FAIR WORK COMMISSION

11 January 2017

The Branch Secretary,
New South Wales Branch
The Australian Workers Union

By email: wchen@awu-nsw.asn.au

Dear Sir

Re: Lodgement of Financial Statements and Accounts – The Australian Workers Union, Port Kembla, South Coast and Southern Highlands Branch - for year ended 30 June 2016 (FR2016/254)

I refer to the financial report for the Port Kembla, South Coast and Southern Highlands Branch of the Australian Workers Union. The report was lodged with the Fair Work Commission on 19 December 2016.

The financial report has been 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.

I note that the next report for this Branch will be in respect of the period 1 July 2016 to 31 August 2016, which is the date that the Branch ceased to operate, and accordingly it will be the Branch's final report. The latest timeframes applying to the final report will be those ordinarily prescribed for a 30 June end of year, but the organisation is at liberty to prepare the report, finalise the audit, provide it to members and lodge the full report with FWC earlier if it considers it more convenient to do so.

You are not required to take any further action in relation to the report lodged but I make the following comments to assist when preparing the next report.

Difference in figure reporting in LGD statement and financial report

A Loans, Grants and Donations statement was lodged with the FWC as required under subsection 237(1) of the RO Act on 8 September 2016. The figure for donations exceeding $1,000 at Note 4E of the financial report differed from the total of the amounts listed in the Loans, Grants and Donations Statement.

Advice I received today explained the difference but the following should be kept in mind: (a) the statement of loans, grants and donations should only include payments exceeding $1,000; (b) payments disclosed as grants (or as donations) in the statement of loans, grants and donations should be consistently disclosed as grants (or as donations respectively) exceeding $1,000 in the financial report; and (c) the totals of grants (or donations) included in the statement of loans, grants and donations should correspond to the totals disclosed as grants (or donations respectively) exceeding $1,000 in the financial report.

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via this link.

Should you require further information on the financial reporting requirements of the Act, I may be contacted on (02) 6746 3283 or 0429 462 979 or by email at stephen.kellett@fwc.gov.au

Yours sincerely

Stephen Kellett

Stephen Kellett
Senior Adviser
Regulatory Compliance Branch

From: KELLETT, Stephen
Sent: Wednesday, 11 January 2017 5:31 PM
To: 'wchen@awu-nsw.asn.au'
Cc: 'Silvana Gorgievska'
Subject: Financial reporting - Port Kembla etc Branch - y/e 30 June 2016 - filing

Dear Ms Chen,

Please see attached my letter in relation to the above.

Yours faithfully

STEPHEN KELLETT
Regulatory Compliance Branch
FAIR WORK COMMISSION

80 William Street
EAST SYDNEY NSW 2011

(ph) (02) 6746 3283
(mob.) 0429 462 979
(email) stephen.kellett@fwc.gov

AWU PKEM FR2016
254 (primary final).pd

From: Wendy Chen [mailto:wchen@awu-nsw.asn.au]
Sent: Monday, 19 December 2016 3:40 PM
To: Orgs
Cc: Nigel Bubalo (nigel@bgsaccountants.com.au); Stephen Bali; Helen Teo; Russ Collison
Subject: On CMS FR2016/246 FR2016/141 FR2016/254 AWU Financial Reports for year ending 30 June 2016

Dear Sir/Madam

Please find attached financial reports for year ending 30 June 2016 for The Australian Workers' Union:

- Greater New South Wales Branch
- Newcastle, Central Coast & Northern Regions Branch
- Port Kembla, South Coast & Southern Highlands Branch

Wendy Chen
Office Manager/Personal Assistant to The Secretary
The Australian Workers' Union
New South Wales Branch
Level 2, 16-20 Good Street, Granville NSW 2142
PO Box 20, Granville NSW 2142
T: (02) 9897 3644 F: (02) 9897 1481
E: wchen@awu-nsw.asn.au W: www.nsw.awu.net.au

FWC - Greater NSW YE 30 June 2016.pdf

FWC - Port Kembla YE 30 June 2016.pdf

FWC - Newcastle YE 30 June 2016.pdf

AWU- Port Kembla, South Coast & Southern Highlands Branch

FINANCIAL STATEMENTS 2015 - 2016

Contents

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Scope

I have audited the financial statements of The Australian Workers Union, Port Kembla, South Coast and Southern Highlands Branch (the Branch). The financial statements comprises the Committee of Managements' Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, Operating Statement and Notes to the Financial Statements for the year ended 30 June 2016.

The Committee of Management of the Branch are responsible for the preparation and true and fair presentation of the financial report in accordance with the Fair Work (Registered Organisations) Act ("RO Act"), the Fair Work (Registered Organisations) Regulations 2009 and the reporting guidelines of the General Manager of FWA, determined under section 257 of the RO Act. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent on the financial report.

Audit Approach

I conducted an independent audit in order to express an opinion to the members of the Branch. My audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore an audit cannot guarantee that all material misstatements have been detected.

I performed procedures to assess whether in all material respects, the financial report presents fairly in accordance with the RO Act, the Fair Work (Registered Organisations) Regulations 2009 and the reporting guidelines of the General Manager of FWA determined under section 257 of the RO Act, including compliance with accounting standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Branch's financial position and of their performance as represented by the results of their operations and their cash flows.

I formed my audit opinion on the basis of these procedures, which included examining on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Committee of Management. Whilst we considered the effectiveness of managements' internal controls over the financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, I followed applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In my opinion, the financial reports of The Australian Workers Union Port Kembla South Coast and Southern Highlands Branch is in accordance with:

1. The Fair Work (Registered Organisations) Act 2009, the Fair Work (Registered Organisations) Regulations 2009 and the reporting guidelines of the General Manager of FWA determined under section 257 of the RO Act including:
2. Giving a true and fair view of the Branch's financial position as at 30 June 2016 and of their performance for the year ended on that date;
3. Complying with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009; and
4. Other mandatory professional reporting requirement statements.

I have concluded that management's use of the going concern basis of accounting in the preparation of the branch's financial statements is appropriate. The scope of the audit encompassed recovery of wages activity of which none was undertaken in the reporting period.

Signed by
David Neaves - Dated on 25/10/2016
An approved auditor, member of CPA Australia, Public Practice Certificate holder, m/ship no 1366989
David Neaves Pty Ltd – Certified Practising Accountants - 138 Princes Hwy, Fairy Meadow NSW 2519

The Australian Workers' Union, Port Kembla, South Coast & Southern Highlands Branch

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

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER[3]

Certificate for the period ended 30th June 2016

I, Russell Kerry Collison being the AWU NSW Secretary and the authorised officer of The Australian Workers' Union of the Port Kembla, South Coast & Southern Highlands Branch certify:

- that the documents lodged herewith are copies of the full report for The Australian Workers' Union of the Port Kembla, South Coast & Southern Highlands Branch for the period ended 30th June 2016 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 7th November 2016; and

- that the full report was presented to the Annual General Meeting of members of the reporting unit on 12th December 2016 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009.*

Signature of prescribed designated officer: R. K. Collison

Name of prescribed designated officer: Russell Kerry Collison

Title of prescribed designated officer: AWU NSW Secretary

Dated: 19th December 2016

---

1 Regulation 162 of the Fair Work (Registered Organisations) Regulations 2009 defines a 'prescribed designated officer' of a reporting unit for the purposes of s.268(c) as:
(a) the secretary; or
(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

AWU Port Kembla, South Coast & Southern Highlands Branch

OPERATING REPORT for the period ended 30/06/2016

The committee presents its report on the reporting unit for the financial year ended 30/06/2016.

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

The branch carried on the normal business of a registered trade union representing its members and protecting & improving the rights and interests of members.

The results of operation for the year ended 30/6/2016 was a loss of $125,281, for the previous year ended 30/6/2015 a profit of $39,887 occurred.

No Significant changes in financial affairs or activities of the branch occurred in the year or previous financial year. On the 1/9/2016 the affairs of the branch will be amalgamated with other branches within NSW and will not be a separate reporting entity in the next financial year.

Significant changes in financial affairs

No significant changes in the branch's financial affairs occurred.

Right of members to resign

Union members may resign in accordance with rule 17 by giving written notice to a branch official or by mail to the branch.

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

No branch officials or Branch employees have acted in the capacity as a superannuation fund trustee or as a director of a company during the financial year or previous financial year.

Number of members

At the end of the financial year, total ordinary members were 3,045 and the previous year 3,080.

Number of employees

The branch has 4 officials, 2 office staff and a cleaner.

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

There were 16 honorary members of the Committee of Management including 4 Branch Officials.

The Committee of Management met 10 times during the financial year ended 30 June 2016.

Attendance of the members at the Committee of Management meetings was as follows:

Name & Meetings Attended (All members held office from 01/07/2015 to 30/06/2016).

Branch Officials					
W Phillips	10/10	B Gorgievski	8/10	D Hancock	9/10
S Burke	8/10				
Other members					
W Beaumont	6/10	S Stojanovski	10/10	G Davies	5/10
P Armstrong	4/10	G Leake	9/10	J Fernandes	4/10
I Sukoski	0/10	L Millar	6/10	L Turneri	3/10
R Tancevski	5/10	R Turford	8/10	B Withers	1/10

Remuneration And Disclosure (rule 59D)

The two highest paid officers of the AWU Port Kembla branch are;

Name	Position	Total Remuneration
Wayne Phillips	Branch Secretary	$148,108
Dave Hancock	Asst Branch Secretary	$127,614

The above relevant remuneration for each of the officers includes, wages, annual leave and loading, long service leave & superannuation contribution.

Signature of designated officer: Russell Collison

Name and title of designated officer: Russell Collison – Branch Secretary AWU NSW branch - Dated: 24/10/2016

AWU Port Kembla, South Coast & Southern Highlands Branch

COMMITTEE OF MANAGEMENT STATEMENT for the period ended 30/06/2016

On the 24/10/2016 the committee of management of the AWU NSW Branch, in regards to the accounts of the AWU Port Kembla, South Coast & Southern Highlands Branch, passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30/06/2016:

The committee of management declares that in its opinion:

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

(b) the financial statements and notes comply with the reporting guidelines of the General Manager;

(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 General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and

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

(f) no revenue has been derived from undertaking recovery of wages activity during the reporting period

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

Signature of designated officer: ....

Name and title of designated officer: Russell Collison – Branch Secretary AWU NSW Branch, dated: 24/10/2016

AWU Port Kembla, South Coast & Southern Highlands Branch

STATEMENT OF COMPREHENSIVE INCOME for the period ended 30 June 2016

	Notes	2016 $	2015 $
Revenue			
Membership subscription		**1,148,800**	1,233,323
Capitation fees	3A	**Nil**	Nil
Levies	3B	**0**	0
Interest	3C	**36,740**	50,240
Rental revenue	3D	**39,605**	45,041
Other revenue	3G	**35,044**	23,955
Total revenue		**1,260,189**	1,352,559
Other Income			
Grants and/or donations	3E	-	0
Share of net profit from associate	6E	-	0
Net gains from sale of assets	3F	**552**	0
Total other income		-	0
Total income		**1,260,741**	1,352,559
Expenses			
Employee expenses	4A	**712,918**	543,310
Capitation fees	4B	**121,644**	139,611
Affiliation fees	4C	**26,201**	24,312
Administration expenses	4D	**351,644**	271,873
Grants or donations	4E	**10,123**	6,140
Depreciation and amortisation	4F	**31,554**	52,653
Finance costs	4G	-	0
Legal costs	4H	**99,961**	165,584
Audit fees	14	**11,500**	11,500
Share of net loss from associate	6E	**0**	0
Write-down and impairment of assets	4I	**0**	0
Net losses from sale of assets	4J	**0**	0
Other expenses	4K	**20,477**	97,689
Total expenses		**1,386,022**	1,312,672
Profit (loss) for the year		**(125,281)**	39,887
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss		**0**	0
Gain on revaluation of land & buildings		**0**	0
Total comprehensive income for the year		**(125,281)**	39,887

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

AWU Port Kembla, South Coast & Southern Highlands Branch

STATEMENT OF FINANCIAL POSITION as at 30 June 2016

	Notes	2016 $	2015 $
ASSETS			
Current Assets			
Cash and cash equivalents	5A	**1,833,451**	1,979,552
Trade and other receivables	5B	**76,659**	38,145
Other current assets	5C	**1,298**	0
Total current assets		**1,911,408**	2,017,697
Non-Current Assets			
Land and buildings	6A	**0**	0
Plant and equipment	6B	**139,954**	131,169
Investment Property	6C	**677,846**	682,104
Intangibles	6D	**0**	0
Investments in associates	6E	**0**	0
Other investments	6F	**662**	662
Other non-current assets	6G	**0**	0
Total non-current assets		**818,462**	813,935
Total assets		**2,729,870**	2,831,632
LIABILITIES			
Current Liabilities			
Trade payables	7A	**26,298**	31,208
Other payables	7B	**19,060**	24,830
Employee provisions	8A	**349,457**	315,258
Total current liabilities		**394,815**	371,296
Non-Current Liabilities			
Employee provisions	8A	**-**	0
Other non-current liabilities	9A	**-**	0
Total non-current liabilities		**-**	0
Total liabilities		**394,815**	371,296
Net assets		**2,335,055**	2,460,336
EQUITY			
General funds	10A	**486**	486
Retained earnings (accumulated deficit)		**2,334,569**	2,459,850
Total equity		**2,335,055**	2,460,336

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

AWU Port Kembla, South Coast & Southern Highlands Branch

STATEMENT OF CHANGES IN EQUITY for the period ended 30 June 2016

Consolidated	Notes	General funds $	Retained earnings $	Total equity $
Balance as at 1 July 2014		486	2,419,963	2,420,449
Adjustment for errors		-	-	-
Adjustment for changes in accounting policies		-	-	-
Profit for the year		-	39,887	39,887
Other comprehensive income for the year		-	-	-
Transfer to/from n/a	10A	-	-	-
Transfer from retained earnings		-	-	-
Closing balance as at 30 June 2015		**486**	**2,459,850**	**2,460,336**
Adjustment for errors		-	-	-
Adjustment for changes in accounting policies		-	-	-
Profit for the year		-	**(125,281)**	**(125,281)**
Other comprehensive income for the year		-	-	-
Transfer to/from revaluation reserve	10A	-	-	-
Transfer from retained earnings		-	-	-
Closing balance as at 30 June 2016		**486**	**2,334,569**	**2,335,055**

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

AWU Port Kembla, South Coast & Southern Highlands Branch

CASH FLOW STATEMENT for the period ended 30 June 2016

	Notes	2016	2015
		$	$
OPERATING ACTIVITIES			
Cash received memberships		**1,115,389**	1,224,665
Receipts from other reporting units/controlled entity(s)	11B	**28,904**	23,029
Interest		**36,741**	50,240
Other receipts		**40,642**	45,967
Employee payments		**596,104**	567,000
Supplier payments		**577,221**	525,725
Payment to other reporting units/controlled entity(s)	11B	**158,924**	173,086
Net cash from (used by) operating activities	11A	**(110,573)**	78,090
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		**39,364**	45,000
Proceeds from sale of land and buildings		**0**	0
Other inflows		**0**	0
Purchase of plant and equipment		**74,892**	92,356
Purchase of land and buildings		**0**	0
Other outflows		**0**	0
Net cash from (used by) investing activities		**(35,528)**	(47,356)
FINANCING ACTIVITIES			
Cash received			
Contributed equity		**0**	0
Other		**0**	0
Repayment of borrowings		**0**	0
Other		**0**	0
Net cash from (used by) financing activities		**0**	0
Net increase (decrease) in cash held		**(146,101)**	30,734
Cash & cash equivalents at the beginning of the reporting period		**1,979,552**	1,948,818
Cash & cash equivalents at the end of the reporting period	**5A**	**1,833,451**	**1,979,552**

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

AWU Port Kembla, South Coast & Southern Highlands Branch

RECOVERY OF WAGES ACTIVITY for the period ended 30 June 2016

	2016 $	2015 $
Cash assets in respect of recovered money at beginning of year	-	-
Receipts		
Amounts recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
Total receipts	-	-
Payments		
Deductions of amounts due in respect of membership for:		
12 months or less	-	-
Greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:		
The reporting unit:		
name of account	-	-
name of fund	-	-
Name of other reporting unit of the organisation:		
name of account	-	-
name of fund	-	-
Name of other entity:		
name of account	-	-
name of fund	-	-
Deductions of fees or reimbursement of expenses	-	-
Payments to workers in respect of recovered money	-	-
Total payments	-	-
Cash assets in respect of recovered money at end of year	-	-
Number of workers to which the monies recovered relates	-	-
Aggregate payables to workers attributable to recovered monies but not yet distributed		
Payable balance	-	-
Number of workers the payable relates to	-	-
Fund or account operated for recovery of wages		
Not applicable	-	-

Index to the Notes of the Financial Statements

Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the AWU - Port Kembla, South Coast and Southern Highlands 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

There were no accounting assumptions or estimates that have been identified as having 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 2013-9 *Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments* contains three main parts and makes amendments to a number of Standards and Interpretations.

  Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1.

  Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards.

  Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 Hedge Accounting into AASB 9 *Financial Instruments.*

  The adoption of this amendment did not have an impact on the AWU - Port Kembla, South Coast and Southern Highlands Branch.

- AASB 2015-3 *Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality* completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards

  The adoption of this amendment did not have an impact on the AWU - Port Kembla, South Coast and Southern Highlands Branch.

- AASB 2015-4 *Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent* aligns the relief available in AASB 10 *Consolidated Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures* in respect of the financial reporting requirements for Australian groups with a foreign parent.

  The adoption of this amendment did not have an impact on the AWU - Port Kembla, South Coast and Southern Highlands Branch.

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are not expected to have a future financial impact on AWU - Port Kembla, South Coast and Southern Highlands Branch.

1.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the AWU - Port Kembla, South Coast and Southern Highlands Branch and entities controlled by the AWU - Port Kembla, South Coast and Southern Highlands Branch (its subsidiaries). Control is achieved where the AWU - Port Kembla, South Coast and Southern Highlands Branch is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the AWU - Port Kembla, South Coast and Southern Highlands Branch.

Specifically, the AWU - Port Kembla, South Coast and Southern Highlands Branch controls an investee if and only if the AWU - Port Kembla, South Coast and Southern Highlands Branch has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

When the AWU - Port Kembla, South Coast and Southern Highlands Branch has less than a majority of the voting or similar rights of an investee, the AWU - Port Kembla, South Coast and Southern Highlands Branch considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- Relevant activities of the investee and who has control over them
- Existing or future administrative or statutory arrangements that may give rise to rights/control (or change the previous control assessment)
- Whether rights are substantive or protective in nature and whether rights presently exercisable or will be exercisable when decisions about relevant activities are being made
- Exposure or rights to financial and non-financial returns (direct or indirect) and the ability to influence those returns
- Whether the investor is exercising its decision-making abilities as a principal or agent
- Rights arising from other contractual arrangements

The AWU - Port Kembla, South Coast and Southern Highlands Branch re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the AWU - Port Kembla, South Coast and Southern Highlands Branch obtains control over the subsidiary and ceases when the AWU - Port Kembla, South Coast and Southern Highlands Branch loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the AWU - Port Kembla, South Coast and Southern Highlands Branch gains control until the date the AWU - Port Kembla, South Coast and Southern Highlands Branch ceases to control the subsidiary.

Income and expense of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the AWU - Port Kembla, South Coast and Southern Highlands Branch and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the AWU - Port Kembla, South Coast and Southern Highlands Branch.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the AWU - Port Kembla, South Coast and Southern Highlands Branch ownership interests in subsidiaries that do not result in the AWU - Port Kembla, South Coast and Southern Highlands Branch losing control are accounted for as equity transactions. The carrying amounts of the AWU - Port Kembla, South Coast and Southern Highlands Branch interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the AWU - Port Kembla, South Coast and Southern Highlands Branch.

When the AWU - Port Kembla, South Coast and Southern Highlands Branch loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and
(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the AWU - Port Kembla, South Coast and Southern Highlands Branch had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under *AASB 139 'Financial Instruments: Recognition and Measurement'* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

1.6 Investment in associates and joint arrangements

An associate is an entity over which the AWU - Port Kembla, South Coast and Southern Highlands Branch 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 AWU - Port Kembla, South Coast and Southern Highlands Branch 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.

1.7 Business combinations

The acquisition method of accounting is used to account for all business combinations, except for those identified in the *Fair Work Commissions reporting guidelines* under item 12.The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interest issued by the parent entity. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values on acquisition date. On an acquisition-by-acquisition basis, the parent entity recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the parent entity's share of the net identifiable assets, is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

If it is determined that the combination results in mutual benefit to both the members of the acquirer and the acquiree, the surplus of the fair value of the net identifiable assets acquired over the consideration paid will be recognised in member's funds as a business combination reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

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

The net book value of assets and or liabilities transferred to AWU - Port Kembla, South Coast and Southern Highlands Branch for no consideration is used to account for an amalgamation under Part 2 of Chapter 3 of the *Fair Work (Registered Organisations) Act 2009*/a restructure of the branches of the AWU - Port Kembla, South Coast and Southern Highlands Branch/a determination by the General Manager under subsections 245(1) of the *Fair Work (Registered Organisations) Act 2009*/ a revocation by the General Manager under subsection 249(1) of the *Fair Work (Registered Organisations) Act 2009*.

The assets and liabilities are recognised as at the date of transfer.

1.9 Revenue

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

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

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

Donation income is recognised when it is received.

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

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

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

1.10 Government grants

Government grants are not recognised until there is reasonable assurance that the AWU - Port Kembla, South Coast and Southern Highlands Branch 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 AWU - Port Kembla, South Coast and Southern Highlands Branch recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the AWU - Port Kembla, South Coast and Southern Highlands Branch 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 AWU - Port Kembla, South Coast and Southern Highlands Branch with no future related costs are recognised in profit or loss in the period in which they become receivable.

1.11 Gains

Sale of assets

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

1.12 Capitation fees and levies

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

1.13 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. 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.

1.14 Leases

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

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

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

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

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

1.15 Borrowing costs

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

1.16 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 consolidated statement of financial position.

1.17 Financial instruments

Financial assets and financial liabilities are recognised when a AWU - Port Kembla, South Coast and Southern Highlands Branch entity becomes a party to the contractual provisions of the instrument.

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

1.18 Financial assets

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

Fair value through profit or loss

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

A financial asset is classified as held for trading if:

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

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

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

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

Held-to-maturity investments

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

Available-for-sale

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

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

Loan and receivables

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

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

Impairment of financial assets

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

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

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

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

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

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

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

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

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

1.19 Financial Liabilities

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

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

A financial liability is classified as held for trading if:

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

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

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

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

Other financial liabilities

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

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

Derecognition of financial liabilities

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

1.20 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.

1.21 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:

	2016	2015
Land & buildings	40 **years**	40 years
Plant and equipment	3 to **8 years**	3 to 8 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.

1.22 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.

1.23 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 AWU - Port Kembla, South Coast and Southern Highlands Branch intangible assets are:

	2016	2015
Intangibles	**1 to 5 years**	1 to 5 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 profit and loss when the asset is derecognised.

1.24 Impairment for 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 AWU - Port Kembla, South Coast and Southern Highlands Branch were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.25 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.

1.26 Taxation

AWU - Port Kembla, South Coast and Southern Highlands Branch 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 cash flow statement 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.

1.27 Fair value measurement

The AWU - Port Kembla, South Coast and Southern Highlands Branch measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16A.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the AWU - Port Kembla, South Coast and Southern Highlands Branch. 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 AWU - Port Kembla, South Coast and Southern Highlands Branch 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 AWU - Port Kembla, South Coast and Southern Highlands Branch 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 AWU - Port Kembla, South Coast and Southern Highlands Branch 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.

1.28 Going concern

AWU - Port Kembla, South Coast and Southern Highlands Branch is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

AWU - Port Kembla, South Coast and Southern Highlands Branch has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

Note 2 Events after the reporting period

There were no events that occurred after 30 June 2016, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of AWU - Port Kembla, South Coast and Southern Highlands Branch.

	2016	2015
	$	$

Note 3 Income

Note 3A: Capitation fees

	2016	2015
Not applicable	-	-
Total capitation fees	-	-

Note 3B: Levies

	2016	2015
Not applicable	-	-
Total levies	-	-

Note 3C: Interest

	2016	2015
Deposits	36,740	50,240
Loans	-	-
Total interest	36,740	50,240

Note 3D: Rental revenue

	2016	2015
Properties	39,605	45,041
Other	-	-
Total rental revenue	39,605	45,041

Note 3E: Grants or donations

	2016	2015
Grants	-	-
Donations	-	-
Total grants or donations	-	-

Note 3F: Net gains from sale of assets

	2016	2015
Land and buildings	-	-
Plant and equipment	552	-
Intangibles	-	-
Total net gain from sale of assets	552	-

Note 3G: Other Income

	2016	2015
Share costs AWU National Office	7,432	2,329
Share costs AWU Greater NSW	0	4,441
Australian Super - marketing	4,950	4,950
Share costs other unions & sundry	22,662	12,235
Total net gain from sale of assets	35,044	23,955

	2016	2015
	$	$

Note 4 Expenses

Note 4A: Employee expenses*

	2016	2015
Holders of office:		
Wages and salaries	**489,277**	389,296
Superannuation	**69,395**	58,085
Leave and other entitlements	**33,773**	-3,746
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses holders of office	**592,445**	443,635
Employees other than office holders:		
Wages and salaries	**106,697**	106,578
Superannuation	**13,220**	13,041
Leave and other entitlements	**426**	-19,944
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses employees other than office holders	**120,343**	99,675
Total employee expenses	**712,788**	543,310

Note 4B: Capitation fees

	2016	2015
AWU National Office	**121,644**	139,611
Total capitation fees	**121,644**	139,611

Note 4C: Affiliation fees

	2016	2015
Unions NSW MAN	**1,769**	1,742
South Coast Labour Council	**10,158**	12,582
ALP Federal Branch	**14,274**	9,988
Total affiliation fees/subscriptions	**26,201**	24,312

	2016	2015
	$	$
Note 4D: Administration expenses		
Consideration to employers for payroll deductions	**0**	0
Compulsory levies – name of entity & purpose		
ACTU – general levy	**2,936**	4,850
AWU National Office – Asbestos Disease appeal	**1,000**	0
AWU National Office – share costs	**14,474**	52,211
Fees/allowances - meeting and conferences	**21,836**	8,280
Conference and meeting expenses	**35,999**	37,023
Contractors/consultants	**16,627**	0
Property expenses	**17,557**	35,003
Office expenses	**74,062**	45,196
Journey injury insurance	**35,003**	15,687
Information communications technology	**34,765**	27,621
Other	**97,385**	46,002
Subtotal administration expense	**351,644**	271,873
Operating lease rentals:		
Minimum lease payments	**-**	-
Total administration expenses	**-**	-
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	**3,032**	2,049
Total paid that exceeded $1,000	**7,091**	4,091
Total grants or donations	**10,123**	6,140
Note 4F: Depreciation and amortisation		
Depreciation		
Land & buildings	**4,258**	4,258
Property, plant and equipment	**27,296**	48,395
Total depreciation	**31,554**	52,653
Amortisation		
Intangibles	**-**	-
Total amortisation	**-**	-
Total depreciation and amortisation	**31,554**	52,653
Note 4G: Finance costs		
Finance leases	**-**	-
Overdrafts/loans	**-**	-
Unwinding of discount	**-**	-
Total finance costs	**-**	-
Note 4H: Legal costs		
Litigation	**-**	-
Other legal matters	**99,961**	165,584
Total legal costs	**99,961**	165,584

	2016 $	2015 $
Note 4I: Write-down and impairment of assets		
Asset write-downs and impairments of:		
Land and buildings	-	-
Plant and equipment	-	-
Intangible assets	-	-
Other	-	-
Total write-down and impairment of assets	-	-

	2016 $	2015 $
Note 4J: Net losses from sale of assets		
Land and buildings	-	-
Plant and equipment	-	-
Intangibles	-	-
Total net losses from asset sales	-	-

	2016 $	2015 $
Note 4K: Other expenses		
Penalties - via RO Act or RO Regulations*	-	-
Total other expenses	-	-

Note 5 Current Assets

	2016 $	2015 $
Note 5A: Cash and Cash Equivalents		
Cash at bank	1,829,142	1,978,652
Cash on hand	4,309	900
Short term deposits	0	0
Other	0	0
Total cash and cash equivalents	1,833,451	1,979,552

	2016 $	2015 $
Note 5B: Trade and Other Receivables		
Receivables from other reporting unit[s]		
AWU National Office	7,432	2,329
Total receivables from other reporting unit[s]	7,432	2,329
Less provision for doubtful debts		
AWU National Office	0	0
Total provision for doubtful debts	0	0
Receivable from other reporting unit[s] (net)	7,432	2,329
Other receivables:		
Other trade receivables	69,227	35,816
Total other receivables	69,227	35,816
Total trade and other receivables (net)	76,659	38,145

	2016 $	2015 $
Note 5C: Other Current Assets		
Tax Office	1,298	-
Total other current assets	1,298	-

	2016	2015
	$	$

Note 6 Non-current Assets

Note 6A: Land and buildings

Not applicable see 6C for investment property

Note 6B: Plant and equipment

Plant and equipment:		
at cost	**245,587**	232,325
accumulated depreciation	**105,633**	101,156
Total plant and equipment	**139,954**	131,169

Reconciliation of the Opening and Closing Balances of Plant and Equipment

As at 1 July		
Gross book value	**232,325**	219,833
Accumulated depreciation and impairment	**101,156**	87,628
Net book value 1 July	**131,169**	132,206
Additions:		
By purchase	**74,892**	92,356
From acquisition of entities (including restructuring)	**0**	0
Impairments	**0**	0
Depreciation expense	**27,296**	48,393
Other movement n/a	**0**	0
Disposals:		0
From disposal of entities (including restructuring)	**0**	0
Other	**38,811**	45,000
Net book value 30 June	**139,954**	131,169
Net book value as of 30 June represented by:		
Gross book value	**268,406**	232,325
Accumulated depreciation and impairment	**128,452**	101,156
Net book value 30 June	**139,954**	131,169

2016 2015

	$	$
Note 6C: Investment Property		
Opening balance as at 1 July 2015	677,846	682,104
Additions	-	-
Net gain from fair value adjustment	-	-
Closing balance as at 30 June 2016	**677,846**	682,104

Investment Property land and buildings consist of an adjoining residential property converted to offices not currently leased. Management determined that these constitute one class of asset under AASB 13, based on the nature, characteristics and risks of the property.

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

As at the date of revaluation 30/6/2016, the properties' fair values are based on valuations performed by various local independent valuers.

The valuations were performed by two real estate agents, with recent experience in the location and category of the investment property being valued. In arriving at their estimates of market values, the valuers have used their market knowledge and professional judgement and not only relied on historical transactional comparables.

The highest and best use of the investment properties is considered to be different from its current use.

Additions during the year - not applicabe.

Rental income earned and received from the investment properties during the year was $39,605 (2015: $45,041.

Direct expenses incurred in relation to the investment properties that generated rental income during the year was $17,557 (2015: $35,003). 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 AWU - Port Kembla, South Coast and Southern Highlands Branch 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 included within Level 1. Based upon the condition of the building it is considered to be land value only and not a valuation representing a series of future cash flows.

	2016	2015
	$	$
Note 6D: Intangibles		
Not applicable		
Internally developed	-	-
Purchased	-	-
accumulated amortisation	-	-
Total intangibles	-	-
Note 6E: Investments in Associates		
Investments in Associates		
Not applicable	-	-
Total investments	-	-
Note 6F: Other Investments		
Deposits	-	-
Other shares	**622**	622
Total other investments	**622**	622
Note 6G: Other Non-current Assets		
Prepayments	-	-
Other	-	-
Total other non-financial assets	-	-
Note 7 Current Liabilities		
Note 7A: Trade payables		
Trade creditors and accruals	**14,153**	12,387
Operating lease rentals	-	-
Subtotal trade creditors	**14,153**	12,387
Payables to other reporting unit[s]		
Australian Labour Party	**5,926**	13,840
AWU National Office	**6,219**	4,981
Subtotal payables to other reporting unit[s]	**12,145**	18,821
Total trade payables	**26,298**	31,208

Settlement is usually made within 30 days.

	2016 $	2015 $
Note 7B: Other payables		
Wages and salaries	**12,065**	11,888
Superannuation	**0**	8,321
Consideration to employers for payroll deductions*	**0**	0
Legal costs*		
Litigation	**0**	0
Other legal matters	**0**	0
Prepayments received/unearned revenue	**0**	0
GST payable	**5,035**	4,416
Other	**1,960**	205
Total other payables	**19,060**	24,830
Total other payables are expected to be settled in:		
No more than 12 months	**19,060**	24,830
More than 12 months	**-**	-
Total other payables	**19,060**	24,830

Note 8 Provisions

Note 8A: Employee Provisions		
Office Holders:		
Annual leave	**90,878**	85,141
Long service leave	**192,743**	164,707
Separations and redundancies	**-**	-
Other	**-**	-
Subtotal employee provisions—office holders	**283,621**	249,848
	2016 **$**	2015 $
Employees other than office holders:		
Annual leave	**13,834**	15,290
Long service leave	**52,002**	50,120
Separations and redundancies	**-**	-
Other	**-**	-
Subtotal employee provisions—employees other than office holders	**65,836**	65,410
Total employee provisions	**349,457**	315,258
Current	**349,457**	315,258
Non Current	**-**	-
Total employee provisions	**349,457**	315,258

Note 9 Non-current Liabilities

Note 9A: Other non-current liabilities		
Not applicable	**-**	-
Total other non-current liabilities	**-**	-

	2016	2015
	$	$

Note 10 Equity

Note 10A: Funds

Assets revaluation reserve		
Balance as at start of year	**486**	486
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	**486**	486
Total Reserves	**486**	486

Note 10B: Other Specific disclosures - Funds

Compulsory levy/voluntary contribution fund – if invested in assets		
Not applicable	-	-

Note 11 Cash Flow

Note 11A: Cash Flow Reconciliation

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

Cash and cash equivalents as per:		
Cash flow statement	1,833,451	1,979,552
Balance sheet	1,833,451	1,979,552
Difference	-	-

Note 11B: Cash flow information

Cash inflows		
AMWU/ETU	**23,954**	13,638
AWU National Office	-	4,441
Australian Super marketing	**4,950**	4,950
Total cash inflows	**28,904**	23,029
Cash outflows		
ACTU levy	**2,936**	4,850
Affilation fees	**20,232**	11,728
AWU National Office share costs	**15,474**	12,440
AWU National Office capitation fees	**120,282**	137,515
AWU Greater NSW share costs	**0**	6,553
Total cash outflows	**158,924**	173,086

	2016	2015
	$	$

Note 12 Contingent Liabilities, Assets and Commitments

Note 12A: Commitments and Contingencies

Operating lease commitments—as lessee

Future minimum rentals payable under non-cancellable operating leases as at 30 June are as follows:

	2016 $	2015 $
Within one year	-	-
After one year but not more than five years	-	-
More than five years	-	-
	-	-

Operating lease commitments—as lessor

Future minimum rentals receivable under non-cancellable operating leases as at 30 June are as follows:

	2016 $	2015 $
Within one year	-	-
After one year but not more than five years	-	-
After five years	-	-
	-	-

Capital commitments

At 30 June 2016 the entity has commitments of $nil (2015: $nil)

Finance lease commitments—as lessee	2016 $	2015 $
Within one year	-	-
After one year but not more than five years	-	-
More than five years	-	-
Total minimum lease payments	-	-
Less amounts representing finance charges	-	-
Present value of minimum lease payments	-	-
Included in the financial statements as:	-	-
Current interest-bearing loans and borrowings	-	-
Non-current interest-bearing loans and borrowings	-	-
Total included in interest-bearing loans and borrowings	-	-

Note 12A: Commitments and Contingencies (continued)

Finance leases—lessor

[Insert general description of lease arrangements]

	2016 $	2015 $
Minimum lease payments	-	-
Unguaranteed residual value	-	-
Gross investment	-	-
Unearned finance income	-	-
Net investment (present value of the minimum lease payments)	-	-

	2016	2015
	$	$
Gross amount of minimum lease payments:		
Within one year	-	-
After one year but not more than five years	-	-
More than five years	-	-
Total gross amount of minimum lease payments	-	-
Present value of minimum lease payments:		
Within one year	-	-
After one year but not more than five years	-	-
More than five years	-	-
Total present value of minimum lease payments	-	-

Other contingent assets or liabilities (i.e. legal claims)
No circumstances that the branch believes will give rise to a claim are known of.

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 AWU branches includes the following:		
AWU Newcastle	-	-
AWU National Office	-	4,000
Other related parties	-	-
Expenses paid to AWU Branches includes the following:		
AWU National Office	**121,644**	139,611
AWU Newcastle	-	6,553
Other related parties	-	-
Amounts owed by AWU Port Kembla include the following:		
AWU National Office	**6,219**	4,981
Amounts owed to AWU Port Kembla include the following:		
AWU National Office	**7,432**	2,329
Loans from/to related party includes the following:		
Not applicable	-	-
Assets transferred from/to related parties includes the following:		
Not Applicable	-	-

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 2016, the AWU - Port Kembla, South Coast and Southern Highlands Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2015: $Nil). 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.

Premises on a rent free basis were provided by AWU National Office for a the last financial year. Had market rental been charged by the reporting unit the amount paid would have been $75,000 est.

	2016	2015
	$	$
Note 13B: Key Management Personnel Remuneration for the Reporting Period		
Short-term employee benefits		
Salary (including annual leave taken)	**489,277**	394,254
Annual leave accrued	**5,737**	-14,728
Superannuation	**69,395**	58,085
Home telephone/internet	**3,929**	4,462
Motor Vehicles	**34,704**	38,946
Total short-term employee benefits	**603,042**	481,019
Post-employment benefits:		
Superannuation	-	-
Total post-employment benefits	-	-
Other long-term benefits:		
Long-service leave	**28,036**	10,982
Total other long-term benefits	**28,036**	10,982
Termination benefits	-	-
Total	**631,078**	472,471

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

Loans to/from key management personnel		
Not applicable	-	-
Other transactions with key management personnel		
Not applicable	-	-

Note 14 Remuneration of Auditors

Value of the services provided		
Financial statement audit services	**11,500**	11,500
Other services (no account received yet for 2016 year)	-	-
Total remuneration of auditors	**11,500**	11,500

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

	2016	2015
	$	$

Note 15 Financial Instruments

The risk control of financial instruments relates to retail term deposits, ban accounts, trade suppliers and receivables only.

Note 15A: Categories of Financial Instruments
Financial Assets

	2016 $	2015 $
Fair value through profit or loss:		
Not applicable	**-**	-
Total	**-**	-
Held-to-maturity investments:		
Bank & Term Deposits	**1,833,451**	1,979,552
Total	**1,833,451**	1,979,552
Available-for-sale assets:		
Shares	**662**	662
Total	**662**	662
Loans and receivables:		
Receivables	**77,957**	38,145
Total	**77,957**	38,145
Carrying amount of financial assets	**1,912,070**	2,018,359

Financial Liabilities

	2016 $	2015 $
Fair value through profit or loss:		
Not applicable	**-**	-
Total	**-**	-
Other financial liabilities:		
Trade & payables net	**45,358**	56,038
Total	**45,358**	56,038
Carrying amount of financial liabilities	**44,061**	51,622

	2016 $	2015 $
Note 15B: Net Income and Expense from Financial Assets		
Held-to-maturity		
Interest revenue	**36,740**	50,240
Exchange gains/(loss)	-	-
Impairment	-	-
Gain/loss on disposal	-	-
Net gain/(loss) held-to-maturity	-	-
Loans and receivables		
Interest revenue	-	-
Exchange gains/(loss)	-	-
Impairment	-	-
Gain/loss on disposal	-	-
Net gain/(loss) from loans and receivables	-	-
Available for sale		
Interest revenue	-	-
Dividend revenue	**65**	65
Exchange gains/(loss)	-	-
Gain/loss recognised in equity	-	-
Amounts reversed from equity:		
Impairment	-	-
Fair value changes reversed on disposal	-	-
Gain/loss on disposal	-	-
Net gain/(loss) from available for sale	-	-
Fair value through profit and loss		
Held for trading:		
Change in fair value	-	-
Interest revenue	-	-
Dividend revenue	-	-
Exchange gains/(loss)	-	-
Total held for trading	-	-
Designated as fair value through profit and loss:		
Change in fair value	-	-
Interest revenue	-	-
Dividend revenue	-	-
Exchange gains/(loss)	-	-
Total designated as fair value through profit and loss	-	-
Net gain/(loss) at fair value through profit and loss	-	-
Net gain/(loss) from financial assets	**36,805**	50,305

	2016 $	2015 $

Note 15C: Net Income and Expense from Financial Liabilities

	2016 $	2015 $
At amortised cost		
Interest expense	-	-
Exchange gains/(loss)	-	-
Gain/loss on disposal	-	-
Net gain/(loss) financial liabilities - at amortised cost	-	-
Fair value through profit and loss		
Held for trading:		
Change in fair value	-	-
Interest expense	-	-
Exchange gains/(loss)	-	-
Total held for trading	-	-
Designated as fair value through profit and loss:		
Change in fair value	-	-
Interest expense	-	-
Total designated as fair value through profit and loss	-	-
Net gain/(loss) at fair value through profit and loss	-	-
Net gain/(loss) from financial liabilities	-	-

Note 15D: Credit Risk

The retail nature and low risk attached self manages the credit risk attached.

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2016 $	2015 $
Financial assets		
Term Deposits bank accounts	**1,833,451**	1,979,552
Total	**1,833,451**	1,979,552
Financial liabilities		
Trade & Payables net	**45,358**	56,038
Total	**45,358**	56,038

In relation to the entity's gross credit risk the following collateral is held: not applicable

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

	Not Past Due Nor Impaired 2016 $	**Past due or impaired 2016 $**	Not Past Due Nor Impaired 2015 $	Past due or impaired 2015 $
Bank deposits	**1,833,451**	-	**1,979,552**	-
Total	**1,833,451**	-	**1,979,552**	-

Retail products and non risk items are minor trade accounts and regulated bank products, thus alleviate the risk.

Ageing of financial assets that were past due but not impaired for 2016

	0 to 30 days	**31 to 60 days**	**61 to 90 days**	**90+ days**	**Total**
	$	**$**	**$**	**$**	$
Not applicable	-	-	-	-	-
Total	-	-	-	-	-

Note 15D: Credit Risk (continued)

Ageing of financial assets that were not past due but not impaired for 2015

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	$	$	$	$	$
Receivables	38,145	-	-	-	38,145
Total	38,145	-	-	-	38,145

The following list of assets have been individually assessed as impaired

Not applicable

Ageing of financial assets that were not past due but not impaired for 2016

	0 to 30 days	**31 to 60 days**	**61 to 90 days**	**90+ days**	**Total**
	$	**$**	**$**	**$**	$
Receivables	**77,597**	-	-	-	**77,597**
Total	**77,597**	-	-	-	**77,597**

The following list of assets have been individually assessed as impaired – not applicable.

Note 15E: Liquidity Risk

Trade receivables only for the supplies of services limit the liquidity risk for non-derivative financial liabilities.

Contractual maturities for financial liabilities 2016

	On Demand	**< 1 year**	**1– 2 years**	**2– 5 years**	**>5 years**	**Total**
		$	**$**	**$**	**$**	**$**
Not applicable	-	-	-	-	-	-
Total	-	-	-	-	-	-

Maturities for financial liabilities 2015

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
		$	$	$	$	$
Not applicable	-	-	-	-	-	-
Total	-	-	-	-	-	-

Note 15F: Market Risk

Market risks being interest rate risk, price risk, and currency risk are limited by the retail nature of the products and the underlying low risk of suppliers accounts.

Interest rate risk

Interest rates on the retail banking products are not expected to vary by more than 25 basis point in the next 12 months and the resulting effect on the financial result of plus or minus $5,000 is not considered to be applicable for further disclosure including price & currency risk.

Note 15G: Asset Pledged/or Held as Collateral

Assets pledged as collateral				
Financial assets pledged as collateral:				
Not applicable	-	-	-	-
Total assets pledged as collateral	-	-	-	-
Not applicable				
Assets held as collateral				
Fair value of assets held as collateral:				
Financial assets	-	-	-	-
Non-financial assets	-	-	-	-
Total assets held as collateral	-	-	-	-

Note 16 Fair Value Measurement

Note 16A: Financial Assets and Liabilities

Management of the reporting unit assessed that cash, trade receivables, 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 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 30/06/2016 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 Group 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 30/6/2016 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The carrying amounts and related fair values are the same for the financial assets and liabilities.

Note 16B: Fair Value Hierarchy

No items have been measured at fair value, by fair value hierarchy.

Note 17 Business combinations

Not applicable

Note 18 Information about subsidiaries

Not applicable

Note 19 Administration of financial affairs by a third party

No entities provide services of this nature to or by the branch.

Note 20 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 General Manager:

(1) A member of a reporting unit, or the General Manager, 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).

FairWork Commission

8 December 2016

Mr Wayne Phillips
Branch Secretary
Australian Workers' Union, Port Kembla, South Coast and Southern Highlands Branch
Sent via email: wayne.phillips@portkembla.awu.net.au

Dear Mr Phillips,

Lodgement of Financial Report - Reminder to lodge

The Fair Work Commission's (the Commission) records disclose that the financial year of the Australian Workers' Union, Port Kembla, South Coast and Southern Highlands Branch (the reporting unit) ended on the 30 June 2016.

As you would be aware, the *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires that a reporting unit prepare a financial report in accordance with the RO Act, make it available to the members and then must lodge the financial report within 14 days after the general meeting of members, or if the rules of the reporting unit allow, the Committee of Management meeting (s.268).

The maximum period of time allowed under the RO Act for the full financial report to be presented to a general meeting of members or a committee of management meeting is six months after the expiry date of its financial year (s.253, s254, s265, s.266, s.268). The full report must be lodged with the Commission within 14 days of that meeting.

The Commission encourages your reporting unit to lodge its financial report at the earliest opportunity in order to ensure compliance with its obligations. Failure of a reporting unit to lodge its financial report is a breach of a civil penalty provision of the RO Act. This can result in the General Manager instituting an inquiry or investigation into a reporting unit's non-compliance under Chapter 11, Part 4 of the RO Act. The actions available to the General Manager following an investigation include issuing Federal Court legal proceedings for breach of a civil penalty provision. The orders available to the Federal Court include imposition of a pecuniary penalty on the organisation or individual officer, whose conduct led to the contravention, of up to $54,000 per contravention on the organisation and up to $10,800 per contravention on an officer whose conduct led to the contravention.

Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to $54,000 for a body corporate and $10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

We encourage you to lodge the full financial report directly to orgs@fwc.gov.au. That is the official email address for electronic lodgements of material related to registered organisations matters.

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Telephone : (03) 8661 7777
Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au

Should you seek any clarification in relation to the above, please contact me on (03) 8656 4699 or via email at Sam.Gallichio@fwc.gov.au.

Yours sincerely,

Sam Gallichio
Adviser
Regulatory Compliance Branch

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Telephone : (03) 8661 7777
Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au

15 July 2016

Mr Wayne Phillips
Secretary - Port Kembla, SC & SH Branch
Australian Workers' Union - Port Kembla, South Coast and Southern Highlands Branch
By email: wayne.phillips@portkembla.awu.net.au

Dear Mr Phillips,

Re: Lodgement of Financial Report - [FR2016/254]
***Fair Work (Registered Organisations) Act 2009* (the RO Act)**

The financial year of the Australian Workers' Union - Port Kembla, South Coast and Southern Highlands Branch (the reporting unit) ended on 30 June 2016.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date under s.268 of the RO Act, that being within 14 days after the meeting referred to in s.266 of the RO Act.

Timelines

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

Fact sheets, guidance notes and model statements

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. This includes a model set of financial statements which have been developed by the FWC. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. The model statement, Reporting Guidelines and other resources can be accessed through our website under Financial Reporting in the Compliance and Governance section.

Loans, grants and donations: our focus this year

Also you are reminded of the obligation to prepare and lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding $1,000 for the reporting unit during its financial year. Section 237 requires this statement to be lodged with the FWC within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2016. A sample statement of loans, grants or donations is available at sample documents.

Over the past year we have noted issues in organisations' financial reports relating to timelines and how loans, grants and donations are reported. We will be focusing closely on these areas this year. Please find attached below fact sheets relating to these requirements or alternatively visit our website for information regarding financial reporting timelines and loans, grants and donations.

It is requested that the financial report and any Statement of Loans, Grant or Donations be lodged electronically by emailing orgs@fwc.gov.au.

Civil penalties may apply

It should be noted that s.268 is a civil penalty provision. Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to $54,000 for a body corporate and $10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

Contact

Should you wish to seek any clarification in relation to the above, email orgs@fwc.gov.au.

Yours sincerely,

Annastasia Kyriakidis
Adviser
Regulatory Compliance Branch

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Telephone : (03) 8661 7777
Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au

Financial reporting timelines

Financial reports are to be lodged with the Fair Work Commission (the Commission) within 14 days of the meeting at which the financial reports have been presented, by completing the steps as outlined below.

See Fact sheet—Financial reporting for an explanation of each of these steps.

Reporting unit must keep proper financial records

STEP 1: Reporting unit to prepare:

General Purpose Financial Report,
Committee of Management Statement, and
Operating Report

STEP 2: Auditor's Report

Auditor to prepare and provide to Reporting unit

Subject to rules of organisation

STEP 3: provide to members at least 21 days before General Meeting

STEP 3: provide to members within 5 months of end of financial year

STEP 4: Present to a General Meeting of Members

STEP 4: Present to Committee of Management Meeting

STEP 5: Lodge with the Fair Work Commission

Lodge all Reports and Designated Officers Certificate with the Commission within 14 days of the meeting at which financial reports are presented

Fact Sheet - Loans, Grants & Donations

The Loans, Grants & Donations Requirements

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the General Manager's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

The Loans, Grants & Donations Statement

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceed $1000. The following information must be supplied to the Commission for each relevant loan, grant or donation:

the amount,

the purpose,

the security (if it is a loan),

the name and address of the person to whom it was made,* and

the arrangements for repaying the loan.*

*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the Commission has a Template Loans, Grants and Donations Statement on its website. The Commission encourages branches and organisations to lodge the statement even if all of the figures are NIL.

Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
✘ Only reporting units must lodge the Statement.	✔ All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
✘ Employees can sign the Statement.	✔ The statement must be signed by an elected officer of the relevant branch.
✘ Statements can be lodged with the financial report.	✔ The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.

Grants & Donations within the Financial Report

Item 16(e) of the General Manager's Reporting Guidelines requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were $1000 or less and those that exceeded $1000.

As such, the note in the financial report relating to grants and donations will have four lines.

In the Commission's Model Statements the note appears as follows:

Note 4E: Grants or donations*

	2016	2015
Grants:		
Total paid that were $1,000 or less	-	-
Total paid that exceeded $1,000	-	-
Donations:		
Total paid that were $1,000 or less	-	-
Total paid that exceeded $1,000	-	-
Total grants or donations	-	-

Item 17 of the General Manager's Reporting Guidelines requires that these line items appear in the financial report even if the figures are NIL.

Implications for filing the Financial Report

During their review of the 2016 financial report staff of the Commission will confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their 2015 financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the Commission's website.

Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the Regulatory Compliance Branch on orgs@fwc.gov.au