



FAIR WORK
COMMISSION

6 March 2017

Mr Russell Collison
The 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, Newcastle, Central Coast and Northern Regions Branch - for period ended 31 August 2016 (FR2017/4)

I refer to the final financial report for the Newcastle, Central Coast and Northern Regions Branch ('the former Branch') of the Australian Workers Union. The report was lodged with the Fair Work Commission on 23 February 2017.

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.

Re-structure disclosures

The next report will be the first report for the new amalgamated New South Wales Branch ('the new Branch') for the year ending 30 June 2017. It will need to include such disclosures and/or explanatory information that will show/reflect the transfers of assets and liabilities from the former Branch to the new Branch.

Please also note that the next report may be subject to an advanced review.¹

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
Senior Adviser
Regulatory Compliance Branch

¹ See the requirements as set out in the advanced checklist at <https://www.fwc.gov.au/documents/documents/organisations/factsheets/org-financial-report-checklist-advanced.pdf>

From: KELLETT, Stephen
Sent: Monday, 6 March 2017 7:53 AM
To: Wendy Chen
Cc: info@awu-nsw.asn.au
Subject: Attention Mr Russell Collison - financial reporting - Port Kembla etc Branch - filing

Dear Ms Chen,

Please see attached my letter in relation to the above.

Yours faithfully

STEPHEN KELLETT
Regulatory Compliance Branch
FAIR WORK COMMISSION

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EAST SYDNEY NSW 2011

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From: Wendy Chen [<mailto:wchen@awu-nsw.asn.au>]

Sent: Thursday, 23 February 2017 7:29 PM

To: Orgs

Cc: Nigel Bubalo (nigel@bgsaccountants.com.au); Steve Ackerman; Helen Teo; Russ Collison; KELLETT, Stephen

Subject: ON CMS FR17/2 +3+ 4 and LGD 17/2 + 3 + 4 AWU Financial Reports for year ending 31 August 2016

Dear Sir/Madam

Please find attached financial reports for period ending 31st August 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

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FWC - Port Kembla
Period Ending 31 Aug

AWU- Port Kembla, South Coast & Southern Highlands Branch

FINANCIAL STATEMENTS 2 months ended 31/8/2016

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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 comprise 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 period ended 31/08/2016.

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 31/08/2016 and of their performance for the two months 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 14/12/2016

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 OFFICER³

Certificate for the 2-month period ended 31st August 2016

I, Russell Kerry Collison being the AWU NSW Branch 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 2-month period ended 31st August 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 12th December 2016; and
- that the full report was presented to the Special General Meeting of members of the reporting unit on 13th February 2017 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:.....

Name of prescribed designated officer: Russell Kerry Collison

Title of prescribed designated officer: AWU NSW Branch Secretary

Dated: 16th February 2017

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 31/08/2016

The committee presents its report on the reporting unit for the two months ended 31/08/2016.

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

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 period ended 31/08/2016 was a loss of \$79,092, for the previous year ended 30/6/2016 a loss of \$125,281 occurred.

No Significant changes in financial affairs or activities of the branch occurred in the period 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 period or previous financial year.

Number of members

At the end of the reporting period, total ordinary members were 2,526 and the previous year 3,045.

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 period

There were 16 honorary members of the Committee of Management including 4 Branch Officials. The Committee of Management met one time during the reporting period ended 31/08/2016. Attendance of the members at the Committee of Management meetings was as follows:

Name & Meetings Attended (All members held office from 01/07/16 to 31/08/16).

Branch Officials

W Phillips	1/1	B Gorgievski	1/1	D Hancock	1/1
S Burke	1/1				

Other members

W Beaumont	0/1	S Stojanovski	1/1	G Davies	0/1
P Armstrong	1/1	G Leake	1/1	J Fernandes	0/1
I Sukoski	0/1	L Millar	1/1	L Turner	0/1
R Tancevski	0/1	R Turford	0/1	B Withers	0/1

Remuneration And Disclosure (rule 59D)

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

<u>Name</u>	<u>Position</u>	<u>Total Remuneration</u>
Wayne Phillips	Branch Secretary	\$24,685
Dave Hancock	Asst Branch Secretary	\$21,269

The above relevant remuneration for each of the officers includes, wages, annual leave and loading, long service leave & superannuation contribution, it does not contain a value of fringe benefits.

Signature of designated officer:



Name and title of designated officer: Russell Kerry Collison AWU NSW Secretary - Dated: 12/12/2016

AWU Port Kembla, South Coast & Southern Highlands Branch

COMMITTEE OF MANAGEMENT STATEMENT for the period ended 31/08/2016

On the 12/12/2016 the branch executive of the NSW Branch of the AWU, in regard to the AWU Port Kembla, South Coast & Southern Highlands Branch, passed the following resolution in relation to the general purpose financial report (GPFR) for the period ended 31/08/2016:

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 period 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 period to which the GPFR relates and since the end of that period:
 - (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 NSW branch executive.

Signature of designated officer:



Name and title of designated officer: Russell Kerry Collison AWU NSW Secretary –

Dated: 12/12/2016

AWU Port Kembla, South Coast & Southern Highlands Branch

STATEMENT OF COMPREHENSIVE INCOME for the 2 months ended 31/08/2016

	Notes	2m ended 31/8/16 \$	y/e 30/6/16 \$
Revenue			
Membership subscription		150,717	1,148,800
Capitation fees	3A	Nil	Nil
Levies	3B	0	0
Interest	3C	8,354	36,740
Rental revenue	3D	1,345	39,605
Other revenue	3G	27,970	35,044
Total revenue		188,386	1,260,189
Other Income			
Grants and/or donations	3E	-	-
Share of net profit from associate	6E	-	-
Net gains from sale of assets	3F	0	552
Total other income		-	-
Total income		188,386	1,260,741
Expenses			
Employee expenses	4A	125,979	712,918
Capitation fees	4B	15,783	121,644
Affiliation fees	4C	2,244	26,201
Administration expenses	4D	96,982	351,644
Grants or donations	4E	1,800	10,123
Depreciation and amortisation	4F	9,067	31,554
Finance costs	4G	-	-
Legal costs	4H	7,247	99,961
Audit fees	14	3,500	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	4,876	20,477
Total expenses		267,478	1,386,022
Profit (loss) for the period		(79,092)	(125,281)
Other comprehensive			
Items that will not be subsequently reclassified to profit or loss		0	0
income on revaluation of land & buildings		0	0
Total comprehensive income for the period		(79,092)	(125,281)

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 31/8/2016

	Notes	31/08/16 \$	y/e 2016 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	1,812,640	1,833,451
Trade and other receivables	5B	49,689	76,659
Other current assets	5C	0	1,298
Total current assets		1,862,329	1,911,408
Non-Current Assets			
Land and buildings	6A	0	0
Plant and equipment	6B	122,251	139,954
Investment Property	6C	677,846	677,846
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		800,759	818,462
Total assets		2,663,088	2,729,870
LIABILITIES			
Current Liabilities			
Trade payables	7A	23,796	26,298
Other payables	7B	24,969	19,060
Employee provisions	8A	358,360	349,457
Total current liabilities		407,125	394,815
Non-Current Liabilities			
Employee provisions	8A	-	-
Other non-current liabilities	9A	-	-
Total non-current liabilities		-	-
Total liabilities		407,125	394,815
Net assets		2,255,963	2,335,055
EQUITY			
General funds	10A	486	486
Retained earnings (accumulated deficit)		2,255,477	2,334,569
Total equity		2,255,963	2,335,055

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 31/8/16

Consolidated	Notes	General funds \$	Retained earnings \$	Total equity \$
Balance as at 1 July 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 n/a	10A	-	-	-
Transfer from retained earnings		-	-	-
Closing balance as at 30 June 2016		486	2,334,569	2,335,055
Adjustment for errors		-	-	-
Adjustment for changes in accounting policies		-	-	-
Profit for the period		-	(79,092)	(79,092)
Other comprehensive income for the period		-	-	-
Transfer to/from revaluation reserve	10A	-	-	-
Transfer from retained earnings		-	-	-
Closing balance as at 31/08/2016		486	2,255,477	2,255,963

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 31/08/2016

	Notes	period 31/8/16 \$	y/e 2016 \$
OPERATING ACTIVITIES			
Cash received memberships		176,263	1,115,389
Receipts from other reporting units/controlled entity(s) & assoc	11B	14,493	28,904
Interest		8,354	36,741
Other receipts		8,071	40,642
Employee payments		117,046	596,104
Supplier payments		86,188	577,221
Payment to other reporting units/controlled entity(s) & assoc	11B	33,394	158,924
Net cash from (used by) operating activities	11A	(29,447)	(110,573)
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		8,636	39,364
Proceeds from sale of land and buildings		0	0
Other inflows		0	0
Purchase of plant and equipment		0	74,892
Purchase of land and buildings		0	0
Other outflows		0	0
Net cash from (used by) investing activities		8,636	(35,528)
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		(20,811)	(146,101)
Cash & cash equivalents at the beginning of the reporting period		1,833,451	1,979,552
Cash & cash equivalents at the end of the reporting period	5A	1,812,640	1,833,451

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 31/08/2016

	31/08/16	y/e 2016
	\$	\$
Cash assets in respect of recovered money at beginning of period	-	-
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 period	-	-
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	-	-

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Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

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

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 period:

- *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 y/e 2016-3 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 y/e 2016-4 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 period 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 period 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 period 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 period 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	y/e 2016
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	y/e 2016
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 31/08/16, 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 apart from the amalgamation of the branch on the 01/09/16.

	p/e 31/8/16	y/e 2016
	\$	\$
Note 3 Income		
Note 3A: Capitation fees		
Not applicable	-	-
Total capitation fees	<u>-</u>	<u>-</u>
Note 3B: Levies		
Not applicable	-	-
Total levies	<u>-</u>	<u>-</u>
Note 3C: Interest		
Deposits	8,354	36,740
Loans	-	-
Total interest	<u>8,354</u>	<u>36,740</u>
Note 3D: Rental revenue		
Properties	1,345	39,605
Other	-	-
Total rental revenue	<u>1,345</u>	<u>39,605</u>
Note 3E: Grants or donations		
Grants	-	-
Donations	-	-
Total grants or donations	<u>-</u>	<u>-</u>
Note 3F: Net gains from sale of assets		
Land and buildings	-	-
Plant and equipment	-	552
Intangibles	-	-
Total net gain from sale of assets	<u>-</u>	<u>552</u>
Note 3G: Other Income		
Share costs AWU National Office	0	7432
Share costs AWU Greater NSW		0
Australian super – marketing	4,950	4950
Share costs other unions & sundry	9,088	22662
Net gains from sales of assets	0	0
Other – Centrelink etc	13,189	0
total	<u>27,227</u>	<u>35,044</u>

	p/e 31/8/16	y/e 2016
	\$	\$
Note 4 Expenses		
Note 4A: Employee expenses*		
Holders of office:		
Wages and salaries	84,122	489,277
Superannuation	10,304	69,395
Leave and other entitlements	12,577	33,773
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses holders of office	107,003	592,445
Employees other than office holders:		
Wages and salaries	20,199	106,697
Superannuation	2,451	13,220
Leave and other entitlements	-3,674	426
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses employees other than office holders	18,976	120,343
Total employee expenses	125,979	712,788
Note 4B: Capitation fees		
AWU National Office	15,783	121,644
Total capitation fees	15,783	121,644
Note 4C: Affiliation fees		
Unions NSW MAN	449	1,769
South Coast Labour Council	1,795	10,158
ALP Federal Branch	0	14,274
Total affiliation fees/subscriptions	2,244	26,201

	p/e 31/8/16	y/e 2016
	\$	\$
Note 4D: Administration expenses		
Consideration to employers for payroll deductions	0	0
Compulsory levies – name of entity & purpose		
ACTU – general levy	0	2,936
AWU National Office – Asbestos Disease appeal	0	1,000
AWU National Office – share costs	7,457	14,474
Fees/allowances - meeting and conferences	6,544	21,836
Conference and meeting expenses	5,179	35,999
Contractors/consultants	0	16,627
Property expenses	8,708	17,557
Office/Admin expenses	29,100	74,062
Journey injury insurance	35,003	35,003
Information communications technology	4,248	34,765
Other	0	97,385
Subtotal administration expense	96,239	351,644
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	1,800	3,032
Total paid that exceeded \$1,000	0	7,091
Total grants or donations	1,800	10,123
Note 4F: Depreciation and amortisation		
Depreciation		
Land & buildings	0	4,258
Property, plant and equipment	9,067	27,296
Total depreciation	9,067	31,554
Amortisation		
Intangibles	-	-
Total amortisation	-	-
Total depreciation and amortisation	9,067	52,653
Note 4G: Finance costs		
Finance leases	-	-
Overdrafts/loans	-	-
Unwinding of discount	-	-
Total finance costs	-	-
Note 4H: Legal costs		
Litigation	-	-
Other legal matters	7,246	99,961
Total legal costs	7,246	99,961

	p/e 31/8/16	y/e 2016
	\$	\$
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	-	-
Note 4J: Net losses from sale of assets		
Land and buildings	-	-
Plant and equipment	-	-
Intangibles	-	-
Total net losses from asset sales	-	-
Note 4K: Other expenses		
Penalties - via RO Act or RO Regulations*	-	-
Total other expenses	-	-
Note 5 Current Assets		
Note 5A: Cash and Cash Equivalents		
Cash at bank	1,812,238	1,829,142
Cash on hand	402	4,309
Short term deposits	0	0
Other	0	0
Total cash and cash equivalents	1,812,640	1,833,451
Note 5B: Trade and Other Receivables		
Receivables from other reporting unit[s]		
AWU National Office	0	7,432
Total receivables from other reporting unit[s]	0	7,432
Less provision for doubtful debts		
AWU National Office	0	0
Total provision for doubtful debts	0	0
Receivable from other reporting unit[s] (net)	0	7,432
Other receivables:		
Other trade receivables	49,689	69,227
Total other receivables	49,689	69,227
Total trade and other receivables (net)	49,689	76,659
Note 5C: Other Current Assets		
Tax Office	0	1,298
Total other current assets	0	1,298

p/e 31/8/16	y/e 2016
\$	\$

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	243,582	268,406
accumulated depreciation	121,331	128,452
Total plant and equipment	122,251	139,954

Reconciliation of the Opening and Closing Balances of Plant and Equipment

As at	31/8/16	1/7/15
Gross book value	268,406	232,325
Accumulated depreciation and impairment	128,452	101,156
Net book value	139,954	131,169
Additions:		
By purchase	0	74,892
From acquisition of entities (including restructuring)	0	0
Impairments	0	0
Depreciation expense	9,067	27,296
Other movement n/a	0	0
Disposals:		
From disposal of entities (including restructuring)	0	0
Other	8,636	38,811
Net book value 31/8/16	122,251	139,954
Net book value as of 31/8/16 represented by:		
Gross book value	243,582	268,406
Accumulated depreciation and impairment	121,331	128,452
Net book value 31/8/16	122,251	139,954

	p/e 31/8/16	y/e 2016
	\$	\$
Note 6C: Investment Property		
Opening balance as at 1 July y/e 2016	677,846	677,846
Additions	-	-
Net gain from fair value adjustment	-	-
Closing balance as at 31/8/16	<u>677,846</u>	<u>677,846</u>

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 period - not applicable.

Rental income earned and received from the investment properties during the period was \$1,345 (y/e 2016: \$39,605).

Direct expenses incurred in relation to the investment properties that generated rental income during the period was \$5,603 (y/e 2016: \$17,557). During the period 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.

	p/e 31/8/16	y/e 2016
	\$	\$
Note 6D: Intangibles		
Not applicable		
Internally developed	-	-
Purchased	-	-
accumulated amortisation	-	-
Total intangibles	<u>-</u>	<u>-</u>
Note 6E: Investments in Associates		
Investments in Associates		
Not applicable	-	-
Total investments	<u>-</u>	<u>-</u>
Note 6F: Other Investments		
Deposits	-	-
Other shares	622	622
Total other investments	<u>622</u>	<u>622</u>
Note 6G: Other Non-current Assets		
Prepayments	-	-
Other	-	-
Total other non-financial assets	<u>-</u>	<u>-</u>
Note 7 Current Liabilities		
Note 7A: Trade payables		
Trade creditors and accruals	11,426	14,153
Operating lease rentals	-	-
Subtotal trade creditors	<u>11,426</u>	<u>14,153</u>
Payables to other reporting unit[s]		
Australian Labour Party	0	5,926
AWU National Office	9,902	6,219
Unions NSW	2,468	0
Subtotal payables to other reporting unit[s]	<u>12,370</u>	<u>12,145</u>
Total trade payables	<u>23,796</u>	<u>26,298</u>

Settlement is usually made within 30 days.

	p/e 31/8/16	y/e 2016
	\$	\$
Note 7B: Other payables		
Wages and salaries	11,291	12,065
Superannuation	9,394	0
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	4,284	5,035
Other	0	1,960
Total other payables	24,969	19,060
Total other payables are expected to be settled in:		
No more than 12 months	24,969	19,060
More than 12 months	-	-
Total other payables	24,969	19,060

Note 8 Provisions

Note 8A: Employee Provisions

Office Holders:

Annual leave	98,311	90,878
Long service leave	197,888	192,743
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—office holders	296,199	283,621

Employees other than office holders:

Annual leave	9,853	13,834
Long service leave	52,308	52,002
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—employees other than office holders	62,161	65,836
Total employee provisions	358,360	349,457

Current	358,360	349,457
Non Current	-	-
Total employee provisions	358,360	349,457

Note 9 Non-current Liabilities

Note 9A: Other non-current liabilities

Not applicable	-	-
Total other non-current liabilities	-	-

	p/e 31/8/16	y/e 2016
	\$	\$
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 period	486	486
Total Reserves	486	486

Note 10B: Other Specific disclosures - Funds

Compulsory levy/voluntary contribution fund

– if invested in assets

Not applicable	-	-
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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	1,812,640	1,833,451
Balance sheet	1,812,640	1,833,451
<i>Difference</i>	-	-

Note 11B: Cash flow information

Cash inflows

Associated non reporting entities	2,111	0
AMWU/ETU	0	23,954
AWU National Office	0	0
Australian Super marketing	4,950	4,950
AWU Greater NSW	7,432	
Total cash inflows	14,493	28,904

Cash outflows

Reporting units		
ACTU levy	0	2,936
Unions NSW Affiliation fees	2,244	20,232
AWU National Office share costs	7,457	15,474
AWU National Office capitation fees	15,783	120,282
AWU Greater NSW share costs	7,910	0
Total cash outflows	33,394	158,924

p/e 31/8/16	y/e 2016
\$	\$

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:

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:

Within one year	-	-
After one year but not more than five years	-	-
After five years	-	-
	-	-

Capital commitments

At 31/8/16 the entity has commitments of \$nil (y/e 2016: \$nil)

Finance lease commitments—as lessee

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]

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

	p/e 31/8/16	y/e 2016
	\$	\$
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 period.

Revenue received from AWU branches includes the following:

AWU Newcastle	-	-
AWU National Office	0	7,432
Other related parties	-	-

Expenses paid to AWU Branches includes the following:

AWU National Office	22,340	121,644
AWU Newcastle	-	-
Other related parties	-	-

Amounts owed by AWU Port Kembla include the following:

AWU National Office	0	6,219
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Amounts owed to AWU Port Kembla include the following:

AWU National Office	0	7,432
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Loans from/to related party includes the following:

Not applicable	-	-
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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 period ended 31/8/16, 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 (y/e 2016: \$Nil). This assessment is undertaken each financial period 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 for a full year.

	p/e 31/8/16	y/e 2016
	\$	\$

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

Short-term employee benefits

Salary (including annual leave taken)	84,122	489,277
Annual leave accrued	7,433	5,737
Superannuation	10,304	69,395
Home telephone/internet	165	3,929
Motor Vehicle (expenses & FBT est)	2,100	34,704

Total short-term employee benefits

	<u>104,124</u>	<u>603,042</u>
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Post-employment benefits:

Superannuation	-	-
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Total post-employment benefits

	<u>-</u>	<u>-</u>
--	----------	----------

Other long-term benefits:

Long-service leave	5,144	28,036
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Total other long-term benefits

	<u>5,144</u>	<u>28,036</u>
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Termination benefits

	-	-
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Total

	<u>109,268</u>	<u>631,078</u>
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Note 13C: Transactions with key management personnel and their close family members

Loans to/from key management personnel

Not applicable	-	-
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Other transactions with key management personnel

Sale of VW Polo leaving official J Blaxland	incl GST	9,500	-
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Note 14 Remuneration of Auditors

Value of the services provided

Financial statement audit services	3,500	11,500
Other services (no account received yet for 2016 year)	-	-

Total remuneration of auditors

	<u>3,500</u>	<u>11,500</u>
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No other services were provided by the auditors of the financial statements.

	p/e 31/8/16	y/e 2016
	\$	\$

Note 15 Financial Instruments

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

Note 15A: Categories of Financial Instruments
Financial Assets

Fair value through profit or loss:

Not applicable

-	-
---	---

Total

-	-
---	---

Held-to-maturity investments:

Bank & Term Deposits

1,812,640	1,833,451
-----------	-----------

Total

1,812,640	1,833,451
-----------	-----------

Available-for-sale assets:

Shares

662	662
-----	-----

Total

662	662
-----	-----

Loans and receivables:

Receivables

49,869	77,957
--------	--------

Total

49,869	77,957
--------	--------

Carrying amount of financial assets

1,863,171	1,912,070
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Financial Liabilities

Fair value through profit or loss:

Not applicable

-	-
---	---

Total

-	-
---	---

Other financial liabilities:

Trade & payables net

48,765	45,358
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Total

48,765	45,358
--------	--------

Carrying amount of financial liabilities

48,765	45,358
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	p/e 31/8/16	y/e 2016
	\$	\$

Note 15B: Net Income and Expense from Financial Assets

Held-to-maturity

Interest revenue	8,354	36,740
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	0	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

	-	-
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Net gain/(loss) from financial assets	8,354	36,805
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p/e 31/8/16 y/e 2016
\$ \$

Note 15C: Net Income and Expense from Financial Liabilities

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.

Financial assets	31/8/16	30/6/16
Term Deposits bank accounts	1,812,640	1,833,451
Total	1,812,640	1,833,451
Financial liabilities		
Trade & Payables net	48,765	45,358
Total	48,765	45,358

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 31/8/16 \$	Past due or impaired 31/8/16 \$	Not Past Due Nor Impaired y/e 2016 \$	Past due or impaired y/e 2016 \$
Bank deposits	1,812,640	-	1,833,451	-
Total	1,812,640	-	1,833,451	-

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 31/8/16

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

Ageing of financial assets that were not past due but not impaired for 31/8/16

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Receivables	49,869	-	-	-	49,869
Total	49,869	-	-	-	49,869

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 31/8/16

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

Maturities for financial liabilities p/e 31/8/16

	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 31/08/2016 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).