



21 October 2020

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

Dear Sir

**Re: – Financial reporting – The Australian Workers' Union, New South Wales Branch – for year ending 30 June 2020 (FR2020/248)**

I refer to the financial report of the New South Wales Branch of The Australian Workers' Union in respect of the year ending 30 June 2020. The documents were lodged with the Registered Organisations Commission ('the ROC') on 14 October 2020.

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

You are not required to take any further action in respect of the report lodged. Please note the report for year ending 30 June 2021 may be subject to an advanced compliance review.

#### Reporting Requirements

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

Yours faithfully

A handwritten signature in black ink that reads "Stephen Kellett".

Stephen Kellett  
Financial Reporting  
Registered Organisations Commission

**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



ABN: 92 860 257 789

14 October 2020

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

Via Email: [regorgs@roc.gov.au](mailto: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 2020.**

Please find enclosed The Australian Workers' Union - New South Wales Branch - Financial Report for the period ended 30 June 2020.

Should you require any further details, please contact Marc Bernard, National and NSW Branch Chief Financial controller via 1300 763 223 or [marc.bernard@nat.awu.net.au](mailto:marc.bernard@nat.awu.net.au).

Yours sincerely

A handwritten signature in black ink, appearing to read 'Daniel Walton', is positioned below the text 'Yours sincerely'.

Daniel Walton  
**NSW BRANCH SECRETARY**



The Australian Workers' Union  
New South Wales Branch

Financial Reports

For the period  
ended 30 June 2020



# ***TOGETHER***

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## **The Australian Workers' Union New South Wales Branch**

### **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 2020.

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 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2020, notes to the financial statements, including a summary of significant accounting policies, and the Committee of Management Statement, the Subsection 255(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 2020, 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



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Alan Fraser Lovett

Date: 3 SEPTEMBER 2020

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 2020

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 **8 SEPTEMBER 2020** ; 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 12 OCTOBER 2020**

Signature of prescribed designated officer:.....



Name of prescribed designated officer:.....

DANIEL WALTON

Title of prescribed designated officer: .....

NSW BRANCH SECRETARY

Dated: .....

14 OCTOBER 2020

**The Australian Workers' Union New South Wales Branch**

**Expenditure Report required under Subsection 255(2A) for the year ended 30 June 2020**

<b>Categories of expenditures</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Remuneration and other employment-related costs and expenses - employees	6,160,357	6,161,317
Advertising	98,656	123,730
Operating costs	2,223,600	2,697,313
Donations to political parties	5,000	3,500
Legal costs	145,585	445,796

Signature of prescribed designated officer:



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

Dated: 2 SEPTEMBER 2020

## **The Australian Workers' Union New South Wales Branch**

### **Operating Report**

*for the period ended 30 June 2020*

The Committee of Management presents its operating report on the Reporting Unit for the period ended 30 June 2020.

#### **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 where being a member or officer of a registered organisation is a criterion for them holding such position**

*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 2020 the total amount of members was 20,643.*

#### **Number of employees**

*The number of employees as at 30 June 2020 was 47.7 full-time equivalent 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 2019 until 30 June 2020. 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*

*Leake, G  
Mason, C  
Matheson, T  
McGuinness, W  
Millar, L – resigned 9/3/20  
Morley, I  
Noack, P (Assistant Secretary)*

*Dawson, G*  
*Delaney, P (Senior Vice President)*  
*Dunn, R*  
*Fairless, L (Branch President)*  
*Farrow, P (Senior Vice President)*  
*Halloran, D*  
*Hancock, D (Senior Vice president) – resigned 29/8/19*  
*Hillary, R- resigned 26/3/20*  
*Lawless, E*  
*Phillips, W (Assistant Secretary)*

*Pringle, W*  
*Redman, L – resigned 22/4/20*  
*Scott, J*  
*Slavin, B*  
*Stojanoski, S*  
*Thomas, I*  
*Turner, L*  
*Walton, D (Secretary)*  
*Yan, K – resigned 4/3/20*

Signature of designated officer:

A handwritten signature in black ink, appearing to be 'D Walton', written in a cursive style.

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

Dated: 2 SEPTEMBER 2020

## **The Australian Workers' Union New South Wales Branch**

### **Committee of Management Statement**

*for the year ended 30 June 2020*

On, 1 SEPTEMBER 2020 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 2020:

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 Fair Work Commissioner 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: 2 SEPTEMBER 2020

**The Australian Workers' Union New South Wales Branch**  
**Statement of comprehensive income**  
for the year ended 30 June 2020

	Notes	2020	2019
		\$	\$
<b>Revenue from contracts with customers</b>	3		
Membership subscriptions*		8,786,821	8,201,916
Capitation fees and other revenue from another reporting unit* <sup>1</sup>	3A	-	-
Levies* <sup>1</sup>	3B	-	-
Other sales of goods or services to members		-	-
<b>Total revenue from contracts with customers</b>		<b>8,786,821</b>	<b>8,201,916</b>
<b>Income for furthering objectives</b>	3		
Grants and/or donations*	3C	-	29,091
Income recognised from volunteer services [if applicable]	3D	-	-
Income recognised from transfers [if applicable]	3E	-	-
<b>Total income for furthering objectives</b>		<b>-</b>	<b>29,091</b>
<b>Other Income</b>			
Net gains from sale of assets	3F	68,162	102,508
Revenue from recovery of wages activity*	3G	-	-
Investment income	3H	46,092	302,664
Rental income	3I	739,905	730,030
Other income	3J	510,501	215,511
Share of net profit from associate	6K	-	-
<b>Total other income</b>		<b>1,364,660</b>	<b>1,350,713</b>
<b>Total income</b>		<b>10,151,481</b>	<b>9,581,720</b>
<b>Expenses</b>			
Employee expenses	4A	5,332,377	5,290,323
Cost of goods sold		-	-
Capitation fees and other expense to another reporting unit*	4B	969,390	906,644
Affiliation fees	4C	186,431	170,494
Administration expenses	4D	2,207,071	2,842,095
Grants or donations	4E	13,662	55,548
Depreciation and amortisation	4F	408,891	467,270
Finance costs	4G	37,505	41,154
Legal costs	4H	145,585	445,796
Write-down and impairment of assets	4I	-	221,455
Net losses from sale of assets	4J	-	153,288
Other expenses	4K	98,656	123,730
Audit fees	14	29,532	29,991
Share of net loss from associate	6E	-	-
<b>Total expenses</b>		<b>9,429,100</b>	<b>10,747,788</b>
<b>Surplus (deficit) for the year</b>		<b>722,381</b>	<b>(1,166,068)</b>

<sup>1</sup> Reporting unit to assess if the arrangement is within the scope of AASB 15 or AASB 1058

**The Australian Workers' Union New South Wales Branch**  
**Statement of comprehensive income**  
for the year ended 30 June 2020

Other comprehensive income  
for the year ended 30 June 2020

**Other comprehensive income**

Items that will be subsequently reclassified to profit or loss

Gain/(loss) on debt instruments at fair value through other comprehensive income (FVTOCI)	-	-
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Items that will not be subsequently reclassified to profit or loss

Gain/(loss) on revaluation of land & buildings	-	-
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Gain/(loss) on equity instruments designated at FVTOCI	-	-
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<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>
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The above statement should be read in conjunction with the notes.

\*As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

**The Australian Workers' Union New South Wales Branch**  
**Statement of financial position**  
as at 30 June 2020

	Notes	2020 \$	2019 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5A	9,090,415	6,882,946
Trade and other receivables*	5B	101,943	135,236
Contract assets	5B	-	-
Inventory	5C	-	-
Other current assets	5D	220,596	161,945
<b>Total current assets</b>		<b>9,412,954</b>	<b>7,180,127</b>
<b>Non-current Assets</b>			
Property, Plant and equipment	6A	9,377,825	10,141,851
Investment property	6B	695,000	695,000
Intangibles	6C	85,641	85,641
Investments in associates	6D	-	-
Right-of-use assets	6E	-	-
Other financial assets	6F	453,710	1,085,484
Other non-current assets	6G	1,905,669	1,905,669
<b>Total non-current assets</b>		<b>12,517,845</b>	<b>13,913,645</b>
<b>Total assets</b>		<b>21,930,799</b>	<b>21,093,772</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade payables*	7A	219,949	377,735
Other payables*	7B	945,280	439,188
Employee provisions	8A	738,162	665,467
Contract liabilities	5B	-	-
Lease liabilities	6E	-	-
<b>Total current liabilities</b>		<b>1,903,391</b>	<b>1,482,390</b>
<b>Non-current Liabilities</b>			
Employee provisions	8A	1,525,615	1,274,196
Contract liabilities	5B	-	-
Lease liabilities	6E	-	-
Other non-current liabilities	9A	-	557,774
<b>Total non-current liabilities</b>		<b>1,525,615</b>	<b>1,831,970</b>
<b>Total liabilities</b>		<b>3,429,006</b>	<b>3,314,360</b>
<b>Net assets</b>		<b>18,501,793</b>	<b>17,779,412</b>



**The Australian Workers' Union New South Wales Branch  
Equity**

30 June 2020

	Notes	2020 \$	2019 \$
General funds	10A		
Reserves	10A	20,701,642	20,701,642
Retained earnings (accumulated deficit)		(2,199,849)	(2,922,230)
<b>Total equity</b>		<b>18,501,793</b>	<b>17,779,412</b>

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 2020**

	Notes	General funds /reserves \$	Retained earnings \$	Total equity \$
<b>Balance as at 1 July 2018</b>		20,411,642	(1,756,162)	18,655,480
Surplus / (deficit)		290,000	(1,166,068)	(876,068)
Transfer to/from AWU Branches	10A	-	-	-
<b>Closing balance as at 30 June 2019</b>		<b>20,701,642</b>	<b>(2,922,230)</b>	<b>17,779,412</b>
Surplus / (deficit)		-	722,381	722,381
Transfer to/from AWU Branches	10A	-	-	-
<b>Closing balance as at 30 June 2020</b>		<b>20,701,642</b>	<b>(2,199,849)</b>	<b>18,501,793</b>

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 2020

	Notes	2020 \$	2019 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Receipts from customers		8,839,162	8,280,604
Donations and grants		-	-
Receipts from other reporting unit/controlled entity(s)	11B	-	-
Interest		43,893	66,225
Other		1,493,679	1,023,447
<b>Cash used</b>			
Employees		(4,773,753)	(4,641,884)
Suppliers		(2,575,926)	(3,579,108)
Short term lease payments [if applicable]	6E	-	-
Lease payments for leases of low-value assets [if applicable]	6E	-	-
Interest payments and other finance costs	6E	-	-
Payment to other reporting units/controlled entity(s)	11B	(1,903,619)	(1,720,317)
<b>Net cash from (used by) operating activities</b>	11A	<b>1,123,436</b>	<b>(571,033)</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sale of plant and equipment		32,639	113,340
Proceeds from sale of land and buildings		468,770	-
Other		750,000	-
<b>Cash used</b>			
Purchase of plant and equipment		(79,381)	(301,896)
Purchase of land and buildings		(5,500)	-
Other		-	(6,132)
<b>Net cash from (used by) investing activities</b>		<b>1,166,528</b>	<b>(194,688)</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Contributed equity		-	-
<b>Cash used</b>			
Repayment of borrowings		(82,495)	(78,847)
Repayment of lease liabilities	6E	-	-
Other		-	-
<b>Net cash from (used by) financing activities</b>		<b>(82,495)</b>	<b>(78,847)</b>
<b>Net increase (decrease) in cash held</b>		<b>2,207,469</b>	<b>(844,568)</b>
Cash & cash equivalents at the beginning of the reporting period		6,882,946	7,727,514
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	5A	<b>9,090,415</b>	<b>6,882,946</b>

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

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

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## **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 15 Revenue from Contracts with Customers, which replaces AASB 118 Revenue, and AASB 1058 Income of Not-for-Profit-Entities, which replaces in the income recognition requirements of AASB 1004 Contributions

There will be minimal impact on the reporting unit.

- AASB 16 Leases and amending standards, which replaces AASB117 Leases.

There will be minimal impact on the reporting unit.

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

No impact on the reporting unit.

- AASB 2017-7 Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures

There will be minimal impact on the reporting unit.

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

There will be minimal impact on the reporting unit.

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

There will be minimal 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 2020-1 – Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current**

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted

Although the Committee of Management anticipate that the adoption of AASB 2020-1 may impact the Union's financial reports, it is difficult at this stage to determine the impact.

## **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.

## **1.7 Revenue**

The reporting unit enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, grants, and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

### **Revenue from contracts with customers**

Where the reporting unit has a contract with a customer, the reporting unit recognises revenue when or as it transfers control of goods or services to the customer. The reporting unit accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

### **Membership subscriptions**

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the reporting unit.

If there is only one distinct membership service promised in the arrangement, the reporting unit recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the reporting unit's promise to stand ready to provide assistance and support to the member as required.

If there is more than one distinct good or service promised in the membership subscription, the reporting unit allocates the transaction price to each performance obligation based on the relative standalone selling prices of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that the reporting unit charges for that good or service in a standalone sale. When a performance obligation is satisfied, which is either when the customer obtains control of the good (for example, books or clothing) or the service transfers to the customer (for example, member services or training course), the reporting unit recognizes revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, the reporting unit has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from the reporting unit at their standalone selling price, the reporting unit accounts for those sales as a separate contract with a customer.

### **Capitation fees**

Where the reporting unit's arrangement with a branch or another reporting unit meets the criteria to be a contract with a customer, the reporting unit recognises the capitation fees promised under that arrangement when or as it transfers the reporting unit to specify the goods or services that will transfer as part of its sufficiently specific promise to the branch/other reporting unit.

In circumstances where the criteria for a contract with a customer are not met, the reporting unit will recognise capitation fees as income upon receipt (as specified in the income recognition policy below).

### **Levies**

Levies paid by a member (or other party) in an arrangement that meets the criteria to be a contract with a customer is recognised as revenue when or as the reporting unit transfers the reporting unit to specify the goods or services that will transfer as part of its sufficiently specific promise to the branch/other reporting unit.

In circumstances where the criteria for a contract with a customer are not met, the reporting unit will recognise levies as income upon receipt (as specified in the income recognition policy below).

### **Income of the reporting unit as a Not-for-profit Entity**

Consideration is received by the [reporting unit] to enable the entity to further its objectives. The reporting unit recognises each of these amounts of consideration as income when the consideration is received (which is when the reporting unit obtains control of the cash) because, based on the rights and obligations in each arrangement:

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and

the reporting unit's recognition of the cash contribution does not give to any related liabilities

During the year, the reporting unit received cash consideration from the following arrangements whereby that consideration will be recognised as income upon receipt:

- donations and voluntary contribution from members (including whip arounds); and
- government grants.

### **Volunteer services**

During the year, the reporting unit did not recognise any volunteer services as revenue because it could not reliably measure the fair value of those services.



### **Income recognised from transfers**

Where, as part of an enforceable agreement, the reporting unit receives consideration to acquire or construct a non-financial asset such as property, plant and equipment to an identified specification and for the reporting unit's own use, a liability is recognised for the obligation to acquire or construct the asset. Income is recognised as the obligation to acquire or construct the asset is satisfied, which is typically over time. The asset that is being acquired or constructed is recognised in accordance with the policy on property, plant and equipment.

### **Gains from sale of assets**

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

### **Interest income**

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

### **Rental income**

Leases in which the reporting unit as a lessor, does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the relevant lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

### **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.

## 1.8 Employee benefits

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

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

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

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

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

## 1.9 Leases

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

### Reporting unit as a lessee

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

### Right-of-use assets

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

	2020	2019
Land & buildings	40 years	40 years
Plant and equipment	3 to 15 years	3 to 15 years

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

### 1.10 Borrowing costs

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

### 1.11 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.

### 1.12 Financial instruments

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

### 1.13 Financial assets

#### Contract assets and receivables

A contract asset is recognised when the reporting unit's right to consideration in exchange goods or services that has transferred to the customer when that right is conditioned on the reporting unit's future performance or some other condition.

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets and receivables are subject to impairment assessment. Refer to accounting policies on impairment of financial assets below.

#### 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 *reporting 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 comprehensive income**

The reporting unit measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling 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

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost.

The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The reporting unit's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

### **Investments in equity instruments designated at fair value through other comprehensive income**

Upon initial recognition, the [reporting unit] can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the [reporting unit] benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The reporting unit elected to classify irrevocably its listed and non-listed equity investments under this category.

### **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**

#### **Expected credit losses**

Receivables for goods and services, which have 30-day terms, are recognised at the nominal amounts due less any loss allowance due to expected credit losses at each reporting date. A provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

## **(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.

## **1.14 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.

## **1.15 Liabilities relating to contracts with customers**

### **Contract liabilities**

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the reporting unit transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when the reporting unit performs under the contract (i.e., transfers control of the related goods or services to the customer).

### **Refund liabilities**

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer. The reporting unit's refund liabilities arise from customers' right of return. The liability is measured at the amount the reporting unit's ultimately expects it will have to return to the customer. The reporting unit updates its



estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

### **1.16 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.

### **1.17 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:

	<b>2020</b>	<b>2019</b>
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.

#### **1.18 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.

#### **1.19 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:*

	<b>2020</b>	<b>2019</b>
Intangibles	40 years	40 years

### **Derecognition**

*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.*

*The reporting unit has assessed the asset during the financial year and are of the opinion that the asset has not reduced in value and no impairment has been taken up.*

#### **1.20 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.

### **1.21 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.

### **1.22 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.

### **1.23 Fair value measurement**

The reporting unit measures financial instruments, such as, financial assets as at fair value through the profit and loss, financial assets at fair value through OCI, 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.

#### **1.24 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**

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the reporting unit is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the reporting unit. Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the reporting unit, the results of those operations, or the state of affairs of the reporting unit in subsequent financial periods.

	2020	2019
	\$	\$

**Note 3 Revenue and income**

**Disaggregation of revenue from contracts with customers**

A disaggregation of the reporting unit's revenue by type of arrangements is provided on the face of the Statement of comprehensive income. The table below also sets out a disaggregation of revenue by type of customer.

	2020	2019
	\$	\$
<b>Type of customer</b>		
Members	8,786,821	8,201,916
Other reporting units	-	-
Government	-	-
Other parties	-	-
<b>Total revenue from contracts with customers</b>	<b>8,786,821</b>	<b>8,201,916</b>

**Note 3B: Levies\***

<b>Total levies</b>	-	-
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**Note 3C: Grants and/or donations**

Grants	-	29,091
Donations	-	-
<b>Total grants and donations</b>	-	<b>29,091</b>

**Note 3F: Net gains from sale of assets**

Land and buildings	68,162	-
Plant and equipment	-	102,508
Intangibles	-	-
Other	-	-
<b>Total net gain from sale of assets</b>	<b>68,162</b>	<b>102,508</b>

**Note 3H: Investment income**

	2020	2019
	\$	\$
Interest		
Deposits	45,899	72,419
Loans	-	-
Debt instruments at fair value through OCI	-	-
Dividends	193	230,245
<b>Total investment income</b>	<b>46,092</b>	<b>302,664</b>

**Note 3I: Rental income**

Properties	739,905	730,030
[reporting unit to fill out as applicable]	-	-
<b>Total rental income</b>	<b>739,905</b>	<b>730,030</b>

[The reporting unit should does not have any income recognised as a liability for unsatisfied obligations as at the end of the reporting period]

**Note 3J: Other income**

[reporting unit to list any other income not included above]

Sundry	192,814	71,742
Marketing and education	33,300	16,500
Commissions received	166,161	127,269
Unrealised gain on investments	118,226	
<b>Total revenue from other income</b>	<b>510,501</b>	<b>215,511</b>

	2020 \$	2019 \$
<b>Note 4 Expenses</b>		
<b>Note 4A: Employee expenses*</b>		
<b>Holders of office:</b>		
Wages and salaries	831,772	934,748
Superannuation	127,983	140,095
Leave and other entitlements	64,632	37,364
Separation and redundancies	-	-
Other employee expenses	55,497	88,429
<b>Subtotal employee expenses holders of office</b>	<b>1,079,884</b>	<b>1,200,636</b>
<b>Employees other than office holders:</b>		
Wages and salaries	3,357,797	3,110,790
Superannuation	415,424	554,413
Leave and other entitlements	255,233	130,198
Separation and redundancies	-	-
Other employee expenses	224,039	294,286
<b>Subtotal employee expenses employees other than office holders</b>	<b>4,252,493</b>	<b>4,089,687</b>
<b>Total employee expenses</b>	<b>5,332,377</b>	<b>5,290,323</b>
<b>Note 4B: Capitation fees*</b>		
AWU National Office	969,390	906,644
<b>Total capitation fees</b>	<b>969,390</b>	<b>906,644</b>
<b>Note 4C: Affiliation fees*</b>		
ALP NSW	90,738	83,273
ALP ACT Branch	538	853
Sydney May Day Committee	545	500
Newcastle Trades Hall Council	7,329	7,200
Worker's Health Centre	1,367	1,344
Unions ACT	1,592	2,000
Unions NSW	84,322	75,324
<b>Total affiliation fees/subscriptions</b>	<b>186,431</b>	<b>170,494</b>



	2020 \$	2019 \$
<b>Note 4D: Administration expenses</b>		
Consideration to employers for payroll deductions*	-	-
Compulsory levies*		
<i>[list each levy including purpose and name of entity]</i>	-	-
Fees/allowances - meeting and conferences*	-	-
Conference and meeting expenses*	29,765	352,185
Contractors/consultants	350,717	385,950
Property expenses	474,809	521,183
Office expenses	335,717	321,907
Information communications technology	170,541	181,681
Motor vehicle including parking and tolls	326,730	398,323
Other	518,792	680,866
<b>Subtotal administration expense</b>	<b>2,207,071</b>	<b>2,842,095</b>
Operating lease rentals:		
Minimum lease payments	-	-
<b>Total administration expenses</b>	<b>2,207,071</b>	<b>2,842,095</b>

**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	2,662	9,749
Total paid that exceeded \$1,000	11,000	45,799
<b>Total grants or donations</b>	<b>13,662</b>	<b>55,548</b>

**Note 4F: Depreciation and amortisation**

Depreciation		
Land & buildings	96,190	96,507
Property, plant and equipment	312,701	370,763
<b>Total depreciation</b>	<b>408,891</b>	<b>467,270</b>

	2020 \$	2019 \$
<b>Note 4G: Finance costs</b>		
Overdrafts/loans	37,505	41,154
<b>Total finance costs</b>	<b>37,505</b>	<b>41,154</b>
<b>Note 4H: Legal costs*</b>		
Litigation	94,321	404,542
Other legal matters	51,264	41,254
<b>Total legal costs</b>	<b>145,585</b>	<b>445,796</b>
<b>Note 4I: Write-down and impairment of assets</b>		
Asset write-downs and impairments of:		
Land and buildings	-	-
Plant and equipment	-	-
Other	-	221,455
<b>Total write-down and impairment of assets</b>	<b>-</b>	<b>221,455</b>
<b>Note 4J: Net losses from sale of assets</b>		
Plant and equipment	-	153,288
<b>Total net losses from asset sales</b>	<b>-</b>	<b>153,288</b>
<b>Note 4K: Other expenses</b>		
Advertising	98,656	123,730
<b>Total other expenses</b>	<b>98,656</b>	<b>123,730</b>

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Note 5 Current Assets</b>		
<b>Note 5A: Cash and Cash Equivalents</b>		
Cash at bank	6,212,078	4,047,779
Cash on hand	6,250	6,250
Short term deposits	2,872,087	2,828,917
<b>Total cash and cash equivalents</b>	<b>9,090,415</b>	<b>6,882,946</b>
<b>Note 5B: Trade and Other Receivables</b>		
<b>Receivables from other reporting unit[s]*</b>	-	-
AWU National Office		
<b>Total receivables from other reporting unit[s]</b>	-	-
<b>Receivable from other reporting unit[s] (net)</b>	-	-
<b>Other receivables:</b>		
GST receivable	74,937	96,174
Other trade receivables	27,006	39,062
<b>Total other receivables</b>	<b>101,943</b>	<b>135,236</b>
	<b>101,943</b>	<b>135,236</b>
<b>Total trade and other receivables (net)</b>		
<b>Note 5D: Other Current Assets</b>		
Prepayments	220,596	161,945
<b>Total other current assets</b>	<b>220,596</b>	<b>161,945</b>

	2020	2019
	\$	\$
<b>Note 6</b>		
<b>Non-current Assets</b>		
<b>Note 6A: Land and buildings</b>		
Land and buildings:		
fair value	9,780,500	10,200,000
accumulated depreciation	(1,155,072)	(1,066,965)
<b>Total land and buildings</b>	<b>8,625,428</b>	<b>9,133,035</b>

***Reconciliation of Opening and Closing Balances of Land and Buildings***

<b>As at 1 July</b>		
Gross book value	10,200,000	9,910,000
Accumulated depreciation and impairment	(1,066,965)	(970,458)
<b>Net book value 1 July</b>	<b>9,133,035</b>	<b>8,939,542</b>
Additions:		
Purchase	5,500	-
From acquisition of entities (including restructuring)	-	-
Revaluation	-	290,000
Disposals	(416,917)	-
Depreciation expense	(96,190)	(96,507)
<b>Net book value 30 June</b>	<b>8,625,428</b>	<b>9,133,035</b>
<b>Net book value as of 30 June represented by:</b>		
Gross book value	9,780,500	10,200,000
Accumulated depreciation and impairment	(1,155,072)	(1,066,965)
<b>Net book value 30 June</b>	<b>8,625,428</b>	<b>9,133,035</b>

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 2020, the properties fair values are based on valuations provided by independent research in the area of the particular property.

<b>Significant unobservable valuation input</b>	<b>Range</b>
Granville building - price per square metre	\$6,700 to \$7,140
Granville residential building	\$1,010 to \$1,300
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.

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>Note 6A: Plant and equipment</b>		
Plant and equipment:		
at cost	2,603,289	2,649,465
accumulated depreciation	(1,850,892)	(1,640,649)
<b>Total plant and equipment</b>	<b>752,397</b>	<b>1,008,816</b>

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

<b>As at 1 July</b>		
Gross book value	2,649,465	3,212,027
Accumulated depreciation and impairment	(1,640,649)	(1,970,226)
<b>Net book value 1 July</b>	<b>1,008,816</b>	<b>1,241,801</b>
Additions:		
By purchase	79,381	301,896
From acquisition of entities (including restructuring)	-	-
Depreciation expense	(312,701)	(370,763)
Disposals:		
Other	(23,099)	(164,118)
<b>Net book value 30 June</b>	<b>752,397</b>	<b>1,008,816</b>
<b>Net book value as of 30 June represented by:</b>		
Gross book value	2,603,289	2,649,465
Accumulated depreciation and impairment	(1,850,892)	(1,640,649)
<b>Net book value 30 June</b>	<b>752,397</b>	<b>1,008,816</b>

	2020 \$	2019 \$
<b>Note 6B: Investment Property</b>		
Opening balance as at 1 July	695,000	695,000
Additions	-	-
Net gain from fair value adjustment	-	-
<b>Closing balance as at 30 June</b>	<b>695,000</b>	<b>695,000</b>

The valuations were performed by KordaMentha 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 property, is considered to be different from its current use as the property is deemed not to be occupiable which reduces the value of the property.

No additions during the year.

Rental income earned and received from the investment properties during the year was \$0 (2019: \$3,332.)

Direct expenses incurred in relation to the investment properties that generated rental income during the year was \$31,249 (2019: \$32,563). 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.

	2020 \$	2019 \$
<b>Note 6C: Intangibles</b>		
Purchased:	85,641	85,641
<b>Total Intangibles</b>	<b>85,641</b>	<b>85,641</b>

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

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

**Note 6F: Other Financial Assets**

Other – Shares	453,710	1,085,484
<b>Total other investments</b>	<b>453,710</b>	<b>1,085,484</b>

**Note 6G: Other Non-Current Assets**

Other – Loan to AWU National Office	1,905,669	1,905,669
<b>Total other non-financial assets</b>	<b>1,905,669</b>	<b>1,905,669</b>

	2020	2019
	\$	\$
<b>Note 7 Current Liabilities</b>		
<b>Note 7A: Trade payables</b>		
Trade creditors and accruals	174,474	242,545
<b>Subtotal trade creditors</b>	<b>174,474</b>	<b>242,545</b>
<b>Payables to other reporting unit[s]*</b>		
AWU National Office	45,475	135,190
<b>Subtotal payables to other reporting unit[s]</b>	<b>45,475</b>	<b>135,190</b>
<b>Total trade payables</b>	<b>219,949</b>	<b>377,735</b>

Settlement is usually made within 30 days.

**Note 7B: Other payables**

Bank loan	595,279	-
GST payable	253,896	243,531
Other	96,105	195,657
<b>Total other payables</b>	<b>945,280</b>	<b>439,188</b>

Total other payables are expected to be settled in:

No more than 12 months	945,280	439,188
More than 12 months	-	-
<b>Total other payables</b>	<b>945,280</b>	<b>439,188</b>

**Note 8 Provisions**

**Note 8A: Employee Provisions\***

**Office Holders:**

Annual leave	136,243	132,302
Long service leave	739,862	544,202
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions—office holders</b>	<b>876,105</b>	<b>676,504</b>



	2020	2019
	\$	\$
<b>Employees other than office holders:</b>		
Annual leave	601,919	533,165
Long service leave	785,753	729,994
Separations and redundancies	-	-
Other	-	-
<b><i>Subtotal employee provisions—employees other than office holders</i></b>	<b><u>1,387,672</u></b>	<b><u>1,263,159</u></b>
<b>Total employee provisions</b>	<b><u>1,387,672</u></b>	<b><u>1,263,159</u></b>
Current	738,162	665,467
Non- Current	1,525,615	1,274,196
<b>Total employee provisions</b>	<b><u>2,263,777</u></b>	<b><u>1,939,663</u></b>

**Note 9      Non-current Liabilities**

**Note 9A: Other non-current liabilities**

Bank loan	-	557,774
<b>Total other non-current liabilities</b>	<b><u>-</u></b>	<b><u>557,774</u></b>

**Note 10      Equity**

**Note 10A: Funds**

General Reserve		
<b>Balance as at start of year</b>	20,701,642	20,411,642
Transferred to reserve	-	290,000
Transferred out of reserve	-	-
<b>Balance as at end of year</b>	<b><u>20,701,642</u></b>	<b><u>20,701,642</u></b>
<i>[insert name of individual fund/reserve]</i>		
<b>Balance as at start of year</b>	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
<b>Balance as at end of year</b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Total Reserves</b>	<b><u>20,701,642</u></b>	<b><u>20,701,642</u></b>

	2020	2019
	\$	\$
<b>Note 11 Cash Flow</b>		
<b>Note 11A: Cash Flow Reconciliation</b>		
<b>Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:</b>		
<b>Cash and cash equivalents as per:</b>		
Cash flow statement	9,090,415	6,882,946
Balance sheet	9,090,415	6,882,946
<b>Difference</b>	<b>-</b>	<b>-</b>
The difference is represented by: (this explanation is required only where there is a difference).		
<b>Reconciliation of profit/(deficit) to net cash from operating activities:</b>		
Profit/(deficit) for the year	722,381	(1,166,068)
<b>Adjustments for non-cash items</b>		
Depreciation/amortisation	408,891	467,270
Income from investments	-	301,095
Gain (loss) on disposal of assets	(28,898)	102,508
Movement in investments	(118,226)	(282,395)
Cash flow boost	50,000	-
<b>Changes in assets/liabilities</b>		
(Increase)/decrease in net receivables	33,293	97,544
(Increase)/decrease in prepayments	(58,651)	(7,213)
Increase/(decrease) in supplier payables	(157,786)	163,355
Increase/(decrease) in other payables	506,092	81,337
Increase/(decrease) in employee provisions	324,114	(249,619)
Increase/(decrease) in other provisions	(557,774)	(78,847)
<b>Net cash from (used by) operating activities</b>	<b>1,123,436</b>	<b>(571,033)</b>
<b>Note 11B: Cash flow information*</b>		
Cash inflows		
<b>Total cash inflows</b>	<b>-</b>	<b>-</b>
Cash outflows		
AWU National Office	1,903,619	1,720,317
<b>Total cash outflows</b>	<b>1,903,619</b>	<b>1,720,317</b>

## 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:

	2020	2019
	\$	\$
<b>Operating lease commitments—as lessor</b>		
Within one year	71,268	293,892
After one year but not more than five years	25,984	159,328
More than five years	-	-
	<b>97,252</b>	<b>453,220</b>

## 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	1,813,904	1,720,317
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Amounts owed by *[list related party]* include the following:

AWU National Office	1,905,669	1,905,669
---------------------	-----------	-----------

Amounts owed to *[list related party]* include the following:

AWU National Office	45,475	135,190
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Loans from/to *[list related party]* includes the following:

	-	-
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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 2020, the *reporting unit* has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2019: \$-). 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.

2020	2019
\$	\$

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

#### Short-term employee benefits

Salary (including annual leave taken)	328,183	332,534
Annual leave accrued	4,841	7,031

<b>Total short-term employee benefits</b>	<b>333,024</b>	<b>339,565</b>
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#### Post-employment benefits:

Superannuation	52,445	49,880
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<b>Total post-employment benefits</b>	<b>52,445</b>	<b>49,880</b>
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#### Other long-term benefits:

Long-service leave	235,800	273,430
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<b>Total other long-term benefits</b>	<b>235,800</b>	<b>273,430</b>
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#### Termination benefits

291,694	370,864
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<b>Total</b>	<b>291,694</b>	<b>370,864</b>
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### Note 13C: Transactions with key management personnel and their close family members

#### Loans to/from key management personnel

-	-
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#### Other transactions with key management personnel

-	-
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	2020	2019
	\$	\$

#### Note 14 Remuneration of Auditors

##### Value of the services provided

Financial statement audit services	29,532	29,991
Other services	-	-
<b>Total remuneration of auditors</b>	<b>29,532</b>	<b>29,991</b>

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	9,090,415	6,882,946
<b>Total</b>	<b>9,090,415</b>	<b>6,882,946</b>
Available-for-sale assets:		
Listed shares	3,710	5,484
Unlisted shares	450,000	1,080,000
<b>Total</b>	<b>453,710</b>	<b>1,085,484</b>
Loans and receivables:		
Receivables	101,943	135,236
<b>Total</b>	<b>101,943</b>	<b>135,236</b>
<b>Carrying amount of financial assets</b>	<b>9,646,068</b>	<b>8,103,666</b>
<b>Financial Liabilities</b>		
Bank loan	(595,279)	(677,774)
Trade creditors and other payables	(569,950)	(696,923)
<b>Total</b>	<b>(1,165,229)</b>	<b>(1,374,697)</b>
<b>Carrying amount of financial liabilities</b>	<b>(1,165,229)</b>	<b>(1,374,697)</b>

	2020	2019
	\$	\$
<b>Note 15B: Net Income and Expense from Financial Assets</b>		
<b>Held-to-maturity</b>		
Interest revenue	45,899	72,419
Dividend revenue	193	330,245
<b>Net gain/(loss) from financial assets</b>	<b>46,092</b>	<b>402,664</b>

**Note 15C: Net Income and Expense from Financial Liabilities**

<b>At amortised cost</b>		
Interest expense	(37,505)	(41,154)
<b>Net gain/(loss) from financial liabilities</b>	<b>(37,505)</b>	<b>(41,154)</b>

**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.**

<b>Financial assets</b>		
Bank accounts and bank term deposits	9,090,415	6,882,946
Shares in other companies	453,710	1,085,484
<b>Total</b>	<b>9,544,125</b>	<b>7,968,430</b>
<b>Financial liabilities</b>		
Bank loan	(595,279)	(677,774)
Trade creditors and other payables	(569,950)	(696,923)
<b>Total</b>	<b>(1,165,229)</b>	<b>(1,374,697)</b>

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 2020	Past due or impaired 2020	Not Past Due Nor Impaired 2019	Past due or impaired 2019
	\$	\$	\$	\$
Receivables	27,006	-	39,062	-
<b>Total</b>	<b>27,006</b>	<b>-</b>	<b>39,062</b>	<b>-</b>
Not applicable.				

**Ageing of financial assets that were past due but not impaired for 2020**

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
<b>Total</b>	-	-	-	-	-

**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
	\$	\$	\$	\$	\$
<b>Total</b>	-	-	-	-	-

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 2020**

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade payables	-	219,949	-	-	-	219,949
Other payables	-	945,280	-	-	-	945,280
<b>Total</b>	-	<b>1,165,229</b>	-	-	-	<b>1,165,229</b>

**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
<b>Total</b>	-	<b>816,923</b>	-	-	-	<b>816,923</b>

**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 2020**

	Risk variable	Change in risk variable %	Effect on	
			Profit and loss	Equity
			\$	\$
Interest rate risk	-	[+ 10%]	4,590	4,590

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

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

The impact is expected to be minimal.



**Note 15H: Changes in liabilities arising from financing activities**

	1 July 2019	Cash flows	Reclassified as part of disposal group	Foreign exchange movement	Changes in fair values	New Leases	Other	30 June 2020
	\$	\$	\$	\$	\$	\$	\$	\$
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)	677,774	(82,495)	-	-	-	-	-	595,279
Non-current obligations under finance leases and hire purchase contracts	-	-	-	-	-	-	-	-
Dividends Payable	-	-	-	-	-	-	-	-
Derivatives	-	-	-	-	-	-	-	-
Total liabilities from financing activities	<b>677,774</b>	<b>(82,495)</b>	-	-	-	-	-	<b>595,279</b>
	<b>1 Sept 2018</b>	<b>Cash flows</b>	<b>Reclassified as part of disposal group</b>	<b>Foreign exchange movement</b>	<b>Changes in fair values</b>	<b>New Leases</b>	<b>Other</b>	<b>30 June 2019</b>
	\$	\$	\$	\$	\$	\$	\$	\$
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	<b>756,621</b>	<b>(78,847)</b>	-	-	-	-	-	<b>677,774</b>

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 2020 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 2020 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 2020 \$	Fair value 2020 \$	Carrying amount 2019 \$	Fair value 2019 \$
<b>Financial Assets</b>				
Bank accounts and bank term deposits	9,090,415	9,090,415	6,882,946	6,882,946
Trade and other receivables	101,943	101,943	135,236	135,236
Shares in other companies	453,710	453,710	1,085,484	1,085,484
<b>Total</b>	<b>9,646,068</b>	<b>9,646,068</b>	<b>8,103,666</b>	<b>8,103,666</b>
<b>Financial Liabilities</b>				
Trade payables	(219,949)	(219,949)	(377,735)	(377,735)
Other payables	(945,280)	(945,280)	(439,188)	(439,188)
Other liabilities	-	-	(557,774)	(557,774)
<b>Total</b>	<b>(1,165,229)</b>	<b>(1,165,229)</b>	<b>(1,374,697)</b>	<b>(1,374,697)</b>

#### 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 2020

	Date of valuation	Level 1	Level 2	Level 3
<b>Assets measured at fair value</b>				
		\$	\$	\$
Land and Buildings	30 June 2020	-	-	8,625,428
Investment Property	30 June 2020	-	-	695,000
<b>Total</b>		-	-	<b>9,320,428</b>
<b>Liabilities measured at fair value</b>				
Non- Financial Liabilities		-	-	-
<b>Total</b>		-	-	-

There were no transfers between classes during the year ended 30 June 2020.

**Fair value hierarchy – 30 June 2019**

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

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

**Note 17 Administration of financial affairs by a third party**

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**

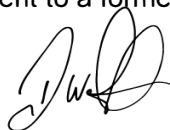
I, Daniel Walton, being the State Secretary of the Australian Worker's Union BSW Branch, declare that the following activities did not occur during the reporting period ending 30 June 2020.

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
- 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
- make a payment to a former related party of the reporting unit

Signed by the officer:



Dated: 2 SEPTEMBER 2020