Australian Government
Registered Organisations Commission

3 July 2020

Mr Daniel Walton
Secretary, New South Wales Branch
Australian Workers' Union

Dear Sir,

Re: – Australian Workers' Union, New South Wales Branch - financial report for year ending 30 June 2019 (FR2019/262)

I refer to the financial report of the Australian Workers' Union, New South Wales Branch. The documents were lodged with the Registered Organisations Commission (**ROC**) on 9 December 2019. The filing of the report was deferred pending the finalising of various reconciliations with other Branch reports.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged. However I make the following comments to assist when preparing the next report.

Operating report – Number of employees

Pursuant to subsection 254(2)(f), regulation 159(b) requires the number of persons that were, at the end of the financial year to which the report relates, employees of the reporting unit to be disclosed in the operating report. Regulation 159(b) also requires that where the number of employees includes both full-time and part-time employees to be measured on a full-time equivalent basis.

The operating report stated that *"the number of employees as at 30 June 2019 was 50 including officials and staff".* For the avoidance of doubt the number should be explicitly expressed as the full-time equivalent.

Nil activity disclosures

Reporting guideline 21 states that if any activity described within items 10-20 of the reporting guidelines has not occurred in the reporting period, a statement to this effect must be included in the financial statements, notes to the financial statements or officer's declaration statement. The officer's declaration statement provides reporting units with an option to disclose nil activities not reported elsewhere. Please note that nil activities should be disclosed only once.

The officer declaration statement included nil activity disclosures for the following items for which there were already equivalent disclosures elsewhere in the report:

- RG14(a) - incur fees as consideration for employers making payroll deductions of membership subscriptions [see Note 4D]
- RG14(d) - pay compulsory levies [see Note 4D]
- RG14(e)(ii) - pay a grant that exceeded $1,000 [see Note 4E]
- RG14(h) - pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit [see Note 4D]

The officer declaration statement also included the following items for which there were amounts disclosed elsewhere in the report and with which the nil activity disclosures were inconsistent:

- RG14(b) - pay capitation fees to another reporting unit [cf. Note 4B]
- RG14(c) - pay affiliation fees to other entity [cf. Note 4C]
- RG14(i) - incur expenses due to holding a meeting as required under the rules of the organisation [cf. Note 4D]
- RG18(b) - provide cash flows to another reporting unit and/or controlled entity [cf. Note 11B]

Committee of Management Statement

Declaration (e)(vi) in the committee of management statement included a reference to *"Registered Organisations Commission"* in relation to orders under section 273. This appears to reflect a clerical error that was contained in the 2016-2017 model financial statements template issued by the ROC in August 2017 but which has since been corrected in later model statements. New model financial statements for the year 2019-2020 have now been issued and are available on the ROC website.

Reporting Requirements

The ROC website provides several 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 reporting guidelines and Australian Accounting Standards. Access to this information is available via this link.

If you have any questions about the above or the reporting requirements, please do not hesitate to contact me by email at stephen.kellett@roc.gov.au.

Yours faithfully

Stephen Kellett
Financial Reporting
Registered Organisations Commission

The Australian Workers' Union New South Wales Branch

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

Certificate By Prescribed Designated Officer

Certificate for the period 30 June 2019

I DANIEL WALTON being the BRANCH SECRETARY of the Australian Workers' Union (AWU) NSW Branch certify:

- that the documents lodged herewith are copies of the full report for the Australian Worker's Union NSW 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 29 October 2019; and

- that the full report was presented to *a Committee of Management in accordance with Section 266 of the Fair Work (Registered Organisations) Act 2009* on 6 December 2019.

Signature of prescribed designated officer:

Name of prescribed designated officer: DANIEL WALTON

Title of prescribed designated officer: NSW BRANCH SECRETARY

Dated: 18 FEBRUARY 2020

NSW BRANCH
Level 2, 16-20 Good Street, Granville NSW 2142
T: 1300 763 223 **E:** info@awunsw.com.au **W:** www.nsw.awu.net.au
Daniel Walton National and NSW Secretary

THE AUSTRALIAN WORKERS' UNION
STRONGER TOGETHER

ABN: 92 860 257 789

9 December 2019

Financial Reporting
The Registered Organisations Commission
Level 13
175 Liverpool Street
Sydney NSW 2000

Via Email: regorgs@roc.gov.au

Dear Registrar,

Re. Lodgement of Financial Report - financial year of The Australian Workers' Union - New South Wales Branch (the reporting unit) ended on the 30 June 2019.

Please find enclosed The Australian Workers' Union - New South Wales Branch - Financial Report for the period ended 30 June 2019.

Should you require any further details, please contact Mr Marc Bernanrd, National and NSW Branch Chief Financial controller via 02 9897 3644 or marc.bernard@nat.awu.net.au.

Yours sincerely

Daniel Walton
NSW BRANCH SECRETARY

THE AUSTRALIAN WORKERS' UNION

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The Australian Workers' Union
New South Wales Branch

Financial Reports

For the period
ended 30 June 2019

THE AUSTRALIAN WORKERS' UNION

STRONGER TOGETHER

Contents

Introduction

These financial reports are prepared by The Australian Workers' Union NSW Branch (a reporting unit) as defined under section 242 of the *Fair Work (Registered Organisations) Act 2009* (RO Act), with a reporting date of 30 June 2019.

The enclosed financial report has been prepared in accordance with the requirements of applicable Australian Accounting Standards as they apply to a not-for-profit entity and the RO Act, including the 5th edition section 253 Reporting Guidelines. The financial report is intended to comply with the disclosure requirements for the preparation of a general purpose financial report under Tier 1— Australian Accounting Standards.

ALAN FRASER LOVETT

Phone: 9451 6364

Email: nigel@bgsaccountants.com.au

All Correspondence to: PO Box 72 FRENCHS FOREST NSW 1640

Independent Audit Report

Independent Audit Report to the Members of The Australian Workers' Union NSW Branch

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of The Australian Workers Union NSW Branch (the Reporting Unit), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2019, notes to the financial statements, including a summary of significant accounting policies, and the Committee of Management Statement, the Subsection 2SS(2A) report and the Officer Declaration Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of The Australian Workers Union NSW Branch as at 30 June 2019, 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).

I declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Reporting Unit 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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.

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

In connection with my audit of the financial report, my 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 I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Reporting Unit 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 Reporting Unit'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 Reporting Unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My 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, I exercise professional judgement and maintain professional scepticism throughout the audit. I also consider and:

- 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 Reporting Unit'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 Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit 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 Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

I 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 I identify during my audit.

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 257(7) of the RO Act, I am required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act.

My opinion on the financial report is that no deficiency, failure, or shortcoming in respect of Section 252 and Section 257(2) in the conduct of the audit.

Name: Alan Fraser Lovett
Address: PO Box 72 FRENCHS FOREST NSW 1640

Alan Fraser Lovett
Date: 29 October 2019

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/179

The Australian Workers' Union New South Wales Branch

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

Certificate By Prescribed Designated Officer

Certificate for the period 30 June 2019

I Daniel Walton being the AWU NSW Branch Secretary of the Australian Workers' union NSW Branch certify:

- that the documents lodged herewith are copies of the full report for the Australian Worker's Union NSW 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 21 October 2019; and

- that the full report was presented to *a Committee of Management In accordance with Section 266 of the Fair Work (Registered Organisations) Act 2009.*

Signature of prescribed designated officer:

Name of prescribed designated officer: **DANIEL WALTON**

Title of prescribed designated officer: **NSW BRANCH SECRETARY**

Dated: **9 DECEMBER 2019**

The Australian Workers' Union New South Wales Branch

Expenditure Report required under Subsection 255(2A) for the year ended 30 June 2019

Categories of expenditures	**2019** **$**	**2018** **$**
Remuneration and other employment-related costs and expenses - employees	6,161,317	6,096,762
Advertising	123,730	104,020
Operating costs	2,697,313	2,501,504
Donations to political parties	3,500	600
Legal costs	445,796	548,980

Signature of prescribed designated officer:

Name and title of prescribed designated officer: DANIEL WALTON, NSW BRANCH SECRETARY

Dated: 28 OCTOBER 2019

The Australian Workers' Union New South Wales Branch

Operating Report

for the period ended 30June 2019

The Committee of Management presents its operating report on the Reporting Unit for the period ended 30 June 2019.

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

There were no significant changes to the Union's principal activities during the reporting period.

Significant changes in financial affairs

There were no significant changes to the Union's financial affairs during the reporting period.

Right of members to resign

AWU Rule 14 – Resigning as a member – provides for the resignation of members in accordance with Section 174 of the Fair Work (Registered Organisations) Act 2009.

Officers or members who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee

Daniel Walton who is NSW branch secretary has acted in the capacity as a superannuation fund trustee or as a director of a company during the reporting period or the previous financial year.

Number of members

At 30 June 2019 the total amount of members was 20,605.

Number of employees

The number of employees as at 30 June 2019 was 50 including officials and staff.

Names of Committee of Management members and period positions held during the financial year

All of the following members of the AWU NSW Branch Executive during the period 1 July 2018 until 30 June 2019. The Executive committee members are:

Armstrong, P.
Boreland, D
Boyd, J (Vice President)
Buhler, J (Vice President)
Callinan,A (Assistant Secretary)
Cowdrey,R (Vice President)
Davies, G
Dawson, G
Delaney, P (Senior Vice President)
Leake, G
Mason, C
Matheson, T
McGuinness, W
Millar, L
Morley ,I
Noack, P (Assistant Secretary)
Phillips, W (Assistant Secretary)
Pringle, W

Dunn, R
Fairless, L (Branch President)
Farrow, P (Senior Vice President)
Halloran, D
Hancock, D (Senior Vice president)
Hillary, R
Hughes, M (Elected Organiser)
Lawless, E
Redman, L
Scott, J
Slavin, B
Stojanoski, S
Thomas, I
Turner, L
Walton, D (Secretary)
Yan, K

Signature of designated officer:

Name and title of designated officer: DANIEL WALTON, NSW BRANCH SECRETARY

Dated: 28 OCTOBER 2019

The Australian Workers' Union New South Wales Branch

Committee of Management Statement

for the year ended 30 June 2019

On 21 OCTOBER 2019 the AWU NSW Branch Executive Committee of the Australian Workers' Union NSW Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2019:

The AWU NSW Branch Executive Committee declares that in its opinion:

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

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

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

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

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

(i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and

(ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and

(iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and

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

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

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

This declaration is made in accordance with a resolution of the Committee of Management.

Signature of designated officer:

Name and title of designated officer: DANIEL WALTON, NSW BRANCH SECRETARY

Dated: 28 OCTOBER 2019

The Australian Workers' Union New South Wales Branch
Statement of Comprehensive Income
for the year ended 30 June 2019

	Notes	2019 $	2018 $
Revenue			
Membership subscription*		8,201,916	8,025,477
Capitation fees	3A	-	-
Levies	3B	-	-
Interest	3C	72,419	72,517
Rental revenue	3D	730,030	878,450
Other revenue		445,756	220,895
Total revenue		**9,450,121**	**9,197,339**
Other Income			
Grants and/or donations	3E	29,091	-
Net gains from sale of assets	3F	102,508	6,772
Total other income		**131,599**	**6,772**
Total income		**9,581,720**	**9,204,111**
Expenses			
Employee expenses	4A	5,517,851	5,598,931
Capitation fees	4B	906,644	896,720
Affiliation fees	4C	170,494	170,132
Administration expenses	4D	2,614,567	2,207,615
Grants or donations	4E	55,548	24,638
Depreciation and amortisation	4F	467,270	428,305
Finance costs	4G	41,154	41,231
Legal costs	4H	445,796	548,980
Audit fees	14	29,991	38,491
Write-down and impairment of assets	4I	221,455	-
Net losses from sale of assets	4J	153,288	-
Other expenses	4K	123,730	104,020
Total expenses		**10,747,788**	**10,059,063**
Total comprehensive income for the year		**(1,166,068)**	**(854,952)**

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

The Australian Workers' Union New South Wales Branch
Statement of Financial Position
as at 30 June 2019

	Notes	2019 $	2018 $
ASSETS			
Current Assets			
Cash and cash equivalents	5A	6,882,946	7,727,514
Trade and other receivables	5B	135,236	232,780
Other current assets	5C	161,945	154,732
Total current assets		**7,180,127**	**8,115,026**
Non-Current Assets			
Land and buildings	6A	9,133,035	8,939,542
Plant and equipment	6B	1,008,816	1,241,801
Investment Property	6C	695,000	695,000
Intangibles	6D	85,641	79,509
Other investments	6F	1,085,484	855,613
Other non-current assets	6G	1,905,669	2,127,123
Total non-current assets		**13,913,645**	**13,938,588**
Total assets		**21,093,772**	**22,053,614**
LIABILITIES			
Current Liabilities			
Trade payables	7A	377,735	214,380
Other payables	7B	439,188	357,851
Employee provisions	8A	665,467	904,340
Total current liabilities		**1,482,390**	**1,476,571**
Non-Current Liabilities			
Employee provisions	8A	1,274,196	1,284,942
Other non-current liabilities	9A	557,774	636,621
Total non-current liabilities		**1,831,970**	**1,921,563**
Total liabilities		**3,314,360**	**3,398,134**
Net assets		**17,779,412**	**18,655,480**
EQUITY			
General funds	10A	20,701,642	20,411,642
Retained earnings (accumulated deficit)		(2,922,230)	(1,756,162)
Total equity		**17,779,412**	**18,655,480**

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

The Australian Workers' Union New South Wales Branch

Statement of Changes in Equity

for the year ended 30 June 2019

	Notes	General funds $	Retained earnings $	Total equity $
Balance as at 1 July 2017		19,527,331	(901,210)	18,626,121
Surplus / (deficit)		884,311	(854,952)	29,359
Transfer to/from AWU Branches	10A	-	-	-
Closing balance as at 30 June 2018		**20,411,642**	**(1,756,162)**	**18,655,480**
Surplus / (deficit)		290,000	(1,166,068)	**(876,068)**
Transfer to/from AWU Branches	10A	-	-	-
Closing balance as at 30 June 2019		**20,701,642**	**(2,922,230)**	**17,779,412**

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

The Australian Workers' Union New South Wales Branch

Statement of Cash Flows

for the year ended 30 June 2018

	Notes	2019 $	2018 $
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units/controlled entity(s)	11B	-	-
Receipts from members		8,280,604	8,090,266
Interest		66,225	90,570
Other		1,023,447	1,040,096
Cash used			
Employees		(4,641,884)	(6,024,666)
Suppliers		(3,579,108)	(3,776,585)
Payment to other reporting units/controlled entity(s)	11B	(1,720,317)	(884,051)
Net cash from (used by) operating activities	11A	**(571,033)**	**(1,464,370)**
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		113,340	24,260
Cash used			
Purchase of plant and equipment		(301,896)	(580,435)
Purchase of investment		(6,132)	(79,509)
Net cash from (used by) investing activities		**(194,688)**	**(635,684)**
FINANCING ACTIVITIES			
Cash received			
Contributed equity		-	-
Cash used			
Repayment of borrowings		(78,847)	(79,330)
Net cash from (used by) financing activities		**(78,847)**	**(79,330)**
Net increase (decrease) in cash held		**(844,568)**	**(2,179,384)**
Cash & cash equivalents at the beginning of the reporting period		7,727,514	9,906,898
Cash & cash equivalents at the end of the reporting period	5A	**6,882,946**	**7,727,514**

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

Index to the Notes of the Financial Statements

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 Workers' Union NSW Branch 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

No 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.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

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

The accounting policies adopted are consistent with those of the previous financial year except for the following standards and amendments, which have been adopted for the first time this financial year.

- AASB 9 Financial Instruments and relevant amending standards, which replaces AASB 139 Financial Instruments: Recognition and Measurement.

  No impact on the reporting unit.

- AASB 2017-1 Amendments to Australian Accounting Standards – Transfers of Investments Property, Annual Improvements 2014-2016 Cycle and other amendments, which clarify certain requirements in:

  - AASB 12 Disclosure of Interests in Other Entities – clarification of scope
  - AASB 128 Investments in Associates and Joint Ventures – measuring an associate or joint venture at fair value
  - AASB 140 Investment Property – change in use

  No impact on the reporting unit.

- AASB Interpretation 22 *Foreign Currency Transactions and Advance Considerations,* which clarifies that the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration.

  No impact on the reporting unit.

Future Australian Accounting Standards Requirements

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

AASB 16 *Leases* (AASB 16)

AASB 16 was issued in January 2016 and it replaces AASB 117 *Leases*, AASB Interpretation 4 *Determining whether an Arrangement contains a Lease*, AASB Interpretation-115 *Operating Leases-Incentives* and AASB Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease.*

For NFP entities, AASB 16 will commence from financial years beginning on or after 1 January 2019. Either a full retrospective application or a modified retrospective application is required for AASB 16. The *reporting unit* plans to adopt AASB 16 on the required effective date 1 July 2019 using [full retrospective method.

AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under AASB 16 is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.

During the financial year ended 30 June 2019, the *reporting unit* performed a preliminary assessment of AASB 16.

The preliminary assessment by the reporting unit is that there will be minimal impact on the reporting unit.

AASB 1058 *Income of Not-for-Profit Entities (AASB 1058) and AASB 15 Revenue from Contracts with Customers (AASB 15)*

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (**NFP**) entities in conjunction with AASB 15. AASB 1058 and AASB 15 supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 *Contributions*.

For NFP entities, both AASB 1058 and 15 will commence from financial years beginning on or after 1 January 2019. Either a full retrospective application or a modified retrospective application is required for AASB 15. The *reporting unit* plans to adopt AASB 15 on the required effective date 1 July 2019 of using full retrospective method.

During the financial year ended 30 June 2019, the *reporting unit* performed a preliminary assessment of AASB 1058 and 15.

The reporting unit derives revenue from their members through subscriptions along with revenue from investment activities. There will be minimal impact on the reporting unit.

AASB 2017-6 *Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation*

The amendments to AASB 9 clarify that a financial asset passes the solely payments of principal and interest criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments apply retrospectively and are effective from 1 January 2019, with earlier application permitted.

These amendments will have minimal impact on the financial statements of the reporting unit.

AASB 2018-2 Amendments to Australian Accounting Standards – Plan Amendment, Curtailment or Settlement

The amendments to AASB 119 specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period using the actuarial assumptions used to re-measure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event
- Determine net interest for the remainder of the period using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to re-measure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 January 2019, with early application permitted.

These amendments will apply only to any future plan amendments, curtailments, or settlements of the reporting unit and will have minimal impact on the reporting unit.

AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015–2017 Cycle

These improvements include:

- **AASB 11 Joint Arrangements**

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a

business as defined in AASB 3. The amendments clarify that the previously held interests in that joint operation are not remeasured.
Amendment applies to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted.

No impact on the reporting unit.

- **AASB 123 Borrowing Costs**

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

Amendment applies for annual reporting periods beginning on or after 1 January 2019, with early application permitted.

There will be minimal impact on the reporting unit.

1.5 Investment in associates and joint arrangements

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

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the individual assets and obligations for the liabilities of the joint operation.

The results and assets and liabilities of associates and its joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with AASB 5 *Non-current Asset Held for Sale and Discontinued Operations*. Under the equity method, an investment in an associate or joint venture is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the share of the profit or loss and other comprehensive income of the associate. When the share of losses of an associate or joint venture exceeds the interest in that associate, the *reporting unit* discontinues recognising its share of further losses. Additional losses are recognised only to the extent that it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

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

1.6 Acquisition of assets and or liabilities that do not constitute a business combination

The reporting unit did not acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of the organisation, a determination or revocation by the General Manager of the Fair Work Commission under subsections 245(1) or 249(1) of the RO Act[1].

1.7 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.

1.8 Government grants

Government grants are not recognised until there is reasonable assurance that the *reporting unit* will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the *reporting unit* recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the *reporting unit* should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the *reporting unit* with no future related costs are recognised in profit or loss in the period in which they become receivable.

1.9 Gains

Sale of assets

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

1.10 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.

1.11 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.

1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

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

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.13 Borrowing costs

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

1.14 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.

1.15 Financial instruments

Financial assets and financial liabilities are recognised when a *reporting unit* entity becomes a party to the contractual provisions of the instrument.

1.16 Financial assets

Initial recognition and measurement

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

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

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

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

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

Subsequent measurement

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

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

Financial assets at amortised cost

The r*eporting unit* measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

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

The *reporting unit's* financial assets at amortised cost includes trade receivables and loans to related parties.

Financial assets at fair value through profit or loss (including designated)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Derecognition

A financial asset is derecognised when:

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

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

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

Offsetting

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

Impairment

(i) Trade receivables

For trade receivables that do not have a significant financing component, the *reporting unit* applies a simplified approach in calculating expected credit losses (**ECLs**) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables. Therefore, the *reporting unit* does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The reporting unit has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(ii) Debt instruments other than trade receivables

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

ECLs are recognised in two stages:

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

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

1.17 Financial Liabilities

Initial recognition and measurement

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

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

The reporting unit's financial liabilities include trade and other payables.

Subsequent measurement

Financial liabilities at fair value through profit or loss (including designated)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit and loss.

Gains or losses on liabilities held for trading are recognised in profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied.

Financial liabilities at amortised cost

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

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

Derecognition

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

1.18 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.

1.19 Land, Buildings, 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.

Revaluations—Land and Buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation

Depreciable property, 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:

	2019	2018
Land & buildings	40 years	40 years
Plant and equipment	3 years to 15 years	3 years to 15 years

Derecognition

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

1.20 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

1.21 Intangibles

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The useful life of the reporting unit intangible assets are:

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

As the asset was acquired late in the last financial year it is difficult to estimate the useful life of the asset and no impairment has been taken up.

1.22 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 *reporting unit* were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.23 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

1.24 Taxation

The *reporting unit* 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.

1.25 Fair value measurement

The reporting unit 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 16A.

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

The principal or the most advantageous market must be accessible by the *reporting unit*. 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 reporting unit 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 reporting unit 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 reporting unit 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.

1.25 Going concern

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

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

Note 2 Events after the reporting period

There were no events that occurred after 30 June 2019, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the *reporting unit.*

	2019 $	2018 $
Note 3 Income		
Note 3A: Capitation fees*		
Total capitation fees	-	-
Note 3B: Levies*		
Total levies	-	-
Note 3C: Interest		
Deposits	72,419	72,517
Total interest	**72,419**	**72,517**
Note 3D: Rental revenue		
Properties	730,030	878,450
Total rental revenue	**730,030**	**878,450**

	2019	2018
	$	$

Note 3E: Grants or donations*

Grants	-	-
Donations	29,091	-
Total grants or donations	**29,091**	-

Note 3F: Net gains from sale of assets

Plant and equipment	102,508	6,772
Total net gain from sale of assets	**102,508**	**6,772**

Note 4 Expenses

Note 4A: Employee expenses*

Holders of office:		
Wages and salaries	**934,748**	**899,009**
Superannuation	**140,095**	**173,259**
Leave and other entitlements	**37,364**	**(73,140)**
Separation and redundancies	-	-
Other employee expenses	**135,425**	**139,138**
Subtotal employee expenses holders of office	1,247,632	1,138,266
Employees other than office holders:		
Wages and salaries	**3,257,154**	**4,137,304**
Superannuation	**410,936**	**425,595**
Leave and other entitlements	**130,198**	**(573,428)**
Separation and redundancies	-	**90,611**
Other employee expenses	**471,931**	**380,583**
Subtotal employee expenses employees other than office holders	4,270,219	4,460,665
Total employee expenses	5,517,851	5,598,931

	2019	2018
	$	$

Note 4B: Capitation fees*

	2019 $	2018 $
AWU National Office	906,644	896,720
Total capitation fees	**906,644**	**896,720**

Note 4C: Affiliation fees*

	2019 $	2018 $
ALP NSW	83,273	85,078
ALP ACT Branch	853	875
Sydney May Day Committee	500	-
Newcastle Trades Hall Council	7,200	7,062
Worker's Health Centre	1,344	1,315
Unions ACT	2,000	1,957
Unions NSW	75,324	73,845
Total affiliation fees/subscriptions	**170,494**	**170,132**

Note 4D: Administration expenses

	2019 $	2018 $
Consideration to employers for payroll deductions*	-	-
Compulsory levies*		
[*list each levy including purpose and name of entity*]	-	-
Fees/allowances - meeting and conferences*	-	-
Conference and meeting expenses*	352,185	231,803
Contractors/consultants	480,845	406,266
Property expenses	521,183	530,258
Office expenses	281,903	239,487
Information communications technology	181,681	152,033
Motor vehicle including parking and tolls	398,323	355,828
Other	398,447	291,940
Subtotal administration expense	**2,614,567**	**2,207,615**
Operating lease rentals:		
Minimum lease payments	-	-
Total administration expenses	**2,614,567**	**2,207,615**

	2019	2018
	$	$

Note 4E: Grants or donations*

Grants:		
Total paid that were $1,000 or less	-	-
Total paid that exceeded $1,000	-	-
Donations:		
Total paid that were $1,000 or less	9,749	12,555
Total paid that exceeded $1,000	45,799	12,083
Total grants or donations	**55,548**	**24,638**

Note 4F: Depreciation and amortisation

Depreciation		
Land & buildings	96,507	96,348
Property, plant and equipment	370,763	331,957
Total depreciation	**467,270**	**428,305**

Note 4G: Finance costs

Overdrafts/loans	41,154	41,231
Total finance costs	**41,154**	**41,231**

Note 4H: Legal costs*

Litigation	434,156	407,131
Other legal matters	11,640	141,849
Total legal costs	**445,796**	**548,980**

Note 4I: Write-down and impairment of assets

Asset write-downs and impairments of:		
Land and buildings	-	-
Plant and equipment	-	-
Other	221,455	-
Total write-down and impairment of assets	**221,455**	-

	2019	2018
	$	$

Note 4J: Net losses from sale of assets

Plant and equipment	153,288	-
Total net losses from asset sales	**153,288**	**-**

Note 4K: Other expenses

Advertising	123,730	104,020
Total other expenses	**123,730**	**104,020**

Note 5 Current Assets

Note 5A: Cash and Cash Equivalents

Cash at bank	4,047,779	4,968,977
Cash on hand	6,250	6,250
Short term deposits	2,828,917	2,752,287
Total cash and cash equivalents	**6,882,946**	**7,727,514**

Note 5B: Trade and Other Receivables

Receivables from other reporting unit[s]*	-	-
AWU National Office		
Total receivables from other reporting unit[s]	**-**	**-**
Receivable from other reporting unit[s] (net)	**-**	**-**
Other receivables:		
GST receivable	96,174	87,175
Other trade receivables	39,062	145,605
Total other receivables	**135,236**	**232,780**
Total trade and other receivables (net)	**135,236**	**232,780**

	2019	2018
Note 5C: Other Current Assets	**$**	**$**
Prepayments	161,945	154,732
Total other current assets	**161,945**	**154,732**

Note 6 Non-current Assets

Note 6A: Land and buildings

Land and buildings:		
fair value	10,200,000	9,910,000
accumulated depreciation	(1,066,965)	(970,458)
Total land and buildings	**9,133,035**	**8,939,542**

Reconciliation of Opening and Closing Balances of Land and Buildings

As at 1 July		
Gross book value	9,910,000	9,013,875
Accumulated depreciation and impairment	(970,458)	(874,110)
Net book value 1 July	8,939,542	8,139,765
Additions:		
Purchase	-	28,968
From acquisition of entities (including restructuring)	-	-
Revaluation	290,000	867,157
Depreciation expense	(96,507)	(96,348)
Net book value 30 June	**9,133,035**	**8,939,542**
Net book value as of 30 June represented by:		
Gross book value	10,200,000	9,910,000
Accumulated depreciation and impairment	(1,066,965)	(970,458)
Net book value 30 June	**9,133,035**	**8,939,542**

The revalued land and buildings consist of properties at Granville, Griffith and Newcastle. Management determined that these constitute one class of asset under AASB 13, based on the nature, characteristics and risks of the property.

Note 6A: Land and buildings (continued)

Fair value of the properties was determined by using market comparable method. This means that the valuations performed are based on active market prices and adjusted for differences in the nature, location or condition of the property.

At the date of revaluation 30 June 2019, the properties fair values are based on valuations provided by independent research in the area of the particular property.

Significant unobservable valuation input	Range
Granville building - price per square metre	$6,700 to $7,140
Granville residential building	$1,010 to $1,300
Griffith building	$906 to $1,040
Newcastle building	$3,180 to $3,550

A significant increase in estimated price per square metre isolation would result in a significantly higher fair value.

Note 6B: Plant and equipment

	2019 $	2018 $
Plant and equipment:		
at cost	2,649,465	3,212,027
accumulated depreciation	(1,640,649)	(1,970,226)
Total plant and equipment	**1,008,816**	**1,241,801**

Reconciliation of Opening and Closing Balances of Plant and Equipment

	2019 $	2018 $
As at 1 July		
Gross book value	3,212,027	2,699,509
Accumulated depreciation and impairment	(1,970,226)	(1,667,136)
Net book value 1 July	1,241,801	1,032,373
Additions:		
By purchase	301,896	551,467
From acquisition of entities (including restructuring)	-	-
Depreciation expense	(370,763)	(331,957)
Disposals:		
Other	(164,118)	(10,082)
Net book value 30 June	**1,008,816**	**1,241,801**
Net book value as of 30 June represented by:		
Gross book value	2,649,465	3,212,027
Accumulated depreciation and impairment	(1,640,649)	(1,970,226)
Net book value 30 June	**1,008,816**	**1,241,801**

	2019	2018
	$	$
Note 6C: Investment Property		
Opening balance as at 1 July 2018	695,000	677,846
Additions	-	-
Net gain from fair value adjustment	-	17,154
Closing balance as at 30 June 2019	**695,000**	**695,000**

The valuations were performed by an accredited independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the investment property being valued.

The fair value of completed investment property has been determined on a market value basis in accordance with International Valuation Standards (IVS), as set out by the International Valuation Standards Council (IVSC). In arriving at their estimates of market values, the valuers have used their market knowledge and professional judgement and not only relied on historical transactional comparables.

The highest and best use of the investment properties is not considered to be different from its current use.

No additions during the year.

Rental income earned and received from the investment properties during the year was $3,332 (2018: $8,745.)

Direct expenses incurred in relation to the investment properties that generated rental income during the year was $32,563 (2018: $37,632). During the year and as at the year-end, no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal were present. The [reporting unit] does not have any contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

The fair value of investment property is determined by independent valuer using recognised valuation techniques. These techniques comprise both the Discounted Cash Flow (DCF) method and Income Capitalisation method.

Under the DCF method, a property's fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the asset's life including estimated rental income and an exit or terminal value.

This involves the projection of a series of cash flows and to this an appropriate, market-derived discount rate is applied to establish the present value of the income stream. Under the income capitalisation method, a property's fair value is estimated based on the normalised net operating income generated by the property, which is divided by the capitalisation rate (the investor's rate of return).

The fair value of investment property is included within Level 1. Based on the condition of the buildings it is considered to be land value only and not a valuation representing a series of future cash flows.

	2019	2018
	$	$

Note 6D: Intangibles

Purchased:	85,641	79,509
Total Intangibles	**85,641**	**79,509**

Reconciliation of Opening and Closing Balances of Plant and Equipment

As at 1 July		
Gross book value	79,509	-
Accumulated depreciation and impairment	-	-
Net book value 1 July	79,509	-
Additions:		
By purchase	-	-
From acquisition of entities (including restructuring)	-	79,509
Depreciation expense	-	-
Disposals:		
Other	6,132	-
Net book value 30 June	**85,641**	**79,509**
Net book value as of 30 June represented by:		
Gross book value	85,641	79,509
Accumulated depreciation and impairment	-	-
Net book value 30 June	**85,641**	**79,509**

Note 6F: Other Investments

Other – Shares	1,085,484	855,613
Total other investments	**1,085,484**	**855,613**

Note 6G: Other Non-Current Assets

Other – Loan to AWU National Office	1,905,669	2,127,123
Total other non-financial assets	**1,905,669**	**2,127,123**

	2019	2018
	$	$

Note 7 Current Liabilities

Note 7A: Trade payables

Trade creditors and accruals	242,545	152,921
Subtotal trade creditors	**242,545**	**152,921**
Payables to other reporting unit[s]*		
AWU National Office	135,190	61,459
Subtotal payables to other reporting unit[s]	**135,190**	**61,459**
Total trade payables	**377,735**	**214,380**

Settlement is usually made within 30 days.

Note 7B: Other payables

Superannuation	-	-
GST payable	243,531	237,851
Other	195,657	120,000
Total other payables	**439,188**	**357,851**
Total other payables are expected to be settled in:		
No more than 12 months	439,188	357,851
More than 12 months	-	-
Total other payables	**439,188**	**357,851**

Note 8 Provisions

Note 8A: Employee Provisions*

Office Holders:		
Annual leave	132,302	138,600
Long service leave	544,202	637,251
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—office holders	*676,504*	*775,851*

	2019	2018
	$	$
Employees other than office holders:		
Annual leave	533,165	425,148
Long service leave	729,994	647,691
Separations and redundancies	-	340,592
Other	-	-
Subtotal employee provisions—employees other than office holders	***1,263,159***	***1,413,431***
Total employee provisions	**1,939,663**	**2,189,282**
Current	665,467	904,340
Non- Current	1,274,196	1,284,942
Total employee provisions	**1,939,663**	**2,189,282**

Note 9 Non-current Liabilities

Note 9A: Other non-current liabilities

Bank loan	557,774	636,621
Total other non-current liabilities	**557,774**	**636,621**

Note 10 Equity

Note 10A: Funds

General Reserve		
Balance as at start of year	20,411,642	19,527,331
Transferred to reserve	290,000	884,311
Transferred out of reserve	-	-
Balance as at end of year	**20,701,642**	**20,411,642**
[*insert name of individual fund/reserve*]		
Balance as at start of year	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	-	-
Total Reserves	**20,701,642**	**20,411,642**

	2019	2018
	$	$

Note 11 Cash Flow

Note 11A: Cash Flow Reconciliation

Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:

Cash and cash equivalents as per:		
Cash flow statement	6,882,946	7,727,514
Balance sheet	6,882,946	7,727,514
Difference	-	-

The difference is represented by:
(this explanation is required only where there is a difference).

Reconciliation of profit/(deficit) to net cash from operating activities:

Profit/(deficit) for the year	(1,166,068)	(854,952)
Adjustments for non-cash items		
Depreciation/amortisation	467,270	428,305
Income from investments	301,095	-
Gain on disposal of assets	102,508	6,772
Loss on investments	(282,395)	37,767
Changes in assets/liabilities		
(Increase)/decrease in net receivables	97,544	(7,139)
(Increase)/decrease in prepayments	(7,213)	(65,286)
Increase/(decrease) in supplier payables	163,355	131,161
Increase/(decrease) in other payables	81,337	(62,523)
Increase/(decrease) in employee provisions	(249,619)	(999,145)
Increase/(decrease) in other provisions	(78,847)	(79,330)
Net cash from (used by) operating activities	**(571,033)**	**(1,464,370)**

Note 11B: Cash flow information*

Cash inflows		
Total cash inflows	-	-
Cash outflows		
AWU National Office	1,720,317	884,051
Total cash outflows	**1,720,317**	**884,051**

Note 12 Contingent Liabilities, Assets and Commitments

Note 12A: Commitments and Contingencies

The AWU NSW Branch has contractual commitments in relation to leases of rental space. The leases typically run for a period of one to three years. Lease payments are fixed and are generally non-cancellable.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

	2019	2018
	$	$
Operating lease commitments—as lessor		
Within one year	293,892	255,345
After one year but not more than five years	159,328	270,392
More than five years	-	-
	453,220	**525,737**

Note 13 Related Party Disclosures

Note 13A: Related Party Transactions for the Reporting Period

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

Revenue received from [*list related party*] includes the following:		
Expenses paid to [*list related party*] includes the following:		
AWU National Office	1,720,317	1,472,127
Amounts owed by [*list related party*] include the following:		
AWU National Office	1,905,669	2,127,123
Amounts owed to [*list related party*] include the following:		
AWU National Office	135,190	61,459
Loans from/to [*list related party*] includes the following:		
	-	-
Assets transferred from/to [*list related party*] includes the following:		

	-	-

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2019, the *reporting unit* has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2018: $-). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

The loan provided to AWU National Office receives a rate of interest of 0% and has no defined repayment date.

Note 13B: Key Management Personnel Remuneration for the Reporting Period

	2019 $	2018 $
Short-term employee benefits		
Salary (including annual leave taken)	332,534	328,883
Annual leave accrued	11,457	1,924
Total short-term employee benefits	**343,991**	**330,807**
Post-employment benefits:		
Superannuation	49,880	68,745
Total post-employment benefits	**49,880**	**68,745**
Other long-term benefits:		
Long-service leave	544,202	637,251
Total other long-term benefits	**544,202**	**637,251**
Termination benefits	676,504	775,851
Total	**676,504**	**775,851**

Note 13C: Transactions with key management personnel and their close family members

Loans to/from key management personnel		
	-	-
Other transactions with key management personnel		
	-	-

	2019 $	2018 $

Note 14 Remuneration of Auditors

Value of the services provided		
Financial statement audit services	29,991	38,491
Other services	-	-
Total remuneration of auditors	**29,991**	**38,491**

No other services were provided by the auditors of the financial statements

Note 15 Financial Instruments

The risk control of the financial instruments relates to the retail term deposits, bank accounts, receivables and payables.

Note 15A: Categories of Financial Instruments

Held-to-maturity investments:		
Bank and term deposits	6,882,946	7,727,514
Total	**6,882,946**	**7,727,514**
Available-for-sale assets:		
Listed shares	5,484	5,613
Unlisted shares	1,080,000	850,000
Total	**1085,484**	**855,613**
Loans and receivables:		
Receivables	135,236	232,780
Total	**135,236**	**232,780**
Carrying amount of financial assets	**8,103,666**	**8,815,907**
Financial Liabilities		
Bank loan	(677,774)	(756,621)
Trade creditors and other payables	(696,923)	(452,231)
Total	**(1,374,697)**	**(1,208,852)**
Carrying amount of financial liabilities	**(1,374,697)**	**(1,208,852)**

	2019 $	2018 $
Note 15B: Net Income and Expense from Financial Assets		
Held-to-maturity		
Interest revenue	72,419	72,517
Dividend revenue	330,245	187
Net gain/(loss) from financial assets	**402,664**	**72,704**

Note 15C: Net Income and Expense from Financial Liabilities

At amortised cost		
Interest expense	(41,154)	(40,670)
Net gain/(loss) from financial liabilities	**(41,154)**	**(40,670)**

Note 15D: Credit Risk

The level of risk associated with the financial assets and financial liabilities is low as they are mainly held in bank accounts held in financial institutions which are highly regulated.
The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

Financial assets		
Bank accounts and bank term deposits	6,882,946	7,727,514
Shares in other companies	1,085,484	855,613
Total	**7,968,430**	**8,583,127**
Financial liabilities		
Bank loan	(677,774)	(756,621)
Trade creditors and other payables	(696,923)	(452,231)
Total	**(1,374,697)**	**(1,208,852))**

In relation to the entity's gross credit risk the following collateral is held: Nil.

Credit quality of financial instruments not past due or individually determined as impaired

	Not Past Due Nor Impaired 2019 $	Past due or impaired 2019 $	Not Past Due Nor Impaired 2018 $	Past due or impaired 2018 $
Receivables	39,062	-	145,605	-

Total	**39,062**	**-**	**145,605**	**-**

Not applicable.

Ageing of financial assets that were past due but not impaired for 2019

	0 to 30 days $	31 to 60 days $	61 to 90 days $	90+ days $	Total $
Total	-	-	-	-	-

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

	0 to 30 days $	31 to 60 days $	61 to 90 days $	90+ days $	Total $
Total	-	-	-	-	-

Not applicable.

Note 15E: Liquidity Risk

Reasonable liquidity risk management involves the maintenance of sufficient cash reserves. AWU NSW manages the liquidity risk by continuous monitoring of forecast and actual cash flow. Any surplus funds are generally only deposited in savings accounts offering interest rates.

Contractual maturities for financial liabilities 2019

	On Demand	< 1 year $	1– 2 years $	2– 5 years $	>5 years $	Total $
Trade payables	-	377,735	-	-	-	377,735
Other payables	-	439,188	-	-	-	439,188
Total	**-**	**816,923**	**-**	**-**	**-**	**816,923**

Contractual maturities for financial liabilities 2018

	On Demand	< 1 year $	1– 2 years $	2– 5 years $	>5 years $	Total $
Trade payables	-	214,380	-	-	-	214,380

Other payables	--	35073,8593	--	--	--	35873,8219
Total	-	**572,231**	-	-	-	**5472,02374**
						503,593

Note 15F: Market Risk

Market risks generally include interest rate risk, price risk, and currency risk. The market risk which the reporting unit is exposed to is low due to the nature of the reporting unit's income or the value of its holdings of financial instruments. The objective of the market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The reporting unit's main interest rate risk arises from cash and cash equivalents which is at expressed at variable rates and currency in the Australian retail banking framework.

Sensitivity analysis of the risk that the entity is exposed to for 2019

	Risk variable	Change in risk variable %	Effect on Profit and loss	Effect on Equity
			$	$
Interest rate risk	-	[+ 10%]	7,242	7,242

Sensitivity analysis of the risk that the entity is exposed to for 2018

	Risk variable	Change in risk variable %	Effect on Profit and loss	Effect on Equity
			$	$
Interest rate risk		[+10%]	7,252	7,252

The impact is expected to be minimal.

Note 15H: Changes in liabilities arising from financing activities

	1 July 2018	Cash flows	Reclassified as part of disposal group	Foreign exchange movement	Changes in fair values	New Leases	Other	30 June 2019
	$	$	$	$	$	$	$	$
Current interest-bearing loans and borrowings (excluding items listed below)	-	-	-	-	-	-	-	-
Current obligations under finance leases and hire purchase contracts	-	-	-	-	-	-	-	-
Non-current interest-bearing loans and borrowings (excluding items listed below)	756,621	(78,847)	-	-	-	-	-	677,774
Non-current obligations under finance leases and hire purchase contracts	-	-	-	-	-	-	-	-
Dividends Payable	-	-	-	-	-	-	-	-
Derivatives	-	-	-	-	-	-	-	-
Total liabilities from financing activities	756,621	(78,847)	-	-	-	-	-	677,774

	1 Sept 2017	Cash flows	Reclassified as part of disposal group	Foreign exchange movement	Changes in fair values	New Leases	Other	30 June 2018
	$	$	$	$	$	$	$	$
Current interest-bearing loans and borrowings (excluding items listed below)	-	-	-	-	-	-	-	-
Current obligations under finance leases and hire purchase contracts	-	-	-	-	-	-	-	-
Non-current interest-bearing loans and borrowings (excluding items listed below)	835,951	(79,330)	-	-	-	-	-	756,621
Non-current obligations under finance leases and hire purchase contracts	-	-	-	-	-	-	-	-
Dividends Payable	-	-	-	-	-	-	-	-
Derivatives	-	-	-	-	-	-	-	-
Total liabilities from financing activities	835,951	(79,330)	-	-	-	-	-	756,621

The 'Other' column includes the effect of reclassification of non-current portion of interest-bearing loans and borrowings, including obligations under finance leases and hire purchase contracts to current due to the passage of time, the accrual of special dividends that were not yet paid at the year-end, and the effect of accrued but not yet paid interest on interest-bearing loans and borrowings. The reporting unit classifies interest paid as cash flows from operating activities.

Note 16 Fair Value Measurement

The reporting unit measures and recognises the following assets and liabilities on a recurring basis:

- Available for sale financial assets;
- Investment properties;
- Land and Buildings

The fair value hierarchy consists of the following levels:

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

Note 16A: Financial Assets and Liabilities

Management of the reporting unit assessed that their fair values of cash, trade receivables, investments, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- Fair values of the reporting unit's level 3 available-for-sale financial assets is derived from reference to the net assets of the entity to which the investment is in.
- interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 30 June 2019 was assessed to be insignificant.

- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.

- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the reporting unit based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30 June 2019 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

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

	Carrying amount 2019	Fair value 2019	Carrying amount 2018	Fair value 2018
	$	$	$	$
Financial Assets				
Bank accounts and bank term deposits	6,882,946	6,882,946	7,727,514	7,727,514
Trade and other receivables	135,236	135,236	232,780	232,780
Shares in other companies	1,085,484	1,085,484	855,613	855,613
Total	**8,103,666**	**8,103,666**	**8,815,907**	**8,815,907**
Financial Liabilities				
Trade payables	(377,735)	(377,735)	(214,380)	(214,380)
Other payables	(439,188)	(439,188)	(357,851)	(357,851)
Other liabilities	(557,774)	(557,774)	(636,621)	(636,621)
Total	**(1,374,697)**	**(1,374,697)**	**(1,208,852)**	**(1,208,852)**

Note 16B: Financial and Non-Financial Assets and Liabilities Fair Value Hierarchy

The following tables provide an analysis of the non-financial assets and liabilities that are measured at fair value, by fair value hierarchy.

Fair value hierarchy – 30 June 2019

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		$	$	$
Land and Buildings	30 June 2019	-	-	9,133,035
Investment Property	30 June 2019	-	-	695,000
Total		-	-	**9,828,035**
Liabilities measured at fair value				
Non- Financial Liabilities		-	-	-
Total		-	-	-

There were no transfers between classes during the year ended 30 June 2019.

Fair value hierarchy – 30 June 2018

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		**$**	**$**	**$**
Land and Buildings	30 June 2018	-	-	8,939,542
Investment Property	30 June 2018	-	-	695,000
Total		-	-	**9,634,542**
Liabilities measured at fair value				
Non-Financial Liabilities		-	-	-
Total		-	-	-

There were no transfers between classes during the year ended 30 June 2018.

Note 17 Administration of financial affairs by a third party[2]

The Australian Workers' Union NSW Branch did not receive any service of this nature.

Note 18 Section 272 *Fair Work (Registered Organisations) Act 2009*

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

Information to be provided to members or Commissioner:

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

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

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

:

The Australian Workers' Union New South Wales Branch
OFFICER DECLARATION STATEMENT

I, Daniel Walton, being the Branch Secretary of the Australian Worker's Union NSW Branch, declare that the following activities did not occur during the reporting period ending 30 June 2019.

The reporting unit did not:

(*Note: delete items that appear elsewhere in the audited report*)

- receive any other revenue from another reporting unit
- receive revenue via compulsory levies
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay capitation fees to another reporting unit
- pay affiliation fees to other entity
- pay compulsory levies
- pay a grant that exceeded $1,000
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- incur expenses due to holding a meeting as required under the rules of the organization
- pay a penalty imposed under the RO Act or the Fair Work Act 2009 have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- provide cash flows to another reporting unit and/or controlled entity receive cash flows from another reporting units and/or controlled entity
- make a payment to a former related party of the reporting unit

Signed by the officer:

Dated: 28 OCTOBER 2019