

30 December 2016

Mr Mike Zoetbrood
Secretary, West Australian Branch
The Australian Workers Union

By email: mike.zoetbrood@awuwa.asn.au



Dear Mr Zoetbrood

Re: Lodgement of Financial Statements and Accounts – The Australian Workers Union, West Australian Branch - for year ended 30 June 2016 (FR2016/256)

I refer to the financial report for the West Australian Branch of the Australian Workers Union. The report was lodged with the Fair Work Commission on 19 December 2016.

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

Please note that the financial report for the year ending 30 June 2017 may be subject to an advanced compliance review.¹

Reporting Requirements

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

Should you require further information on the financial reporting requirements of the Act, I may be contacted on (02) [REDACTED] or [REDACTED] or by email at stephen.kellett@fwc.gov.au

Yours sincerely

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Stephen Kellett
Senior Adviser
Regulatory Compliance Branch

¹ The full range of disclosure requirements that may apply can be found itemised on the advanced assessment form available at <https://www.fwc.gov.au/documents/documents/organisations/factsheets/org-financial-report-checklist-advanced.pdf>

From: Mike Zoetbrood [<mailto:mike.zoetbrood@awuwa.asn.au>]
Sent: Monday, 19 December 2016 7:11 PM
To: Orgs
Subject: On CMS FR2016/256 RE AWU WA Financial returns 2015/16
Importance: High

Dear Registrar

Please find attached The Australian Workers' Union WA Branch audited Financial returns for 2015/16 and the Statutory declaration.

Thanks

Mike Zoetbrood
Secretary
The Australian Workers' Union
West Australian Branch

Mob: [REDACTED]
Phone (08) 9221 1686
Fax (08) 9221 1706
Email: mike.zoetbrood@awuwa.asn.au



AWU WA Branch



AWU WA Audited

Financial Statement 2 Stat Return 2015-16 |

**STRONGER
TOGETHER**

WEST AUSTRALIAN BRANCH
PO Box 8122 Perth Business Centre, WA 6849
Level 3, 25 Barrack Street, Perth WA 6000
T: (08) 9221 1686 F: (08) 9221 1706
W: www.wa.awu.net.au E: admin@awuwa.asn.au
ABN 23 613 523 164
MIKE ZOETBROOD Branch Secretary



Fair Work Australia
Registrar
GPO Box 1994
MELBOURNE VIC 3001

Sent via email: orgs@fwc.gov.au

19th December 2016

Dear Sir,

Re: Lodgement of Audited Financial Returns 2015/2016 and Statutory Declaration

Enclosed please find a copy of the audited financial accounts for the West Australian Branch of the AWU for the 2015/2016 financial year.

I certify that these accounts were presented to the Branch executive of the union and accepted at a meeting held Friday 18th November 2016.

The audited accounts were then posted on the WA website on Monday 21st November 2016 following that meeting of the Branch executive.

An Annual General Meeting of the union held on Friday 16th December 2016 endorsed the accounts and instructed me to lodge a copy with the Fair Work Commission in accordance with the Act.

Yours faithfully,

Mike Zoetbrood
BRANCH SECRETARY

mz:hf

Encls.

WESTERN AUSTRALIA

OATHS, AFFIDAVITS AND STATUTORY DECLARATIONS ACT 2005

STATUTORY DECLARATION

I, Michael Zoetbrood, Union Official, of Level 3, 25 Barrack Street, PERTH

{name, address and occupation of person making declaration}

sincerely declare as follows:-

- a) I am the duly appointed Secretary of the Australian Workers' Union, West Australian Branch.
- b) I have placed at the disposal of the Auditor all books and relevant documents in relation to the financial affairs of the union, in respect of the period ended 30 June 2016.
- c) The documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 - dates of such events.

This declaration is true and I know that it is an offence to make a declaration knowing that it is false in a material particular.

This declaration is made under the *Oaths, Affidavits and Statutory Declarations Act 2005*

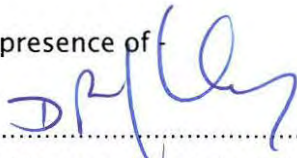
at..... PERTH

{place}

..... 19 DECEMBER 2016

{date}

in the presence of



{Signature of authorised witness}

DUSTIN RAFFERTY

LEGAL PRACTITIONER

{Name of authorised witness and qualification as such a witness}

by..... Michael Zoetbrood

{Signature of person making the declaration}

Australian Workers' Union, West Australian Branch

FINANCIAL STATEMENTS 2015–16

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Independent auditor's report to the members of the Australian Workers' Union West Australian Branch

Report on the financial report

We have audited the accompanying financial report of the Australian Workers' Union West Australian Branch (the Entity), which comprises the statement of financial position as at 30 June 2016, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, notes 1 to 16 comprising a summary of significant accounting policies and other explanatory information and the Committee of Management's statement.

Committee of Management's responsibility for the financial report

The Committee of Management of the Entity is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009* and for such internal control as the Committee of Management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Fair Work (Registered Organisations) Act 2009* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Entity's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Accounting Professional and Ethical Standards Board*.



Auditor's opinion

In our opinion:

- (a) the financial report presents fairly, in all material respects, in accordance with the requirements imposed by the *Fair Work (Registered Organisations) Act 2009*, the financial position of the Australian Workers' Union West Australian Branch as of 30 June 2016 and of its financial performance and its cash flows for the year then ended; and
- (b) the financial report complies with Australian Accounting Standards and the *Fair Work (Registered Organisations) Regulations 2009*.

Report on other regulatory requirements

- (a) In our opinion, the Committee of Management's use of the going concern basis of accounting in the preparation of the financial report is appropriate; and
- (b) I am an approved auditor as defined by Regulation 4 of the *Fair Work (Registered Organisations) Regulations 2009*, a member of the Institute of Chartered Accountants in Australia and hold a current Public Practice Certificate.

KPMG

KPMG

Matthew Beevers

Partner

Qualifications: Chartered Accountant (94498)

Perth

18 November 2016

Australian Workers' Union West Australian Branch

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

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the period year 30 June 2016

I, Mike Zoetbrood being the Branch Secretary of the Australian Workers' Union West Australian Branch certify:

- that the documents lodged herewith are copies of the full report for the **Australian Workers' Union West Australian Branch** for the year ended 30 June 2016 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 18/11/16; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 18/11/16 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer... Mike Zoetbrood

Name of prescribed designated officer: Mike Zoetbrood

Title of prescribed designated officer: Branch Secretary

Dated: 18/11/2016

Australian Workers' Union West Australian Branch

OPERATING REPORT

for the year ended 30 June 2016

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

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 of the reporting unit during the course of the financial year were those of a registered trade union working for the benefit of members through negotiating enterprise bargaining agreements, varying awards, representing members before industrial tribunals, training delegates in workplace organizing, recruitment and the public promotion of the interests of members.

The State Executive of the WA Branch were re-elected in July 2013 un-opposed.

There were no significant changes in the nature of the activities of the reporting unit during the year.

Significant changes in financial affairs

There were no significant changes in the state of affairs of the reporting unit that occurred during the year.

Right of members to resign

AWU Rule 14 – Resigning as a member – provides for resignation of members in accordance with s174 of Schedule 1B of the Fair Work (Registered Organisations) Act 2009.

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

No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such a position is that they are an officer or member of an organisation.

Number of members

The number of persons in the register of members is 7,192 (2015: 7,220)

Number of employees

The Branch employed nineteen full time equivalent employees during the year although a number of these employees did not work for the full financial year.

Other information

The Branch has maintained its affiliation with both the ALP and Unions WA during the financial year.

Australian Workers' Union West Australian Branch

OPERATING REPORT (continued)

for the year ended 30 June 2016

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

The following persons held office through the entire period 1 July 2015 to 30 June 2016 unless otherwise indicated:

<i>A. D. Hacking</i>	<i>Branch President</i>
<i>J. Pascoe</i>	<i>Branch Vice President</i>
<i>M Zoetbrood</i>	<i>Branch Assistant Secretary (01/07/15 – 18/03/16)</i>
<i>M Zoetbrood</i>	<i>Branch Secretary (18/03/16 – 30/06/16)</i>
<i>C. King</i>	<i>Branch Vice President</i>
<i>S. Price</i>	<i>Branch Secretary (01/07/15 – 18/03/16)</i>
<i>B Gandy</i>	<i>Assistant Branch Secretary (18/03/16 – 30/06/16)</i>
<i>P. Hampton</i>	<i>Committee Member</i>
<i>C Ramirez</i>	<i>Committee Member</i>
<i>W. Hope</i>	<i>Committee Member – Alcoa Pinjarra Sub-Branch Secretary</i>
<i>S. Allen</i>	<i>Committee Member – Alcoa Pinjarra Sub-Branch President</i>
<i>S. Price</i>	<i>Committee Member (from 19/03/16)</i>
<i>B Gandy</i>	<i>Committee Member (01/07/15 – 17/03/16)</i>
<i>D. Cullen</i>	<i>Committee Member</i>
<i>N. Pavlovic</i>	<i>Committee Member</i>
<i>T. Gulvin</i>	<i>Committee Member</i>
<i>M. Dixon</i>	<i>Committee Member</i>
<i>D. Solly</i>	<i>Committee Member</i>
<i>D. Connors</i>	<i>Committee Member</i>

Signature of designated officer: *M. Zoetbrood*

Name and title of designated officer: *Mike Zoetbrood, Branch Secretary*

Dated: *18/11/2016*

Australian Workers' Union West Australian Branch

COMMITTEE OF MANAGEMENT STATEMENT

for the year ended 30 June 2016

On the 18/11/2016 the Committee of Management of the Australian Workers' Union West Australian Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2016:

The Committee of Management declares that in its opinion:

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

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

Signature of designated officer: M. Ke. Zestbrood

Name and title of designated officer: M. Ke. Zestbrood Branch Secretary

Dated: 18/11/2016

Australian Workers' Union West Australian Branch
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2016

	Notes	2016 \$	2015 \$
Revenue			
Membership subscription		2,961,293	3,175,530
Capitation fees	3A	-	-
Levies	3B	-	-
Rental revenue	3C	152,681	188,111
Other revenue		231,038	27,960
Total revenue		3,345,012	3,391,601
Other Income			
Grants and/or donations	3D	-	-
Total other income		-	-
Total income		3,345,012	3,391,601
Expenses			
Employee expenses	4A	1,860,356	1,703,877
Capitation fees	4B	357,124	375,151
Affiliation fees	4C	93,063	90,747
Administration expenses	4D	867,166	875,360
Grants or donations	4E	62,087	15,404
Finance costs	4F	12,154	-
Depreciation and amortisation	4G	86,738	92,666
Legal costs	4H	46,445	70,016
Audit and accounting fees	13	75,777	31,968
Write down and impairment of assets	4I	203,615	-
Net losses from sale of assets	4J	5,739	49,180
Other expenses	4K	97,726	87,723
Total expenses		3,767,991	3,392,093
Loss for the year		(422,979)	(492)
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss		-	-
Total comprehensive loss for the year		(422,979)	(492)

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

Australian Workers' Union West Australian Branch
STATEMENT OF FINANCIAL POSITION
as at 30 June 2016

	Notes	2016 \$	2015 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	453,973	424,259
Trade and other receivables	5B	31,115	8,319
Total current assets		485,088	432,578
Non-Current Assets			
Land and buildings - Investment Property	6A	392,779	410,079
Plant & equipment	6B	493,151	495,784
Other investments	6C	346,385	-
Total non-current assets		1,232,315	905,863
Total assets		1,717,403	1,338,441
LIABILITIES			
Current Liabilities			
Trade payables	7A	393,917	286,698
Other payables	7B	167,583	142,808
Employee provisions	8A	473,452	322,036
Other liabilities	8B	66,632	-
Total current liabilities		1,101,584	751,542
Non-Current Liabilities			
Employee provisions	8A	18,167	49,636
Other liabilities	8B	483,368	-
Total non-current liabilities		501,535	49,636
Total liabilities		1,603,119	801,178
Net assets		114,284	537,263
EQUITY			
General funds		(298,134)	124,845
Reserves	9A	412,418	412,418
Total equity		114,284	537,263

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

Australian Workers' Union West Australian Branch
STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2016

	Notes	General funds \$	Reserves \$	Total equity \$
Balance as at 1 July 2014		159,584	378,171	537,755
Loss for the year		(492)	-	(492)
Other comprehensive income for the year		-	-	-
Transfer to/from long service leave reserve	9A	(34,247)	34,247	-
Closing balance as at 30 June 2015		124,845	412,418	537,263
Loss for the year		(422,979)	-	-
Other comprehensive income for the year		-	-	-
Transfer to/from long service leave reserve	9A	-	-	-
Closing balance as at 30 June 2016		(298,134)	412,418	114,284

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

Australian Workers' Union West Australian Branch
CASH FLOW STATEMENT
for the year ended 30 June 2016

	2016	2015
	\$	\$
Notes		
OPERATING ACTIVITIES		
Cash received		
Receipts from other reporting units	10B -	-
Receipts from members	3,305,349	3,211,835
Interest	903	112
Other	337,047	221,485
	<u>3,643,299</u>	<u>3,433,432</u>
Cash used		
Suppliers	(1,465,014)	(1,655,045)
Employees	(1,740,409)	(1,189,620)
Interest	(12,154)	-
Payments to other reporting units	10B (323,464)	(389,459)
Net cash from operating activities	10A <u>102,258</u>	<u>199,308</u>
INVESTING ACTIVITIES		
Cash received		
Proceeds from sale of plant and equipment	<u>1,364</u>	4,000
Cash used		
Purchase of plant and equipment	(73,908)	(156,606)
Purchase of other investments	(550,000)	-
Net cash (used by) investing activities	<u>(622,544)</u>	<u>(152,606)</u>
FINANCING ACTIVITIES		
Cash received		
Loans and borrowings	<u>550,000</u>	-
Net cash from financing activities	<u>550,000</u>	-
Net increase in cash held	<u>29,714</u>	46,702
Cash & cash equivalents at the beginning of the reporting period	<u>424,259</u>	<u>377,557</u>
Cash & cash equivalents at the end of the reporting period	5A <u>453,973</u>	<u>424,259</u>

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

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Note 15	Fair value measurements
Note 16	Section 272 Fair Work (Registered Organisations) Act 2009

Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

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

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

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

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:-

Estimation of useful lives of assets

The entity's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. The useful lives could change significantly as a result of use or some other event. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write off assets that have been abandoned or sold.

Long service leave provision

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date.

Fair value of investments

A number of the reporting unit's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The reporting unit has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the General Manager.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the

third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified. Significant valuation issues are reported to the reporting entity's Audit Committee.

When measuring the fair value of an asset or liability, the reporting entity uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure fair value of an asset or liability to fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The reporting unit recognises transfers between levels of fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 15 Fair Value Measurements.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

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

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

- **AASB 2013-9 *Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments*** contains three main parts and makes amendments to a number of Standards and Interpretations.
 - Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1.
 - Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards.
 - Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 Hedge Accounting into AASB 9 *Financial Instruments*.The nature and effects of the changes required by this standard has no material impact on the financial statements of the reporting unit.
- **AASB 2015-3 *Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality*** completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards.
 - The nature and effects of the changes required by this standard has no material impact on the financial statements of the reporting unit.

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact on Australian Workers' Union, West Australian Branch include AASB 9 *Financial Instruments* and AASB 15 *Revenue from Contracts with Customers*, which become mandatory in the reporting units 2019 financial statements, and AASB 16 *Leases* which will become mandatory in the reporting units 2020 financial statements. The reporting unit does not plan to adopt these standards early and the extent of the impact has not been determined.

1.5 Revenue

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

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

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.

Membership contributions are accounted for on an accruals basis. Memberships paid in advance as at year end, are recorded as deferred income and included as a current liability in the statement of financial position.

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

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

1.6 Gains

Sale of assets

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

1.7 Employee benefits

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

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

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

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

Provision is made for separation and redundancy benefit payments. The reporting unit recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations of 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.

1.8 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.

1.9 Borrowing costs

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

1.10 Cash

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

1.11 Financial instruments

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

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

1.12 Financial assets

Financial assets are classified as financial assets available for sale, or loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Available-for-sale

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

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

Loan and receivables

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

Effective interest method

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

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

Impairment of financial assets

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

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

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

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

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

amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

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

De-recognition of financial assets

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

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in cumulative impairment losses attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

1.13 Financial Liabilities

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

Other financial liabilities

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

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

De-recognition of financial liabilities

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

1.14 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.

1.15 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.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rate (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are as follows:

<u>Class of fixed asset</u>	2016	2015
Land and buildings - Investment Property	50 years	50 years
Plant and equipment	6 – 20 years	6 – 20 years

De-recognition

An item of land, buildings, plant and equipment is de-recognized 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 recognized in the profit and loss.

1.16 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 cost and in accordance with the policies set out in 1.15.

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

1.17 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, West Australian Branch were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.18 Taxation

Australian Workers' Union, West Australian Branch is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligations for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

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

1.19 Fair value measurement

The fair values of financial instruments measured at amortised cost are disclosed in Note 14A.

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

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

The principal or the most advantageous market must be accessible by the Australian Workers' Union, West Australian Branch. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Australian Workers' Union, West Australian Branch uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair

value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Australian Workers' Union, West Australian Branch determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Australian Workers' Union, West Australian 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.

1.20 Going concern

For the year ended 30 June 2016 the Union reported a net deficit of \$422,979 (2015: \$492 deficit) and has a deficit in working capital of \$616,496 (2015: \$318,964).

Executives have prepared a cash flow forecast for the next 12 months which indicates that the Union can meet its debts as and when they fall due. The accounts have been prepared on a going concern basis. No support was received in the current period, but the Executives note that the AWU National Office is required to support the WA Branch under its constitution if required. Under Rule 25 of the National Union's constitution all financial decisions are authorized by the National Executive and therefore it is their responsibility to take action to secure the satisfactory working of any Branch. The Executives also note that the Union holds an investment property with a carrying value significantly lower than its estimated market value which could be utilised to provide working capital either through its sale or as security for borrowings.

No financial support was provided to another reporting unit during the current period.

Note 2 Events after the reporting period

There were no events that occurred after 30 June 2016, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of Australian Workers' Union, West Australian Branch.

	2016	2015
	\$	\$
Note 3 Income		
Note 3A: Capitation fees		
NIL	-	-
Total capitation fees	<u>-</u>	<u>-</u>
Note 3B: Levies		
NIL	-	-
Total levies	<u>-</u>	<u>-</u>
Note 3C: Rental revenue		
Properties	152,661	188,111
Other	-	-
Total rental revenue	<u>152,681</u>	<u>188,111</u>
Note 3D: Grants or donations		
Grants	-	-
Donations	-	-
Total grants or donations	<u>-</u>	<u>-</u>
Note 4 Expenses		
Note 4A: Employee expenses		
Holders of office:		
Wages and salaries	277,415	201,809
Superannuation	35,660	25,878
Leave and other entitlements	56,372	50,503
Separation and redundancies	-	46,380
Other employee expenses	4,882	2,631
Payroll Tax	12,233	9,654
Subtotal employee expenses holders of office	<u>386,562</u>	<u>336,855</u>

	2016	2015
	\$	\$
Note 4A: Employee expenses (continued)		
Employees other than office holders:		
Wages and salaries	1,176,063	1,143,155
Superannuation	144,863	137,159
Leave and other entitlements	65,965	21,569
Separation and redundancies	-	-
Other employee expenses	37,594	25,961
Payroll Tax	49,309	39,178
Subtotal employee expenses employees other than office holders	1,473,794	1,367,022
Total employee expenses	1,860,356	1,703,877

Note 4B: Capitation fees

Capitation fees	357,124	375,151
Total capitation fees	357,124	375,151

Note 4C: Affiliation fees

Australian Labour Party	44,387	43,279
Trades and Labour Council	43,063	41,127
ShopRite	5,613	6,341
Total affiliation fees/subscriptions	93,063	90,747

Note 4D: Administration expenses

Consideration to employers for payroll deductions	-	-
Compulsory levies	21,099	15,754
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	31,205	50,001
Contractors/consultants	-	-
Property expenses	250,808	242,644
Office expenses	167,478	171,916
Information communications technology	6,202	7,157
Travel and accommodation	375,173	373,256
Other	15,201	14,632
Total administration expenses	867,166	875,360

Operating lease rentals:

Minimum lease payments	159,659	161,928
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2016 compulsory levies consist of \$7,248 (GST Exclusive) paid to the AWU National Office for 'BRANCH CONTRIBUTION OF ACTU IR LEVY' and \$8,877 (GST Exclusive) paid to the WA Labour Party for "Campaign contribution levy"

	2016	2015
	\$	\$
Note 4E: Grants or donations		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	3,487	2,404
Total paid that exceeded \$1,000	58,600	13,000
Total grants or donations	62,087	15,404
In-Kind Donations:		
Vehicle Costs	5,987	-
Employee Wages	28,737	-
Total in-kind donations	34,724	-
Note 4F: Finance costs		
Interest paid	12,154	-
Total finance costs	12,154	-
Note 4G: Depreciation and amortisation		
Depreciation		
Land & buildings	17,300	17,300
Property, plant and equipment	69,438	75,366
Total depreciation	86,738	92,666
Total depreciation and amortisation	86,738	92,666
Note 4H: Legal costs		
Litigation	-	34,766
Other legal matters	46,445	35,250
Total legal costs	46,445	70,016
Note 4I: Write down and impairment of assets		
Impairment – available for sale investments – refer note 6C	203,615	-
Total write down and impairment of assets	203,615	-
Note 4J: Net losses from sale of assets		
Motor Vehicles	5,739	49,180
Total net losses from asset sales	5,739	49,180

2016	2015
\$	\$

Note 4K: Other expenses

Penalties - via RO Act or RO Regulations	-	-
Other Expenses	97,727	87,723
Total other expenses	<u>97,727</u>	<u>87,723</u>

Note 5 Current Assets

Note 5A: Cash and Cash Equivalents

Cash at bank	453,582	423,868
Cash on hand	391	391
Total cash and cash equivalents	<u>453,973</u>	<u>424,259</u>

Note 5B: Trade and Other Receivables

Receivables from other reporting unit

AWU National	-	-
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Total receivables from other reporting unit	<u>-</u>	<u>-</u>
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Less provision for doubtful debts

AWU National	-	-
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Total provision for doubtful debts	<u>-</u>	<u>-</u>
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Receivable from other reporting unit (net)	<u>-</u>	<u>-</u>
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Other receivables:

GST receivable from the Australian Taxation Office	-	-
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Other trade receivables	31,115	8,319
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Total other receivables	<u>31,115</u>	<u>8,319</u>
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Total trade and other receivables (net)	<u>31,115</u>	<u>8,319</u>
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2016 2015
\$ \$

Note 6 Non-current Assets

Note 6A: Land and buildings – investment property

Land and buildings:

Cost	865,000	865,000
accumulated depreciation	(472,221)	(454,921)
Total land and buildings – investment property	392,779	410,079

Reconciliation of the Opening and Closing Balances of Land and Buildings – investment property

As at 1 July		
Gross book value	865,000	865,000
Accumulated depreciation and impairment	(454,921)	(437,621)
Net book value 1 July	410,079	427,379
Depreciation expense	(17,300)	(17,300)
Net book value 30 June	392,779	410,079
Net book value as of 30 June represented by:		
Gross book value	865,000	865,000
Accumulated depreciation and impairment	(472,221)	(454,921)
Net book value 30 June	392,779	410,079

The investment property is subject to a registered charge.

Note 6B: Plant and Equipment

Plant and Equipment:

at cost	1,338,066	1,294,763
accumulated depreciation	(844,915)	(798,979)
Total office equipment	493,151	495,784

Reconciliation of the Opening and Closing Balances of Plant and Equipment

As at 1 July		
Gross book value	1,294,763	1,270,159
Accumulated depreciation and impairment	(798,979)	(802,436)
Net book value 1 July	495,784	467,723
Additions:		
By purchase	72,544	156,607
Depreciation expense	(69,438)	(75,366)
Other (Write-offs)	(5,739)	(53,180)
Net book value 30 June	493,151	495,784
Net book value as of 30 June represented by:		
Gross book value	1,338,066	1,294,763
Accumulated depreciation and impairment	(844,915)	(798,979)
Net book value 30 June	493,151	495,784

	2016	2015
	\$	\$

Note 6C: Other Investments

Financial assets – available for sale	346,385	-
Total other investments	346,385	-

75,001 Ordinary Shares in Chifley Financial Services Pty Ltd (16.7% of total Ordinary Shares) were acquired by the AWU WA Branch from Unions NSW on the 24th February 2016.

An impairment expense of \$203,651 has been brought to account during the year with respect to this investment (refer note 4i)

Note 7 Current Liabilities

Note 7A: Trade payables

Trade and other creditors	279,455	205,896
Accrued expenses	20,000	20,000
Subtotal trade creditors	299,455	225,896

Payables to other reporting unit

Payable to AWU – National	94,462	60,802
Subtotal payables to other reporting unit	94,462	60,802

Total trade payables	393,917	286,698
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Settlement is usually made within 30 days.

Note 7B: Other payables

Consideration to employers for payroll deductions	-	-
Legal costs		
Litigation	-	-
Other legal matters	-	-
Prepayments received/unearned revenue	167,583	142,808
Total other payables	167,583	142,808

Total other payables are expected to be settled in:

No more than 12 months	167,583	142,808
More than 12 months	-	-
Total other payables	167,583	142,808

	2016	2015
	\$	\$
Note 8 Provisions and other liabilities		
Note 8A: Employee Provisions		
Office Holders:		
Annual leave	51,993	40,971
Long service leave	157,635	97,302
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—office holders	209,628	138,273
Employees other than office holders:		
Annual leave	152,384	153,769
Long service leave	129,607	79,630
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—employees other than office holders	281,991	233,399
Total employee provisions	491,619	371,672
Current	473,452	322,036
Non-Current	18,167	49,636
Total employee provisions	491,619	371,672
Note 8B: Other liabilities		
Loans and borrowings	550,000	-
Total other liabilities	550,000	-
Current	66,632	-
Non-Current	483,368	-
Total other liabilities	550,000	-

The loans and borrowings are unsecured for a term of 7 years expiring on 30 June 2023 at an interest rate of 5.45% and requires annual repayments (including interest) of \$96,607.

	2016	2015
	\$	\$
Note 9 Reserves		
Note 9A: Funds		
<i>Capital Reserve</i>		
Balance as at start of year	72,749	72,749
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	72,749	72,749
<i>Asset Revaluation Reserve</i>		
Balance as at start of year	237,146	237,146
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	237,146	237,146
This reserve is not available to offset future revaluation decrements in non-current assets.		
<i>Long Service Leave Reserve</i>		
Balance as at start of year	102,523	68,276
Transferred to reserve	-	34,247
Transferred out of reserve	-	-
Balance as at end of year	102,523	102,523
Total Reserves	412,418	412,418

Note 10 Cash Flow

Note 10A: Cash Flow Reconciliation

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

Cash and cash equivalents as per:

Cash flow statement	453,973	424,259
Balance sheet	453,973	424,259
Difference	-	-

	2016	2015
	\$	\$
Note 10A: Cash Flow Reconciliation		
(continued)		
Reconciliation of (deficit) to net cash from operating activities:		
(Deficit) for the year	(422,979)	(492)
Adjustments for non-cash items		
Depreciation/amortisation	86,738	92,666
Impairment of assets	203,615	-
Bad or doubtful debts	(45,769)	49,180
Loss on sale of asset	5,739	-
Changes in assets/liabilities		
Decrease in debtors & prepayments	22,973	5,526
(Decrease)/increase in supplier payables	107,219	9,417
Increase in memberships due in advance	24,775	36,305
(Decrease)/increase in employee benefits	119,947	6,706
Net cash from operating activities	102,258	199,308

Note 10B: Cash flow information

Cash inflows		
AWU – National Office	-	-
Total cash inflows	-	-
Cash outflows		
AWU – National Office	323,464	389,459
Total cash outflows	323,464	389,459

Note 11 Contingent Liabilities, Assets and Commitments

Note 11A: Commitments and Contingencies

Operating lease commitments—as lessee

The AWU WA Branch has contractual commitments in relation to leases for office space in Perth and regional Western Australia as well as for residential accommodation in the North West of Western Australia. The leases typically run for a period of 1 to 5 years, with the main Perth office lease having an option to renew the lease after the date. Lease payments are fixed and are generally non-cancellable.

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

Within one year	160,283	99,507
After one year but not more than five years	609,508	307,121
More than five years	-	-
	769,791	406,628

2016 2015
\$ \$

Note 11A: Commitments and Contingencies (continued)

Operating lease commitments—as lessor

The AWU WA Branch has contractual commitments in relation to leases for office space in East Perth. The leases typically run for a period of 1 to 5 years. Lease payments are fixed and are generally non-cancellable

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

Within one year	163,343	28,787
After one year but not more than five years	90,248	86,301
After five years	-	-
	253,591	115,088

Note 12 Related Party Disclosures

Note 12A: Related Party Transactions for the Reporting Period

Amounts totalling \$98,561 (2015: \$13,481) were received from The Australian Workers' Union West Australian Branch Industrial Union of Workers during the year for reimbursement of expenditure.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

Expenses paid to AWU National Office includes the following:

Rent	-	67,200
Combined head office fees	357,124	375,151

The amount owing to AWU National Office at 30 June 2016 is set out in Note 7A.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

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

Short-term employee benefits

Salary (including annual leave taken)	277,414	201,809
Annual leave accrued	15,036	19,019
Performance bonus	-	-
Other Benefits	4,883	2,631
Total short-term employee benefits	297,333	223,459

	2016	2015
	\$	\$
Note 12B: Key Management Personnel Remuneration for the Reporting Period (continued)		
Post-employment benefits:		
Superannuation	35,660	25,878
Total post-employment benefits	<u>35,660</u>	<u>25,878</u>
Other long-term benefits:		
Long-service leave	14,483	31,484
Total other long-term benefits	<u>14,483</u>	<u>31,484</u>
Termination benefits	-	46,380
Total	<u>-</u>	<u>327,201</u>

Note 13 Remuneration of Auditors

Value of the services provided		
Financial statement audit services – BDO (for FY 2015)	38,277	31,968
Financial statement audit services – KPMG	29,000	-
Financial statement preparation assistance - KPMG	6,000	-
Other assurance services - KPMG	2,500	-
Total remuneration of auditors	<u>75,777</u>	<u>31,968</u>

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

Note 14 Financial Instruments

The Reporting Unit has exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Reporting Unit's exposure to each of the above risks, the Reporting Unit's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

The Committee of Management has overall responsibility for the establishment and oversight of the Reporting Unit's risk management framework and for developing and monitoring risk management policies.

The Reporting Unit's risk management policies are established to identify and analyse the risks faced by the Reporting Unit, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Reporting Unit's activities. The Reporting Unit, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Committee of Management oversees how management monitors compliance with the Reporting Unit's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Reporting Unit.

Note 14A: Categories of Financial Instruments	2016	2015
	\$	\$
Financial Assets		
Loans and receivables:		
Cash and cash equivalents	453,973	424,259
Trade and other receivables	31,115	8,319
Investments	346,385	-
Total	831,473	432,578
	<hr/>	<hr/>
Carrying amount of financial assets	831,473	432,578
	<hr/>	<hr/>
Financial Liabilities		
Other financial liabilities:		
Trade payables	393,917	286,698
Other liabilities	550,000	-
Total	943,917	286,698
	<hr/>	<hr/>
Carrying amount of financial liabilities	943,917	286,698
	<hr/>	<hr/>

Note 14B: Net Income and Expense from Financial Assets

Loans and receivables		
Interest revenue	903	112
Interest expense	(12,154)	-
Net gain/(loss) from loans and receivables	(11,251)	112
Net gain/(loss) from financial assets	(11,251)	112

Note 14C: Credit Risk

Credit risk arises from cash and cash equivalents, investments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. The credit quality of customers is assessed based on past experience, trading history, and other factors. Individual credit limits are set.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised below.

Note 14C: Credit Risk (continued)

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

	2016	2015
	\$	\$
Financial assets		
Cash and cash equivalents	453,973	424,259
Trade and other receivables	31,115	8,319
Investments	346,385	-
Total	<u>831,473</u>	<u>432,578</u>

In relation to the entity's gross credit risk no collateral is held.

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

	Not Past Due Nor Impaired	Past due or impaired	Not Past Due Nor Impaired	Past due or impaired
	2016	2016	2015	2015
	\$	\$	\$	\$
Trade receivables	31,115	-	8,319	-
Total	<u>31,115</u>	<u>-</u>	<u>8,319</u>	<u>-</u>

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

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

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

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

Note 14D: Liquidity Risk

Prudent liquidity risk management involves maintaining sufficient cash reserves. The Union manages liquidity risk by continuously monitoring forecast and actual cash flow. Surplus funds are generally only deposited in savings accounts with offering interest rates.

Note 14D: Liquidity Risk (continued)**Contractual maturities for financial liabilities 2016**

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade Payables	-	393,917	-	-	-	393,917
Other liabilities	-	96,607	96,607	289,820	193,214	676,248
Total	-	490,524	96,607	289,820	193,214	1,070,165

Maturities for financial liabilities 2015

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade payables	-	286,698	-	-	-	286,698
Other liabilities	-	-	-	-	-	-
Total	-	286,698	-	-	-	286,698

Note 14E: Market Risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Reporting Unit's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The reporting units' main interest rate risk arises from cash and cash equivalents, which are at variable rates and denominated in Australian dollars.

Sensitivity analysis of the risk that the entity is exposed to for 2016

	Risk variable	Change in risk variable %	Effect on	
			Profit and loss \$	Equity \$
Interest rate risk	-	[+ 0.5%]	2,270	-
Interest rate risk	-	[- 0.5%]	2,270	-

Sensitivity analysis of the risk that the entity is exposed to for 2015

	Risk variable	Change in risk variable %	Effect on	
			Profit and loss \$	Equity \$
Interest rate risk	-	[+ 0.5%]	2,119	-
Interest rate risk	-	[- 0.5%]	(2,119)	-

Note 15 Fair Value Measurement

Note 15A: Financial Assets and Liabilities

Management of the reporting unit assessed that the fair value of cash, trade receivables, investments and trade payables, and other current liabilities approximate their carrying amounts.

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 value of the entity's level 3 available-for-sale financial assets is derived from reference to the net assets of the entity to which the investment is in.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the reporting entity based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at year-end reporting date the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The following table contains the carrying amounts and related fair values for the reporting unit's financial assets and liabilities:

	Carrying amount 2016 \$	Fair value 2016 \$	Carrying amount 2015 \$	Fair value 2015 \$
Financial Assets				
Cash and cash equivalents	453,973	453,973	424,259	424,259
Trade and other receivables	31,115	31,115	8,319	8,319
Investments	346,385	346,385	-	-
Total	831,473	831,473	432,578	432,578
Financial Liabilities				
Trade payables	393,917	393,917	286,698	286,698
Other payables	167,583	167,583	142,808	142,808
Other liabilities	550,000	550,000	-	-
Total	1,111,500	1,111,500	429,506	429,506

Note 15B: Fair Value Hierarchy

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

Fair value hierarchy – 30 June 2016

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		\$	\$	\$
Investments – available for sale	30 June 2016	-	-	346,385
Total		-	-	346,385

There were no transfers between classes during the ended 30 June 2016.

Note 15C: Reconciliation of Level 3 fair values

	2016	2015
	\$	\$
Balance as at 1 July 2015	-	-
Purchase of Investments available for sale	550,000	-
Impairment	(203,615)	-
Total	346,385	-

Note 15D: Sensitivity Analysis

For the fair values of investments – available for sale, reasonably possible changes at the reporting date, would have the following effects:

	Change in risk variable %	Effect on	
		Profit and loss	Equity
		\$	\$
Net value of the entity to which the investment is	[+20%]	-	69,277
Net value of the entity to which the investment is	[- 20%]	(69,277)	-

Note 16 Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or General Manager:

- (1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

Note 16 Section 272 Fair Work (Registered Organisations) Act 2009 (continued)

(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).