



18 January 2018

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

Sent via email:

Dear Mr Zoetbrood

Re: – The Australian Workers' Union, West Australian Branch - financial report for year ending 30 June 2017 (FR2017/202)

I refer to the financial report of the West Australian Branch of the Australian Workers' Union. The documents were lodged with the Registered Organisations Commission ('the ROC') on 19 December 2017. An amended designated officer's certificate was lodged today.

The financial report has been filed. The financial report was 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.

You are not required to take any further action in respect of the report lodged. However I make the following comments to assist when preparing the next financial report. Please note the financial report for the period ending 30 June 2018 may be subject to an advanced compliance review.

Full report must be signed before being provided to members

The covering letter stated that the full report was posted to the website on 16 November 2017, and presented to an Annual General Meeting on 15 December 2017. The documents posted on the website however were unsigned and incomplete and were not signed until 15 December 2017.

This means the Branch did not comply with the requirement of section 265(5)(a) to provide a copy of the full report at least 21 days before presentation of the report to a general meeting.

The committee of management statement, the operating report and the auditor's report should have been signed at or following the Branch Executive meeting on 10 November 2017. This would have enabled a complete and signed version of the full report to be posted to the website on 16 November, and consequently the Branch would have complied with subsection 265(5).

I note that the amended certificate confirms that the signed full report was provided to the members on 17 January 2018.

In future years please ensure that a signed full report is provided to members within the prescribed time frame.

Disclosure of capitation fees to another reporting unit

Reporting Guideline 16(b) requires that where capitation fees to another reporting unit are paid, both the amount and the name of the reporting unit are to be disclosed in either the Statement of

Comprehensive Income or the notes. Note 4B did not disclose the name of the reporting unit to which capitation was paid.

Reporting Requirements

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

Please note that new Reporting Guidelines will apply to organisations and branches with financial years *commencing* on or after 1 July 2017. Updates and information on the new guidelines will be provided through the ROC website and the [subscription service](#).

Yours faithfully

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
Financial Reporting
Registered Organisations Commission

From: Mike Zoetbrood [mailto:mike.zoetbrood@awuwa.asn.au]
Sent: Thursday, 18 January 2018 4:12 PM
To: KELLETT,Stephen
Subject: RE: AWU WA Branch Report 2016/17 - certificate amended 18 Jan 2018
Importance: High

Dear Mr Kellett

Please find attached the replacement designated officer certificate with the changes as per our discussion.

Thank you for the assistance in rectifying this error.

Regards
Mike



AWU WA
Replacement Designa

The 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 2017

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 2017 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 **17th January 2018**; and
- That the full report was presented to an Annual General Meeting of members of the reporting unit on **15th December 2017** in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer:



Name of prescribed designated officer: Mike Zoetbrood

Title of prescribed designated officer: Branch Secretary

Dated:

18 January 2018

From: Mike Zoetbrood [<mailto:mike.zoetbrood@awuwa.asn.au>]
Sent: Tuesday, 19 December 2017 4:54 PM
To: ROC - Registered Org Commission
Cc: Brad Gandy
Subject: HPRM: On CMS FR2017/202 RE: AWU WA Branch Financial Statement
Importance: High

[FR2017/202](#)

Dear Sir/Madam

Please find attached audited AWU WA Branch Financial Statement, declaration and correspondence.

Thanks

Mike Zoetbrood
Secretary
The Australian Workers' Union
West Australian Branch

Mob: 0428 374 565

Phone (08) 9221 1686

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Email: mike.zoetbrood@awuwa.asn.au

Join now: <https://wa.awu.net.au/join>



  
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**STRONGER
TOGETHER**

WEST AUSTRALIAN BRANCH
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ABN 23 613 523 164
MIKE ZOETBROOD Branch Secretary



Registered Organisations Commission
GPO Box 2983
Melbourne VIC 3001

Sent by email: regorgs@roc.gov.au

19th December 2017

Dear Sir/Madam

RE: Lodgement of AWU WA Branch Audited Financial Returns 2016/17 and Statutory Declaration

Please find attached a copy of the audited financial accounts for the West Australian Branch of The Australian Workers' Union (AWU).

I certify that these accounts were presented to the Branch Executive of the Union and accepted at a meeting held on 10th November 2017.

The audited accounts were then posted on the WA website on 16th November 2017 following the meeting of the Branch Executive.

An Annual General Meeting of the Union was held on 15th December 2017 which endorsed the audited accounts and instructed me to lodge a copy with the Registered Organisations Commission in accordance with the Act.

Yours sincerely

A handwritten signature in blue ink that reads 'M Zoetbrood' with a horizontal line underneath.

Mike Zoetbrood
Branch Secretary
The Australian Workers' Union
West Australian Branch.

WESTERN AUSTRALIA

OATHS, AFFIDAVITS AND STATUTORY DECLARATIONS ACT 2005

STATUTORY DECLARATION

I, Michael Johannes ZOETBROOD, Union Official, of Level 3, 25 Barrack Street, PERTH
sincerely declare as follows:-

1. I am the duly elected Branch Secretary of The Australian Workers' Union, West Australian Branch.
2. I have placed at the disposal of the Auditors all books and relevant documents in relation to the financial affairs of the Union in respect of the period ending 30 June 2017.
3. The documents lodged are copies of the documents provided to members and as presented to the Annual General Meeting in accordance with the Act.

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 2017

{date}

in the presence of -

JRH [Signature]

{Signature of authorised witness}

by..... [Signature]

{Signature of person making the declaration}

..... SOLICITOR c/o LEVEL 5/25 BARRACK ST

..... PERTH WA 6000

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

Australian Workers' Union, West Australian Branch

FINANCIAL STATEMENTS 2016–17

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Independent Auditor's Report

To the members of the Australian Workers' Union West Australian Branch

Opinion

We have audited the **Financial Report** of the Australian Workers' Union West Australian Branch (the Entity).

In our opinion, the accompanying Financial Report presents fairly, in all material respects, the financial position of the Entity as at 30 June 2017, and of its financial performance and its cash flows for the year then ended in accordance with *Australian Accounting Standards* and any requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisation) Act 2009*.

We declare that management's use of the going concern basis of preparation of the Financial Report of the Entity is appropriate.

The **Financial Report** comprises:

- Statement of financial position as at 30 June 2017
- Statement of comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended
- Notes 1 to 16 including a summary of significant accounting policies
- Committee of Management Statement.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Entity 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 our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Restriction on use

The Financial Report has been prepared to assist the members of the Australian Workers' Union West Australian Branch in meeting the financial reporting requirements of the *Fair Work (Registered Organisations) Act 2009*.

As a result, the Financial Report and this Auditor's Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Our report is intended solely for the members of the Australian Workers' Union West Australian Branch and should not be used by parties other than the members of the Australian Workers' Union West Australian Branch. We disclaim any responsibility for any reliance on this report, or on the Financial Report to which it relates, to any person other than the members of the Australian Workers' Union West Australian Branch or for any other purpose than that for which it was prepared.

Other Information

Other Information is financial and non-financial information in Australian Workers' Union West Australian Branch's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Committee of Management is responsible for the Other Information.



Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Committee of Management for the Financial Report

The Committee of Management is responsible for:

- the preparation and fair presentation of the Financial Report in accordance with the financial reporting requirements of Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009*
- implementing necessary internal control to enable the preparation of Financial Report that is free from material misstatement, whether due to fraud or error
- assessing the Entity's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our 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
- to issue an Auditor's Report that includes our 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. They 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 this Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_files/ar4.pdf. This description forms part of our Auditor's Report.

I declare that 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

Matthew Beevers
Partner

Registration number (as registered by the Registered Organisations Commissioner under the *Registered Organisations Act 2009*: AA2017/176

235 St Georges Terrace
Perth, WA, 6000

15 December 2017

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 2017

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 2017 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 15/12/17; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 10/10/17 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer: 

Name of prescribed designated officer: Mike Zoetbrood

Title of prescribed designated officer: Branch Secretary

Dated: 15/12/2017

Australian Workers' Union, West Australian Branch

Operating Report

for the year ended 30 June 2017

The committee presents its report on the reporting unit for the financial year ended 30 June 2017.

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.

As at 30 June 2017, Australian Workers' Union, West Australian Branch has reported a deficiency in net assets of \$102,656 (2016: surplus of \$114,284). The deficiency in net assets includes the Branch's investment property, recorded on a historical cost basis, at its carrying value of \$375,479 (2016: \$392,779). The Branch has engaged an independent valuer which has determined the fair value of the investment property as at 21 March 2017 to be \$2,100,000. Had the Branch adopted a fair value accounting policy for its investment property, its carrying value would have increased by \$1,724,521 and the net assets of the Branch would increase to a surplus of \$1,621,865.

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 7,217 (2016: 7,192).

Number of employees

The Branch employed 24 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 2017

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 2016 to 30 June 2017 unless otherwise indicated:

A. D. Hacking	Branch President
J. Pascoe	Branch Vice President
C. King	Branch Vice President
M. Zoetbrood	Branch Secretary
B. Gandy	Assistant Branch Secretary
D. Cullen	Committee Member
N. Pavlovic	Committee Member
S. Allen	Committee Member – Alcoa Pinjarra Sub-Branch President
W. Hope	Committee Member – Alcoa Pinjarra Sub-Branch Secretary
C Ramirez	Committee Member
D. Solly	Committee Member
D. Connors	Committee Member
T. Gulvin	Committee Member
P. Hampton	Committee Member
B. Ahmed	Committee Member (from 16/12/16)
M. Dixon	Committee Member (01/07/16 – 07/10/16)
S. Price	Committee Member (01/07/16 – 10/03/17)

Signature of designated officer: Mike Zoetbrood

Name and title of designated officer: Mike Zoetbrood Branch Secretary

Dated: 15/12/2017

MZB

Australian Workers' Union, West Australian Branch

Committee Of Management Statement

for the year ended 30 June 2017

On the 15/12/2017 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 2017:

The Committee of Management declares that in its opinion:

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

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

Signature of designated officer: Mike Zoetbrood

Name and title of designated officer: Mike Zoetbrood

Dated: 15/12/2017

Mike Zoetbrood

Australian Workers' Union, West Australian Branch

Statement of Comprehensive Income

for the year ended 30 June 2017

	Notes	2017 \$	2016 \$
Revenue			
Membership subscription		3,231,652	2,961,293
Capitation fees	3A	-	-
Levies	3B	-	-
Rental revenue	3C	153,084	152,681
Other revenue	3D	394,333	231,038
Total revenue		3,779,069	3,345,012
Other income			
Grants and/or donations	3E	-	-
Total other income		-	-
Total income		3,779,069	3,345,012
Expenses			
Employee expenses	4A	2,000,212	1,860,356
Capitation fees	4B	357,100	357,124
Affiliation expenses	4C	96,715	93,063
Administration expenses	4D	896,573	867,166
Grants or donations	4E	26,964	62,087
Finance costs	4F	29,975	12,154
Depreciation and amortisation	4G	102,626	86,738
Legal costs	4H	47,493	46,445
Audit and accounting fees	13	37,500	75,777
Write down and impairment of assets	4I	179,539	203,615
Net losses from sale of assets	4J	11,377	5,739
Other expenses	4K	209,935	97,727
Total expenses		3,996,009	3,767,991
Loss for the year		(216,940)	(422,979)
Other comprehensive income			
Items that will be subsequently reclassified to profit or loss		-	-
Total comprehensive income for the year		(216,940)	(422,979)

The accompanying notes form part of these financial statements

Australian Workers' Union, West Australian Branch

Statement of Financial Position

as at 30 June 2017

	Notes	2017 \$	2016 \$
ASSETS			
Current assets			
Cash and cash equivalents	5A	455,149	453,973
Trade and other receivables	5B	106,744	31,115
Total current assets		561,893	485,088
Non-current assets			
Land and buildings - Investment property	6A	375,479	392,779
Plant & equipment	6B	436,729	493,151
Other investments	6C	166,846	346,385
Total non-current assets		979,054	1,232,315
Total assets		1,540,947	1,717,403
LIABILITIES			
Current liabilities			
Trade payables	7A	643,930	393,917
Other payables	7B	73,791	167,583
Employee provisions	8A	393,113	473,452
Other liabilities	8B	70,263	66,632
Total current liabilities		1,181,097	1,101,584
Non-current liabilities			
Employee provisions	8A	49,227	18,167
Other liabilities	8B	413,279	483,368
Total non-current liabilities		462,506	501,535
Total liabilities		1,643,603	1,603,119
Net assets		(102,656)	114,284
EQUITY			
General funds		(515,074)	(298,134)
Reserves	9A	412,418	412,418
Total equity		(102,656)	114,284

The accompanying notes form part of these financial statements

Australian Workers' Union, West Australian Branch

Statement of Changes in Equity

for the year ended 30 June 2017

	<i>Notes</i>	General funds	Reserves	Total
		\$	\$	\$
Balance as at 1 July 2015		124,845	412,418	537,263
Loss for the year		(422,979)	-	(422,979)
Other comprehensive income for the year		-	-	-
Transfer to/from reserves	9A	-	-	-
Closing balance as at 30 June 2016		<u>(298,134)</u>	<u>412,418</u>	<u>114,284</u>
Loss for the year		(216,940)	-	(216,940)
Other comprehensive income for the year		-	-	-
Transfer to/from reserves	9A	-	-	-
Closing balance as at 30 June 2017		<u>(515,074)</u>	<u>412,418</u>	<u>(102,656)</u>

The accompanying notes form part of these financial statements

Australian Workers' Union, West Australian Branch

Statement of Cash Flows

for the year ended 30 June 2017

	Notes	2017 \$	2016 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units	10B	-	-
Receipts from members		3,454,234	3,305,349
Interest received		-	903
Other		547,417	337,047
		4,001,651	3,643,299
Cash used			
Suppliers		(1,401,818)	(1,465,014)
Employees		(2,049,491)	(1,740,409)
Interest paid		-	(12,154)
Payments to other reporting units	10A	(412,452)	(323,464)
Net cash from operating activities	10B	137,890	102,258
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		14,044	1,364
Cash used			
Purchase of plant and equipment		(54,325)	(73,908)
Purchase of other investments		-	(550,000)
Net cash used by investing activities		(40,281)	(622,544)
FINANCING ACTIVITIES			
Cash received			
Loans and borrowings		(96,433)	550,000
Net cash from (used by)/from financing activities		(96,433)	550,000
Net increase in cash held		1,176	29,714
Cash & cash equivalents at the beginning of the reporting period		453,973	424,259
Cash & cash equivalents at the end of the reporting period	5A	455,149	453,973

The accompanying notes form part of these financial statements

M/SZ

Index to the Notes of the Financial Statements

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Australian Workers' Union, West Australian Branch

Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

The financial statements are Tier 1 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 Financial position and going concern

As at 30 June 2017, Australian Workers' Union, West Australian Branch has reported a deficiency in net assets of \$102,656 (2016: surplus of \$114,284). The deficiency in net assets includes the Branch's investment property, recorded on a historical cost basis, at its carrying value of \$375,479 (2016: \$392,779). The Branch has engaged an independent valuer which has determined the fair value of the investment property as at 21 March 2017 to be \$2,100,000. Had the Branch adopted a fair value accounting policy for its investment property, its carrying value would have increased by \$1,724,521 and the net assets of the Branch would increase to a surplus of \$1,621,865.

For the year ended 30 June 2017, the Branch reported a net deficit of \$216,940 (2016: \$422,979) and has a deficit in working capital of \$619,204 (2016: \$616,496). Included in trade payables as at 30 June 2017 is an amount due to AWU National of \$271,818 (2016: \$94,462).

Executives have prepared a cash flow forecast for the next 12 months which indicates that the Branch 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 authorised by the National Executive and therefore it is their responsibility to take action to secure the satisfactory working of any Branch. As noted above, the Branch holds an investment property with a carrying value significantly lower than its fair value which could be utilised to provide working capital either through its sale or as a security for borrowings.

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

1.3 Comparative amounts

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

1.4 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.

Australian Workers' Union, West Australian Branch

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 Commissioner.

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.

1.5 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 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation* clarify the principle in *AASB 116 Property, Plant and Equipment* and *AASB 138 Intangible Assets* that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, the ratio of revenue generated to total revenue expected to be generated cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

The nature and effects of the changes required by this standard has no material impact on the financial statements of the reporting unit.

- *AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle* clarify certain requirements in:
 - AASB 5 Non-current Assets Held for Sale and Discontinued Operations – Changes in methods of disposal
 - AASB 7 Financial Instruments: Disclosures – servicing contracts; applicability of the amendments to AASB 7 to condensed interim financial statements
 - AASB 119 Employee Benefits – regional market issue regarding discount rate

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- AASB 134 Interim Financial Reporting – disclosure of information 'elsewhere in the interim financial report'

The nature and effects of the changes required by this standard has no material impact on the financial statements of the reporting unit.

- AASB 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101* amends AASB 101 Presentation of Financial Statements to clarify existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying the Standard in determining what information to disclose, where and in what order information is presented in their financial statements. For example the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures.

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 both become mandatory from the reporting unit's 2019 financial statements, and AASB 16 *Leases* which will become mandatory from the reporting unit's 2020 financial statements.

The reporting unit does not plan to adopt these standards early and the extent of the impact has not been determined.

1.6 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.

Referrer fee income is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

1.7 Gains

Sale of assets

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

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1.8 Employee benefits

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

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

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

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

Provision is made for separation and redundancy benefit payments.

The reporting unit recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations 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.

1.9 Leases

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

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

1.10 Borrowing costs

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

1.11 Cash

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

1.12 Financial instruments

Financial assets and financial liabilities are recognised when 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.

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1.13 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.

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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.

1.14 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.

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1.15 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

1.16 Land, Buildings, Plant and Equipment

Asset Recognition Threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

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>	2017	2016
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.

1.17 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

1.18 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.

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

1.20 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.

Australian Workers' Union, West Australian Branch

Note 2 Events after the reporting period

There were no events that occurred after 30 June 2017, 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.

2017	2016
\$	\$

Note 3 Income

Note 3A: Capitation fees

NIL	-	-
Total capitation fees	-	-

Note 3B: Levies

NIL	-	-
Total levies	-	-

Note 3C: Rental revenue

Properties	153,084	152,681
Other	-	-
Total rental revenue	153,084	152,681

Note 3D: Other revenue

Referrer fees	348,383	194,932
Other revenue	45,950	36,106
	394,333	231,038

Note 3E: Grants or donations

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

Australian Workers' Union, West Australian Branch

2017 2016
\$ \$

Note 4 Expenses

Note 4A: Employee expenses

Holders of office:

Wages and salaries	287,425	277,415
Superannuation	32,245	35,660
Leave and other entitlements	30,510	56,372
Separation and redundancies	-	-
Other employee expenses	28,921	4,882
Payroll tax	14,624	12,233
Subtotal employee expenses - holders of office	393,725	386,562

Employees other than office holders:

Wages and salaries	1,234,160	1,176,063
Superannuation	175,855	144,863
Leave and other entitlements	120,927	65,965
Separation and redundancies	-	-
Other employee expenses	12,863	37,594
Payroll tax	62,682	49,309
Subtotal employee expenses - employees other than office holders	1,606,487	1,473,794
Total employee expenses	2,000,212	1,860,356

Note 4B: Capitation fees

Capitation fees	357,100	357,124
Total capitation fees	357,100	357,124

Note 4C: Affiliation fees

Australian Labour Party	34,859	44,387
Trades and Labour Council	50,575	43,063
ShopRite	11,281	5,613
Total affiliation fees/subscriptions	96,715	93,063

Australian Workers' Union, West Australian Branch

	2017	2016
	\$	\$

Note 4D: Administration expenses

Consideration to employers for payroll deductions	-	-
Compulsory levies	17,567	21,099
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	-	31,205
Contractors/consultants	-	-
Property expenses	233,072	250,808
Office expenses	86,936	167,478
Information communications technology	3,970	6,202
Broker Fees	1,916	-
Travel and accommodation	191,913	375,173
Other	361,199	15,201
Total administration expenses	896,573	867,166

Operating lease rentals:

Minimum lease payments	116,713	159,659
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2017 compulsory levies consist of \$8,664 (GST Exclusive) paid to the AWU National Office for 'BRANCH CONTRIBUTION OF ACTU IR LEVY' and \$8,903 (GST Exclusive) paid to the WA Labour Party for "Campaign contribution levy"

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	6,464	3,487
Total paid that exceeded \$1,000	20,500	58,600

Total grants or donations	26,964	62,087
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In-Kind Donations:

Vehicle costs	11,834	5,987
Employee wages	95,806	28,737
Other	4,159	-

Total in-kind donations	111,799	34,724
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Note 4F: Finance costs

Interest paid	29,975	12,154
Total finance costs	29,975	12,154

Australian Workers' Union, West Australian Branch

	2017	2016
	\$	\$

Note 4G: Depreciation and amortisation

Depreciation		
Land and buildings	17,300	17,300
Property, plant and equipment	85,326	69,438
Total depreciation	102,626	86,738
Total depreciation and amortisation	102,626	86,738

Note 4H: Legal costs

Litigation	-	-
Other legal matters	47,493	46,445
Total legal costs	47,493	46,445

Note 4I: Write down and impairment of assets

Impairment - available for sale investments - refer note 6C	179,539	203,615
Total write down and impairment of assets	179,539	203,615

Note 4J: Net losses from sale of assets

Motor vehicles	11,377	5,739
Total net losses from asset sales	11,377	5,739

Note 4K: Other expenses

Penalties - via RP Act or RO Regulations	-	-
Site Levies	54,439	70,986
Bank charges	33,947	16,243
Other expenses	121,549	10,498
Total other expenses	209,935	97,727

Note 5 Current assets

Note 5A: Cash and cash equivalents

Cash at bank	454,758	453,582
Cash on hand	391	391
Total cash and cash equivalents	455,149	453,973

Australian Workers' Union, West Australian Branch

	2017	2016
	\$	\$
Note 5B: Trade and other receivables		
Receivables from other reporting unit		
AWU National	-	-
Total receivables from other reporting unit	-	-
Less provision for doubtful debts		
AWU National	-	-
Total provision for doubtful debts	-	-
Receivables from other reporting unit (net)	-	-
Other receivables:		
GST receivable from the Australian Taxation Office	2,179	-
Other trade receivables	104,565	31,115
Total other receivables	106,744	31,115
Total trade and other receivables (net)	106,744	31,115

Note 6 Non-current assets

Note 6A: Land and buildings – investment property

Land and buildings:		
Cost	865,000	865,000
Accumulated depreciation	(489,521)	(472,221)
Total land and buildings - investment property	375,479	392,779

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	(472,221)	(454,921)
Net book value 1 July	392,779	410,079
Depreciation expense	(17,300)	(17,300)
Net book value 30 June	375,479	392,779
Net book value as of 30 June represented by:		
Gross book value	865,000	865,000
Accumulated depreciation and impairment	(489,521)	(472,221)
Net book value 30 June	375,479	392,779

The investment property is subject to a registered charge

Australian Workers' Union, West Australian Branch

2017 2016
\$ \$

Note 6B: Plant and equipment

Plant and equipment		
At cost	1,358,773	1,338,066
Accumulated depreciation	(922,044)	(844,915)
Total office equipment	436,729	493,151

Reconciliation of the opening and closing balances of Plant and Equipment

As at 1 July		
Gross book value	1,338,066	1,294,763
Accumulated depreciation and impairment	(844,915)	(798,979)
Net book value 1 July	493,151	495,784
Additions:		
By purchase	54,325	72,544
Depreciation expense	(85,326)	(69,438)
Other (Write-offs)	(25,421)	(5,739)
Net book value 30 June	436,729	493,151
Net book value as of 30 June represented by:		
Gross book value	1,358,773	1,338,066
Accumulated depreciation and impairment	(922,044)	(844,915)
Net book value 30 June	436,729	493,151

Note 6C: Other investments

Financial assets - available for sale	166,846	346,385
Total other investments	166,846	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 \$179,539 was brought to account in 2017 year (2016: \$203,651) with respect to this investments (refer note 4).

Note 7 Current liabilities

Note 7A: Trade payables

Trade and other creditors	317,937	279,455
Accrued expenses	54,175	20,000
Subtotal trade creditors	372,112	299,455
Payables to other reporting unit		
Payable to AWU - National	271,818	94,462
Subtotal payables to other reporting unit	271,818	94,462
Total trade payables	643,930	393,917p

Settlement is usually made within 30 days.

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	2017	2016
	\$	\$

Note 7B: Other payables

Consideration to employers for payroll deductions	-	-
Legal costs		
Litigation	-	-
Other legal matters	-	-
Other liabilities	-	-
Prepayments received/unearned revenue	73,791	167,583
Total other payables	73,791	167,583

Total other payables are expected to be settled in:

No more than 12 months	73,791	167,583
More than 12 months	-	-
Total other payables	73,791	167,583

Note 8 Provisions and other liabilities

Note 8A: Employee provisions

Office Holders:

Annual leave	40,872	51,993
Long service leave	80,388	157,635
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions - office holders	121,260	209,628

Employees other than office holders:

Annual leave	180,198	152,384
Long service leave	140,882	129,607
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions - employees other than office holders	321,080	281,991
Total employee provisions	442,340	491,619

Current	393,113	473,452
Non-Current	49,227	18,167
Total employee provisions	442,340	491,619

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	2017	2016
	\$	\$

Note 8B: Other liabilities

Loans and borrowings	483,542	550,000
Total other liabilities	483,542	550,000
Current	70,263	66,632
Non-Current	413,279	483,368
Total other liabilities	483,542	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

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	102,523
Transferred to reserve	-	-
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	455,149	453,973
Balance sheet	455,149	453,973
Difference	-	-

Australian Workers' Union, West Australian Branch

	2017	2016
	\$	\$

Note 10A: Cash flow reconciliation (continued)

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

(Deficit) for the year	(216,940)	(422,979)
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Adjustments for non-cash items:

Depreciation/amortisation	102,626	86,738
Impairment of investments	179,539	203,615
Bad or doubtful debts	-	(45,769)
Interest paid	29,975	-
Loss on sale of asset	11,377	5,739
	106,577	(172,656)

Changes in assets/liabilities:

Change in debtors & prepayments	(75,629)	22,973
Change in supplier payables	250,013	107,219
Change in memberships due in advance	(93,792)	24,775
Change in employee benefits	(49,279)	119,947
Net cash from operating activities	137,890	102,258

Cash inflows	-	-
AWU - National Office	-	-
Total cash inflows	-	-

Cash outflows	-	-
AWU - National Office	412,452	323,464
Total cash outflows	412,452	323,464

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:

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

Within one year	114,321	160,283
After one year but not more than five years	243,915	609,508
More than five years	-	-
Total	358,236	769,791

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2017	2016
\$	\$

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:

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

Within one year	117,026	163,343
After one year but not more than five years	33,272	90,248
More than five years	-	-
Total	150,298	253,591

Note 12 Related party disclosures

Note 12A: Related party transactions for the reporting period

Amounts totalling \$120,040 (2016: \$98,561) 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	50,893	-
Combined head office fees	392,809	357,124

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)	287,425	277,414
Annual leave accrued	22,090	15,036
Performance bonus	-	-
Other benefits	28,921	4,883

Total short-term employee benefits

338,436	297,333
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Post-employment benefits:

Superannuation	32,245	35,660
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Total post-employment benefits

32,245	35,660
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Other long-term benefits:

Long-service leave	8,420	14,483
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Total post-employment benefits

8,420	14,483
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Termination benefits	-	-
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Total

379,101	347,476
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2017	2016
\$	\$

Note 13 Remuneration of auditors

Value of the services provided

Financial statement audit services - BDO (for FY 2015)	-	38,277
Financial statement audit services - KPMG	29,000	29,000
Financial statement preparation assistance - KPMG	6,000	6,000
Other assurance services - KPMG	2,500	2,500
Total remuneration of auditors	37,500	75,777

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

Financial assets

Loans and receivables:

Cash and cash equivalents	455,149	453,973
Trade and other receivables	106,744	31,115
Investments	166,846	346,385
Total	728,739	831,473

Carrying amount of financial assets

728,739	831,473
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2017	2016
\$	\$

Note 14A: Categories of financial instruments (continued)

Financial liabilities

Other financial liabilities:

Trade payables	643,930	393,917
Other payables	73,791	167,583
Other liabilities	483,542	550,000
Total	1,201,263	1,111,500

Carrying amount of financial liabilities

1,201,263	1,111,500
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Note 14B: Net income and expense from financial assets and liabilities

Loans and receivables

Interest revenue	1,295	903
Interest expense	(29,975)	(12,154)
Net gain/(loss) from loans and receivables	(28,680)	(11,251)
Net gain/(loss) from financial assets and liabilities	(28,680)	(11,251)

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.

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

Financial assets

Cash and cash equivalents	455,149	453,973
Trade and other receivables	106,744	31,115
Investments	166,846	346,385
Total	728,739	831,473

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 2017	Past Due or Impaired 2017	Not Past Due Nor Impaired 2016	Past Due or Impaired 2016
	\$	\$	\$	\$
Trade receivables	106,744	-	31,115	-
Total	106,744	-	31,115	-

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Note 14C: Credit risk (continued)

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

	0 to 30 days \$	31 to 60 days \$	61 to 90 days \$	90+ days \$	Total \$
Trade receivables	-	-	-	-	-
Total	-	-	-	-	-

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	-	-	-	-	-

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.

Contractual maturities for financial liabilities 2017

	On demand \$	< 1 year \$	1 - 2 years \$	2 - 5 years \$	> 5 years \$	Total \$
Trade payables	-	643,930	-	-	-	643,930
Other payables	-	73,791	-	-	-	73,791
Other liabilities	-	96,607	96,607	289,820	96,607	579,641
Total	-	814,328	96,607	289,820	96,607	1,297,362

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 payables	-	167,583	-	-	-	167,583
Other liabilities	-	96,607	96,607	289,820	193,214	676,248
Total	-	658,107	96,607	289,820	193,214	1,237,748

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.

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Note 14E: Market risk (continued)

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

Risk variable	Change in risk variable %	Effect on		
		Profit and loss \$	Equity \$	
Interest rate risk	-	[+ 0.5%]	2,276	-
Interest rate risk	-	[- 0.5%]	(2,276)	-

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)	-

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 2017 \$	Fair value 2017 \$	Carrying amount 2016 \$	Fair value 2016 \$
Financial assets				
Cash and cash equivalents	455,149	455,149	453,973	453,973
Trade and other receivables	106,744	106,744	31,115	31,115
Investments	166,846	166,846	346,385	346,385
Total	728,739	728,739	831,473	831,473
Financial liabilities				
Trade payables	643,930	643,930	393,917	393,917
Other payables	73,791	73,791	167,583	167,583
Other liabilities	483,542	483,542	550,000	550,000
Total	1,201,263	1,201,263	1,111,500	1,111,500

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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 2017

	Date of valuation	Level 1 \$	Level 2 \$	Level 3 \$
Investments - available for sale	30 June 2017		-	166,846
Total		-	-	166,846

Fair value hierarchy - 30 June 2016

	Date of valuation	Level 1 \$	Level 2 \$	Level 3 \$
Investments - available for sale	30 June 2016	-	-	346,385
Total		-	-	346,385

There were no transfers between classes during the ended 30 June 2017

Note 15C: Reconciliation of Level 3 fair values

	2017 \$	2016 \$
Balance as at 1 July	346,385	-
Purchase of investments available for sale	-	550,000
Impairment	(179,539)	(203,615)
Total	166,846	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 \$
2017		
Net value of the entity to which the investment is	[+ 20%]	- 33,369
Net value of the entity to which the investment is	[- 20%]	(33,369) -

Change in risk variable %	Effect on	
	Profit and loss \$	Equity \$
2016		
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) -

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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 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).