



14 December 2018

Mr Peter Lamps
Secretary
Australian Workers' Union, South Australian Branch

By e-mail: membership@awusa.asn.au

Dear Mr Lamps

Australian Workers' Union, South Australian Branch
Financial Report for the year ended 30 June 2018 - FR2018/197

I acknowledge receipt of the financial report for the year ended 30 June 2018 for the Australian Workers' Union, South Australian Branch (AWU-SA). The financial report was lodged with the Registered Organisations Commission (ROC) on 12 November 2018.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

Whilst the 2018 report has been filed the following should be addressed in the preparation of the next financial report.

1. Operating report

Prescribed information in Operating report

Regulation 159(c) requires an operating report to contain the name of each person who has been a member of the committee of management of the reporting unit at any time during the reporting period, and the period for which he or she held such a position. The ROC takes the words "at any time" to mean that all persons, whether they held their position for the full year or for part of the year, must be included.

I note that the following names appeared in the previous year's operating report but did not appear in this year's operating report:

- Justin Hanson
- Joseph Kane
- Joseph Mezzini
- John Schuit
- Stacy Ware
- Colin Shooter

There was no indication that these officers had resigned during, or at the end of, the previous year, and without any such indication the question arises whether their names have been inadvertently omitted.

In future, please ensure that all persons who have been members of the committee of management at any time during the year and the period they held this position are included.

2. Committee of management statement

Reference to s.272 & s.273

Following the enactment of the *Fair Work (Registered Organisations) Amendment Act 2016*, with effect from 1 May 2017, section 272 refers to Commissioner of the ROC instead of the General Manager, Fair Work Commission. However, section 273 continues to refer to the Fair Work Commission (FWC).

The AWU-SA committee of management statement, at reference (e)(vi), refers to the 'Registered Organisations Commission'. In future, please ensure that this reference is to the 'Fair Work Commission'.

3. General Purpose Financial Report (GPFR)

Future Australian Accounting Standards

Australian Accounting Standard *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors* paragraph 30 requires that the entity disclose Australian Accounting Standards issued but not yet effective with an assessment of the future impact on the entity.

Note 1.4 to the AWU-SA GPFR discloses the information required by paragraph 30. However, AASB 108 paragraph 31 provides further disclosures for the organisation to consider including the nature of the change and the date of application. It is considered that this additional information will help members better understand the changes.

4. Officer's declaration statement

Nil disclosures not disclosed elsewhere

The officer's declaration statement provides reporting units with an option to disclose nil activities not reported elsewhere within the financial report.

Reporting guideline 21 states that if any activity described within items 10-20 of the reporting guidelines has not occurred in the reporting period, a statement to this effect must be included in the financial statements, the notes or in an officer's declaration statement. Nil activities should be disclosed only once.

I note that the AWU-SA officer's declaration statement includes disclosures for which there was already a disclosure in the body of the notes.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 9603 0707 or by email at ken.morgan@roc.gov.au

Yours faithfully



KEN MORGAN
Financial Reporting Specialist
Registered Organisations Commission

Designated Officer Certificate

s.268 Fair Work (Registered Organisations) Act 2009

Certificate for the year ended 30th June 2018

I Peter Lamps being the Branch Secretary of the Australian Workers' Union South Australian Branch certify:

- that the documents lodged herewith are copies of the full report for the Australian Workers' Union South Australian Branch for the period ended 30 June 2018 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members of the Australian Workers' Union South Australian Branch

on 4th OCTOBER 2018 and

- that the full report was presented to a meeting of the committee of management of the Australian Workers' Union South Australian Branch

on 9th NOVEMBER 2018 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of designated officer: 

Name of designated officer:.....Peter Lamps.....

Title of designated officer: Branch Secretary.....

Dated: 11th DECEMBER 2018

Australian Workers' Union SA Branch

ABN: 55 863 353 525

FINANCIAL STATEMENTS

2018

FINANCIAL STATEMENTS 2017-18

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Independent Audit Report to the Members of Australian Workers Union South Australian Branch

Report on the Audit of the Financial Report

Opinion

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

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

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

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

Basis for Opinion

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

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

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

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


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

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

HLB Mann Judd Audit (SA) Pty Ltd ABN: 32 166 337 097

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Postal: PO Box 377, Kent Town SA 5071

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Responsibilities of Committee of Management for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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


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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

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Chartered Accountants

I communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

HLB Mann Judd
HLB Mann Judd Audit (SA) Pty Ltd
Chartered Accountants



Corey McGowan
Director


Adelaide, South Australia
28 September 2018

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/23

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Designated Officer Certificate

s.268 Fair Work (Registered Organisations) Act 2009

Certificate for the year ended 30th June 2018

I Peter Lamps being the Branch Secretary of the Australian Workers' Union South Australian Branch certify:

- that the documents lodged herewith are copies of the full report for the Australian Workers' Union South Australian Branch for the period ended 30 June 2018 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members of the Australian Workers' Union South Australian Branch

on 4th OCTOBER 2018 and

- that the full report was presented to a meeting of the committee of management of the Australian Workers' Union South Australian Branch

on 9th NOVEMBER 2018 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of designated officer: 

Name of designated officer:Peter Lamps.....

Title of designated officer: Branch Secretary.....

Dated: 28th SEPTEMBER 2018

Report Required under Sub Section 255 (2A)

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2018.

Descriptive form

Categories of expenditures	2018 \$	2017 \$
Remuneration and other employment-related costs and expenses - employees	1,294,563	1,446,616
Advertising	1,188	723
Operating costs	1,095,754	1,112,782
Donations to political parties	-	-
Legal costs	99,164	65,783

Signature of designated officer: 

Name of designated officer:.....Peter Lamps.....

Title of designated officer: Branch Secretary.....

Dated: 28th SEPTEMBER 2018

Operating Report

for the year ended 30 June 2018

The Committee of Management presents its operating report on the Australian Workers' Union South Australian Branch for the year ended 30 June 2018.

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

Employment terms and conditions

To secure improved conditions of employment for the members

To assist members in dispute resolution

To assist members who may have become injured in the course of their employment

To assist dependants of members through financial benefits and

To assist members in unfair dismissal matters before relevant tribunals

There have been no significant changes in the nature of these activities

Significant changes in financial affairs

Decline in membership due to redundancies and closures which occurred during the financial year.

Right of members to resign

The right of AWU members to resign from the Branch is set out in Rule 14 of The Australian Workers' Union Rules as registered under the act

Officers or members who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee – (All are board members only)

Wayne Hanson – was appointed to the Adelaide Cemetery Board by His-Excellency the Governor of South Australian on recommendation by the Minister.

Gary Henderson – was appointed to the CITB Industry Fund Board by nomination of the Branch Secretary and appointed by the Minister.

Joseph Kane – was appointed to the CITB Industry Fund Board as a proxy by nomination by the Branch Secretary and appointed by the Minister.

Nathan Crack – was appointed to the MAQOHSC Board as a proxy by the Branch Secretary.

Peter Lamps – was appointed by the minister as a member of the Industrial Relations Consultative Council (IRCC).

Peter Lamps was appointed as member of MAQOHSC Board by the Minister.

Alex Overley was appointed to the Statewide Super Board and resigned on 31st May 2018.

The principal activity for Statewide is to provide a superannuation scheme for the benefit of Workers across the Local Government Industry through South Australia and the Northern Territory.

The principal activity of CITB (Construction and Industry Training Board) is an industry owned and led, non-Government agency responsible for supporting the South Australian building and

construction industry by providing leadership in training and skills development for its workforce.

The principal activity of MAQOHSC (Mining and Quarry Occupational Health and Safety Committee) aims to promote high occupational health and safety standards to prevent injury and disease in the mining and quarrying industry within South Australia.

The principal activity of the IRCC (Industrial Relations Consultative Committee) is a tri partite committee which provides industrial relations advice to the Minister.

Number of members

The number of persons that were, at the end of the financial year to which the report relates, recorded in the register of members is **4734** (2017:5896)

Number of employees

The number of persons who were, at the end of the financial year to which the report relates, employees of the Branch, where the number of employees includes both full-time employees, casuals and part time employees measured on a full time basis is 13.

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

Name	Position	Date
Wayne Hanson	President	08/07/17 – 30/06/18
Peter Lamps	Secretary	08/07/17 – 30/06/18
Terry Bails	Vice President	01/07/17 – 30/06/18
Wayne Rae	Vice President	01/07/17 – 30/06/18
Frank Mateos	Assistant Secretary	01/07/17 – 30/06/18
Ian Ashmore	Committee Member	01/07/17 – 30/06/18
Grant Petagna	Committee Member	01/07/17 – 30/06/18
Nathan Crack	Committee Member	01/07/17 – 30/06/18
Gary Henderson	Committee Member	01/07/17 – 30/06/18
Scott Martin	Committee Member	01/07/17 – 30/06/18
James Phelan	Committee Member	01/07/17 – 30/06/18
Trish Stringer	Committee Member	01/07/17 – 30/06/18
Stacy Lopresto	Committee Member	01/07/17 – 30/06/18
Michael Hopgood	Committee Member	01/07/17 – 30/06/18
Martin Hilton	Committee Member	01/07/17 – 30/06/18
Cleofe Vinas-Wilson	Committee Member	01/07/17 – 30/06/18
Russell Webb	Committee Member	01/07/17 - 30/06/18

Signature of designated officer: 

Name and title of designated officer: PETER LAMPS BRANCH SECRETARY

Dated: 28th SEPTEMBER 2018

Committee of Management Statement

for the year ended 30 June 2018

On 28/9/2018 the Committee Of Management of the Australian Workers Union South Australian Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30th June 2018:

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 any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Registered Organisations Commission under section 273 of the RO Act, there has been compliance.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period

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

Signature of designated officer: 

Name and title of designated officer: PETER LAMIPS - BRANCH SECRETARY

Dated: 28th SEPTEMBER 2018

Statement of Comprehensive Income

for the year ended 30 June 2018

	Notes	2018 \$	2017 \$
Revenue			
Membership subscription*		2,245,790	2,306,858
Capitation fees	3A	-	-
Levies	3B	-	-
Interest	3C	68,144	71,772
Other revenue		287,596	278,218
Total revenue		2,601,530	2,656,848
Other Income			
Grants and/or donations	3D	-	-
Total other income		-	-
Total income		2,601,530	2,656,848
Expenses			
Employee expenses	4A	1,294,563	1,446,616
Capitation fees	4B	244,755	249,051
Affiliation fees	4C	34,881	42,733
Administration expenses	4D	784,279	790,298
Grants or donations	4E	9,507	13,300
Depreciation and amortisation	4F	-	19
Finance costs	4G	6,983	7,859
Legal costs	4H	99,164	65,783
Audit fees	13	16,538	10,245
Other expenses	4I	-	-
Total expenses		2,490,670	2,625,904
Surplus (deficit) for the year		110,860	30,944
Other comprehensive income			
Items that will be subsequently reclassified to profit or loss			
Net gain on available for sale investments		-	-
Items that will not be subsequently reclassified to profit or loss		-	-
Gain on revaluation of land & buildings		-	-
Total comprehensive income for the year		110,860	30,944

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

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

Statement of Financial Position

as at 30 June 2018

	Notes	2018 \$	2017 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	2,692,455	2,600,787
Trade and other receivables	5B	167,160	187,443
Other current assets	5C	7,100	10,300
Total current assets		2,866,715	2,798,530
Non-Current Assets			
Plant and equipment	6A	-	-
Total non-current assets		-	-
Total assets		2,866,715	2,798,530
LIABILITIES			
Current Liabilities			
Trade payables	7A	85,491	70,412
Other payables	7B	74,227	77,833
Employee provisions	8A	962,225	1,016,373
Total current liabilities		1,121,943	1,164,618
Non-Current Liabilities			
Employee provisions	8A	-	-
Total non-current liabilities		-	-
Total liabilities		1,121,943	1,164,618
Net assets		1,744,772	1,633,912
EQUITY			
General funds	9A	-	-
Retained earnings (accumulated deficit)		1,744,772	1,633,912
Total equity		1,744,772	1,633,912

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

Statement of Changes in Equity

for the year ended 30 June 2018

	Notes	General funds \$	Retained earnings \$	Total equity \$
Balance as at 1 July 2016		-	1,602,968	1,602,968
Adjustment for errors		-	-	-
Adjustment for changes in accounting policies		-	-	-
Surplus / (deficit)		-	30,944	30,944
Other comprehensive income		-	-	-
Transfer to/from Retained Earnings	9A	-	-	-
Transfer from retained earnings		-	-	-
Closing balance as at 30 June 2017		-	1,633,912	1,633,912
Adjustment for errors		-	-	-
Adjustment for changes in accounting policies		-	-	-
Surplus / (deficit)		-	110,860	110,860
Other comprehensive income		-	-	-
Transfer to/from [<i>insert fund name</i>]	9A	-	-	-
Transfer from retained earnings		-	-	-
Closing balance as at 30 June 2018		-	1,744,772	1,744,772

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

Statement of Cash Flows

for the year ended 30 June 2018

	2018 \$	2017 \$
OPERATING ACTIVITIES		
Cash received		
Receipts from other reporting units/controlled entity(s)	200,000	200,000
Interest	71,280	71,772
Other	2,545,513	2,376,747
Total Cash received	2,816,793	2,648,519
Cash used		
Employees	1,348,712	1,531,673
Suppliers	1,146,256	949,819
Payments to Other reporting units	210,000	220,909
Finance Cost	20,157	17,459
Total cash used	2,725,125	2,719,860
Net cash from (used by) operating activities	91,668	71,341
INVESTING ACTIVITIES		
Net cash from (used by) investing activities	-	-
FINANCING ACTIVITIES		
Net cash from (used by) financing activities	-	-
Net increase (decrease) in cash held	91,668	71,341
Cash at the beginning	2,600,787	2,672,128
Cash at the end of the reporting period	2,692,455	2,600,787

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Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the Australian Workers Union South Australian Branch is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

There are no accounting assumptions or estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

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

Future Australian Accounting Standards Requirements

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. While it is anticipated that AASB 16 Leases is likely to have an impact on the financial statements, management has not yet evaluated its potential impact and has hence not early adopted this standard. The following table summarise those future requirements:

Standard Name	Effective Date
AASB 16 Leases	1 January 2019

1.5 Revenue

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

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

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.

1.6 Gains

Sale of assets

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

1.7 Capitation fees and levies

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

1.8 Employee benefits

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

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

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

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

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

1.9 Leases

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.

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

1.10 Borrowing costs

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

1.11 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

1.12 Financial instruments

Financial assets and financial liabilities are recognised when a Australian Workers Union South Australian 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.

1.13 Financial assets

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

Fair value through profit or loss

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

A financial asset is classified as held for trading if:

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

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

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

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

Held-to-maturity investments

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

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.

1.14 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 re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Other financial liabilities

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

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

Derecognition of financial liabilities

The 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.

1.15 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.

1.16 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:

	2018	2017
Land & buildings	-	-
Plant and equipment	3 to 5 years	3 to 5 years

Derecognition

An item of land, buildings, plant and equipment is de-recognised 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.

1.17 Impairment of non-financial assets

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

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

1.18 Taxation

Australian Workers Union South Australian 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 statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

1.19 Fair value measurement

The Australian Workers Union South Australian 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 14A.

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 Australian Workers Union South Australian 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 Australian Workers Union South Australian 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 Australian Workers Union South Australian 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 [reporting unit] has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

1.20 Going concern

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

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

Note 2 Events after the reporting period

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

2018	2017
\$	\$

Note 3 Income

Note 3A: Capitation fees*

(A) The Branch did not receive any capitation Fees from another reporting unit of the organisation
 (B) The Branch did not receive any other financial support from another reporting unit of the organisation

Total capitation fees	-	-
	-	-

Note 3B: Levies*

Levies	-	-
Total levies	-	-
	-	-

Note 3C: Interest

Deposits	68,144	71,772
Loans	-	-
Total interest	68,144	71,772

Note 3D: Grants or donations*

Grants	-	-
Donations	-	-
Total grants or donations	-	-

* As required by the Reporting Guidelines. Item to remain even if 'nil'.

2018
\$ 2017
\$

Note 4 Expenses

Note 4A: Employee expenses*

Holders of office:

Wages and salaries	752,010	830,925
Superannuation	143,409	141,752
Leave and other entitlements	145,049	202,878
Separation and redundancies	-	-
LSL Provision	(100,557)	(68,312)
Annual Leave Provision	46,409	(11,272)
Payroll Tax	36,642	44,882
Other employee expenses - Workcover Levy	12,153	13,047
Fringe Benefit Tax	40,464	41,715
Subtotal employee expenses holders of office	1,075,579	1,195,615

Employees other than office holders:

Wages and salaries - Clerical	187,230	205,548
Superannuation	19,429	29,034
Leave and other entitlements - Clerical	9,846	13,745
Separation and redundancies	-	-
Other employee expenses – Workcover Levy	2,479	2,674
Subtotal employee expenses employees other than office holders	218,984	251,001
Total employee expenses	1,294,563	1,446,616

Note 4B: Capitation fees/Sustentation*

AWU National Head Office	244,755	249,051
Total capitation fees	244,755	249,051

2018
\$

2017
\$

Note 4C: Affiliation fees*

Australian Labor Party	34,336	35,887
ACTU IR Levy/Affiliation to National Office	-	-
ACTU Growth Campaign Levy	-	6,496
UTLC Whyalla Affiliation	227	-
May Day Affiliation	318	350
Federated Vehicle Industry Affiliation	-	-
Total affiliation fees/subscriptions	34,881	42,733

*As required by the Reporting Guidelines. Item to remain even if 'nil'

Note 4D: Administration expenses

Consideration to employers for payroll deductions*	-	-
Compulsory levies*		
<i>[list each levy including purpose and name of entity]</i>	-	-
Fees/allowances - meeting and conferences*	-	-
Conference and meeting expenses*	-	-
Contractors/consultants	32,684	26,653
Property expenses	287,085	292,211
Office expenses	68,193	81,942
Information communications technology	41,444	37,395
Other	336,092	335,259
Subtotal administration expense	765,498	773,460
Operating lease rentals:		
Minimum lease payments	18,781	16,838
Total administration expenses	784,279	790,298

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	682	-
Total paid that exceeded \$1,000	8,825	13,300
Total grants or donations	9,507	13,300

	2018	2017
	\$	\$
Note 4F: Depreciation and Amortisation		
Depreciation		
Land & buildings	-	-
Property, plant and equipment	-	19
Total depreciation	-	19
Amortisation		
Intangibles	-	-
Total amortisation	-	-
Total depreciation and amortisation	-	19

Note 4G: Finance costs

Finance leases	-	-
Overdrafts/loans	-	-
Bank Charges	6,983	7,859
Total finance costs	6,983	7,859

Note 4H: Legal costs*

Litigation	-	-
Other legal matters	99,164	65,783
Total legal costs	99,164	65,783

Note 4I: Other expenses

Penalties - via RO Act or RO Regulations*	-	-
Total other expenses	-	-

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

2018 2017
\$ \$

Note 5 Current Assets

Note 5A: Cash and Cash Equivalents

Cash at bank	248,709	228,180
Cash on hand	1,300	1,300
Short term deposits	2,442,446	2,371,307
Other	-	-
Total cash and cash equivalents	2,692,455	2,600,787

Note 5B: Trade and Other Receivables

Receivables from other reporting unit[s]*

- -

Total receivables from other reporting unit[s]

- -

Less provision for doubtful debts*

- -

Total provision for doubtful debts

- -

Receivable from other reporting unit[s] (net)

- -

Other receivables:

GST receivable	32,874	32,429
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Other trade receivables	134,286	155,014
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Total other receivables	167,160	187,443
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Total trade and other receivables (net)	167,160	187,443
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Note 5C: Other Current Assets

Prepayments	7,100	10,300
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Total other current assets	7,100	10,300
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*As required by the Reporting Guidelines. Item to remain even if 'nil'.

	2018	2017
	\$	\$
Note 6 Non Current Assets		

Note 6A: Plant and equipment

Plant and equipment:

at cost	2,091	2,091
accumulated depreciation	(2,091)	(2,091)
Total plant and equipment	-	-

Reconciliation of Opening and Closing Balances of Plant and Equipment

As at 1 July		
Gross book value	2,091	2,091
Accumulated depreciation and impairment	(2,091)	(2,072)
Net book value 1 July	-	19
Additions:		
By purchase	-	-
From acquisition of entities (including restructuring)	-	-
Impairments	-	-
Depreciation expense	-	19
Other movement [<i>give details below</i>]	-	-
Disposals:		
From disposal of entities (including restructuring)	-	-
Other	-	-
Net book value 30 June	-	-
Net book value as of 30 June represented by:		
Gross book value	2,091	2,091
Accumulated depreciation and impairment	(2,091)	(2,091)
Net book value 30 June	-	-

2018 2017
\$ \$

Note 7 Current Liabilities

Note 7A: Trade payables

Trade creditors and accruals	85,491	70,412
Operating lease rentals	-	-
Subtotal trade creditors	85,491	70,412
Payables to other reporting unit[s]* <i>[list name and amount for each reporting unit]</i>	-	-
Subtotal payables to other reporting unit[s]	-	-
Total trade payables	-	-

Settlement is usually made within 30 days.

Note 7B: Other payables

Wages and salaries	-	-
Superannuation	-	-
Consideration to employers for payroll deductions*	-	-
Legal costs*		
Litigation	-	-
Other legal matters	-	-
Prepayments received/unearned revenue	-	-
GST payable	74,227	77,883
Other	-	-
Total other payables	74,227	77,883

Total other payables are expected to be settled in:

No more than 12 months	74,227	77,883
More than 12 months	-	-
Total other payables	74,227	77,883

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

2018
\$ 2017
\$

Note 8 Provisions

Note 8A: Employee Provisions*

Office Holders:

Annual leave	329,551	268,831
Long service leave	495,116	619,422
Separations and redundancies	-	-
Other	-	-

<i>Subtotal employee provisions—office holders</i>	824,667	888,253
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Employees other than office holders:

Annual leave	72,680	86,991
Long service leave	64,878	41,129
Separations and redundancies	-	-
Other	-	-

<i>Subtotal employee provisions—employees other than office holders</i>	137,558	128,120
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Total employee provisions	962,225	1,016,373
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Current	962,225	1,016,373
Non-Current	-	-
<i>Total employee provisions</i>	962,225	1,016,373

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

	2018 \$	2017 \$
Note 9 Equity		
Note 9A: Funds		
General Fund		
Balance as at start of year	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	-	-
<i>[insert name of individual fund/reserve]</i>		-
Balance as at start of year	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	-	-
Total Reserves	-	-

Note 9B: Other Specific disclosures - Funds*

Compulsory levy/voluntary contribution fund – if invested in assets

<i>[list name of fund or account]</i>	-	-
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Other fund(s) required by rules

<i>[insert name of individual fund and purpose]</i>		
Balance as at start of year	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	-	-

*As required by Reporting Guidelines. Items to be disclosed even if nil.

2018 2017
\$ \$

Note 10 Cash Flow

Note 10A: 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	2,692,455	2,600,786
Balance sheet	2,692,455	2,600,786
Difference	-	-

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

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

Profit/(deficit) for the year	110,860	30,942
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Adjustments for non-cash items

Depreciation/amortisation	-	19
Net write-down of non-financial assets	-	-
Fair value movements in investment property	-	-
Gain on disposal of assets	-	-

Changes in assets/liabilities

(Increase)/decrease in net receivables	20,283	(8,328)
(Increase)/decrease in prepayments	3,201	(4,462)
Increase/(decrease) in supplier payables	11,347	(7,473)
Increase/(decrease) in other payables	125	(2,455)
Increase/(decrease) in employee provisions	(54,148)	(79,584)
Increase/(decrease) in other provisions	-	-
Net cash from (used by) operating activities	91,668	(71,341)

Note 10B: Cash flow information*

Cash inflows

The Amalgamated AWU (SA) State Union	200,000	200,000
Total cash inflows	200,000	200,000

Cash outflows

The Amalgamated AWU (SA) State Union	(210,000)	(220,909)
Total cash outflows	(210,000)	(220,909)

2018	2017
\$	\$

Note 11 Contingent Liabilities, Assets and Commitments

Note 11A: Commitments and Contingencies

Operating lease commitments—as lessee

Office Equipment leases

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

Within one year	11,729	14,821
After one year but not more than five years	17,433	3,188
More than five years	-	-
	29,162	18,009

Note 12 Related Party Disclosures

Note 12A: Related Party Transactions for the Reporting Period

Officer	Related Party	Reason	Amount
Peter Lamps	Amalgamated AWU (SA) State Union	Wages	6,150
		Superannuation	615
	IRCC	Board Industrial Relations Consultative	440
		Attend Board Meetings (per Annum)	440
	Mining & Quarry OHS Council	Casual Admin Work @	
	Stacey Lamps	Award wages	21,340
		Superannuation	2,134
Wayne Hanson	Adelaide Cemeteries Authority	Board Fees	1,920
		Superannuation	195
	Marcus Hanson	Son	0
Frank Mateos	Amalgamated AWU (SA) State Union	Wages	6,150
		Superannuation	615
Joseph Kane	Amalgamated AWU (SA) State Union	Wages	6,150
		Superannuation	615
	CITB (proxy)	Board Fees	0
Gary Henderson	Amalgamated AWU (SA) State Union	Wages	6,150
		Superannuation	615
	CITB	Accommodation and non cash benefit	1,000
		Board Fees	2,456
	Thoroughbred Racing SA	Industry Entry Pass (per Meeting)	20
Leanne Ware	Stacy Lopresto	Daughter	0
Stacy Lopresto	Leanne Ware	Mother	0
Michael Hopgood	Amalgamated AWU (SA) State Union	Wages	6,150
		Superannuation	615
	Lynda Hopgood	Cleaner	5,200
Scott Martin	Amalgamated AWU (SA) State Union	Wages	6,150
		Superannuation	615
	Shirley Curtis	Part Time admin work Whyalla Office-01/07/17-5/02/18	24,679
Marcus Hanson	Amalgamated AWU (SA) State Union	Wages	3,548
		Superannuation	353
	Wayne Hanson	Father	0
	Justin Hanson	Brother	0
Nathan Crack	Amalgamated AWU (SA) State Union	Wages	6,150
		Superannuation	615
	Mining & Quarry OHS Council	Copper Conference Ticket institute of Quarrying Aust	220
		Dinner	150
Martin Hilton	Australian Super Steel Division	Accommodation and flights	2,664
Trish Stringer	Amalgamated AWU (SA) State Union	Wages	6,150
		Superannuation	615

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2018, the Australian Workers Union SA Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2017: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

During the year, the Australian Workers Union SA Branch received a management fee of \$200,000 from the Amalgamated AWU (SA) State Union, for services rendered during the year ended 30 June 2018 (2017: \$200,000).

The Australian Workers Union SA Branch has rented office space from Amalgamated AWU (SA) State Union at \$17,500 per month July 17 - June 18. A total of \$210,000 was paid during the year (2017 \$220,909). All motor vehicles are rented from the Amalgamated AWU (SA) State Union. A total of \$157,090 was paid during the year (2017 \$166,909).

All dealings are in the ordinary course of business.

As at 30 June 2018 the Australian Workers Union SA Branch is owed a balance of \$9,996 (30 June 2017 \$27,422) by the Amalgamated AWU (SA) State Union.

The management fee, rental and motor vehicle rental charges and various operating costs met by the Amalgamated AWU (SA) State Union during the year on behalf of the Australian Workers' Union SA Branch have been debited and charged to the loan balance respectively

2018 2017
\$ \$

Note 12B: Key Management Personnel Remuneration for the Reporting Period

Relates to Branch Secretary and Assistant Branch Secretary as in Accordance with the rules of the union, Officials are not deemed to be Key Management Personnel.

Short-term employee benefits		
Salary (including annual leave taken)	212,518	275,608
Annual leave accrued	18,898	23,225
Total short-term employee benefits	<u>231,416</u>	<u>298,833</u>
Post-employment benefits:		
Superannuation	32,944	27,561
Total post-employment benefits	<u>32,944</u>	<u>27,561</u>
Other long-term benefits:		
Long-service leave	9,827	(693)
Total other long-term benefits	<u>9,827</u>	<u>(693)</u>
Total	<u>274,187</u>	<u>325,701</u>

Note 13

Remuneration of Auditors

Value of the services provided		
Financial statement audit services	16,538	10,245
Total remuneration of auditors	<u>16,538</u>	<u>10,245</u>

No other services were provided by the Auditors of the financial statements other than assistance with preparation of the cash flow statement and financial instruments note.

Note 14 Financial Instruments

The Union's financial instruments consist mainly of deposits with banks, receivables and payables.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2018	2017
	\$	\$

Note 14A: Categories of Financial Instruments

Financial Assets

Loans and receivables:		
Cash on Hand	2,692,455	2,602,286
Trade and Other Receivables	174,258	106,580
Total	2,866,713	2,708,866
 <i>Carrying amount of financial assets</i>	2,866,713	2,708,866

Financial Liabilities

Other financial liabilities:		
Trade and Other Payables	159,718	148,245
Total	159,718	148,245
 <i>Carrying amount of financial liabilities</i>	159,718	148,245

Note 14B: Credit Risk

The Committee of Management is responsible for monitoring and managing the company's compliance with its risk management strategy and consists of senior management members. The committee's overall risk management strategy is to assist the union in meeting its financial targets while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the finance committee on a regular basis. These include credit risk policies and future cash flow requirements.

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

	2018 \$	2017 \$
Financial assets		
Trade & Other Receivables	174,258	187,443
Total	174,258	187,443
Financial liabilities		
Trade & Other Payables	159,718	148,245
Total	159,718	148,245

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

	0 to 30 days \$	31 to 60 days \$	61 to 90 days \$	90+ days \$	Total \$
Receivables	174,258	-	-	-	174,258
Total	174,258	-	-	-	174,258

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

	0 to 30 days \$	31 to 60 days \$	61 to 90 days \$	90+ days \$	Total \$
Receivables	187,443	-	-	-	187,443
Total	187,443	-	-	-	187,443

Note 14C: Liquidity Risk

Contractual maturities for financial liabilities 2018

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade & Other Payables	-	159,718	-	-	-	159,718
Total	-	159,718	-	-	-	159,718

Contractual maturities for financial liabilities 2017

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade & Other Payables	-	148,245	-	-	-	148,245
Total	-	148,245	-	-	-	148,245

Note 14D: Market Risk

Interest rate risk

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

The financial instruments that expose the union to interest rate risk are limited to term deposits and cash on hand.

The following table illustrates sensitivities to the union's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

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

	Risk variable	Change in risk variable %	Effect on	
			Profit and loss \$	Equity \$
Interest rate risk	-	[+ 10%]	6184	6184

Sensitivity analysis of the risk that the entity is exposed to for 2017

	Risk variable	Change in risk variable %	Effect on	
			Profit and loss \$	Equity \$
Interest rate risk	-	[+ 10%]	7,177	7,177

Note 15 Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or Commissioner:

- (1) A member of a reporting unit, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

OFFICER DECLARATION STATEMENT

I, Peter Lamps being the Branch Secretary of The Australian Workers' Union South Australian Branch declare that the following activities did not occur during the reporting period ended 30th June 2018.

The reporting unit did not:

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

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive capitation fees from another reporting unit
- receive revenue via compulsory levies
- receive donations or grants
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay any other expense to another reporting unit
- pay compulsory levies
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- pay legal costs relating to litigation
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a receivable with other reporting unit(s)
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund
- provide cash flows to another reporting unit and/or controlled entity
- receive cash flows from another reporting units and/or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Signed by the officer:



Dated: 28th SEPTEMBER 2018