribed designated officer: Michael McKitrick

Title of prescribed designated officer: State Secretary

Dated: 29 November 2018

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES**

**ABN 60 964 355 298**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2018**

## CONTENTS

### Page No

Committee of Management's Operating Report.....	3
Auditor's Independence Declaration.....	6
Committee of Management Statement.....	7
Independent Audit Report.....	8
Statement of Comprehensive Income .....	11
Statement of Financial Position .....	12
Statement of Changes in Equity .....	13
Statement of Cash Flows .....	14
Statement of Receipts and Payments for Recovery of Wages Activity .....	15
Report Required under Subsection 255(2A) of the <i>Fair Work (Registered Organisations) Act 2009</i> .....	16
Notes to the Financial Statements.....	18

## **AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES**

### **COMMITTEE OF MANAGEMENT'S OPERATING REPORT**

#### **FOR THE YEAR ENDED 30 JUNE 2018**

#### **Operating Report**

In accordance with section 254 of the *Fair Work (Registered Organisations) Act 2009* ("Act") the Committee of Management ("the Committee") presents its Operating Report on the Australian Federated Union of Locomotive Employees ("the Union"), for the year ended 30 June 2018.

#### **Principal Activities**

The principal activity of the Australian Federated Union of Locomotive Employees is operating as a registered organisation of employees, comprising persons employed in the training running grade in Queensland.

The Union gives this effect to this principal activity by:

- (a) Advising members regarding their conditions of employment, rights and entitlements pursuant to the governing industrial relations regulation.
- (b) Advising members regarding their entitlements and obligations pursuant to the applicable occupational health and safety legislation and applicable workers' compensation legislation.
- (c) Representing members during bargaining for union collective agreements
- (d) Advocating for improvements to industrial legislation and legislation pertaining specifically to train running.
- (e) Representing members during workplace investigations and disciplinary hearings.
- (f) Representing members and the Union before industrial tribunals.
- (g) Having carriage of, and protecting the rules of the Union.
- (h) Having carriage of the records and accounts of the Union.

#### **Operating Results**

The deficit for the financial year amounted to \$170,305 (2017 deficit: \$155,295).

#### **Significant Changes in Financial Affairs**

A review of the operations of the Union during the financial year found that there was no significant change in the financial affairs of the Union's operations during the year.

#### **After Balance Date Events**

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

#### **Future Developments**

Likely developments in the operations of the Union or the expected result of those operations in future financial years have not been included in this report as such information is likely to result in unreasonable prejudice to the Union.

#### **Wages Recovery Activity**

The Union has not undertaken any recovery of wages activity for the financial years ended 30 June 2018 and 30 June 2017.

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES**  
**COMMITTEE OF MANAGEMENT'S OPERATING REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**Members Right to Resign**

All members have the right to resign from the Union in accordance with Rule 6 - Resignation of Membership (and Section 174 of the Act); namely, by providing written notice addressed and delivered to the Secretary of the Union.

**Membership of the Union**

Total number of members as at 30 June 2018: 1,078 (2017: 1,106).

**Employees of the Union**

The number of persons who were, at the end of the period to which the report relates, employees of the Union, where the number of employees includes both full-time and part-time employees measured on a full-time equivalent basis is 4.4 (2017: 4.0).

**Members of the Committee of Management**

The name of each person who has been a member of the Committee of Management of the Union at any time during the reporting period, and the period for which he or she held such a position is as follows:

<b>Name</b>	<b>Period of Appointment</b>	<b>Position</b>
Greg Smith	01/07/17 – 30/06/18	State Secretary
Warren Hinds	01/07/17 – 30/06/18	State President
Glen McGaw	01/07/17 – 30/06/18	State Vice-President
Renny Eyears	01/07/17 – 30/06/18	Trustee
Patrick Lord	01/07/17 – 30/06/18	No. 1 Divisional Councillor
Ian Martin	01/07/17 – 30/06/18	No. 2 Divisional Councillor
Stewart Rach	01/07/17 – 30/06/18	No. 3 Divisional Councillor
John Pedersen	01/07/17 – 30/06/18	No. 4 Divisional Councillor
Ian Casey	01/07/17 – 30/06/18	No. 5 Divisional Councillor
James Melgert	01/07/17 – 30/06/18	No. 6 Divisional Councillor
Kevin Voll	01/07/17 – 30/06/18	No. 7 Divisional Councillor

Note: Subsequent to 30 June 2018, the following changes to the Committee of Management have occurred:

1. Greg Smith has resigned as State Secretary on 26 July 2018.
2. Michael McKitrick has been appointed as State Secretary on 26 July 2018.

**Indemnifying Officers or Auditors**

The Union has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor:

- indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against liability for the costs or expenses to defend legal proceedings.



**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES  
 COMMITTEE OF MANAGEMENT'S OPERATING REPORT (CONTINUED)  
 FOR THE YEAR ENDED 30 JUNE 2018**

**Disclosure Statements – Remuneration and Non-cash Benefits of Highest Paid Officers**

The five highest paid officers of the Union for the disclosure period ended 30 June 2018 and the amounts of relevant remuneration paid to them and the value or form of non-cash benefits received by them is as set out in the table below:

Name of Officer	Actual amount of relevant remuneration	Value of or form of non-cash benefits

**Disclosure Statements – Officers' Material Personal Interests**

No officer of the Union has disclosed any material personal interests that they or a relative of theirs has in a matter that relates to the affairs of the Union in the year ended 30 June 2018.

**Disclosure by Union of Payments to Related Parties or Declared Persons**

The Union has made no reportable payments to any related party or declared person or body of the Union in the year ended 30 June 2018.

**Officers or Members who are Superannuation Fund Trustees/ Directors of a Company that is a Superannuation Fund Trustee**

No officer or member of the Union hold a position of trustee or director of an entity, scheme or company as described in s.254 (2) (d) of the *Fair Work (Registered Organisations) Act 2009*, where a criterion of such entity is that the holder of such position must be a member or official of a registered organisation.

**Auditor's Independence Declaration**

A copy of the auditor's independence declaration is set out on page 6.

This report is made in accordance with a resolution of the Committee of Management and is signed for and on behalf of the Committee of Management by:



Michael McKittrick  
 State Secretary

28 November 2018

South Brisbane

**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE COMMITTEE OF MANAGEMENT OF THE  
AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES**

As lead auditor for the audit of the Australian Federated Union of Locomotive Employees for the year ended 30 June 2018; I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

*M.G.F*

**MGI Audit Pty Ltd**



**G I Kent**

Director – Audit & Assurance

South Brisbane

28 November 2018

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/2

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES  
COMMITTEE OF MANAGEMENT STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2018**

On 28 November 2018, the Committee of Management of the Union passed the following resolution to the General Purpose Financial Report (GPFR) of the reporting unit for the financial year ended 30 June 2018.

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Union for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable; 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 and the rules of the Union concerned; and
  - ii. the financial affairs of the Union have been managed in accordance with the rules of the organisation;
  - iii. the financial records of the Union have been kept and maintained in accordance with the *RO Act*;
  - 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 to each of the other reporting units of the organisation;
  - v. where information has been sought in any request of a member of the reporting unit or Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or Commissioner; and
  - vi. there have been no orders for inspection of financial records made by the Fair Work Commission under section 273 of the RO Act during the year.
- (f) No revenue has been derived from undertaking recovery of wages activity during the reporting year.

**Name of Designated Officer:** Michael McKitrick

**Title of Designated Officer:** State Secretary

**Signature:**

**Date:**

  
28 November 2018

## **Independent Audit Report to the Members of the Australian Federated Union of Locomotive Employees**

### **Report on the Audit of the Financial Report**

#### **Opinion**

We have audited the financial report of the Australian Federated Union of Locomotive Union of Employees (the Union), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, notes to the financial statements, including a summary of significant accounting policies; the Committee of Management Statement and the subsection 255(2A) report.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Australian Federated Union of Locomotive Union of Employees as at 30 June 2018, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

We declare that management's use of the going concern basis in the preparation of the financial statements of the Union is appropriate.

#### **Basis for Opinion**

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

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

#### **Information Other than the Financial Report and Auditor's Report Thereon**

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Committee of Management for the Financial Report**

The Committee of Management of the Union is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Union or to cease operations, or have no realistic alternative but to do so.

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

Our objective is 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from 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 Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's 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 Union'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 Union 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Union to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Union's audit. We remain solely responsible for our audit opinion.

We communicate with the Committee of Management 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**

I declare that I am an approved auditor, a member of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

I declare that I am an auditor registered under the RO Act.

**Opinion on the recovery of wages activity financial report**

The scope of my work extended to the recovery of wages activity and we have audited the recovery of wages activity financial report for the year ended 30 June 2018.

In our opinion, the financial statements and notes and recovery of wages activity financial report properly and fairly report all information required by the reporting guidelines of the Commissioner, including:

- a) any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
- b) any donations or other contributions deducted from recovered money.

**Responsibilities**

The Committee of Management is responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with the reporting guidelines of the Commission. Our responsibility is to express an opinion on the recovery of wages activity financial report, based on our audit conducted in accordance with Australian Auditing Standards.

*M.G.I*

**MGI Audit Pty Ltd**



**G I Kent**

Director – Audit & Assurance

South Brisbane

28 November 2018

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/2

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2018**

	Notes	2018 \$	2017 \$
<b>Revenue</b>			
Membership subscription		<b>573,599</b>	586,971
Capitation fees	3A	-	-
Levies	3B	-	-
Interest	3C	<b>27,818</b>	19,782
Grants or donations	3D	-	-
Other revenue	3E	<b>2,140</b>	9
<b>Total revenue</b>		<b>603,557</b>	606,762
<b>Expenses</b>			
Employee expenses	4A	<b>(589,580)</b>	(543,025)
Capitation fees	4B	-	-
Affiliation fees	4C	<b>(17,362)</b>	(23,904)
Administration expenses	4D	<b>(113,385)</b>	(95,973)
Grants or donations	4E	<b>(8,202)</b>	(2,393)
Depreciation and amortisation	4F	<b>(6,285)</b>	(3,622)
Finance costs	4G	<b>(3,454)</b>	(3,497)
Legal costs	4H	<b>(15,716)</b>	(25,023)
Audit and accounting fees	12	<b>(13,000)</b>	(19,143)
Other expenses	4I	<b>(5,396)</b>	(45,477)
Loss on sale of property, plant and equipment		<b>(1,482)</b>	
<b>Total expenses</b>		<b>(773,862)</b>	(762,057)
<b>Deficit for the year</b>		<b>(170,305)</b>	(155,295)
<b>Other comprehensive income</b>			
Other Comprehensive income (net of income tax)		-	-
<b>Total comprehensive income for the year</b>		<b>(170,305)</b>	(155,295)

The above statement should be read in conjunction with the notes.

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2018**

	Notes	2018 \$	2017 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5A	189,247	340,381
Trade and other receivables	5B	-	2,052
Investments	5C	655,123	641,468
Other current assets	5D	30,903	26,558
<b>Total current assets</b>		<b>875,273</b>	<b>1,010,459</b>
<b>Non-Current Assets</b>			
Plant and equipment	6A	9,827	10,815
<b>Total non-current assets</b>		<b>9,827</b>	<b>10,815</b>
<b>Total assets</b>		<b>885,100</b>	<b>1,021,274</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade payables	7A	22,101	19,081
Other payables	7B	20,759	26,194
Employee provisions	8A	172,306	137,036
<b>Total current liabilities</b>		<b>215,166</b>	<b>182,311</b>
<b>Non-Current Liabilities</b>			
Employee provisions	8A	3,139	1,863
<b>Total non-current liabilities</b>		<b>3,139</b>	<b>1,863</b>
<b>Total liabilities</b>		<b>218,305</b>	<b>184,174</b>
<b>Net assets</b>		<b>666,795</b>	<b>837,100</b>
<b>EQUITY</b>			
Retained earnings		666,795	837,100
<b>Total equity</b>		<b>666,795</b>	<b>837,100</b>

The above statement should be read in conjunction with the notes.



**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2018**

	Notes	Retained earnings \$	Total equity \$
<b>Balance as at 1 July 2016</b>		992,395	992,395
Deficit for the year		(155,295)	(155,295)
Other comprehensive income		-	-
<b>Closing balance as at 30 June 2017</b>		<u>837,100</u>	<u>837,100</u>
<b>Opening balance as at 1 July 2017</b>		<b>837,100</b>	<b>837,100</b>
Deficit for the year		<b>(170,305)</b>	<b>(170,305)</b>
Other comprehensive income		-	-
<b>Closing balance as at 30 June 2018</b>		<u><b>666,795</b></u>	<u><b>666,795</b></u>

The above statement should be read in conjunction with the notes.

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2018**

	Notes	2018 \$	2017 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Receipts from other reporting units	9B	-	-
Receipts from members and other customers		<b>637,693</b>	645,674
Interest		<b>17,447</b>	7,246
		<b>655,140</b>	652,920
<b>Cash used</b>			
Employees and suppliers		<b>(785,840)</b>	(791,916)
Payment to other reporting units	9B	-	-
		<b>(785,840)</b>	(791,916)
<b>Net cash used in/ (provided by) operating activities</b>		<b>(130,700)</b>	(138,996)
<b>INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment		<b>(6,779)</b>	(6,976)
Purchase of investments		<b>(13,655)</b>	-
Proceeds from sale of investments		-	89,205
<b>Net cash used in/ (provided by) investing activities</b>		<b>(20,434)</b>	82,229
<b>FINANCING ACTIVITIES</b>			
		-	-
<b>Net increase/ (decrease) in cash held</b>		<b>(151,134)</b>	(56,767)
Cash & cash equivalents at the beginning of the reporting period		<b>340,381</b>	397,148
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	9A	<b>189,247</b>	340,381

The above statement should be read in conjunction with the notes.

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES  
RECOVERY OF WAGES ACTIVITY  
FOR THE YEAR ENDED 30 JUNE 2018**

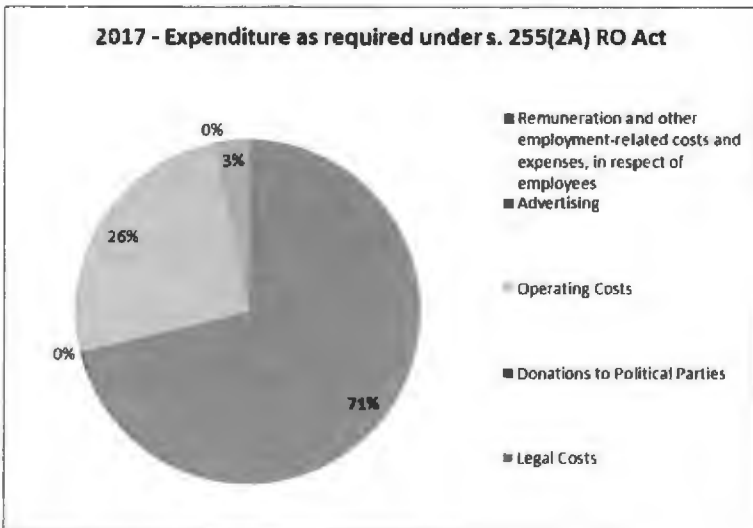
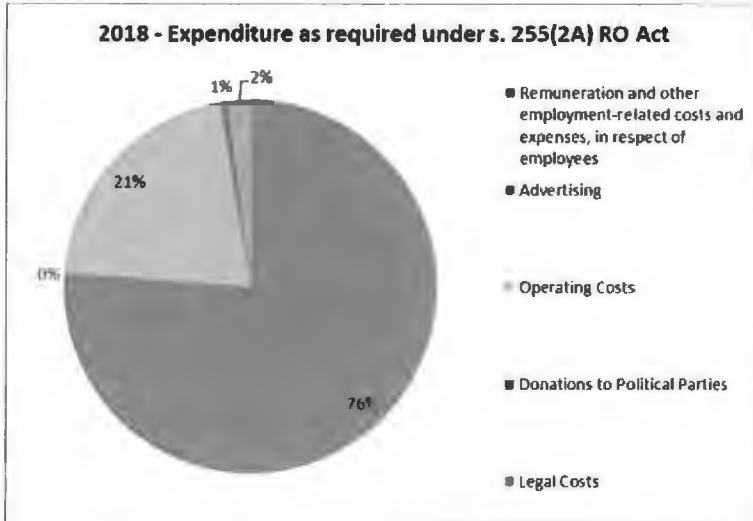
	2018	2017
	\$	\$
<b>Cash assets in respect of recovered money at beginning of year</b>	-	-
<b>Receipts</b>		
Amounts recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
<b>Total receipts</b>	-	-
<b>Payments</b>		
Deductions of amounts due in respect of membership for:		
12 months or less	-	-
Greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:		
The reporting unit:		
name of account	-	-
name of fund	-	-
Name of other reporting unit of the organisation:		
name of account	-	-
name of fund	-	-
Name of other entity:		
name of account	-	-
name of fund	-	-
Deductions of fees or reimbursement of expenses	-	-
Payments to workers in respect of recovered money	-	-
<b>Total payments</b>	-	-
<b>Cash assets in respect of recovered money at end of year</b>	-	-
Number of workers to which the monies recovered relates	-	-
<b>Aggregate payables to workers attributable to recovered monies but not yet distributed</b>		
Payable balance	-	-
Number of workers the payable relates to	-	-
<b>Fund or account operated for recovery of wages</b>	-	-

The above statement should be read in conjunction with the notes.

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES**

**REPORT REQUIRED UNDER SUBSECTION 255(2A) OF THE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009 FOR THE YEAR ENDED 30 JUNE 2018**

The Committee of Management presents the expenditure report as required under subsection 255(2A) of the *Fair Work (Registered Organisations) Act 2009* on the Union for the year ended 30 June 2018:



**Michael McKittrick**  
State Secretary

28 November 2018  
South Brisbane

## AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES

### REPORT REQUIRED UNDER SUBSECTION 255(2A) OF THE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009 FOR THE YEAR ENDED 30 JUNE 2018

For the purposes of the subsection 255(2A) statement, the following assumptions were utilised:

#### Remuneration and other employment-related costs and expenses, in respect of employees

Costs comprise of:

- Salaries and wages
- Superannuation
- Payroll tax
- Fringe benefits tax
- Clothing and motor vehicle allowances
- Workers compensation and other employment insurances
- All other employment associated costs (for example, staff amenities, training etc.).

#### Donations to Political Parties

Donations comprise of:

- Cash donations
- In-kind donations (such as printing costs, postage costs etc. – as determined and approved by the Committee of Management).

#### Legal Costs

Legal costs comprise of all costs associated with the engaging external legal services as well as any court fees and charges. In house industrial staff costs are disclosed in remuneration and other employment costs and expenses.

#### Operating Costs

All costs associated with the Union pursuing its objects were deemed by the Committee of Management to be an operating cost (unless disclosed elsewhere within the subsection 255(2A) Statement).

#### Advertising Costs

Advertising costs include any costs incurred by the Union for the promotion of a product, service or idea. Advertising costs include paid advertising space in print or online, broadcast and/or radio and direct mail advertising.

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**Index to the Notes of the Financial Statements**

Note 1	Summary of significant accounting policies
Note 2	Events after the reporting period
Note 3	Income
Note 4	Expenses
Note 5	Current assets
Note 6	Non-current assets
Note 7	Current liabilities
Note 8	Provisions
Note 9	Cash flow
Note 10	Contingent liabilities, assets and commitments
Note 11	Related party disclosures
Note 12	Remuneration of auditors
Note 13	Financial instruments
Note 14	Fair value measurements
Note 15	Section 272 <i>Fair Work (Registered Organisations) Act 2009</i>
Note 16	Union details
Note 17	Segment information
Note 18	Other acquisitions of assets or liabilities

## AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

#### Note 1 Summary of significant accounting policies

##### 1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and 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 Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the Australian Federated Union of Locomotive Union of Employees (the Union) is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, 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. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

##### 1.2 Comparative amounts

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

##### 1.3 Significant accounting judgements and estimates

The following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

###### Key Estimates

###### *Impairment – general*

The Union assesses impairment at each reporting period by evaluation of conditions and events specific to the Union that may be indicative of impairment triggers. Recoverable amounts of relevant assets are assessed using value-in-use calculations which incorporate various key assumptions.

No impairment has been recognised in respect of the current year.

###### Key Judgements

###### *Useful lives of plant and equipment*

Plant and equipment are depreciated over the useful life of the asset and the depreciation rates are assessed when the asset are acquired or when there is a significant change that affects the remaining useful life of the asset.

###### *Provision for impairment of receivables*

The value of the provision for impairment of receivables is estimated by considering the ageing of receivables, communication with the debtors and prior history.

###### *On-cost for employee entitlement provision*

The Union revised its estimate for on-costs for employee provision during the year to include superannuation, workers compensation and payroll tax.

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**Note 1 Summary of significant accounting policies (Continued)**

**1.4 New Australian Accounting Standards**

***Adoption of New Australian Accounting Standard requirements***

- AASB 2016-2 *Amendment to Australian Accounting Standards – Disclosure Initiative Amendments to AASB 107*, which amends AASB 107 *Statement of Cash Flows* (August 2015) to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and no-cash changes.

The Union has provided the information for both current and comparative period in Note 9E & 9F.

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

***Future Australian Accounting Standards Requirements***

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

- AASB 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting.

The key changes that may affect the Union on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of this Standard, the application of such accounting would be largely prospective.

The Committee of Management does not believe the effects of AASB 9 will significant affect the Union.



**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**Note 1 Summary of significant accounting policies (Continued)**

**1.4 New Australian Accounting Standards (Continued)**

***Future Australian Accounting Standards Requirements (continued)***

- AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: Amendments to Australian Accounting Standards – Effective Date of AASB 15).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will 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 the goods or services.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

The Committee of Management does not believe the effects of AASB 15 will significant affect the Union.

- AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019)

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases. The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the Committee of Management anticipate that the adoption of AASB 16 will impact the Union's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**Note 1 Summary of significant accounting policies (Continued)**

**1.5 Revenue**

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

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

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Interest revenue is recognised on an accrual basis using the effective interest method.

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

**1.6 Gains**

***Sale of assets***

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

**1.7 Capitation fees and levies**

Capitation fees and levies are recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**Note 1 Summary of significant accounting policies (Continued)**

**1.8 Employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. The reporting unit recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

**1.9 Leases**

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

**1.10 Cash**

Cash is recognised at its nominal amount. Cash and cash equivalents includes 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.

**1.11 Financial instruments**

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**Note 1 Summary of significant accounting policies (Continued)**

**1.12 Financial assets**

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

***Fair value through profit or loss***

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

***Held-to-maturity investments***

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**Note 1 Summary of significant accounting policies (Continued)**

**1.12 Financial assets (Continued)**

***Available-for-sale***

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

***Loan and receivables***

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

***Effective interest method***

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.

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.

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**Note 1 Summary of significant accounting policies (Continued)**

**1.12 Financial assets (Continued)**

***Impairment of financial assets***

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**Note 1 Summary of significant accounting policies (Continued)**

**1.12 Financial assets (Continued)**

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

***Derecognition of financial assets***

The Union derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

**1.13 Financial Liabilities**

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**Note 1 Summary of significant accounting policies (Continued)**

**1.13 Financial Liabilities (Continued)**

***Fair value through profit or loss***

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

***Other financial liabilities***

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

***Derecognition of financial liabilities***

The Union derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.



**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**Note 1 Summary of significant accounting policies (Continued)**

**1.14 Contingent Liabilities and Contingent Assets**

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.

**1.15 Plant and Equipment**

***Asset Recognition Threshold***

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

***Depreciation***

Depreciable plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	<b>2018</b>	<b>2017</b>
Plant and Equipment	2 – 10 years	2 – 10 years

***Derecognition***

An item of 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 and loss.

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**Note 1 Summary of significant accounting policies (Continued)**

**1.16 Impairment of non-financial assets**

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Union were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

**1.17 Taxation**

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

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

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

The net amount of GST recoverable from, or payable to, the 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 Australian Taxation Office is classified within operating cash flows.

**1.18 Fair value measurement**

The Union measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 15.

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

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**Note 1 Summary of significant accounting policies (Continued)**

**1.18 Fair value measurement (continued)**

The principal or the most advantageous market must be accessible by the Union. 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 Union 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 Union 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 Union 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.

**1.19 Going concern**

The Union is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

The Union has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**Note 2 Events after the reporting period**

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

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Note 3 Income</b>		
<b>Note 3A: Capitation fees</b>	-	-
<b>Total capitation fees</b>	<u>-</u>	<u>-</u>
<b>Note 3B: Levies</b>	-	-
<b>Total levies</b>	<u>-</u>	<u>-</u>
<b>Note 3C: Interest</b>		
Deposits	27,818	19,782
<b>Total interest</b>	<u>27,818</u>	<u>19,782</u>
<b>Note 3D: Grants or donations</b>		
Grants	-	-
Donations	-	-
<b>Total grants or donations</b>	<u>-</u>	<u>-</u>
<b>Note 3F: Other revenue</b>		
Financial support from another reporting unit	-	-
Sundry income	2,140	9
<b>Total other revenue</b>	<u>2,140</u>	<u>9</u>

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
<b>Note 4 Expenses</b>		
<b>Note 4A: Employee expenses</b>		
<b>Holders of office:</b>		
Wages and salaries	136,433	152,764
Superannuation	27,930	26,656
Leave and other entitlements	111,028	20,794
Separation and redundancies	-	-
Other employee expenses	8,370	6,390
<b>Subtotal employee expenses holders of office</b>	<b>283,761</b>	<b>206,604</b>
<b>Employees other than office holders:</b>		
Wages and salaries	233,983	267,008
Superannuation	31,342	37,392
Leave and other entitlements	31,067	29,685
Separation and redundancies	-	-
Other employee expenses	9,427	2,336
<b>Subtotal employee expenses employees other than office holders</b>	<b>305,819</b>	<b>336,421</b>
<b>Total employee expenses</b>	<b>589,580</b>	<b>543,025</b>
<b>Note 4B: Capitation fees</b>	-	-
<b>Total capitation fees</b>	-	-
<b>Note 4C: Affiliation fees</b>		
Australian Labor Party (State of Queensland)	7,336	14,050
Queensland Council of Unions	8,377	8,356
Union Shopper	1,649	1,498
<b>Total affiliation fees</b>	<b>17,362</b>	<b>23,904</b>

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
<b>Note 4D: Administration and other operating expenses</b>		
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/ allowances – meeting and conferences	-	-
Conference and meeting expenses	2,519	2,585
Travel and accommodation expenses	36,410	39,939
Office expenses	32,319	12,231
Information communication technology expenses	16,304	13,887
Other administration and operating expenses	25,833	27,331
<b>Total administration and other operating expense</b>	<b>113,385</b>	<b>95,973</b>
<b>Note 4E: Grants or donations</b>		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	3,202	2,393
Total paid that exceeded \$1,000	5,000	-
<b>Total grants or donations</b>	<b>8,202</b>	<b>2,393</b>
<b>Note 4F: Depreciation and amortisation</b>		
Depreciation		
Plant and equipment	6,285	3,622
<b>Total depreciation and amortisation</b>	<b>6,285</b>	<b>3,622</b>
<b>Note 4G: Finance costs</b>		
Bank fees	2,320	2,263
Insurance premiums	1,134	1,234
<b>Total finance costs</b>	<b>3,454</b>	<b>3,497</b>
<b>Note 4H: Legal costs</b>		
Litigation	1,712	8,313
Other legal matters	14,004	16,710
<b>Total legal costs</b>	<b>15,716</b>	<b>25,023</b>
<b>Note 4I: Other expenses</b>		
Accounting fees	1,295	2,340
Body corporate fees	4,764	11,586
Fees	-	-
Mortality payments	2,000	4,000
Other expenses	(2,663)	27,551
Penalties - via RO Act or <i>Fair Work Act 2009</i>	-	-
<b>Total other expenses</b>	<b>5,396</b>	<b>45,477</b>

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
<b>Note 5      Current Assets</b>		
<b>Note 5A: Cash and cash equivalents</b>		
Cash at bank	188,927	340,061
Cash on hand	320	320
Short term deposits	-	-
<b>Total cash and cash equivalents</b>	<b>189,247</b>	<b>340,381</b>
<b>Note 5B: Trade and other receivables</b>		
Receivables from other reporting units	-	-
Less provision for doubtful debts (reporting units)	-	-
<b>Receivable from other reporting units (net)</b>	<b>-</b>	<b>-</b>
<b>Other receivables:</b>		
Other trade receivables	-	2,052
<b>Total other receivables</b>	<b>-</b>	<b>2,052</b>
<b>Total trade and other receivables (net)</b>	<b>-</b>	<b>2,052</b>
<b>Note 5C: Investments</b>		
Deposits	655,123	641,468
Other	-	-
<b>Total investments</b>	<b>655,123</b>	<b>641,468</b>
<b>Note 5D: Other current assets</b>		
Prepayments	3,058	11,729
Accrued income	22,907	12,536
Bond deposit	2,147	2,147
Other	2,791	146
<b>Total other current assets</b>	<b>30,903</b>	<b>26,558</b>

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	2018 \$	2017 \$
<b>Note 6</b>		
<b>Non-Current Assets</b>		
<b>Note 6A: Plant and equipment</b>		
Furniture and fittings:		
at cost	50,268	45,074
accumulated depreciation	(40,441)	(34,259)
<b>Total Plant and equipment</b>	<b>9,827</b>	<b>10,815</b>

***Reconciliation of Opening and Closing Balances of Plant and Equipment***

<b>As at 1 July</b>		
Gross book value	45,074	38,098
Accumulated depreciation and impairment	(34,259)	(30,637)
<b>Net book value 1 July</b>	<b>10,815</b>	<b>7,461</b>
Additions:		
By purchase	6,780	6,976
Depreciation expense	(6,285)	(3,622)
Disposals:		
By sale	(1,483)	-
<b>Net book value 30 June</b>	<b>9,827</b>	<b>10,815</b>
<b>Net book value as of 30 June represented by:</b>		
Gross book value	50,268	45,074
Accumulated depreciation and impairment	(40,441)	(34,259)
<b>Net book value 30 June</b>	<b>9,827</b>	<b>10,815</b>



**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
<b>Note 7</b>		
<b>Current Liabilities</b>		
<b>Note 7A: Trade payables</b>		
Trade creditors and accruals	22,101	19,081
<b>Subtotal trade creditors</b>	<u>22,101</u>	<u>19,081</u>
<b>Payables to other reporting units</b>	-	-
<b>Subtotal payables to other reporting units</b>	<u>-</u>	<u>-</u>
<b>Total trade payables</b>	<u>22,101</u>	<u>19,081</u>
Settlement is usually made within 30 days.		
<b>Note 7B: Other payables</b>		
Superannuation	5,152	7,012
Consideration to employers for payroll deductions	-	-
Legal costs		
Litigation	-	-
Other legal matters	-	-
GST payable	8,846	9,885
PAYG payable	6,761	9,297
Other	-	-
<b>Total other payables</b>	<u>20,759</u>	<u>26,194</u>
Total other payables are expected to be settled in:		
No more than 12 months	20,759	26,194
More than 12 months	-	-
<b>Total other payables</b>	<u>20,759</u>	<u>26,194</u>

AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
<b>Note 8</b>		
<b>Provisions</b>		
<b>Note 8A: Employee Provisions</b>		
<b>Office Holders:</b>		
Annual leave	58,247	18,009
Long service leave	89,523	80,596
Separations and redundancies	-	-
Other	-	-
<b><i>Subtotal employee provisions—office holders</i></b>	<b>147,770</b>	<b>98,605</b>
<b>Employees other than office holders:</b>		
Annual leave	12,329	16,781
Long service leave	15,346	23,513
Separations and redundancies	-	-
Other	-	-
<b><i>Subtotal employee provisions—employees other than office holders</i></b>	<b>27,675</b>	<b>40,294</b>
<b>Total employee provisions</b>	<b>175,445</b>	<b>138,899</b>
Current	172,306	137,036
Non-Current	3,139	1,863
<b><i>Total employee provisions</i></b>	<b>175,445</b>	<b>138,899</b>

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
<b>Note 9 Cash Flow</b>		
<b>Note 9A: Cash Flow Reconciliation</b>		
<b>Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement:</b>		
<b>Cash and cash equivalents as per:</b>		
Cash flow statement	189,247	340,381
Statement of financial position	189,247	340,381
<b>Difference</b>	<u>-</u>	<u>-</u>
<b>Reconciliation of deficit to net cash from operating activities:</b>		
Deficit for the year	(170,305)	(155,295)
<b>Adjustments for non-cash items</b>		
Depreciation/ amortisation	6,285	3,622
Loss on disposal of assets	1,482	-
<b>Changes in assets/liabilities</b>		
(Increase)/ decrease in net receivables	2,052	(4)
(Increase)/ decrease in other current assets	(4,345)	(22,382)
Increase/ (decrease) in creditors and other payables	(2,415)	20,389
Increase/ (decrease) in employee provisions	36,546	14,674
<b>Net cash (used in)/ provided by operating activities</b>	<u>130,700</u>	<u>(138,996)</u>
<b>Note 9B: Cash flow information</b>		
Cash inflows from other reporting units	-	-
<b>Total cash inflows</b>	<u>-</u>	<u>-</u>
Cash outflows to other reporting units	-	-
<b>Total cash outflows</b>	<u>-</u>	<u>-</u>

Note: Cash flow information to/ from other reporting units disclosed include 10% GST on applicable transactions.

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2018**

**Note 9C: Credit standby arrangements and loan facilities**

The Union does not have any credit standby arrangements or loan facilities at 30 June 2018 (2017: Nil). This may be terminated at any time at the option of the bank. The balance of this facility is cleared monthly and interest rates are variable.

**Note 9D: Non-cash transactions**

There have been no non-cash financing or investing activities during the year (2017: Nil).

	2018	2017
	\$	\$
<b>Note 9E: Net debt reconciliation</b>		
Cash and cash equivalents	189,247	340,381
Borrowings – repayable within one year	-	-
Borrowings – repayable after one year	-	-
Net debt	<u>189,247</u>	<u>340,381</u>

**Note 9F: Reconciliation of movements of liabilities to cash flows arising from financing activities**

	Other Assets	Liabilities from financing activities		
	Cash assets	Borrowings – due within 1 year	Borrowings – due after 1 year	Total
<b>Net debt at 1 July 2016</b>	397,148	-	-	397,148
Cash flows	(56,767)	-	-	(56,767)
<b>Net debt at 30 June 2017</b>	<u>340,381</u>	-	-	<u>340,381</u>
<b>Cash flows</b>	<b>(151,134)</b>	-	-	<b>(151,134)</b>
<b>Net debt at 30 June 2018</b>	<u>189,247</u>	-	-	<u>189,247</u>

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**Note 10 Contingent Liabilities, Assets and Commitments**

**Note 10A: Commitments and Contingencies**

**Capital commitments**

At 30 June 2018 the Union did not have any capital commitments (2017: Nil).

**Other contingent assets or liabilities (i.e. legal claims)**

Committee of Management is not aware of any contingent assets or liabilities that are likely to have a material effect on the results of the Union.

	<b>2018</b>	2017
	\$	\$
<b>Leasing Commitments</b>		
<b>Operating Leases (as a lessee)</b>		
Non-cancellable operating leases contracted for but not capitalised in the financial statements.		
<b>Payable – Minimum lease payments</b>		
not later than 12 months	<b>25,406</b>	27,195
between 12 months and 5 years	<b>23,988</b>	52,368
greater than 5 years	-	-
<b>Minimum lease payments</b>	<b>49,394</b>	79,563

The Union leases office space at Level 1, 41 Peel Street, South Brisbane. The lease expires on 31 May 2020, which increases at CPI each year. The lease has an option to extend for a further 3 years should the Union wish to take this up.

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**Note 11 Related Party Disclosures**

**Note 11A: Key Management Personnel Remuneration for the Reporting Period**  
**Short-term employee benefits**

Key management personnel comprise those individuals who have the authority and responsibility for planning, directing and controlling the activities of the Union. The Union has determined that key management personnel comprises of:

- Greg Smith (State Secretary)
- All remaining members of the Committee of Management.

During the year, the key management personnel of the Union were remunerated as follows:

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Salary (including annual leave taken)	<b>136,433</b>	152,764
Annual leave accrued	<b>107,244</b>	17,010
Other	<b>8,370</b>	6,390
<b>Total short-term employee benefits</b>	<b>252,047</b>	176,164
<b>Post-employment benefits:</b>		
Superannuation	<b>27,930</b>	26,656
<b>Total post-employment benefits</b>	<b>27,930</b>	26,656
<b>Other long-term benefits:</b>		
Long-service leave accrued	<b>3,784</b>	3,784
<b>Total other long-term benefits</b>	<b>3,784</b>	3,784
<b>Termination benefits</b>	<b>-</b>	-
<b>Total</b>	<b>283,761</b>	206,604

No other transactions occurred during the year with elected officers, close family members or other related parties than those related to their membership or employment and on terms no more favourable than those applicable to any other member of employee.

**Note 12 Remuneration of Auditors**

**Value of the services provided**

Financial statement audit services – current year	<b>10,000</b>	9,000
Financial statement audit services – prior year	<b>-</b>	8,034
Other services	<b>3,000</b>	2,109
<b>Total remuneration of auditors</b>	<b>13,000</b>	<b>19,143</b>

Other services provided to the Union include assistance with the preparation of the financial statements and taxation services (FBT & GST services).

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**Note 13 Financial Instruments**

**Financial Risk Management Policy**

The Union Committee of Management monitors the Union's financial risk management policies and exposure and approves financial transactions entered into. It also reviews the effectiveness of internal controls relating to the counterparty credit risk, liquidity risk, market risk and interest rate risk. The Union Committee of Management meets on a regular basis to review the financial exposure of the Union.

**(a) Credit Risk**

Exposure to credit risk relating to financial assets arise from the potential non-performance by counterparties of contract obligations that could lead to a financial loss of the Union. The Union does not have any material credit risk exposures as its major source of revenue is the receipt of membership fees.

The maximum exposures to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of provisions) as presented in the statement of financial position.

The Union has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Union.

On a geographical basis, the Union's trade and other receivables are all based in Australia.

The following table details the Union's trade and other receivables exposed to credit risk. Amounts are considered 'past due' when the debt has not been settled, within the terms and conditions agreed between the Union and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Union.

The balance of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**Note 13 Financial Instruments (Continued)**

**Ageing of financial assets that were past due but not impaired for 2018**

	Within trading terms	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$	\$
Trade and other receivables	-	-	-	-	-	-
Receivables from other reporting units	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Ageing of financial assets that were past due but not impaired for 2017**

	Within trading terms	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$	\$
Trade and other receivables	2,052	-	-	-	-	2,052
Receivables from other reporting units	-	-	-	-	-	-
<b>Total</b>	<b>2,052</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,052</b>

The Union has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties.

Credit risk related to balances with banks and other financial institutions is managed by the Committee of Management in accordance with approved policy. Such policy requires that surplus funds are only invested with counterparties with a strong reputation and backed by the Commonwealth Government's bank guarantee. At 30 June 2018, all funds were held by financial institutions backed by the Commonwealth Government's bank guarantee.

***Collateral held as security***

The Union does not hold collateral with respect to its receivables at 30 June 2018 (2017: Nil).



**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**Note 13 Financial Instruments (Continued)**

**(b) Liquidity Risk**

Liquidity risk arises from the possibility that the Union might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The Union manages this risk through the following mechanisms:

- preparing forward looking cash flow estimates;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect an undiscounted contractual maturity analysis for non-derivative financial liabilities. The Union does not hold directly any derivative financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates

**Financial Instrument Composition and Maturity Analysis**

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial liabilities due for payment</b>								
Trade payables	(22,101)	(19,081)	-	-	-	-	(22,101)	(19,081)
Other payables	(20,759)	(26,194)	-	-	-	-	(20,759)	(26,194)
Total expected outflows	<b>(42,860)</b>	<b>(45,275)</b>	-	-	-	-	<b>(42,860)</b>	<b>(45,275)</b>
<b>Financial assets – cash flow receivable</b>								
Cash and cash equivalents	<b>189,247</b>	340,381	-	-	-	-	<b>189,247</b>	340,381
Trade and other receivables	-	2,052	-	-	-	-	-	2,052
Investments	<b>655,123</b>	641,468	-	-	-	-	<b>655,123</b>	641,468
Total anticipated inflows	<b>844,370</b>	983,901	-	-	-	-	<b>844,370</b>	983,901
Net (outflow) / inflow on financial instruments	<b>801,510</b>	939,626	-	-	-	-	<b>801,510</b>	939,626

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**Note 13 Financial Instruments (Continued)**

**(c) Market Risk**

i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Union is also exposed to earnings volatility on floating rate instruments.

Interest rate risk is managed using a mix of fixed and floating financial instruments. The effective interest rate expenditure to interest rate financial instruments are as follows:

	<b>Weighted Average Effective Interest Rate</b>			
	<b>2018</b>	2017	<b>2018</b>	2017
	<b>%</b>	%	<b>\$</b>	<b>\$</b>
<b>Floating rate instruments</b>				
Cash and cash equivalents	<b>0.01</b>	0.01	<b>189,247</b>	340,381
Investments	<b>2.19</b>	2.59	<b>655,123</b>	641,468

ii. Foreign exchange risk

The Union is not exposed to direct fluctuations in foreign currencies.

iii. Price risk

The Union is no exposed to any material commodity price risk.

iv. Interest rate risk

The Union has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk.

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**Note 13 Financial Instruments (Continued)**

**(c) Market Risk (continued)**

v. Sensitivity Analysis

The following table illustrates sensitivities to the Union's exposures to changes in interest rates and equity prices. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	<b>Profit</b> \$	<b>Equity</b> \$
<b>Year ended 30 June 2018</b>		
+2% in interest rates	<b>16,887</b>	<b>16,887</b>
-2% in interest rates	<b>(9,443)</b>	<b>(9,443)</b>
<b>Year ended 30 June 2017</b>		
+2% in interest rates	19,637	19,637
-2% in interest rates	(19,637)	(19,637)

No sensitivity analysis has been performed on foreign exchange risk as the Union has no material direct exposures to currency risk. There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**Note 14 Fair Value Measurement**

**Fair Values**

*Fair value estimation*

The fair values of financial assets and liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties at an arm's length transaction.

Fair value may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair values is extracted from the market, with more reliable information available from markets that are actively traded.

In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Union. Most of these instruments, which are carried at amortised cost (i.e. accounts receivable), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the Union.

The following table contains the carrying amounts and related fair values for the Union's financial assets and liabilities:

	Footnote	2018		2017	
		Carrying value	Fair value	Carrying value	Fair value
		\$	\$	\$	\$
<b>Financial assets</b>					
Cash and cash equivalents	(i)	189,247	189,247	340,381	340,381
Accounts receivable and other debtors	(i)	-	-	2,052	2,052
Investments	(i)	655,123	655,123	641,468	641,468
<b>Total financial assets</b>		<b>844,370</b>	<b>844,370</b>	<b>983,901</b>	<b>983,901</b>
<b>Financial liabilities</b>					
Accounts payable and other payables	(i)	42,860	42,860	45,275	45,275
<b>Total financial liabilities</b>		<b>42,860</b>	<b>42,860</b>	<b>45,275</b>	<b>45,275</b>

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, accounts receivable, investments and other debtors and accounts payable and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is outside the scope of AASB 139.

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**Note 14 Fair Value Measurement (Continued)**

The fair values disclosed in the above table have been determined based on the following methodologies:

- (ii) Cash and cash equivalents, accounts receivable and other debtors and accounts payable and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is outside the scope of AASB 139.

**Fair Value Hierarchy**

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of the three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

**Level 1**

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2**

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Union did not have any assets or liabilities that were recorded using the above fair value hierarchy at 30 June 2018 (2017: Nil).

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**Note 15 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 Commission:

- (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).

**Note 16 Union Details**

The registered office of the Union is:

Level 1, 41 Peel Street  
SOUTH BRISBANE QLD 4101

**Note 17 Segment Information**

The Union operates solely in one reporting segment, being the provision of industrial services in Queensland.

**Note 18 Other Acquisitions of Assets or Liabilities**

During the financial year the Union has not acquired an asset or liability as a result of:

- (a) An amalgamation under Part 2 of Chapter 3 of the *Fair Work (Registered Organisations) Act 2009*.
- (b) A restructure of Branches of the organisation.
- (c) A determination by the General Manager of the Fair Work Commission under subsection 245(1) of the *Fair Work (Registered Organisations) Act 2009* of an alternative reporting structure for the organisation.
- (d) A revocation by the General Manager of the Fair Work Commission under subsection 249(1) of the *Fair Work (Registered Organisations) Act 2009* of a certificate issued to the organisation under subsection 241(1).
- (e) A business combination.