



29 November 2019

Mr Ian Wakefield  
Secretary, Tasmanian Branch  
Australian Workers' Union

Dear Secretary,

**Re: – Australian Workers' Union, Tasmanian Branch - financial report for year ending 30 June 2019 (FR2019/111)**

I refer to the financial report of the Australian Workers' Union, Tasmanian Branch. The documents were lodged with the Registered Organisations Commission (**ROC**) on 31 October 2019.

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

You are not required to take any further action in respect of the report lodged. Please note that the financial report for the year ending 30 June 2020 may be subject to an advanced compliance review.

### **Reporting Requirements**

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

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

Yours faithfully

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

Stephen Kellett  
Financial Reporting  
Registered Organisations Commission

**The Australian Workers Union, Tasmania Branch**

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

**Certificate By Prescribed Designated Officer**

Certificate for the year ended 30<sup>th</sup> June 2019

I Ian Wakefield being the *Branch Secretary* of the *The Australian Workers Union, Tasmania Branch* certify:

- that the documents lodged herewith are copies of the full report for *The Australian Workers' Union, Tasmania Branch* for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on *16<sup>th</sup> September 2019*; and
- that the full report was presented to and approved at the Annual General Meeting held on the *25<sup>th</sup> October 2019* in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer .....

Name of prescribed designated officer      Ian Wakefield

Title of prescribed designated officer:      Branch Secretary

Dated:    31<sup>st</sup> October 20019

# John Harrison Accountants



ACCOUNTANTS, CORPORATE SECRETARIES,  
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## **Independent Audit Report to the Members of Australian Workers' Union - Tasmania Branch**

### **Report on the Audit of the Financial Report**

#### **Opinion**

I have audited the financial report of the Australian Workers' Union - Tasmania Branch which comprises the subsection 255(2A) report, Operating report, Committee of Management Statement, Statement of Financial Position as at 30 June 2019, Statement of Financial Performance, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June 2019 and notes to the financial statements, including a summary of significant accounting policies.

I have conducted the independent audit of the financial statements in order to express an opinion on them to the members of the Australian Workers' Union – Tasmania Branch.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Australian Workers' Union - Tasmania Branch as at 30 June 2019, and its financial performance and its cash flows for the year ended on that date in accordance with:

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

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

#### **Basis for Opinion**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditors 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.

### **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.


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 approved auditor, a member of Australian Society of Certified Practising Accountants and hold a current Public Practice Certificate.

**Report on the Recovery of Wages Activity financial report**

**Opinion on the recovery of wages activity financial report**

I express no opinion in relation to the recovery of wages as in conducting the audit I did not come across any evidence that there was any recovery of wages occurring in either the 2018 or 2019 financial periods and according to the Committee of Management Statement (page 4) and the Fair Work (Registered Organisations) Act 2009 declarations (page 34,) no recovery of wages activity occurred in either the 2018 or 2019 financial periods.



John Harrison

GLENORCHY

131912019

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/64

**AUSTRALIAN WORKERS' UNION – TASMANIA BRANCH**  
**REPORT REQUIRED UNDER SUBSECTION 255(2A)**  
**For the year ended 30 June 2019**

	<b>2018</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>CATEGORIES OF EXPENDITURES</b>		
Remuneration and other employment-related costs and expenses - employees	892,139.23	943,408.15
Advertising	344.88	1,445.88
Operating costs	313,430.88	370,719.71
Donations to political parties	2,000.00	5,000.00
Legal costs	13,480.00	21,331.09

Signature of designated officer:  .....

Name and title of designated officer: Ian Wakefield, Branch Secretary

Dated: 9/9/2019 .....

**THE AUSTRALIAN WORKERS' UNION - TASMANIA BRANCH**  
**OPERATING REPORT**  
**For the year ended 30 June 2019**

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

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

The principal activities during the year have been operation of a trade union, and the renting of property.

The Australian Workers' Union - Tasmania Branch made a net profit of \$691,785 as a result of its activities. (2018: \$83,554)

\$52,580 net profit was as a result of the rental of property activities. (2018: \$68,562)

\$687,275 net profit was as a result of property revaluation. (2018: \$0)

\$48,070 net loss was as a result of trade union activities. (2018: \$14,992 net profit)

There have been no significant changes in the nature of the principal activities during the 2018 or 2019 financial periods.

(ii) **Significant changes in financial affairs**

There were no significant changes in the financial affairs of The Australian Workers' Union - Tasmania Branch during the year.

(iii) **Right of members to resign**

Under section 174 of the Fair Work (Registered Organisations) Act 2009 any member has the right to resign their membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the The Australian Workers' Union - Tasmania Branch.

(iv) **Officers or members who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee**

The committee of management is unaware of any officer or member of the reporting unit who is:

- (i) a trustee of a superannuation entity or an exempt public sector superannuation scheme, or
- (ii) a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

(v) **Number of members**

At the end of the financial year there were 2,831 members. (2018: 2,616)

(vi) **Number of employees**

At the end of the financial year there were 8 employees when measured on a full-time equivalent basis. (2018: 8)

(vii) **Names of Committee of Management members and period positions held during the financial year**

<b>Name</b>	<b>Position</b>	<b>Period</b>
Mr Laurie Gregson	President	1 July 2018 to 30 June 2019
Jill Reid	Vice President	1 July 2018 to 30 June 2019
Mr Ian Wakefield	Branch Secretary	1 July 2018 to 30 June 2019
Mr Robert Flanagan	Assistant Branch Secretary	1 July 2018 to 30 June 2019
Mr Kevin Midson	Committeeman	1 July 2018 to 30 June 2019
Mr Phillip Garth	Committeeman	1 July 2018 to 30 June 2019
Mr Bill Lowe	Committeeman	1 July 2018 to 30 June 2019
Mr Steve Dowling	Committeeman	1 July 2018 to 30 June 2019
Mr Ross Richardson	Committeeman	1 July 2018 to 30 June 2019
Alanah McLean	Committeeman	1 July 2018 to 30 June 2019
Mr Andrew Sutcliffe	Committeeman	1 July 2018 to 30 June 2019

Signature of designated officer:.....  


Name and title of designated officer: Ian Wakefield, Branch Secretary

Dated: 9/6/2019.....



**THE AUSTRALIAN WORKERS' UNION - TASMANIA BRANCH  
COMMITTEE OF MANAGEMENT STATEMENT  
For the year ended 30 June 2019**

On 6<sup>th</sup> September 2019 the Committee of Management of Australian Workers' Union - Tasmania Branch passed the following resolution in relation to the General Purpose Financial Report (GPFR) for the year ended 30th June 2019.

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

Signature of designated officer:  .....

Name and title of designated officer: Ian Wakefield, Branch Secretary

Dated: 9/9/2019 .....

**AUSTRALIAN WORKERS' UNION – TASMANIA BRANCH**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**For the year ended 30 June 2019**

	2018		2019		Notes
	\$	\$	\$	\$	
<b>INCOME</b>					
Membership Contributions	1,301,905.15		1,303,721.06		1.8,10.2
Capitation Fees	0.00		0.00		1.10,10.2
Compulsory Levies	0.00		0.00		1,10,10.2
Interest	27,202.36		27,059.52		1.8
Rental Income	74,727.92		41,747.60		1,13
Board Sitting Fees	818.19		272.73		1,8
Government Grants Received	0.00		0.00		1.8,1,9
Other Grants and Donations	0.00		0.00		1.8
Other Financial Support	0.00		0.00		1.8
Profit on Asset Disposal (Other than Motor Vehicle)	0.00		0.00		1,10
Land & Building Revaluation - (6-6A Lefroy Street)	0.00		687,274.54		1,20,4
Other Income	22,330.30		35,676.95		1.8
<b>TOTAL INCOME</b>		<b>1,426,983.92</b>		<b>2,095,752.40</b>	
<b>EXPENSES</b>					
<b>DIRECT MEMBERSHIP EXPENSES</b>					
AWU Subsidy Transfers	133,215.55		140,343.22		
Contact Centre	3,330.00		7,992.00		
OHS Officer	4,874.64		0.00		
Doubtful Memberships	85,607.34		11,266.41		10,2
Commission Paid	3,844.80		8,111.04		10,3
Affiliation Fees	7,849.46		9,698.59		10,3
Capitation Fees	0.00		0.00		10,3
Membership Computer Software	27,583.16		18,584.88		
Donations	0.00		0.00		
<b>TOTAL DIRECT MEMBERSHIP EXPENSES</b>		<b>266,304.95</b>		<b>195,966.14</b>	
<b>MERCHANDISE COSTS</b>					
Other	12,781.79		28,202.93		
<b>TOTAL MERCHANDISE COSTS</b>		<b>12,781.79</b>		<b>28,202.93</b>	
<b>SHOP STEWARDS &amp; DELEGATES</b>					
Delegates Commission	510.00		390.00		
Delegates Conference	0.00		0.00		
Meeting Expenses	0.00		429.11		
Lost Time & Other Expenses Other	1,027.79		4,815.63		
<b>TOTAL SHOP STEWARDS &amp; DELEGATES</b>		<b>1,537.79</b>		<b>5,634.74</b>	
<b>PAYROLL EXPENSES</b>					
Salaries & Wages	655,834.18		678,499.97		
Superannuation - Employer	90,970.39		95,203.97		
Payroll Tax	49,707.00		53,946.00		
Overnight Expenses - Organisers	11,260.12		13,432.42		
Overnight Expenses – Staff	1,189.38		3,229.23		
Workers Compensation Insurance	7,718.44		0.00		
Entitlements Transfer	0.00		0.00		
Annual Leave Accrual	8,657.54		4,316.69		
Long Service Leave Accrual	-250.68		18,725.06		
<b>TOTAL PAYROLL EXPENSES</b>		<b>825,086.37</b>		<b>867,353.34</b>	
<b>TRAINING &amp; TUITION</b>					
Delegates & Shop Stewards	0.00		14,049.03		
Training Exp	1,321.14		1,570.00		
<b>TOTAL TRAINING &amp; TUITION</b>		<b>1,321.14</b>		<b>15,619.03</b>	

These accounts should be read in conjunction with the notes to the accounts, and the auditor's report.

	2018		2019		
	\$	\$	\$	\$	
<b>OFFICIALS</b>					
Travel Expenses	8,153.49		11,785.20		
National Executive Meeting	3,515.91		0.00		
Branch Executive	8,316.75		10,439.44		
<b>TOTAL OFFICIALS</b>		<b>19,986.15</b>		<b>22,224.64</b>	
<b>MOTOR VEHICLE EXPENSES</b>					
Motor Vehicle Running Costs	43,069.01		51,718.99		
Loss On Disposal	0.00		8,125.01		1.10
Depreciation - Motor Vehicles	27,365.00		27,183.00		1.20
Fringe Benefits Tax	23,983.85		24,335.82		
<b>TOTAL MOTOR VEHICLE EXPENSES</b>		<b>94,417.86</b>		<b>111,362.82</b>	
<b>TELEPHONE EXPENSES</b>					
Telephone Expense	13,384.72		12,761.12		
Depreciation - Telephone	1,690.63		1,375.00		1.20
<b>TOTAL TELEPHONE EXPENSES</b>		<b>15,075.35</b>		<b>14,136.12</b>	
<b>PROPERTY EXPENSES</b>					
Property Land Tax	4,552.50		4,552.50		
Property Rates	9,616.56		10,129.58		
Property Water Services	3,820.61		4,210.91		
Depreciation - Office Furniture & Equip	7,372.37		14,112.99		1.20
<b>TOTAL PROPERTY EXPENSES</b>		<b>25,362.04</b>		<b>33,005.98</b>	
<b>GENERAL EXPENSES</b>					
Advertising	292.25		1,445.88		
Audit	5,200.00		5,300.00		8
Accounting	1,200.00		1,400.00		8
Bank Fees & Charges	2,117.86		2,291.45		
Cab Charge Admin Fee	0.00		6.00		
Commission re Real-estate Agent	5,996.18		4,220.32		
Donations/Sponsorships \$1,000 and under	1,318.19		1,118.19		10.3
Donations/Sponsorships over \$1,000	2,000.00		15,000.00		10.3
Hall Hire	0.00		0.00		
Heating & Lighting	2,264.09		3,725.51		
Industrial Campaigns	4,929.88		5,249.30		
Legal Expenses	13,480.00		21,331.09		10.3
General Insurance	914.87		1,315.52		
Miscellaneous Expenses	9,845.70		9,592.48		
Office Rent	6,364.64		6,704.80		
Realised Loss re Asset Disposal	0.00		0.00		1.10
Repairs & Maintenance	1,110.00		4,722.81		
Staff Fares & Expenses	1,501.50		210.05		
Subscriptions & Registrations	7,084.26		5,949.66		
<b>TOTAL GENERAL EXPENSES</b>		<b>65,619.42</b>		<b>89,583.06</b>	
<b>OFFICE EXPENSES</b>					
Printing & Stationery	14,020.90		15,933.19		
Postage	1,916.57		4,915.25		
<b>TOTAL OFFICE EXPENSES</b>		<b>15,937.47</b>		<b>20,848.44</b>	
<b>TOTAL EXPENSES</b>		<b>1,343,430.33</b>		<b>1,403,967.24</b>	
<b>NET PROFIT/(LOSS)</b>		<b>83,553.59</b>		<b>691,785.16</b>	5

These accounts should be read in conjunction with the notes to the accounts, and the auditor's report.

**AUSTRALIAN WORKERS' UNION – TASMANIA BRANCH**  
**STATEMENT OF FINANCIAL POSITION**  
**As at 30 June 2019**

	2018	2019	Notes
	\$	\$	
<b>CAPITAL</b>			
Opening Accumulated Funds	1,495,284.77	1,578,838.36	1.2
Add Current Year Surplus/(Loss)	83,553.59	4,510.62	
Total Accumulated Funds	1,578,838.36	1,583,348.98	1.2
Revaluation Reserve - Land & Buildings	615,581.55	1,302,856.09	1.20, 4.1
<b>TOTAL CAPITAL</b>	<b>2,194,419.91</b>	<b>2,886,205.07</b>	1.2
<b>REPRESENTED BY:</b>			
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash On Hand	250.00	250.00	
Un-deposited Funds	0.00	0.00	
Commonwealth Bank	3,297.91	20,469.60	
Commonwealth Bank No 2	29,215.04	67,684.81	
Commonwealth Bank No 3 (LSL)	12,947.21	40,883.09	
Commonwealth Bank No 4 (GST)	18,553.09	19,234.34	
Commonwealth Bank No 5 (Car)	41,763.15	2,448.23	
Commonwealth Bank No 6 (Training)	1,036.88	530.35	
Members Equity No 1	8,386.77	986.02	
Members Equity No 5	110,418.51	124,066.04	
Members Equity No 6	143,758.49	97,137.35	
Members Equity Term Deposit (Savings)	458,937.44	477,606.10	
Members Equity Term Deposit (LSL)	384,845.95	384,845.95	
Un-paid Memberships	204,168.07	226,561.12	1.3.1.4.1.17
LESS Provision for Doubtful Membership	94,168.07	106,561.12	1.3.1.4.1.17
Collectable Memberships @ amortised cost	110,000.00	120,000.00	1.3.1.4.1.17
Accounts Receivable @ amortised cost	2,564.37	-2,297.00	1.4.1.17
<b>TOTAL CURRENT ASSETS</b>	<b>1,325,974.81</b>	<b>1,353,844.88</b>	
<b>NON-CURRENT ASSETS</b>			
AWU National Loan @ amortised cost	149,249.89	149,249.89	1.4.1.17.7.3
Branch Land & Buildings @ Valuation	785,000.00	1,472,274.54	1.3.4.1.5
Motor Vehicles @ Cost	223,465.29	224,447.92	4.2
LESS Accumulated Depreciation	50,821.00	54,980.00	1.20.4.2
Motor Vehicles @ WDV	172,644.29	169,467.92	4.2
Office Furniture & Equipment @ Cost	189,500.59	189,428.39	4.2
LESS Accumulated Depreciation	169,654.87	171,271.13	1.20.4.2
Office Equipment @ WDV	19,845.72	18,157.26	4.2
Phones @ Cost	19,715.13	20,486.95	4.2
LESS Accumulated Depreciation	13,517.49	14,892.49	1.20.4.2
Phones @ WDV	6,197.64	5,594.46	4.2
<b>TOTAL NON CURRENT ASSETS</b>	<b>1,132,937.54</b>	<b>1,814,744.07</b>	
<b>TOTAL ASSETS</b>	<b>2,458,912.35</b>	<b>3,168,588.95</b>	
<b>LESS LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Net GST Payable	34,904.45	36,406.90	
PAYG Withholding	16,623.00	12,266.00	
Payroll Liability	0.00	0.00	
Superannuation Payable	0.00	0.00	
CBA Business Card	2,481.27	1,515.87	
Sundry Creditors @ amortised cost	29,233.39	27,903.03	
<b>TOTAL CURRENT LIABILITIES</b>	<b>83,242.11</b>	<b>78,091.80</b>	

These accounts should be read in conjunction with the notes to the accounts, and the auditor's report.

	2018		2019		Notes
	\$	\$	\$	\$	
<b>PROVISIONS</b>					
Separation/Redundancy - Office Holder	0.00		0.00		6
Separation/Redundancy - Other	0.00		0.00		6
Separation/Redundancy – TOTAL		0.00		0.00	6
Other Employee Expenses- Office Holder	0.00		0.00		
Other Employee Expenses - Other	0.00		0.00		
Other Employee Expenses – TOTAL		0.00		0.00	
Annual Leave- Office Holder	49,984.62		52,448.07		6
Annual Leave - Other	18,067.15		19,920.39		6
Annual Leave – TOTAL		68,051.77		72,368.46	6
LSL – Office Holder	94,150.96		111,790.29		1.3 6
LSL - Other	19,047.60		20,133.33		1.3. 6
Long Service Leave - TOTAL		113,198.56		131,923.62	6
<b>TOTAL PROVISIONS</b>		<b>181,250.33</b>		<b>204,292.08</b>	
<b>TOTAL LIABILITIES</b>		<b>264,492.44</b>		<b>282,383.88</b>	
<b>NET ASSETS</b>		<b>2,194,419.91</b>		<b>2,886,205.07</b>	

These accounts should be read in conjunction with the notes to the accounts, and the auditor's report.

**AUSTRALIAN WORKERS' UNION – TASMANIA BRANCH**  
**STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 30 June 2019**

	2018		2019	
	\$	\$	\$	\$
<b>RESERVES</b>				
Asset Revaluation Reserve				
Balance at start of period	615,581.55		615,581.55	
Gain from Asset Revaluation	<u>0.00</u>		<u>687,274.54</u>	
<b>Balance at end of period</b>		<b>615,581.55</b>		<b>1,302,856.09</b>
<b>ACCUMULATED EARNINGS</b>				
Balance at start of period	1,495,284.77		1,578,838.36	
Net Profit/(Loss) for the period	83,553.59		691,785.16	
Transfer to Asset Revaluation Reserve	<u>0.00</u>		<u>687,274.54</u>	
<b>Balance at end of period</b>		<b>1,578,838.36</b>		<b>1,583,348.98</b>
<b>TOTAL</b>		<u><b>2,194,419.91</b></u>		<u><b>2,886,205.07</b></u>

These accounts should be read in conjunction with the notes to the accounts, and the auditor's report.

**AUSTRALIAN WORKERS' UNION – TASMANIA BRANCH**  
**STATEMENT OF CASH FLOWS**  
**For the year ended 30 June 2019**

	2018		2019	
	\$	\$	\$	\$
<b>CASH FLOWS FROM OPERATIONS</b>				
Cash Inflows From Operations				
Membership Contributions	1,337,927.59		1,411,700.12	
Other	106,758.27		88,352.46	
	<u>1,444,685.86</u>		<u>1,500,052.58</u>	
Cash Outflows From Operations				
Subsidy To National Office	145,348.68		153,647.59	
Payments To Employees	665,675.68		699,518.62	
Payments of GST re operations	90,653.00		92,422.00	
Other	424,068.82		513,927.73	
	<u>1,325,746.18</u>		<u>1,459,515.94</u>	
<b>NET CASH RE OPERATING ACTIVITIES</b>		<b>118,939.68</b>		<b>40,536.64</b>
<b>CASH FLOWS FROM INVESTING</b>				
Inflows From Investing Activities				
Interest	31,504.07		28,488.19	
Proceeds from Sale of Equipment	0.00		0.00	
Proceeds from Sale of Motor Vehicles	0.00		41,818.19	
Insurance Proceeds	0.00		0.00	
	<u>31,504.07</u>		<u>70,306.38</u>	
Outflows From Investing Activities				
Purchase of Equipment	5,413.19		12,424.53	
Purchase of Telephones	2,320.00		771.82	
Purchase of Motor Vehicles	26,831.96		73,949.83	
Purchase of Building Improvements	0.00		0.00	
	<u>34,565.15</u>		<u>87,146.18</u>	
<b>NET CASH RE INVESTING ACTIVITIES</b>		<b>-3,061.08</b>		<b>-16,839.80</b>
<b>CASH FLOWS FROM FINANCING</b>				
Inflows From Financing Activities				
Mobile Phone Purchase Contract	0.00		0.00	
	<u>0.00</u>		<u>0.00</u>	
Outflows From Financing Activities				
Repayment of Hire Purchase Debt	0.00		0.00	
	<u>0.00</u>		<u>0.00</u>	
<b>NET CASH RE FINANCING ACTIVITIES</b>		<b>0.00</b>		<b>0.00</b>
<b>NET CASH CHANGE FOR YEAR</b>		<b>115,878.60</b>		<b>23,696.84</b>
<b>CASH AT BEGINNING OF FINANCIAL YEAR</b>		<b>1,095,050.57</b>		<b>1,210,929.17</b>
<b>CASH AT END OF FINANCIAL YEAR</b>		<b>1,210,929.17</b>		<b>1,234,626.01</b>

These accounts should be read in conjunction with the notes to the accounts, and the auditor's report.

**AUSTRALIAN WORKERS' UNION – TASMANIA BRANCH**  
**NOTES TO THE STATEMENT OF CASH FLOWS**  
**For the year ended 30 June 2019**

**1. Reconciliation of Cash**

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the balance sheet as follows:

	<b>2018</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Cash and cash equivalents as per Balance Sheet to Cash Flow Statement</b>		
Cash & Cash Equivalents as per:		
Cash Flow Statement	1,210,929.17	1,234,626.01
Balance Sheet	<u>1,210,929.17</u>	<u>1,234,626.01</u>
<b>DIFFERENCE</b>	<u><b>0.00</b></u>	<u><b>0.00</b></u>

**2. Reconciliation of net cash provided by operating activities to operating profit after Income tax**

Operating profit after income tax	83,553.59	691,785.16
<b>ADJUSTMENTS FOR NON OPERATING INCOMES/EXPENSES</b>		
Less Interest Received (Cash Basis)	31,504.07	28,488.19
<b>ADJUSTMENTS FOR NON-CASH ITEMS</b>		
Add Depreciation	36,428.00	42,670.99
Add Loss on Sale of Assets	0.00	8,125.01
Less Gain on Sale of Assets	0.00	0.00
Less Land & Building Revaluation	0.00	687,274.54
Less Building Depreciation Recouped	0.00	0.00
Less Debt Forgiveness	0.00	0.00
<b>CHANGES IN ASSETS/LIABILITIES</b>		
Add Decrease in trade debtors	4,631.76	-5,138.63
Add Increase in trade creditors	11,627.00	-1,330.36
Add Increase in GST Payable	3,188.54	1,502.45
Add Increase in Amounts Withheld from wages	0.00	0.00
Add Increase in Superannuation Payable	0.00	0.00
Add Increase in PAYG	2,608.00	-4,357.00
Add Provision for Annual Leave	8,657.54	4,316.69
Add Provision for Long Service Leave	-250.68	18,725.06
<b>NET CASH FLOW FROM OPERATIONS</b>	<u><b>118,939.68</b></u>	<u><b>40,536.64</b></u>
<b>CASH FLOW INFORMATION</b>		
<b>CASH INFLOWS</b>		
Australian Workers Union – Tasmania Branch	<u>1,476,189.93</u>	<u>1,570,358.96</u>
<b>TOTAL CASH INFLOWS</b>	<u><b>1,476,189.93</b></u>	<u><b>1,570,358.96</b></u>
<b>CASH OUTFLOWS</b>		
Australian Workers Union – Tasmania Branch	<u>1,360,311.33</u>	<u>1,546,662.12</u>
<b>TOTAL CASH OUTFLOWS</b>	<u><b>1,360,311.33</b></u>	<u><b>1,546,662.12</b></u>

These accounts should be read in conjunction with the notes to the accounts, and the auditor's report.



**AUSTRALIAN WORKERS' UNION – TASMANIA BRANCH**  
**RECOVERY OF WAGES ACTIVITY**  
**For the year ended 30 June 2019**

	2018 \$	2019 \$
<b>CASH ASSETS IN RESPECT OF RECOVERED MONEY AT BEGINNING OF YEAR</b>	0.00	0.00
<b>RECEIPTS</b>		
Amounts recovered from employers in respect of wages etc.	0.00	0.00
Interest received on recovered money	0.00	0.00
<b>TOTAL RECEIPTS</b>	<u>0.00</u>	<u>0.00</u>
<b>PAYMENTS</b>		
Deductions of amounts due in respect of membership for:		
12 months or less	0.00	0.00
Greater than 12 months	0.00	0.00
Deductions of donations or other contributions to accounts to accounts or funds of:		
Australian Workers' Union - Tasmania Branch	0.00	0.00
Other reporting unit of the organisation	0.00	0.00
Other entity	0.00	0.00
Deductions of fees or reimbursement of expenses	0.00	0.00
Payments to workers in respect of recovered money	0.00	0.00
<b>TOTAL PAYMENTS</b>	<u>0.00</u>	<u>0.00</u>
<b>CASH ASSETS IN RESPECT OF RECOVERED MONEY AT END OF YEAR</b>	<u>0.00</u>	<u>0.00</u>
Number of workers to which the monies recovered relates to	0	0
<b>AGGREGATE PAYABLES TO WORKERS ATTRIBUTABLE TO RECOVERED MONIES BUT NOT YET DISTRIBUTED</b>		
Payable balance	0.00	0.00
Number of workers the payables relates to	0	0
<b>FUND OR ACCOUNT OPERATED FOR RECOVERY OF WAGES</b>		
No Account Operated	0.00	0.00

These accounts should be read in conjunction with the notes to the accounts, and the auditor's report.

**INDEX TO THE NOTES OF THE FINANCIAL STATEMENTS**

<b>NOTE 1</b>	<b>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</b>
<b>NOTE 2</b>	<b>CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS</b>
<b>NOTE 3</b>	<b>SUBSEQUENT EVENTS.</b>
<b>NOTE 4</b>	<b>NON CURRENT ASSETS</b>
<b>NOTE 5</b>	<b>ABNORMAL OR EXTRAORDINARY EVENTS THAT HAVE HAD A MATERIAL EFFECT UPON THE FINANCIAL STATEMENTS</b>
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<b>NOTE 7</b>	<b>RELATED PARTY DISCLOSURES</b>
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<b>NOTE 12</b>	<b>BUSINESS COMBINATIONS</b>
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# AUSTRALIAN WORKERS' UNION - TASMANIA BRANCH

## NOTES TO AND FORMING PART OF THE 2019 ACCOUNTS

### 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 Worker' Union – Tasmania 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

The following accounting judgements have been identified that have the most significant effect on the amounts recognised in the financial statements.

- i) **Land & Buildings**  
While parts of 6 Lefroy Street are rented out to other entities, as the parts that are rented out cannot be sold separately and the area used by Australian Workers Union – Tasmania Branch is not insignificant the property is not an Investment Property for the purposes of AASB 140.  
That the buildings have a residual value at least equivalent to the amount that the building were worth at the last revaluation.
- ii) **Leave Entitlements**  
That employees are likely to remain with the organisation, and so provision is made for long service leave entitlements each year from when an employee commences employment, rather than from when an employee becomes eligible to receive long service entitlements.

The following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

- i) **Motor Vehicle Written Down Value**  
All motor vehicles have been estimated to have a useful effective life of 8 years with an estimated recoverable amount of \$0 at the end of the 8 years.
- ii) **Doubtful Debts.**  
It has been estimated that \$120,000 of the \$226,561.12 of memberships receivable will be received. This amount is the approximate amount received from employers in a month for amounts withheld from employee wages in the previous month. It is considered to be highly likely that any other memberships receivable will not be received and so provision has been made in the accounts for doubtful debts being the difference between memberships receivable and the memberships likely to be received.

#### 1.4 New Australian Accounting Standards

##### Adoption of New Australian Accounting Standard Requirements

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

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

- AASB 9 Financial Instruments and relevant amending standards, which replaces AASB 139 Financial Instruments: Recognition and Measurement.  
[The impact of applying this standard is discussed further below]
- AASB 2017-1 Amendments to Australian Accounting Standards – Transfers of Investments Property, Annual Improvements 2014-2016 Cycle and other amendments, which clarify certain requirements in:
  - AASB 12 Disclosure of Interests in Other Entities – clarification of scope  
This standard did not have an impact on Australian Workers' Union – Tasmania Branch.

## AUSTRALIAN WORKERS' UNION - TASMANIA BRANCH NOTES TO AND FORMING PART OF THE 2019 ACCOUNTS

- AASB 128 Investments in Associates and Joint Ventures – measuring an associate or joint venture at fair value  
This standard did not have an impact on Australian Workers' Union – Tasmania Branch.
- AASB 140 Investment Property – change in use  
This standard did not have an impact on Australian Workers' Union – Tasmania Branch.
- AASB Interpretation 22 *Foreign Currency Transactions and Advance Considerations*, which clarifies that the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration.  
This standard did not have an impact on Australian Workers' Union – Tasmania Branch.

### Impact on adoption of AASB 9

#### (a) Initial application

AASB 9 *Financial Instruments (AASB 9)* replaces AASB139 *Financial Instruments: Recognition and Measurement (AASB 139)* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Australian Workers' Union – Tasmania Branch has applied AASB 9 retrospectively, with an initial application date of 1 July 2018. The Australian Workers' Union – Tasmania Branch has not restated the comparative information, which continues to be reported under AASB 139. Differences arising from the adoption of AASB 9 have been recognised directly in opening retained earnings and other components of equity as at 1 July 2018. The nature and effect of the changes as a result of adoption of AASB 9 are as follows:

Impact on the statement of financial position (increase/(decrease)):

	Ref adjustments	1 July 2018 \$
Classification and measurement	(i)	0.00
Impairment	(ii)	0.00
Other adjustments	(iii)	0.00
		<u>0.00</u>

	Ref adjustments	1 July 2018 \$
<b>Assets</b>		
Trade and other receivables	(ii)	0.00
Investments in associates	(iii)	0.00
Other non-current assets	(ii)	0.00
<b>Total assets</b>		
Total adjustments on equity		
Retained earnings	(i), (ii) (iii)	0.00
Other components of equity	(i), (ii) (iii)	0.00

The nature of these adjustments are described below.

#### (i) Classification and measurement

Under AASB 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI. The classification is based on two criteria: the Australian Workers' Union – Tasmania Branch business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

## AUSTRALIAN WORKERS' UNION - TASMANIA BRANCH

### NOTES TO AND FORMING PART OF THE 2019 ACCOUNTS

The assessment of the Australian Workers' Union – Tasmania Branch business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets. The classification and measurement requirements of AASB 9 did not have a significant impact to the Australian Workers' Union – Tasmania Branch.

- Trade receivables and other non-current financial assets (i.e., Loan to a related party) previously classified as loans and receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are now classified and measured as debt instruments at amortised cost.
- Quoted debt instruments previously classified as available-for-sale (AFS) financial assets are now classified and measured as debt instruments at fair value through OCI as they failed the SPPI test.
- Equity investments in non-listed companies previously classified as AFS financial assets are now classified and measured as equity instruments designated at FVTOCI. The Australian Workers' Union – Tasmania Branch elected to classify irrevocably its non-listed equity investments under this category as it intends to hold these investments for the foreseeable future. There were no impairment losses recognised in profit or loss for these investments in prior periods.
- Listed equity investments previously classified as AFS financial assets are now classified and measured as financial assets at fair value through profit or loss.

As a result of the change in classification of the Australian Workers' Union – Tasmania Branch listed equity investments, the AFS reserve of \$0 related to those investments that were previously presented under accumulated OCI, was reclassified to retained earnings as at 1 July 2018. The remaining amount of available for sale reserve of \$0 was renamed to the fair value reserve for financial assets at FVTOCI.

The Australian Workers' Union – Tasmania Branch has designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the Australian Workers' Union – Tasmania Branch financial liabilities.

In summary, upon adoption of AASB 9, the Australian Workers' Union – Tasmania Branch applied the following required or elected reclassifications:

1 July 2018	AASB 9 measurement category			
		Fair value through profit or loss	Amortised cost	Fair value through OCI
	\$	\$	\$	\$
<b>AASB 139 measurement category</b>				
<b>Loans and receivables</b>				
Memberships Receivable	204,168.07	94,168.07	110,000.00	0.00
Accounts Receivable	2,564.37	0.00	2,564.37	0.00
AWU National Loan	149,249.89	0.00	149,249.89	0.00
<b>Available for sale</b>				
None	0.00	0.00	0.00	0.00
	<b>261,814.26</b>	<b>0.00</b>	<b>261,814.26</b>	<b>0.00</b>

#### (ii) Impairment loss

The adoption of AASB 9 has fundamentally changed the Australian Workers' Union – Tasmania Branch accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking ECL approach. AASB 9 requires the Australian Workers' Union – Tasmania Branch to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets, i.e. those held at amortised cost and at FVTOCI.

Upon adoption of AASB 9 the Australian Workers' Union – Tasmania Branch recognised additional impairment on the trade receivables and loan receivable from related party of \$0 which resulted in a decrease in retained earnings of the same amount as at 1 July 2018.

Set out below is the reconciliation of the ending impairment allowances in accordance with AASB 139 to the opening loss allowances determined in accordance with AASB 9.

# AUSTRALIAN WORKERS' UNION - TASMANIA BRANCH

## NOTES TO AND FORMING PART OF THE 2019 ACCOUNTS

	Allowance for impairment under AASB 139 as at 30 June 2018	Re-measurement	ECL under AASB 9 as at 1 July 2018
	\$	\$	\$
Trade receivables	94,168.07	0.00	94,168.07
Loan to a related party	0.00	0.00	0.00
	<b>94,168.07</b>	<b>0.00</b>	<b>94,168.07</b>

### (iii) Other adjustments

No other adjustments have had an impact on Australian Workers' Union – Tasmania 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 future reporting periods that are expected to have a future financial impact on Australian Workers' Union – Tasmania Branch include:

#### **AASB 16 Leases (AASB 16)**

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

For NFP entities, AASB 16 will commence from financial years beginning on or after 1 January 2019. Either a full retrospective application or a modified retrospective application is required for AASB 16. The Australian Workers' Union – Tasmania Branch plans to adopt AASB 16 on the required effective date 1 July 2019 of using full retrospective method. AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

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

During the financial year ended 30 June 2019, the Australian Workers' Union – Tasmania Branch performed a preliminary assessment of AASB 16.

As Australian Workers' Union – Tasmania Branch only has short term leases that are of terms of 12 months or less there should not be any impact upon the financial statements.

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

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

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

During the financial year ended 30 June 2019, the Australian Workers' Union – Tasmania Branch performed a preliminary assessment of AASB 1058 and 15.

The Australian Workers' Union – Tasmania Branch generates income from membership contributions, interest on amounts invested in bank accounts and rental income from property that it owns.

Preliminary assessment indicates that the standards shall not have a material impact upon the financial statements.

## AUSTRALIAN WORKERS' UNION - TASMANIA BRANCH NOTES TO AND FORMING PART OF THE 2019 ACCOUNTS

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

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

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

These amendments have no impact on the financial statements of the Australian Workers' Union – Tasmania Branch.

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

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

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

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

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

These amendments will apply only to any future plan amendments, curtailments, or settlements of the Australian Workers' Union – Tasmania Branch.

### **AASB 2017-7 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation**

The amendments clarify that an entity applies AASB 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in AASB 9 applies to such long-term interests.

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

Since the Australian Workers' Union – Tasmania Branch does not have such long-term interests in its associate and joint venture, the amendments will not have an impact on its financial statements.

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

These improvements include:

- **AASB 11 Joint Arrangements**

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in AASB 3. The amendments clarify that the previously held interests in that joint operation are not remeasured.

Amendment applies to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted.

These amendments are currently not applicable to Australian Workers' Union – Tasmania Branch but may apply to future transactions.

- **AASB 123 Borrowing Costs**

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

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

These amendments have no impact on the financial statements of the Australian Workers' Union – Tasmania Branch.

## **1.5 Investment in associates and joint arrangements**

An associate is an entity over which the Australian Workers' Union – Tasmania 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.

## AUSTRALIAN WORKERS' UNION - TASMANIA BRANCH NOTES TO AND FORMING PART OF THE 2019 ACCOUNTS

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 Australian Workers' Union – Tasmania 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.

### 1.6 Basis of consolidation

The financial statements are not consolidated financial statements as the Australian Workers' Union – Tasmania Branch does not have any entities controlled by the Australian Workers' Union – Tasmania Branch. Control is achieved where the Australian Workers' Union – Tasmania Branch has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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

The net book value of assets and or liabilities transferred to Australian Workers' Union – Tasmania 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 Australian Workers' Union – Tasmania 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.

There was no amalgamations in the 2018 or 2019 financial years.

### 1.8 Revenue

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

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

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

Donation income is recognised when it is received.

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

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

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



# AUSTRALIAN WORKERS' UNION - TASMANIA BRANCH

## NOTES TO AND FORMING PART OF THE 2019 ACCOUNTS

### 1.9 Government grants

Government grants are not recognised until there is reasonable assurance that the Australian Workers' Union – Tasmania 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 Australian Workers' Union – Tasmania Branch recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Australian Workers' Union – Tasmania 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 Australian Workers' Union – Tasmania Branch with no future related costs are recognised in profit or loss in the period in which they become receivable.

### 1.10 Gains

#### Sale of assets

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

### 1.11 Capitation fees and levies

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

### 1.12 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 current wage and salary rates.

Other long-term employee benefits which are expected to be settled beyond twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the current wage and salary rates.

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.

### 1.13 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.

### 1.14 Borrowing costs

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

## AUSTRALIAN WORKERS' UNION - TASMANIA BRANCH NOTES TO AND FORMING PART OF THE 2019 ACCOUNTS

### 1.15 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 and Credit Cards are shown within current liabilities on the consolidated statement of financial position.

### 1.16 Financial instruments

Financial assets and financial liabilities are recognised when Australian Workers' Union – Tasmania Branch becomes a party to the contractual provisions of the instrument.

### 1.17 Financial assets

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

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

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

The Australian Workers' Union – Tasmania Branch business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

#### Subsequent measurement

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

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

#### Financial assets at amortised cost

The Australian Workers' Union – Tasmania Branch measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

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

The Australian Workers' Union – Tasmania Branch financial assets at amortised cost includes trade receivables and loans to related parties.

## AUSTRALIAN WORKERS' UNION - TASMANIA BRANCH NOTES TO AND FORMING PART OF THE 2019 ACCOUNTS

### Derecognition

A financial asset is derecognised when:

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

When the Australian Workers' Union – Tasmania Branch has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Australian Workers' Union – Tasmania Branch continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

### Offsetting

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

### Impairment

#### (i) Trade receivables

For trade receivables that do not have a significant financing component, the Australian Workers' Union – Tasmania Branch applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the Australian Workers' Union – Tasmania Branch does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Australian Workers' Union – Tasmania Branch has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

#### (ii) Debt instruments other than trade receivables

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

ECLs are recognised in two stages:

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

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

# AUSTRALIAN WORKERS' UNION - TASMANIA BRANCH

## NOTES TO AND FORMING PART OF THE 2019 ACCOUNTS

### 1.18 Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss. All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Australian Workers' Union – Tasmania Branch's financial liabilities include trade and other payables.

#### Subsequent measurement

##### Financial liabilities at amortised cost

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

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

##### Derecognition

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

### 1.19 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.

### 1.20 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 profit or loss and then 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 and then to asset revaluation reserve 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 either the straight line or diminishing balance 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.

## AUSTRALIAN WORKERS' UNION - TASMANIA BRANCH NOTES TO AND FORMING PART OF THE 2019 ACCOUNTS

Based upon past revaluations and the current real estate market and the condition of the buildings it has been determined that appropriate residual value of Land & Buildings is at least equivalent to the revaluation amount, and so there is no amount of depreciation for building, which is consistent with the prior period accounting policy.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2018	2019
Buildings	100 years	100 years
Motor Vehicles	8 years	8 years
Office Furniture & Equipment	3 to 13.33 years	3 to 13.33 years
Telephones	3 to 10 years	3 to 10 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.

#### 1.21 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.

#### 1.22 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 Australian Workers' Union – Tasmania Branch does not have any intangible assets that are recognizable in the Statement of Financial Position in accordance with AASB 138.

### 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.

#### 1.23 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 Australian Workers' Union – Tasmania Branch were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

#### 1.24 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.

# AUSTRALIAN WORKERS' UNION - TASMANIA BRANCH

## NOTES TO AND FORMING PART OF THE 2019 ACCOUNTS

### 1.25 Taxation

Australian Workers' Union – Tasmania 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, assets and liabilities 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 in accordance with UIG Interpretation 1031 Accounting for the Goods and Services Tax (GST).

### 1.26 Fair value measurement

The Australian Workers' Union – Tasmania 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, if there are any, are disclosed in Note 11.

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 – Tasmania 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 – Tasmania 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 – Tasmania 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 Australian Workers' Union – Tasmania 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.

### 1.27 Going concern

Australian Workers' Union – Tasmania Branch is not reliant on the agreed financial support of any other entity to continue on a going concern basis.

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

# AUSTRALIAN WORKERS' UNION - TASMANIA BRANCH

## NOTES TO AND FORMING PART OF THE 2019 ACCOUNTS

### NOTE 2 CONTINGENT LIABILITIES AND ASSETS

#### 2.1 Commitments and Contingencies

##### 2.1.1 Operating lease commitments – as lessee

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

	<b>2018</b>	<b>2019</b>
Within one year	0.00	0.00
After one year but no more than five years	0.00	0.00
More than five years	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>

##### 2.1.2 Operating lease commitments – as lessor

Rent of Warehouse in North Hobart, CPI increases on 1 February, Monthly renewals/extensions  
 Rent of Offices in North Hobart, CPI increase on 1 February, Monthly renewals/extensions  
 Rent of Offices in Glenorchy, CPI increase on 1 August, Monthly renewals/extensions

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

	<b>2018</b>	<b>2019</b>
Within one year	0.00	0.00
After one year but no more than five years	0.00	0.00
More than five years	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>

##### 2.1.3 Capital commitments

The amount of Capital Commitment still to be paid at 30<sup>th</sup> June 2019 on capital commitments entered into in prior financial periods is \$0.00. (2018: \$0.00)

##### 2.1.4 Finance lease commitments – as lessee

Future Minimum lease payable under non-cancellable finance leases as at 30 June are:

	<b>2018</b>	<b>2019</b>
Within one year	0.00	0.00
After one year but no more than five years	0.00	0.00
More than five years	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>

##### 2.1.5 Finance lease commitments – as lessor

Future Minimum lease payments receivable under non-cancellable finance leases as at 30 June are:

	<b>2018</b>	<b>2019</b>
Within one year	0.00	0.00
After one year but no more than five years	0.00	0.00
More than five years	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>

#### 2.2 Other Contingent Assets or Liabilities (i.e. legal claims)

As at 30 June 2019 The Australian Workers' Union – Tasmania Branch does not have any contingent assets (2018: \$0.00) or contingent liabilities (2018: \$0.00).

# AUSTRALIAN WORKERS' UNION - TASMANIA BRANCH

## NOTES TO AND FORMING PART OF THE 2019 ACCOUNTS

### NOTE 3 SUBSEQUENT EVENTS.

After 30 June 2019, and prior to the signing of the financial statements, the Australian Workers' Union – Tasmania Branch entered into a contract for the sale of the North Hobart property.

As the Glenorchy property had not been leased for some time it was determined that Australian Workers' Union – Tasmania Branch would relocate to the Glenorchy property for the time being.

These events are likely to have a material impact on the financial activities of Australian Workers' Union – Tasmania Branch going forward as unless the funds from the sale of the North Hobart property are used to purchase another property there will not be about \$50,000 less profit from property rental, and about \$28,000 additional interest from investing after settlement of the sale.

### NOTE 4 NON CURRENT ASSETS

#### 4.1 Land and buildings

	2018 \$	2019 \$
Land and buildings:		
fair value	785,000.00	1,472,274.54
accumulated depreciation	0.00	0.00
<b>Total land and buildings</b>	<b>785,000.00</b>	<b>1,472,274.54</b>

#### Reconciliation of the opening and closing balances of land and buildings

	2018 \$	2019 \$
<b>As at 1 July</b>		
Gross book value	785,000.00	785,000.00
Accumulated depreciation and impairment	0.00	0.00
<b>Net book value 1 July</b>	<b>785,000.00</b>	<b>785,000.00</b>
Additions:		
By purchase	0.00	0.00
From acquisition of entities (including restructuring)	0.00	0.00
Revaluations	0.00	687,274.54
Impairments	0.00	0.00
Depreciation expense	0.00	0.00
Other movement <i>[give details below]</i>	0.00	0.00
Disposals:		
From disposal of entities (including restructuring)	0.00	0.00
Other	0.00	0.00
<b>Net book value 30 June</b>	<b>785,000.00</b>	<b>1,472,274.54</b>
<b>Net book value as of 30 June represented by:</b>		
Gross book value	785,000.00	1,472,274.54
Accumulated depreciation and impairment	0.00	0.00
<b>Net book value 30 June</b>	<b>785,000.00</b>	<b>1,472,274.54</b>

The revalued land and buildings consist of Non-Investment Property as a significant proportion of the property is used by the union for its own purposes. Management determined that the property constitutes one class of asset under AASB 13, based on the nature, characteristics and risks of the property.

In July 2019 management entered into a contract for sale of the North Hobart. It was determined that the sale price contracted for adjusted for GST and Costs of selling the property is a fair value of the property as it currently is.



# AUSTRALIAN WORKERS' UNION - TASMANIA BRANCH

## NOTES TO AND FORMING PART OF THE 2019 ACCOUNTS

If land and buildings were measured using the cost model, the carrying amounts would be as follows:

	<b>2018</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Cost	169,418.45	169,418.45
Accumulated depreciation and impairment	0.00	0.00
<b>Net carrying amount</b>	<b><u>169,418.45</u></b>	<b><u>169,418.45</u></b>

### 4.2 Plant and equipment

Motor Vehicles, Office Furniture & Equipment  
and Phones

at cost	432,681.01	434,363.26
accumulated depreciation	233,993.36	241,143.62
<b>Total Plant and equipment</b>	<b><u>198,687.65</u></b>	<b><u>193,219.64</u></b>

Reconciliation of the opening and closing balances of plant and equipment

<b>As at 1 July</b>	<b>2018</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Gross book value	401,489.49	432,681.01
Accumulated depreciation and impairment	200,938.99	233,993.36
<b>Net book value 1 July</b>	<b><u>200,550.50</u></b>	<b><u>198,687.65</u></b>
Additions:		
By purchase	34,565.15	87,146.18
From acquisition of entities (including restructuring)	0.00	0.00
Impairments	0.00	0.00
Depreciation expense	36,428.00	42,670.99
Other movement		
Loss on Disposal	0.00	8,125.01
Disposals:		
From disposal of entities (including restructuring)	0.00	0.00
Other	0.00	41,818.19
<b>Net book value 30 June</b>	<b><u>198,687.65</u></b>	<b><u>193,219.64</u></b>
<b>Net book value as of 30 June represented by:</b>		
Gross book value	432,681.01	434,363.26
Accumulated depreciation and impairment	233,993.36	241,143.62
<b>Net book value 30 June</b>	<b><u>198,687.65</u></b>	<b><u>193,219.64</u></b>

### 4.3 Investment property

<b>Opening balance as at 1 July</b>	0.00	0.00
Additions	0.00	0.00
Net gain from fair value adjustment	0.00	0.00
<b>Closing balance as at 30 June</b>	<b><u>0.00</u></b>	<b><u>0.00</u></b>

As the land and buildings forming part of the Statement of Financial Position consist of areas that are rented to others and a significant area that is used by the Union for its own purposes, in accordance with AASB 114 (10) management does not account for the property as Investment Property.

# AUSTRALIAN WORKERS' UNION - TASMANIA BRANCH

## NOTES TO AND FORMING PART OF THE 2019 ACCOUNTS

### 4.4 Intangibles

	2018	2019
	\$	\$
Computer software at cost:		
internally developed	0.00	0.00
Purchased	0.00	0.00
accumulated amortisation	0.00	0.00
<b>Total intangibles</b>	<b>0.00</b>	<b>0.00</b>

### Reconciliation of the opening and closing balances of intangibles

	2018	2019
	\$	\$
<b>As at 1 July</b>		
Gross book value	0.00	0.00
Accumulated amortisation and impairment	0.00	0.00
<b>Net book value 1 July</b>	<b>0.00</b>	<b>0.00</b>
Additions:		
By purchase	0.00	0.00
From acquisition of entities (including restructuring)	0.00	0.00
Impairments	0.00	0.00
Amortisation	0.00	0.00
Other movements <i>[give details below]</i>	0.00	0.00
Disposals:		
From disposal of entities (including restructuring)	0.00	0.00
Other	0.00	0.00
<b>Net book value 30 June</b>	<b>0.00</b>	<b>0.00</b>
<b>Net book value as of 30 June represented by:</b>		
Gross book value	0.00	0.00
Accumulated amortisation and impairment	0.00	0.00
<b>Net book value 30 June</b>	<b>0.00</b>	<b>0.00</b>

### 4.5 Investments in associates

The Australian Workers' Union – Tasmania Branch does not have any investments in associates.

### 4.6 Other investments

The Australian Workers' Union – Tasmania Branch does not have any investments in associates.

### 4.7 Other non-current assets

Prepayments	0.00	0.00
AWU – National Office Loan @ amortised cost	149,249.89	149,249.89
<b>Total other non-financial assets</b>	<b>149,249.89</b>	<b>149,249.89</b>

## NOTE 5 ABNORMAL OR EXTRAORDINARY EVENTS THAT HAVE HAD A MATERIAL EFFECT UPON THE FINANCIAL STATEMENTS

The only abnormal event that had a material effect upon the financial statements during the 2018 or 2019 Financial Periods was the revaluation of Land and Buildings to the market value determined based upon sale contract for the assets entered into in July 2019. The revaluation amount increased Income by \$687,274.54. If the revaluation had not occurred then the Operating Profit for the 2019 financial year would have been \$4,510.62

# AUSTRALIAN WORKERS' UNION - TASMANIA BRANCH

## NOTES TO AND FORMING PART OF THE 2019 ACCOUNTS

### NOTE 6 SALARY AND EMPLOYEE ENTITLEMENTS

The provision for separation and redundancy benefit payments is recognized when the reporting unit has developed a detailed formal plan for the termination of positions as part of a broader restructuring plan. As there is no current restructuring plan for termination of positions there is no balance in the provision.

The provision for employee entitlements to Annual Leave represents the amount which the Union has a present obligation to pay resulting from employees services provided up to the balance date. The provision has been calculated at nominal amounts based on the wage and salary rates plus any relevant loadings as at 30th June.

The provision for employee entitlements to Long Service Leave represents the prorated entitlement to long service leave. The entitlement has been calculated at nominal amounts based upon wage and salary rates as at 30th June.

The National Executive adopted a standard disclosure for the rates of pay of elected officials of the Union.

As at 1 July 2019 the following rates of pay apply to the full time elected officials of the Union:

Branch Secretary	\$116,200.00
Assistant Branch Secretary	\$98,600.00
Branch Organiser	\$87,900.00

### NOTE 7 RELATED PARTY DISCLOSURES

#### 7.1 Revenue

		2018	2019
		\$	\$
<b>Branch Executive Members</b>			
	Union Membership Fees	6,218.00 (inclusive of GST)	5,974.00 (inclusive of GST)
<b>AWU National Office</b>			
	Interest re Sale of Murray Street Insurance Refund	5,730.38 0.00	5730.38 698.5

#### 7.2 Expenses

<b>Branch Executive Members</b>			
	Salaries & Wages	317,650.06	317,719.16
	Overnight Allowances	2,400.00	3,240.00
	Superannuation Contributions	57,911.55	59,133.22
	Branch Executive Expenses	4,823.16	4,905.52
	Delegates Commissions	20.00	20.00
	Car Use	0.00	0.00
	Delegates Expenses	241.67	0.00
<b>AWU National Office</b> Level 10, 377-383 Sussex Street SYDNEY NSW 2000	Head Office Fees & Levies	167,547.09 (net of GST)	196,775.17 (net of GST)
<b>AWU W.A.Branch</b> Level 3, 25 Barrack Street PERTH WA 6000	ALCOA Donation	0.00 (net of GST)	10,000.00 (net of GST)
<b>AWU NSW Branch</b> PO BOX 20 GRANVILLE NSW 2142	Accommodation	0.00 (net of GST)	354.55 (net of GST)

# AUSTRALIAN WORKERS UNION - TASMANIA BRANCH

## NOTES TO AND FORMING PART OF THE 2019 ACCOUNTS

### 7.3 Amounts receivable

		2018 \$	2019 \$
<b>AWU National Office</b>	Loan To AWU National Office re Sale of Murray Street	149,249.89	149,249.89
	From 1 Jul 2014 Interest Rate reduced to 3.85%		
	Interest re Loan to AWU National Office	1,428.67	0.00

### 7.4 Amounts owed to

<b>Branch Executive Members</b>	Long Service Entitlements	94,150.96	111,790.29
	Annual Leave Entitlements	49,984.62	52,448.07
<b>AWU National Office</b>	Head Office Fees & Levies	13,605.10 (inclusive of GST)	14,625.96 (inclusive of GST)

### 7.5 Terms and conditions of transactions with related parties.

Sales to and purchases from related parties are made on terms and conditions equivalent to those that prevail in arm's length transactions.

There have been no guarantees provided or received for any related party receivables or payables.

### 7.6 Key management personnel remuneration for the reporting period

	2018 \$	2019 \$
<b>Short-term employee benefits</b>		
Salary (including Annual Leave & Long Service Leave taken)	317,650.06	317,719.16
Annual leave accrued during year	4,208.08	2,463.45
Performance bonus	0.00	0.00
Non-monetary benefits		
Tax value for FBT purposes of vehicles used by employees	24,981.01	25,564.36
<b>Total short-term employee benefits</b>	<b>346,839.15</b>	<b>345,746.96</b>
<b>Post-employment benefits:</b>		
Pension	0.00	0.00
<b>Total post-employment benefits</b>	<b>0.00</b>	<b>0.00</b>
<b>Other long-term benefits:</b>		
Long-service leave accrued during year	(5,285.03)	17,639.33
<b>Total other long-term benefits</b>	<b>(5,285.03)</b>	<b>17,639.33</b>
<b>Termination benefits</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Termination benefits</b>	<b>0.00</b>	<b>0.00</b>
<b>Share-based payment</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Share based payment</b>	<b>0.00</b>	<b>0.00</b>

### 7.7 Transactions with key management personnel and their close family members

Loans to/from key management personnel	0.00	0.00
Other transactions with key management personnel	0.00	0.00

# THE AUSTRALIAN WORKERS' UNION – TASMANIA BRANCH

## NOTES TO AND FORMING PART OF THE 2019 ACCOUNTS

### 7.8 Former related parties

	2018 \$	2019 \$
<b>Cash Benefits</b>		
Remuneration, including Salary & Wage, Leave Loading, Superannuation, Lost Earnings, Travel and Overnight Allowances, Annual Leave Accrual and Long Service Leave Accrual.	0.00	0.00
Other	0.00	0.00
<b>Non-monetary benefits</b>		
Motor Vehicle valued at FBT Taxable Value	0.00	0.00
Other	0.00	0.00
<b>Total Former related parties</b>	<b>0.00</b>	<b>0.00</b>

### NOTE 8 REMUNERATION OF AUDITORS

	2018 \$	2019 \$
Financial Statement Audit Services	5,200.00	5,300.00
Other Services -	1,200.00	1,400.00
<ul style="list-style-type: none"> <li>• Quarterly Business Activity Statement Forms</li> <li>• Employee Final Pay Calculations</li> <li>• Annual Fringe Benefits Tax Return Form</li> <li>• Australian Electoral Commission Return Form</li> <li>• Annual Tasmanian Payroll Tax Form</li> <li>• Employee PAYG Summaries</li> </ul>		
<b>Total Remuneration of auditors</b>	<b>6,400.00</b>	<b>6,700.00</b>

### NOTE 9 FINANCIAL INSTRUMENTS

#### 9.1 General objectives, policies and processes

The Union is exposed to risks that arise from its use of financial instruments. This note describes the union's objectives, policies and processes for managing those risks and the methods used to measure them.

There have been no substantive changes in the union's exposure to financial instrument risk, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The union's financial instruments consist mainly of deposits with banks, receivables and payables. The main risks the union is exposed to through its financial instruments are interest rate risk (see section (e) below), liquidity risk and credit risk.

The Branch Executive has overall responsibility for the determination of the union's risk management objectives and policies and whilst retaining ultimate responsibility for them, the Branch Executive makes investment decisions after considering appropriate advice.

#### 9.2 Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Union.

The Union has no significant concentration of credit risk with any single counterparty or group of counterparties. Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in the Statement of Financial Position.

# THE AUSTRALIAN WORKERS' UNION - TASMANIA BRANCH

## NOTES TO AND FORMING PART OF THE 2019 ACCOUNTS

### 9.3 Liquidity risk

Liquidity risk arises from the possibility that the Union might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Union manages this risk through the following mechanisms:-

- preparing forward looking cash flow, budget analysis in relation to its operational, investing and financing activities
- maintaining a reputable credit profile
- managing credit risk related to financial assets
- investing only in surplus cash with major financial institutions
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets

The union is not significantly exposed to this risk, as at 30 June it had;

	2018 \$	2019 \$
Cash & Term Deposits < 3 months to meet these obligations as they fall due	1,213,410.44	1,236,141.88
Total Current Liabilities <12 months to meet these obligations as they fall due	83,242.11	78,091.80

### 9.4 Market risk

Market risk arises from the use of interest bearing, tradable financial instruments. It is risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or other market factors (other price risk).

### 9.5 Interest rate risk

The Union's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and liabilities are summarized below:

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

Interest rate risk	Risk variable	Change in risk variable %	Effect on	
			Profit and loss \$	Equity \$
Cash & Cash Equivalents	1,235,891.88	+1%	12,358.92	12,358.92
Cash & Cash Equivalents	1,235,891.88	-1%	-12,358.92	-12,358.92

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

Interest rate risk	Risk variable	Change in risk variable %	Effect on	
			Profit and loss \$	Equity \$
Cash & Cash Equivalents	1,213,160.44	+1%	12,131.60	12,131.60
Cash & Cash Equivalents	1,213,160.44	-1%	-12,131.60	-12,131.60

### 9.6 Other price risks

The Union does not have investments in other Financial Instruments such as company shares, puts, calls, derivatives and alike, and so has no direct exposure to other price risks in respect of Financial Instruments.

### 9.7 Foreign exchange risks

The Union does not have direct exposure to any foreign exchange rate risk

# THE AUSTRALIAN WORKERS' UNION - TASMANIA BRANCH

## NOTES TO AND FORMING PART OF THE 2019 ACCOUNTS

### NOTE 10 FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009 DECLARATIONS.

#### 10.1 Recovery of wages activity

During the 2018 and 2019 Financial Years the reporting unit has no recovery of wages activities.

#### 10.2 Receipts

	2018	2019
	\$	\$
a Membership fees (Net of refunds and Doubtful Memberships)	1,216,297.81	1,292,454.65
b Compulsory levies or appeals for voluntary contributions	0.00	0.00
c Grants or donations received	0.00	0.00
d Gain on Disposal of Assets sold for more than \$1,000	0.00	0.00

During the 2018 and 2019 Financial Years the reporting unit has not:

- a received any Capitation Fees
- b charged any compulsory levies or appealed for voluntary contributions
- c received any donations or grants, or
- d received any other financial support from another reporting unit of the organisation.

#### 10.3 Payments

a Payments to employers as consideration for making payroll deductions of membership fees	3,844.80	8,111.04
b Contributions to AWU head office	133,215.55	140,343.22
c Affiliation fees		
Australian Labour Party	7,849.46	9,223.59
d Compulsory levies		
- AWU National – OHS Officer	4,874.64	3,229.23
- AWU National – Contact Centre	3,330.00	7,992.00
- AWU National – share Legal fees	6,179.71	23,053.60
- AWU National – share of Industrial Campaigns	4,585.00	0.00
- AWU National – share of Market Research Costs	2,467.40	0.00
e Donations of \$1,000 or less	1,318.19	1,118.19
Donations over \$1,000		
- Jen Butler – Election Campaign Fund	2,000.00	0.00
- AWU Western Australia – ALCOA Donation	0.00	10,000.00
- Zac Beers – Federal Seat of Flynn - Political Donation	0.00	5,000.00
f Employee benefits to holders of office		
- Salaries & Wages including sick leave paid	271,019.97	290,164.16
- Salaries & Wages Annual Leave Paid	19,129.32	21,874.23
- Salaries & Wages Long Service Leave Paid	21,920.00	0.00
- Separation & Redundancies	0.00	0.00
- Other Employee Expenses	0.00	0.00
- Superannuation	57,911.55	59,133.22
g Employee benefits to employees (other than holders of office)		
- Salaries/Wages including sick leave paid	318,168.22	329,896.78
- Salaries/Wages Annual Leave Paid	13,265.77	23,214.84
- Salaries/Wages Long Service Leave Paid	1,621.15	0.00
- Separation & Redundancies	0.00	0.00
- Other Employee Expenses – Relocation expenses	0.00	0.00
- Superannuation	62,797.63	67,804.91
h Fees or Allowances of representatives in respect of attendances as representatives of the AWU Tasmanian Branch at conferences or other meetings, other than amounts included in e and f.	200.00	680.00
i Legal costs		
- Litigation	0.00	21,206.09
- Other	13,490.00	125.00
j Meeting and Conference costs that are either meetings of members or for which the reporting unit is wholly or partly responsible.	2,557.46	3,717.27
k Penalties imposed under Registered Organisations Act or Regulations	0.00	0.00
l Loss on Disposal of Assets sold for more than \$1,000	0.00	8,125.01
m Employee Out of Pocket Reimbursements over \$1,000		
- Relocation expenses	0.00	0.00
n Net Surplus/(Deficit) transferred to general fund	83,553.59	691,785.16

# THE AUSTRALIAN WORKERS' UNION - TASMANIA BRANCH

## NOTES TO AND FORMING PART OF THE 2019 ACCOUNTS

During the 2018 and 2019 Financial Years the reporting unit has not:

- a paid any Capitation Fees,
- b made any grants under or over \$1,000
- c had any penalties imposed on the organisation under the Registered Organisations Act in respect to the conduct of the reporting unit.

### 10.4 Statement of financial position

	2018	2019
	\$	\$
a Amounts receivable or right to receive cash as a result of one or more transactions and/or past events with another reporting unit of the organisation Australian Workers' Union – National Office	1,428.67	0.00
b Amounts payable or other financial liability as a result of one or more transactions and/or past events with another reporting unit of the organisation Australian Workers' Union – National Office	13,445.60	14,625.96

### 10.5 Liabilities

a Amounts payable to Employers for making Payroll Deductions of Membership Contributions	0.00	0.00
b Amounts payable re legal costs Litigation	0.00	1,099.64
Other legal matters	313.23	0.00
c Amounts payable re employee benefits of office holders		
- Annual Leave	49,984.62	52,448.07
- Long Service Leave Entitlements	94,150.96	111,790.29
d Amounts payable re employee benefits of employees other than office holders		
- Annual Leave	18,067.15	19,920.39
- Long Service Leave Entitlements	19,047.60	20,133.33

### 10.6 Equity

a Balance of the General Fund	2,194,419.91	2,886,205.07
b During the 2018 and 2019 Financial Years the reporting unit has not:		
• operated any funds in respect of compulsory levies, compulsory levies raised by the reporting entity or voluntary contributions collected from members of the reporting unit.		
• invested any funds raised by the reporting entity or voluntary contributions collected from members of the reporting unit in any assets.		
• Been required to operate any funds other than the general fund, the operation of which is required by the rules of the organisation, including the rules of the branch.		
• Made transfers and/or withdrawals to a fund, account or controlled entity when any of these are kept for specific purpose(s) by the reporting unit.		

### 10.7 Cash flow with other reporting units and/or controlled entities

#### Inflows

##### Other Reporting Units

Australian Workers' Union – National Office – Insurance Refund	0.00	768.84
	(GST Inclusive)	(GST Inclusive)
Australian Workers' Union – National Office - Interest	10,032.09	7,159.05
	(GST N/A)	(GST N/A)

##### Controlled Entities

There were no cash inflows from controlled entities in the reporting period.

#### Outflows

##### Other Reporting Units

Australian Workers' Union – National Office – Head Office Maintenance, Levies, Mailing Costs, Insurance Costs, Merchandise, Advertising & CCH subscription	186,316.60	213,719.40
	(GST inclusive)	(GST inclusive)
Australian Workers Union – WA Branch – ALCOA Donation	0.00	10,000.00
	(GST N/A)	(GST N/A)

##### Controlled Entities

There were no cash outflows to controlled entities in the reporting period.



## THE AUSTRALIAN WORKERS' UNION - TASMANIA BRANCH NOTES TO AND FORMING PART OF THE 2019 ACCOUNTS

### 10.8 Going concern

- a Australian Workers' Union – Tasmania Branch is not reliant on the agreed financial support of any other entity to continue on a going concern basis.
- b Australian Workers' Union – Tasmania Branch has not agreed to provide any other entity with financial support to ensure they can continue on a going concern basis.

### 10.9 Other

- a The Australian Workers' Union – Tasmania Branch did not acquire any asset or liability due to an amalgamation under Part 2 of Chapter 3, a restructure of the branches of an organisation, a determination or revocation by the General Manager under subsection 249(1) of the *Fair Work (Registered Organisations) Act 2009*.
- b The Australian Workers' Union – Tasmania Branch did not engage another entity to administer its financial affairs.

## NOTE 11 FAIR VALUE MEASUREMENT

The Australian Workers' Union – Tasmania Branch measures financial instruments, such as, financial assets at fair value through the profit and loss, financial assets at fair value through OCI, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 11.

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 – Tasmania 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 – Tasmania 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 – Tasmania 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 Australian Workers' Union – Tasmania 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.

## THE AUSTRALIAN WORKERS' UNION - TASMANIA BRANCH NOTES TO AND FORMING PART OF THE 2019 ACCOUNTS

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

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

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

The following table contains the carrying amounts and related fair values at amortised cost for the Australian Workers' Union – Tasmania Branch financial assets and liabilities:

	Carrying amount 2018 \$	Fair Value at amortised cost 2018 \$	Carrying amount 2019 \$	Fair Value at amortised cost 2019 \$
<b>Financial Assets</b>				
Cash	250.00	250.00	250.00	250.00
Funds for Deposit	0.00	0.00	0.00	0.00
Cash at Bank	1,213,160.44	1,213,160.44	1,235,891.88	1,235,891.88
Memberships Receivable	110,000.00	110,000.00	120,000.00	120,000.00
Accounts Receivable	2,564.37	2,564.37	-2,297.00	-2,297.00
Loan to AWU National	149,249.89	149,249.89	149,249.89	149,249.89
<b>Total</b>	<b>1,475,224.70</b>	<b>1,475,224.70</b>	<b>1,503,094.77</b>	<b>1,503,094.77</b>
<b>Financial Liabilities</b>				
Credit Card	2,481.27	2,481.27	1,515.87	1,515.87
GST Payable	34,904.45	34,904.45	36,406.90	36,406.90
PAYG Withholding	16,623.00	16,623.00	12,266.00	12,266.00
Payroll Liability	0.00	0.00	0.00	0.00
Superannuation Payable	0.00	0.00	0.00	0.00
Accounts Payable	29,233.39	29,233.39	27,903.03	27,903.03
<b>Total</b>	<b>83,242.11</b>	<b>83,242.11</b>	<b>78,091.80</b>	<b>78,091.80</b>

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

### Fair value hierarchy – 30 June 2019

	Date of valuation	Level 1 \$	Level 2 \$	Level 3 \$
<b>Assets measured at fair value</b>				
Branch Land & Buildings	30 Jun 2019	1,472,274.54		
<b>Total</b>		<b>1,472,274.54</b>	<b>0.00</b>	<b>0.00</b>
<b>Liabilities measured at fair value</b>				
<b>Total</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

The property in North Hobart fair value measurement went from Level 2 in 2018 to Level 1 in 2019.

No other Assets or Liabilities fair values measurements were transferred from any level to another level.

# THE AUSTRALIAN WORKERS' UNION - TASMANIA BRANCH

## NOTES TO AND FORMING PART OF THE 2019 ACCOUNTS

### Fair value hierarchy – 30 June 2018

	Date of valuation	Level 1	Level 2	Level 3
<b>Assets measured at fair value</b>				
Branch Land & Buildings	29 Aug 2016	\$	\$	\$
<b>Total</b>		<b>0.00</b>	<b>785,000.00</b>	<b>0.00</b>
<b>Liabilities measured at fair value</b>				
<b>Total</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

The property in North Hobart fair value measurement went from Level 2 in 2018 to Level 1 in 2019.

No other Assets or Liabilities fair values measurements were transferred from any level to another level.

### NOTE 12 BUSINESS COMBINATIONS

There has not been any subsidiaries or investees either acquired or disposed of during the 2018 or 2019 financial years.

### NOTE 13 ADMINISTRATION OF FINANCIAL AFFAIRS BY A THIRD PARTY

None of the financial affairs of The Australian Workers' Union – Tasmanian Branch during the 2018 or 2019 financial years were administered by a third party.

### NOTE 14 SECTION 272 FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

In accordance with subsection 272(5) of the FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009 the members' attention is drawn to subsections (1), (2) & (3) which are set out below.

#### SECTION 272

#### 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).

### NOTE 15 Trade and Other Receivables

	2018 \$	2019 \$
<b>Receivables from other reporting unit[s]*</b>		
None	0.00	0.00
<b>Total receivables from other reporting unit[s]</b>	<b>0.00</b>	<b>0.00</b>
<b>Less allowance for expected credit losses*</b>		
None	0.00	0.00
<b>Total allowance for expected credit losses</b>	<b>0.00</b>	<b>0.00</b>
<b>Receivable from other reporting unit[s] (net)</b>	<b>0.00</b>	<b>0.00</b>

**THE AUSTRALIAN WORKERS' UNION - TASMANIA BRANCH**  
**NOTES TO AND FORMING PART OF THE 2019 ACCOUNTS**

	<b>2018</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Other receivables:</b>		
GST receivable	0.00	0.00
Other	112,564.37	117,703.00
<b>Total other receivables</b>	<b>112,564.37</b>	<b>117,703.00</b>
<b>Total trade and other receivables (net)</b>	<b>112,564.37</b>	<b>117,703.00</b>

The movement in the allowance for expected credit losses of trade and other receivables is as follows:

At 1 July	94,168.07	94,168.07
Provision for expected credit losses	0.00	12,393.05
Write-off	0.00	0.00
<b>At 30 June</b>	<b>94,168.07</b>	<b>106,561.12</b>