Australian Government
Registered Organisations Commission

27 July 2017

Ms Michele O'Neil
National Secretary
Textile, Clothing and Footwear Union of Australia

Sent via email: jwestgarth@tcfvic.org.au

cc. Mr Lee Wong, Auditor

Dear Ms O'Neil

Re: Textile, Clothing and Footwear Union of Australia, National Council – financial report for year ending 31 December 2016 (FR2016/391)

I refer to the financial report of the National Council of the Textile, Clothing and Footwear Union of Australia. The documents were lodged with the Registered Organisations Commission ('the ROC') on 22 June 2017.

The financial report has now 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 you when preparing the next financial report. Please note that the financial report for the period ending 31 December 2017 may be subject to an advanced compliance review.

New Format for Auditor's Statement

The Auditing and Assurance Standards Board (AUASB) has released new requirements for auditor reports effective for financial reporting periods ending on or after 15 December 2016. The Auditor's Statement for the organisation/branch was not prepared in accordance with the new format required by ASA 700 *Forming an Opinion and Reporting on a Financial Report*.

The auditor's statement in relation to next year's financial report must be prepared in accordance with ASA 700.

Non-compliance with previous request

While we filed last year's financial report, we raised the following issue for the reporting unit to address in the preparation of future financial reports, namely, the proper addressee of the auditor's report. The same error identified in the 2015 auditor's report re-appeared in the 2016 auditor's report. The auditor's report should be addressed to the members of the Union, not to the committee of management.

The ROC aims to assist reporting units in complying with their obligations under the RO Act and Reporting Guidelines by providing advice about the errors identified in financial reports. I have today discussed both matters with the auditor and understand the 2017 auditor's report will comply with the requirements. Please note that failure to address issues that are identified may lead to the Commissioner exercising his powers under section 330 of the RO Act.

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.

If you have any queries regarding this letter, please contact me via email at stephen.kellett@roc.gov.au.

Yours faithfully

Stephen Kellett

Stephen Kellett
Financial Reporting
Registered Organisations Commission

From: KELLETT,Stephen
Sent: Thursday, 27 July 2017 12:04 PM
To: 'jwestgarth@tcfvic.org.au'
Subject: Attention Ms Michele O'Neil - financial reporting - TCFUA National - y/e 31 Dec 2016 - filing [SEC=UNCLASSIFIED]

Dear Ms Westgarth,

Please see attached my letter in relation to the above.

Yours faithfully

STEPHEN KELLETT
Senior Adviser
Financial Reporting
Registered Organisations Commission

Tel: (02) 6746 3283
Email: stephen.kellett@roc.gov.au

GPO Box 2983, MELBOURNE VIC 3001 | Level 13, 175 Liverpool Street, Sydney NSW 2000

www.roc.gov.au

Australian Government
Registered Organisations Commission

TCFUA FR2016 391 (primary final).pdf

From: Jane Westgarth [mailto:jwestgarth@tcfvic.org.au]
Sent: Thursday, 22 June 2017 9:51 AM
To: ROC - Registered Org Commission
Subject: ON CMS FR2016/391 TCFUA National Financial Report - 2016

FR2016/391
The Textile Clothing & Footwear Union of Australia
Financial Report 2016

Further to the above, please find attached by way of filing, the following scanned documents:

- Correspondence from Ms Michele O'Neil (National Secretary)
- TCFUA National Council Audited Financial Return (2016)
- Designated Officers Certificate (National Secretary)

If you wish to discuss please do not hesitate to contact me.

Could you please confirm receipt of this email.

Yours Sincerely,
Jane

Jane Westgarth
Executive Assistant to
TCFUA National Secretary
Ph: 03 9639 2955
Fax: 03 9639 2944
email: jwestgarth@tcfvic.org.au

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TCFUA National Financial Report 2016 | Designated Officers Certificate yr ending 2 | Cover Letter.pdf

TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA (VIC/QLD/WA BRANCH)

State Secretary
Michele O'Neil

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Carlton Vic 3053

Phone (03) 9639 2955

Fax (03) 9639 2944

Country Members
1800 800 135

Email info@tcfvic.org.au

Website www.tcfua.org.au

22 June 2017

Registered Organisations Commission
GPO Box 2983
Melbourne VIC 3001

By email: regorgs@roc.gov.au

RE: Lodgement of Financial Documents for year ended 31 December 2016

In accordance with the Fair Work (Registered Organisations) Act 2009 please find attached a copy of the Designated Officer's Certificate. Also attached is the full financial report of the Textile Clothing and Footwear Union of Australia, National Council, for the year ended 31 December 2016 which was provided to members.

Please contact me if you have any queries in relation to the above.

Yours sincerely,

Michele O'Neil

TCFUA National Secretary

TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA (VIC/QLD/WA BRANCH)

s.268 Fair Work (Registered Organisations) Act 2009

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the period ended 31 December 2016

I, Michele O'Neil being the National Secretary of the Textile Clothing and Footwear Union of Australia certify:

- that the documents lodged herewith are copies of the full report for the Textile Clothing and Footwear Union of Australia National Council for the period ended 31 December 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 29 May 2017; and

- that the full report was presented to a meeting of the committee of management of the reporting unit on 20 June 2017 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer:

Name of prescribed designated officer: Michele O'Neil

Title of prescribed designated officer: TCFUA National Secretary

Dated: 21 June 2017

TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
NATIONAL COUNCIL
ABN 93 734 785 862

FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2016

In accordance with Section 254 of the Fair Work (Registered Organisations) Act 2009 ("Act") the Committee of Management present their Operating Report on Textile Clothing & Footwear Union of Australia National Council ("the Union"), the relevant Reporting Unit for the financial year ended 31 December 2016.

Principal Activities
The principal activities of the Union during the financial year were to provide industrial and organising services to each of the Branches of the Textile, Clothing & Footwear Union of Australia and their members, consistent with the objectives of the National Council and particularly the objective of protecting and improving the interests of the various Branches and their members.

Operating Result
The results of the principal activities of the Union during the financial year was to further the interests of TCF workers through improvements in wages and conditions, health and safety, legal rights and company compliance with Australian labour standards.

The operating profit of the Union for the financial year was $134,159 (2015: $60,481 loss). No provision for tax was necessary as the Union is exempt from income tax.

Significant change
There were no significant changes in the principal activities or financial affairs of the Union during the financial year.

Rights of Members
Pursuant to the Reporting Unit Rule 21 and Section 174 of the Fair Work (Registered Organisations) Act 2009, members have the right to resign from membership by providing written notice addressed to and delivered to the Secretary of the Reporting Unit.

A notice of resignation from membership of the Union takes effect:
(a) where the member ceases to be eligible to become a member of the Union
  (i) on the day on which the notice is received by the Union
  (ii) on the day specified in the notice which is a day not earlier than the day when the member ceases to be eligible to become a member;
  whichever is the later, or

(b) in any other case:
  (i) at the end of two weeks after the notice is received by the Union, or
  (ii) on the day specified in the notice
  whichever is the later.

Superannuation Officeholders
Michele O'Neil is an officer of the Union and also holds Alternate Directorship of Australian Super.

No other officer or member of the Union is:
(a) is a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
(b) a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

OPERATING REPORT continued

Other Prescribed Information
In accordance with Regulation 159 of the Fair Work (Registered Organisations) Regulations 2009 ("Regulations"):

(a) the number of persons that were, at the end of the financial year to which the report relates, recorded in the register of members for Section 230 of the Act and who are taken to be members of the Union under section 244 of the Act was 3,159 (2015: 3,272)

(b) the number of persons who were, at the end of the financial year to which the report relates, employees of the Union, where the number of employees includes both full-time and part-time employees, measured on a full-time equivalent basis was 1.

(c) the names of each person who have been a member of the Committee of Management of the Union at any time during the reporting period, and the period for which he or she held such a position were;

Name	
John Owen	National President
Jenny Kruschel	National Senior Vice President
Michele O'Neil	National Secretary
Elizabeth MacPherson	National Trustee
Mark Edwards	National Trustee

Committee members have been in office since the start of the financial year to the date of this report unless otherwise stated.

Signed in accordance with a resolution of the Committee of Management.

For Committee of Management: Michele O'Neil
Title of Office held: National Secretary

Signature:

Dated: 25/5/17

Melbourne

TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
NATIONAL COUNCIL

ABN 93 734 785 862

COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

On the 24 May 2017 the Committee of Management of the Textile Clothing and Footwear Union of Australia National Council passed the following resolution in relation to the general purpose financial report (GPRF) for the year ended 31 December 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) 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) where the reporting unit has derived revenue from undertaking recovery of wages activity:

   (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the General Manager; and

   (ii) the committee of management instructed the auditor to include in the scope of the audit required under subsection 257(1) of the RO Act all recovery of wages activity by the reporting unit from which revenues had been derived for the financial year in respect of such activity; and

   (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and

   (iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and

   (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

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

Signature of designated officer: ....

Name and title of designated officer: Michele O'Neil National Secretary

Dated: 25/5/17

TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
NATIONAL COUNCIL

ABN 93 734 785 862

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 $	2015 $
Revenue			
Membership subscription*		-	-
Capitation fees	3A	**179,715**	188,758
Levies	3B	**112,521**	136,158
Interest	3C	**1,582**	2,707
Rental revenue	3D	-	-
Other revenue		**94,127**	31,592
Total revenue		**387,945**	359,215
Other Income			-
Grants and/or donations	3E	**423,593**	433,102
Share of net profit from associate	6E	-	-
Net gains from sale of assets	3F	-	-
Distribution From Trust		-	-
Total other income		**423,593**	433,102
Total income		**811,538**	792,317
			-
Expenses			
Employee expenses	4A	**(158,246)**	(227,593)
Capitation fees	4B	-	-
Affiliation fees	4C	**(64,228)**	(47,057)
Administration expenses	4D	**(428,957)**	(517,833)
Grants or donations	4E	-	(185)
Depreciation and amortisation	4F	**(824)**	(1,029)
Finance costs	4G	-	-
Legal costs	4H	**(9,723)**	(39,001)
Audit fees	14	**(15,400)**	(16,600)
Share of net loss from associate	6E	-	-
Write-down and impairment of assets	4I	-	-
Net losses from sale of assets	4J	-	-
Occupancy expense		-	-
Other expenses	4K	-	(3,500)
Total expenses		**(677,378)**	(852,798)
Profit /(loss) for the year		**134,159**	(60,481)
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss		-	-
(Loss)/Gain on revaluation of land & buildings		-	-
Total comprehensive income for the year		**134,159**	(60,481)

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

TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
NATIONAL COUNCIL

ABN 93 734 785 862

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Notes	2016 $	2015 $
ASSETS			
Current Assets			
Cash and cash equivalents	5A	**222,910**	95,582
Trade and other receivables	5B	**127,909**	67,903
Other current assets	5C	**5,087**	11,114
Total current assets		**355,906**	174,600
Non-Current Assets			
Land and buildings	6A	-	-
Plant and equipment	6B	**5,966**	6,790
Investment Property	6C	-	-
Intangibles	6D	-	-
Investments in associates	6E	-	-
Other investments	6F	**24,158**	13,461
Other non-current assets	6G	-	-
Total non-current assets		**30,124**	20,251
Total assets		**386,030**	194,851
LIABILITIES			
Current Liabilities			
Trade payables	7A	**97,814**	50,375
Other payables	7B	-	-
Employee provisions	8A	**116,787**	117,904
Total current liabilities		**214,601**	168,279
Non-Current Liabilities			
Trade payables		-	-
Employee provisions	8A	-	-
Other non-current liabilities	9A	-	-
Total non-current liabilities		-	-
Total liabilities		**214,601**	168,279
Net assets		**171,429**	26,572

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016 continued

	Notes	2016 $	2015 $
EQUITY			
General funds	10A	-	-
Financial Asset Reserve		**10,967**	-
Retained earnings (accumulated deficit)		**160,462**	26,572
Total equity		**171,429**	26,572

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	General Funds $	Retained earnings $	Financial Asset Reserve	Total equity $
Balance as at 1 January 2015		-	87,053	-	87,053
Adjustment for errors		-	-	-	-
Adjustment for changes in accounting policies		-	-	-	-
Profit /(loss) for the year		-	(60,481)	-	(60,481)
Other comprehensive income for the year - Transfer from WA Branch Merger		-	-	-	-
Transfer to/from	10A	-	-	-	-
Transfer from retained earnings		-	-	-	-
Closing balance as at 31 December 2015		-	26,572	-	26,572
Adjustment for errors		-	-	-	-
Financial Asset available for sale reserve		-	-	10,697	10,697
Profit/(loss) for the year		-	134,159	-	134,159
Other comprehensive income for the year		-	-	-	-
Transfer to/from	10A	-	-	-	-
Transfer from retained earnings		-		-	
Closing balance as at 31 December 2016		-	160,731	10,697	171,429

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 $	2015 $
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units/controlled entity(s)	11B	**259,651**	357,541
Grant and other income		**-**	-
Membership contributions		-	-
Interest		**1,741**	2,707
Other		**544,673**	501,544
Cash used			
Suppliers and employees		**(384,821)**	(418,791)
Payment to other reporting units/controlled entity(s)	11B	**(293,917)**	(500,575)
Net cash from (used by) operating activities	11A	**127,327**	(57,554)
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		-	-
Proceeds from sale of land and buildings		**-**	-
Other		**-**	-
Cash used			
Purchase of plant and equipment		**-**	-
Purchase of land and buildings		**-**	-
Other		**-**	-
Net cash from (used by) investing activities		**-**	-
FINANCING ACTIVITIES		-	
Cash received		-	
Contributed equity		-	-
Other		-	-
Cash used		-	
Repayment of borrowings		-	-
Other			-
Net cash from (used by) financing activities		-	-
Net increase (decrease) in cash held		**127,327**	(57,554)
Cash & cash equivalents at the beginning of the reporting period		**95,582**	153,156
Cash & cash equivalents at the end of the reporting period	5A	**222,910**	95,582

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

TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
NATIONAL COUNCIL

ABN 93 734 785 862

RECOVERY OF WAGES ACTIVITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 $	2015 $
Cash assets in respect of recovered money at beginning of year	-	-
Receipts		
Amounts recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
Total receipts	-	-
Payments		
Deductions of amounts due in respect of membership for:		
12 months or less	-	-
Greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:		
The reporting unit:		
name of account	-	-
name of fund	-	-
Name of other reporting unit of the organisation:		
name of account	-	-
name of fund	-	-
Name of other entity:		
name of account	-	-
name of fund	-	-
Deductions of fees or reimbursement of expenses	-	-
Payments to workers in respect of recovered money	-	-
Total payments	-	-
Cash asset's in respect of recovered money at end of year	-	-

Number of workers to which the monies recovered relates	-	-
Aggregate payables to workers attributable to recovered monies but not yet distributed		
Payable balance	-	-
Number of workers the payable relates to	-	-
Fund or account operated for recovery of wages	-	-

No revenue has been derived from undertaking recovery of wages activity during the reporting period

The above statement should be read in conjunction with the notes

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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 reporting unit 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

No 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.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

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 2014-1 Amendments to Australian Accounting Standards.
Effective 31 December 2016

The amendments clarify that if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service. In contrast, if the amount of the contributions is dependent on the number of years of service, an entity is required to attribute those contributions to periods of service using the same attribution method required by paragraph 70 of AASB 119 for the gross benefit.

There will be no impact as the entity does not have a defined benefit plan.

AASB 2014 -1 makes amendments to particular Australian Accounting Standards to delete their references to AASB 1031 Materiality as each standard is amended for another purpose.

There is not expected to be any changes to the reported financial position, performance or cash flows of the entity.

Note 1 Summary of significant accounting policies (continued)

1.4 New Australian Accounting Standards (continued)

AASB 2014-1 Amendments to Australian Accounting Standards (2010 – 2012 cycle).

Effective 31 December 2016

The following standards and changes are made under AASB 2014-1:

AASB 3 Business Combinations – clarification that contingent consideration that is classified as an asset or a liability shall be measured at fair value at each reporting date.

AASB 8 Operating Segments – amendments to disclosures

AASB 3 Business Combinations – references to contingent consideration

AASB 13 Fair value measurement – minor clarification re: measurement of short-term receivables and payables

AASB 116 Property, plant and equipment – clarifies that when an item of property, plant and equipment is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.

AASB 124 Related Party Disclosures – clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.

There are not expected to be any changes to reported financial position or performance arising from the adoption of part A of AASB 2014-1.

AASB 2014-1 Amendments to Australian Accounting Standards (2011 – 2013 cycle).

Effective 31 December 2016

The following standards and changes are made under AASB 2014-1:

AASB 1 First-time Adoption of Australian Accounting Standards – clarification in the basis of conclusion

AASB 3 Business Combinations - Clarifies that AASB 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.

AASB 13 Fair Value Measurement - Clarifies that the scope of the portfolio exception defined in paragraph 52 of AASB 13 includes all contracts accounted for within the scope of AASB 139 Financial Instruments: Recognition and Measurement or AASB 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in AASB 132 Financial Instruments: Presentation.

There are not expected to be any changes to reported financial position or performance arising from the adoption of part A of AASB 2014-1.

Equity method in separate financial statements (Amendments to IAS 27)

Effective 31 December 2016

This standard will allow entities to use the equity method to account for its interest in subsidiaries, joint venture and associates in separate financial statements.

There is no impact as the entity does not prepare separate financial statements.

Note 1 Summary of significant accounting policies (continued)

1.4 New Australian Accounting Standards (continued)

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 reporting unit include:

IFRS 15 Revenue from contracts with customers.
Effective 31 December 2018

IFRS 15 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

IFRS 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

Impacts on the reported financial position and performance have not yet been determined.

IFRS 9 Financial Instruments
Effective 31 December 2018

Significant revisions to the classification and measurement of financial assets, reducing the number of categories and simplifying the measurement choices, including the removal of impairment testing of assets measured at fair value. The amortised cost model is available for debt assets meeting both business model and cash flow characteristics tests. All investments in equity instruments using IFRS 9 are to be measured at fair value.

Amends measurement rules for financial liabilities that the entity elects to measure at fair value through profit and loss. Changes in fair value attributable to changes in the entity's own credit risk are presented in other comprehensive income.

Impairment of assets is now based on expected losses in IFRS 9 which requires entities to measure:

- the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument.

1.5 Investment in associates

An associate is an entity over which the reporting unit has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with AASB 5 'Non-current Asset Held for Sale and Discontinued Operations.

Note 1 Summary of significant accounting policies (continued)

1.5 Investment in associates (continued)

The results and assets and liabilities of associates are incorporated in these financial statements 'Under the equity method, an investment in an associate is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the share of the profit or loss and other comprehensive income of the associate. When the share of losses of an associate exceeds the interest in that associate, the reporting unit discontinues recognising its share of further losses. Additional losses are recognised only to the extent that it has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

1.6 Business combinations

The acquisition method of accounting is used to account for all business combinations, except for those identified in the Fair Work Commissions reporting guidelines under item 12.The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interest issued by the parent entity. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values on acquisition date. On an acquisition-by-acquisition basis, the parent entity recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the parent entity's share of the net identifiable assets, is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

If it is determined that the combination results in mutual benefit to both the members of the acquirer and the acquiree, the surplus of the fair value of the net identifiable assets acquired over the consideration paid will be recognised in member's funds as a business combination reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

Note 1 Summary of significant accounting policies (continued)

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

The net book value of assets and or liabilities transferred to reporting unit for no consideration is used to account for an amalgamation under Part 2 of Chapter 3 of the Fair Work (Registered Organisations) Act 2009/a restructure of the branches of the [reporting unit]/a determination by the General Manager under subsections 245(1) of the Fair Work (Registered Organisations) Act 2009/ a revocation by the General Manager under subsection 249(1) of the Fair Work (Registered Organisations) Act 2009.

The assets and liabilities are recognised as at the date of transfer.

1.8 Revenue

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

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

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

Donation income is recognised when it is received.

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

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

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

1.9 Government grants[1]

Government grants are not recognised until there is reasonable assurance that the reporting unit will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the reporting unit recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the reporting unit should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

[1] Policy relevant for for-profit reporting units. Not-for-profit reporting units must comply with AASB1004 Contributions.

Note 1 Summary of significant accounting policies (continued)

1.9 Government grants (continued)

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the reporting unit with no future related costs are recognised in profit or loss in the period in which they become receivable.

1.10 Gains

Sale of assets

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

1.11 Capitation fees and levies

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

1.12 Employee benefits

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

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

1.12 Employee benefits (continued)

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

1.13 Leases

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

Note 1 Summary of significant accounting policies (continued)

1.13 Leases (continued)

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

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

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

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term

1.14 Borrowing costs

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

1.15 Cash

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

1.16 Financial instruments

Financial assets and financial liabilities are recognised when a reporting unit entity becomes a party to the contractual provisions of the instrument.

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

1.17 Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised

Note 1 Summary of significant accounting policies (continued)

1.17 Financial assets (continued)

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.

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

A financial asset is classified as held for trading if:

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

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

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

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

Held-to-maturity investments

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

Available-for-sale

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

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

Note 1 Summary of significant accounting policies (continued)

1.17 Financial assets (continued)

determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Loan and receivables

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

Effective interest method

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

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

Impairment of financial assets

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

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

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

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

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

Note 1 Summary of significant accounting policies (continued)

1.17 Financial assets continued

Impairment of financial assets (continued)

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

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

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

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss

Derecognition of financial assets

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

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

Fair value through profit or loss

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

A financial liability is classified as held for trading if:

it has been acquired principally for the purpose of repurchasing it in the near term; or

on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or

it is a derivative that is not designated and effective as a hedging instrument.

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

Note 1 Summary of significant accounting policies (continued)

1.17 Financial Liabilities (continued)

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

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Other financial liabilities

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

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

Derecognition of financial liabilities

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

1.19 Contingent Liabilities and Contingent Assets

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

1.20 Land, Buildings, Plant and Equipment

Asset Recognition Threshold

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

Note 1 Summary of significant accounting policies (continued)

1.20 Land, Buildings, Plant and Equipment (continued)

Revaluations—Land and Buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation

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

Depreciation rates applying to each class of depreciable asset are:

Class of Fixed Asset	Depreciation Rate
Library	5.5%
Furniture and Fittings	20 - 40%
Motor Vehicles	25%

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

Note 1 Summary of significant accounting policies (continued)

1.21 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

1.22 Intangibles

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Derecognition
An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit and loss when the asset is derecognised

1.23 Impairment for non-financial assets

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

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

Note 1 Summary of significant accounting policies (continued)

1.24 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

1.25 Taxation

Reporting unit is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

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

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

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

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

1.26 Fair value measurement

The reporting unit measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16A.

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

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

The principal or the most advantageous market must be accessible by the reporting unit. 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

Note 1 Summary of significant accounting policies (continued)

1.26 Fair value measurement (continued)

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 reporting unit 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 [reporting unit] determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the [reporting unit] has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

1.27 Going concern

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

Note 2 Events after the reporting period

There were no events that occurred after 31 December 2016, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the reporting unit.

	2016	2015
	$	$

Note 3 Income

Note 3A: Capitation fees*

	2016 $	2015 $
Textile Clothing & Footwear Union of Australia - New South Wales/South Australia/Tasmania	92,196	100,670
Textile Clothing & Footwear Union of Australia - Victoria/Queensland/Western Australia	87,519	88,088
Total capitation fees	179,715	188,758

Note 3B: Levies*

	2016 $	2015 $
ACTU Growth & Campaign Levy (Industrial Relations Campaign)	-	16,158
Textile Clothing & Footwear Union of Australia - New South Wales/South Australia/Tasmania - National Branch Levy	51,157	60,000
Textile Clothing & Footwear Union of Australia - Victoria/Queensland/Western Australia - National Branch Levy	61,364	60,000
Total levies	112,521	136,158

Note 3C: Interest

	2016 $	2015 $
Deposits	1,582	2,707
Loans	-	-
Total interest	1,582	2,707

Note 3D: Rental revenue

	2016 $	2015 $
Properties	-	-
Other	-	-
Total rental revenue	-	-

Note 3E: Grants or donations*

	2016 $	2015 $
Grants	423,593	433,102
Donations	-	-
Total grants or donations	423,593	433,102

	2016	2015
	$	$
Note 3F: Net gains from sale of assets		
Land and buildings	-	-
Plant and equipment	-	-
Intangibles	-	-
Total net gain from sale of assets	-	-

Note 4 Expenses

Note 4A: Employee expenses*

	2016	2015
Employee expenses		
Salaries and allowances		
- elected officials	-	-
- employees	129,312	178,741
Superannuation contributions		
- elected officials	-	-
- employees	23,481	32,623
Provision for annual leave		
- elected officials	-	-
- employees	1,315	4,739
Provision for long service leave		
- elected officials	-	-
- employees	1,242	6,056
Provision for sick leave		
- elected officials	-	-
- employees	-	-
Provision for RDO		
- elected officials	-	-
- employees	432	1,256
Separation and redundancies		
- elected officials	-	-
- employees	-	-
Other		
- Fringe benefit tax	1,096	2,662
- Workcover levy	1,368	1,516
Total employee expenses	158,246	227,593

	2016	2015
	$	$
Note 4B: Capitation fees*		
TCFUA National Office	-	-
Total capitation fees	-	-

	2016	2015
Note 4C: Affiliation fees*		
Affiliation fees:		
Australian Council of Trade Union	46,050	29,966
IndustriAll Global Union	17,728	16,338
APHEDA - Union Aid Abroad	450	753
Total affiliation fees/subscriptions	64,228	47,057

Note 4D: Administration expenses

	2016	2015
Included in administration expense		
Consideration to employers for payroll deductions	-	-
Compulsory levies		
ACTU - Growth & Campaign levy*	-	16,158
Fees/allowances - meeting and conferences		-
Fee for service – to Vic/QLD/WA Branch and NSW/SA/TAS Branch	279,764	433,102
Conference and meeting expenses	1,073	1,799
Contractors/consultants	-	-
Property expenses	-	-
Office expenses	73,210	55,640
Information communications technology	1,479	1,667
Campaign expenses	-	-
Other	73,431	9,467
Subtotal administration expense	428,957	517,833
Operating lease rentals:		
Minimum lease payments	-	-
Total administration expenses	428,957	517,833

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

	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	-	185
Total paid that exceeded $1,000	-	-
Total grants or donations	-	185

	2016 $	2015 $
Note 4F: Depreciation and amortisation		
Depreciation		
Land & buildings	-	-
Property, plant and equipment	824	1,029
Total depreciation	824	1,029
Amortisation		
Intangibles	-	-
Total amortisation	-	-
Total depreciation and amortisation	824	1,029

	2016 $	2015 $
Note 4G: Finance costs		
Finance leases	-	-
Overdrafts/loans	-	-
Unwinding of discount	-	-
Total finance costs	-	-

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

	2016 $	2015 $

Note 4H: Legal costs*

	2016 $	2015 $
Litigation	-	-
Other legal matters	9,723	39,001
Total legal costs	9,723	39,001

Note 4I: Write-down and impairment of assets

	2016 $	2015 $
Asset write-downs and impairments of:		
Land and buildings	-	-
Plant and equipment	-	-
Intangible assets	-	-
Other	-	-
Total write-down and impairment of assets	-	-

Note 4J: Net losses from sale of assets

	2016 $	2015 $
Land and buildings	-	-
Plant and equipment	-	-
Intangibles	-	-
Total net losses from asset sales	-	-

Note 4K: Other expenses

	2016 $	2015 $
Penalties - via RO Act or RO Regulations	-	-
Other expenses	-	3,500
Total other expenses	-	3,500

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

	2016 $	2015 $
Note 5 Current Assets		
Note 5A: Cash and Cash Equivalents		
Cash at bank		
General account	134,810	2,510
Mortality fund	88,100	92,520
Cash on hand	-	553
Short term deposits	-	-
Other	-	-
Total cash and cash equivalents	222,910	95,582
Note 5B: Trade and other receivables		
Receivables from other reporting unit[s]		
Capitation and Levies		
Textile Clothing & Footwear Union of Australia – Victoria/ Queensland/ Western Australia Branch	61,877	26,631
Textile Clothing & Footwear Union of Australia – New South Wales/ South Australia / Tasmania	64,608	36,247
Mortality Funds payment receivable	-	-
	-	-
Textile Clothing & Footwear Union of Australia – Victoria/ Queensland/ Western Australia Branch		1,801
Textile Clothing & Footwear Union of Australia – New South Wales/ South Australia / Tasmania		1,800
Other Receivables	-	-
Textile Clothing & Footwear Union of Australia – Victoria/ Queensland/ Western Australia Branch	-	-
Textile Clothing & Footwear Union of Australia – New South Wales/ South Australia / Tasmania	1,424	1,424
Total receivables from other reporting unit[s]	127,909	67,903
Less provision for doubtful debts		
Provision for doubtful debts	-	-
Total provision for doubtful debts	-	-
Receivable from other reporting unit[s] (net)	127,909	67,903
Other receivables:		
GST receivable from the Australian Taxation Office	-	-
Other trade receivables	-	-
Total other receivables		
Total trade and other receivables (net)	127,909	67,903

	2016	2015
	$	$
Note 5C: Other current assets		
Prepayments	5,087	11,114
Total other current assets	5,087	11,114

Note 6 Non-current Assets

Note 6A: Land and buildings

Land and buildings:		
Fair value (as per valuation 2015)	-	-
accumulated depreciation	-	-
Total land and buildings	-	-

Reconciliation of the Opening and Closing Balances of Land and Buildings

As at 1 January		
Gross book value	-	-
Accumulated depreciation and impairment	-	-
Net book value 1 January	-	-
Additions:		
By purchase	-	-
From acquisition of entities (including restructuring)	-	-
Revaluations	-	-
Impairments	-	-
Depreciation expense	-	-
Other movement [*give details below*]	-	-
Disposals:		
From disposal of entities (including restructuring)	-	-
Other	-	-
Net book value 31 December	-	-
Net book value as of 31 December represented by:		
Gross book value	-	-
Accumulated depreciation and impairment	-	-
Net book value 31 December	-	-

	2016	2015
	$	$

Note 6B: Plant and equipment

	2016 $	2015 $
Plant and equipment:		
Furniture and fittings at cost	8,203	8,203
Accumulated depreciation of furniture and fittings	(7,942)	(7,873)
Library – at cost	41,018	41,018
Accumulated depreciation	(36,853)	(36,611)
Motor vehicles at cost	21,467	21,467
Accumulated depreciation of motor vehicles	(19,927)	(19,414)
Total plant and equipment	5,966	6,790

Reconciliation of the Opening and Closing Balances of Plant and Equipment

	2016 $	2015 $
As at 1 January		
Gross book value	70,688	70,688
Accumulated depreciation and impairment	(63,898)	(62,869)
Net book value 1 January		
Additions:	-	
By purchase	-	-
From acquisition of entities (including restructuring)	-	-
Impairments	-	-
Depreciation expense	(824)	(1,029)
Other movement		-
Disposals:		
From disposal of entities (including restructuring)		-
Other		-
Net book value 31 December	5,966	6,790
Net book value as of 31 December represented by:		
Gross book value	70,688	70,688
Accumulated depreciation and impairment	(64,722)	(63,898)
Net book value 31 December	5,966	6,790

	2016	2015
	$	$

Note 6C: Investment Property

Opening balance as at 1 January 2016	-	-
Additions	-	-
Net gain from fair value adjustment	-	-
Closing balance as at 31 December 2016	-	-

Note 6D: Intangibles

Computer software at cost:		
internally developed	-	-
Purchased	-	-
accumulated amortisation	-	-
Total intangibles	-	-

Reconciliation of the Opening and Closing Balances of Intangibles

As at 1 January		
Gross book value	-	-
Accumulated amortisation and impairment	-	-
Net book value 1 January	-	-
Additions:		
By purchase	-	-
From acquisition of entities (including restructuring)	-	-
Impairments	-	-
Amortisation	-	-
Other movements [*give details below*]	-	-
Disposals:		
From disposal of entities (including restructuring)	-	-
Other	-	-
Net book value 31 December	-	-
Net book value as of 31 December represented by:		
Gross book value	-	-
Accumulated amortisation and impairment	-	-
Net book value 31 December	-	-

	2016	2015
	$	$
Note 6E: Investments in Associates		
Investments in Associates		
	-	-
Total investments	-	-
Note 6F: Other Investments		
Shares in unlisted company at cost		
ACTU	13,461	13,461
Revaluation	10,697	-
Total other investments	24,158	13,461
Note 6G: Other Non-current Assets		
Prepayments	-	-
Other	-	-
Total other non-financial assets	-	-
Note 7 Current Liabilities		
Note 7A: Trade payables		
Trade creditors and accruals	71,981	38,367
Subtotal trade creditors	71,981	38,367
Payables to other reporting unit[s]*		
Textile Clothing & Footwear Union of Australia – Victoria/ Queensland/ Western Australia Branch	25,833	12,008
Textile Clothing & Footwear Union of Australia – New South Wales/ South Australia / Tasmania	-	-
Subtotal payables to other reporting unit[s]	25,833	12,008
Total trade payables	97,814	50,375

Settlement is usually made within 30 days.

	2016	2015
	$	$
Note 7B: Other payables		
Wages and salaries	-	-
Superannuation	-	-
Consideration to employers for payroll deductions*	-	-
Legal costs*		
Litigation	-	-
Other legal matters	-	-
Prepayments received/unearned revenue	-	-
GST payable	-	-
ME Bank Loan		
Total other payables	-	-
Total other payables are expected to be settled in:		
No more than 12 months	-	-
More than 12 months	-	-
Total other payables	-	-

	2016	2015
	$	$

Note 8 Provisions

Note 8A: Employee Provisions*

	2016	2015
Employee provisions		
Provision for annual leave		
- elected officials	-	-
- employees	59,704	58,388
	59,704	58,388
Provision for long service leave		
- elected officials	-	-
- employees	57,083	55,841
	57,083	55,841
Provision for RDO		
- elected officials	-	-
- employees	-	3,675
	-	3,675
Provision for Sick leave		
- elected officials	-	-
- employees	-	-
	-	-
Total employee provisions	116,787	117,904
Current	116,787	117,904
Non-Current	-	-
Total employee provisions	116,787	117,904

	2016	2015
	$	$

Note 9 Non-current Liabilities

Note 9A: Other non-current liabilities

Other non -current liabilities	-	-
Total other non-current liabilities	-	-

Note 10 Equity

Note 10A: Funds

General Funds		
Balance as at start of year	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	-	-
Fund/reserve		
Balance as at start of year	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	-	-
Total Reserves	-	-

Note 10B: Other Specific disclosures - Funds*

Compulsory levy/voluntary contribution fund – if invested in assets.

	-	-

Other fund(s) required by rules

Balance as at start of year	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	-	-

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

	2016	2015
	$	$
Note 11 Cash Flow		
Note 11A: Cash Flow Reconciliation		
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:		
Cash and cash equivalents as per:		
Cash flow statement	222,910	95,582
Balance sheet	222,910	95,582
Difference	-	-
Reconciliation of profit/(deficit) to net cash from operating activities:		
Profit/(deficit) for the year	134,159	(60,481)
Adjustments for non-cash items		
Depreciation/amortisation	824	1,029
Net write-down of non-financial assets	-	-
Fair value movements in investment property	-	-
Gain on disposal of assets	-	-
Changes in assets/liabilities		
(Increase)/decrease in receivables	(60,006)	26,268
(Increase)/decrease in other receivables	-	-
(Increase)/decrease in prepayments	6,027	(2,495)
Increase/(decrease) in supplier payables	-	-
Increase/(decrease) in trade and other payables	47,439	(33,946)
Increase/(decrease) in reserves	-	-
Increase/(decrease) in other provisions	(1,117)	12,051
Net cash from (used by) operating activities	127,327	(57,554)

	2016	2015
	$	$
Note 11B: Cash flow information*		
Cash inflows		
Textile Clothing & Footwear Union of Australia – New South Wales/ South Australia / Tasmania	129,326	184,809
Textile Clothing & Footwear Union of Australia – Victoria/ Queensland/ Western Australia Branch	130,325	172,732
Total cash inflows	259,651	357,541
Cash outflows		
Textile Clothing & Footwear Union of Australia – New South Wales/ South Australia / Tasmania	(153,872)	(236,941)
Textile Clothing & Footwear Union of Australia – Victoria/ Queensland/ Western Australia Branch	(140,045)	(263,634)
Total cash outflows	(293,917)	(500,575)

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

Note 12 Contingent Liabilities, Assets and Commitments
Note 12A: Commitments and Contingencies

Operating lease commitments—as lessee

Future minimum rentals payable under non-cancellable operating leases as at 31 December are as follows:

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

Operating lease commitments—as lessor

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

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

Capital commitments

At 31 December 2016 the entity has commitments of $Nil (2015: $Nil).

	2016	2015
	$	$
Note 12A: Commitments and Contingencies continued		
Within one year	-	-
After one year but not more than five years	-	-
More than five years	-	-
Total minimum lease payments	-	-
Less amounts representing finance charges	-	-
Present value of minimum lease payments	-	-
Included in the financial statements as:	-	-
Current interest-bearing loans and borrowings	-	-
Non-current interest-bearing loans and borrowings	-	-
Total included in interest-bearing loans and borrowings	-	-
Finance leases—lessor		
[Insert general description of lease arrangements]		
Minimum lease payments	-	-
Unguaranteed residual value	-	-
Gross investment	-	-
Unearned finance income	-	-
Net investment (present value of the minimum lease payments)	-	-
Gross amount of minimum lease payments:		
Within one year	-	-
After one year but not more than five years	-	-
More than five years	-	-
Total gross amount of minimum lease payments	-	-
Present value of minimum lease payments:		
Within one year	-	-
After one year but not more than five years	-	-
More than five years	-	-
Total present value of minimum lease payments	-	-

	2016	2015
	$	$

Note 13 Related Party Disclosures

Note 13A: Related Party Transactions for the Reporting Period

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

	2016 $	2015 $
Revenue received from related parties includes the following:		
Textile Clothing & Footwear Union of Australia – Victoria/ Queensland/ Western Australia Branch – capitation fees/ levies	**148,882**	148,088
Textile Clothing & Footwear Union of Australia – New South Wales/ South Australia / Tasmania- capitation fees/ levies	**143,352**	160,670
Expenses paid by TCFUA National Office includes the following:		
Textile Clothing & Footwear Union of Australia – Victoria/ Queensland/ Western Australia Branch –fee for service	**(139,882)**	(216,551)
Textile Clothing & Footwear Union of Australia – New South Wales/ South Australia / Tasmania – fee for service	**(139,882)**	(216,551)
Amounts owed by related parties include the following:		
Textile Clothing & Footwear Union of Australia – Victoria/ Queensland/ Western Australia Branch	**61,877**	26,631
Textile Clothing & Footwear Union of Australia – New South Wales/ South Australia / Tasmania	**66,032**	36,247
Amounts owed to related parties include the following:		
Textile Clothing & Footwear Union of Australia – Victoria/ Queensland/ Western Australia Branch	**25,833**	12,008
Textile Clothing & Footwear Union of Australia – New South Wales/ South Australia / Tasmania	**-**	-
Assets transferred from/to related parties includes the following:	**-**	-
NA	**-**	-

Note 13A: Related Party Transactions for the Reporting Period (continued)

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2016, the reporting unit has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2015: $Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

No property was transferred to related parties during the financial year ended 31 December 2016.

	2016	2015
	$	$
Note 13B: Key Management Personnel Remuneration for the Reporting Period		
Short-term employee benefits		
Salary (including annual leave taken)	-	-
Annual leave accrued	-	-
Performance bonus	-	-
Other	-	-
Total short-term employee benefits	-	-
Post-employment benefits:		
Superannuation	-	-
Total post-employment benefits	-	-
Other long-term benefits:		
Long-service leave	-	-
Total other long-term benefits	-	-
Termination benefits	-	-
Total	-	-

	2016	2015
	$	$
Note 13C: Transactions with key management personnel and their close family members		
Loans to/from key management personnel		
	-	-
	-	
Other transactions with key management personnel	-	-

Note 14 Remuneration of Auditors

	2016	2015
Value of the services provided		
Financial statement audit services	**15,400**	16,600
Other services	-	-
Total remuneration of auditors	**15,400**	16,600

During the financial year the auditors of the financial services provided services including preparation of grant acquittals, assistance with preparation of tax statements, preparation of financial reports and other accounting services.

Note 15 Financial Instruments

The entity's financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans to and from related unions.

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

	2016	2015
	$	$
Note 15A: Categories of Financial Instruments		
Financial Assets		
Fair value through profit or loss:		
Total		
Held-to-maturity investments:		
Cash and cash equivalents	222,910	95,583
Total	222,910	95,583
Available-for-sale assets:		
At cost		
Unlisted investment	24,158	13,461
Total	24,158	13,461
Loans and receivables – refer to Note 5B	127,909	67,903
Total	127,909	67,903
Carrying amount of financial assets	374,977	176,947
Financial Liabilities		
Fair value through profit or loss:		
Total		
Other financial liabilities:		
Trade and other payables	97,814	50,375
Total	97,814	50,375
Carrying amount of financial liabilities	97,814	50,375

	2016	2015
	$	$
Note 15B: Net Income and Expense from Financial Assets		
Held-to-maturity		
Interest revenue	1,582	2,707
Exchange gains/(loss)	-	-
Impairment	-	-
Gain/loss on disposal	-	-
Net gain/(loss) held-to-maturity		
Loans and receivables		
Interest revenue	-	-
Exchange gains/(loss)	-	-
Impairment	-	-
Gain/loss on disposal	-	-
Net gain/(loss) from loans and receivables	-	-
Available for sale		
Interest revenue	-	-
Dividend revenue	-	-
Exchange gains/(loss)	-	-
Gain/loss recognised in equity	-	-
Amounts reversed from equity:		
Impairment	-	-
Fair value changes reversed on disposal	-	-
Gain/loss on disposal	-	-
Net gain/(loss) from available for sale	-	-
Fair value through profit and loss		
Held for trading:		
Change in fair value	-	-
Interest revenue	-	-
Dividend revenue	-	-
Exchange gains/(loss)	-	-
Total held for trading	-	-
Designated as fair value through profit and loss:		
Change in fair value	-	-
Interest revenue	-	-
Dividend revenue	-	-
Exchange gains/(loss)	-	-
Total designated as fair value through profit and loss	-	-
Net gain/(loss) at fair value through profit and loss	-	-
Net gain/(loss) from financial assets	1,582	2,707

The net income/expense from financial assets not at fair value from profit and loss is $1,582 (2015:$2,707).

	2016	2015
	$	$
At amortised cost		
Interest expense		-
Exchange gains/(loss)	-	-
Gain/loss on disposal	-	-
Net gain/(loss) financial liabilities - at amortised cost	-	-
Fair value through profit and loss		
Held for trading:		
Change in fair value	-	-
Interest expense	-	-
Exchange gains/(loss)	-	-
Total held for trading	-	-
Designated as fair value through profit and loss:		
Change in fair value	-	-
Interest expense	-	-
Total designated as fair value through profit and loss	-	-
Net gain/(loss) at fair value through profit and loss	-	-
Net gain/(loss) from financial liabilities	-	-

The net income/expense from financial liabilities not at fair value from profit and loss is $ Nil (2015:$Nil)

Note 15D: Credit Risk

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

Credit risk is managed through maintaining procedures (such as the utilisation of systems for the approval, granting and removal of credit limits, regular monitoring of exposure against such limits and monitoring of the financial stability of significant customers and counterparties) ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the committee has otherwise cleared as being financially sound.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

There is no collateral held by the consolidated group securing trade and other receivables.

The consolidated group has no significant concentrations of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of trade and other receivables are provided in Note 5B.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 7A.

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

	2016	2015
	$	$
Financial assets		
Trade and other receivables	127,909	67,903
Total	127,909	67,903
Financial liabilities		
Trade and other payables	97,814	50,375
Total	97,814	50,375

In relation to the entity's gross credit risk the following collateral is held: $Nil (2015: $Nil)

Note 15D: Credit Risk (continued)

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

	Not Past Due Nor Impaired 2016	Past due or impaired 2016	Not Past Due Nor Impaired 2015	Past due or impaired 2015
	$	$	$	$
Impaired financial instruments	-	-	-	-
Total	-	-	-	-

[provide relevant details regarding credit risk and quality of each class of financial asset that is either not past due nor impaired or past due or impaired]

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 and other receivables	126,485	-	-	1,424	127,909
Total	126,485	-	-	1,424	127,909

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 and other receivables	66,479	-	-	1,424	67,903
Total	66,479	-	-	1,424	67,903

Note 15E: Liquidity Risk

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

- preparing forward-looking cash flow analyses in relation to its operational, investing and financing activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timings of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will be rolled forward.

Note 15E: Liquidity Risk (continued)

Contractual maturities for financial liabilities 2016

	On Demand	< 1 year $	1– 2 years $	2– 5 years $	>5 years $	Total $
Trade and other payables	-	97,814	-	-	-	97,814
Total	-	97,814	-	-	-	97,814

Maturities for financial liabilities 2015

	On Demand	< 1 year $	1– 2 years $	2– 5 years $	>5 years $	Total $
Trade and other payables	-	50,375	-	-	-	50,375
Total	-	50,375	-	-	-	50,375

Note 15F: Market Risk

(i) Interest rate risk
Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows.

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

	Risk variable	Change in risk variable %	Effect on Profit and loss $	Effect on Equity $
Interest rate risk	-	+ 2%	4,458	-
Interest rate risk	-	- 2%	(4,458)	-

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

	Risk variable	Change in risk variable %	Effect on Profit and loss $	Effect on Equity $
Interest rate risk	-	+ 2%	1,834	531
Interest rate risk	-	- 2%	(1,834)	(531)

(ii) Price risk
Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held.

The consolidated group is not exposed to securities price risk on available-for-sale investments

Note 15F: Market Risk (continued)

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

	Risk variable	Change in risk variable %	Effect on Profit and loss $	Effect on Equity $
Other price risk	-	-	-	-
Other price risk	-	-	-	-

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

	Risk variable	Change in risk variable %	Effect on Profit and loss $	Effect on Equity $
Other price risk	-	-	-	-
Other price risk	-	-	-	-

Note 15G: Asset Pledged/or Held as Collateral

There were no assets pledged or held as collateral as at 31 December 2016 (2015: $Nil).

Note 16 Fair Value Measurement

Note 16A: Financial Assets and Liabilities

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

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

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 31 December 2016 was assessed to be insignificant.

- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.

- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 31 December 2016 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:

Note 16A: Financial Assets and Liabilities (continued)

	Carrying amount 2016 $	Fair value 2016 $	Carrying amount 2015 $	Fair value 2015 $
Financial Assets				
Cash and cash equivalents	**222,910**	**222,910**	95,583	95,583
Trade and other receivables	**127,909**	**127,909**	67,903	67,903
Other current assets	**5,087**	**5,087**	11,115	11,115
Other investments	**24,158**	**24,258**	13,461	13,461
Total	**380,064**	**380,064**	188,062	188,062
Financial Liabilities				
Trade and other payables	**97,814**	**97,814**	50,375	50,375
Total	**97,814**	**97,814**	50,375	50,375

Note 16B: Fair Value Hierarchy

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

Fair value hierarchy – 31 December 2016

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		$	$	$
	-	-	-	-
Total	-	-	-	-
Liabilities measured at fair value				
	-	-	-	-
Total	-	-	-	-

Note 17 Business combinations
Subsidiaries acquired

Name of entity	Principal activity	Date of acquisition	Proportion of shares acquired %	Consideration transferred
2016:				
-	-	-	-	-
2015:				
-	-	-	-	-

Consideration transferred

2016:	[Entity]	[Entity]
Cash	-	-
Transfer of land & buildings at fair value at date of acquisition	-	-
Total	-	-

2015:	[Entity]	[Entity]
Cash	-	-
Transfer of land & buildings at fair value at date of acquisition	-	-
Total	-	-

Assets acquired and liabilities assumed at the date of acquisition

2016:	[Entity]	[Entity]	Total
Current assets			
Cash and cash equivalents	-	-	-
Trade and other receivables	-	-	-
Inventories	-	-	-
Non-current assets			
Plant and equipment	-	-	-
Current liabilities			
Trade and other payables	-	-	-
Non-current liabilities			-
Deferred tax liabilities	-	-	-
Contingent liabilities	-	-	-
	-	-	-

Note 17 Business combinations (continued)

2015:	[Entity]	[Entity]	Total
Current assets			
Cash and cash equivalents	-	-	-
Trade and other receivables	-	-	-
Inventories	-	-	-
Non-current assets			
Plant and equipment	-	-	-
Current liabilities			
Trade and other payables	-	-	-
Non-current liabilities			
Deferred tax liabilities	-	-	-
Contingent liabilities	-	-	-
	-	-	-

Goodwill arising on acquisition

2016:	[Entity]	[Entity]	Total
Consideration transferred			
Less: fair value of identifiable net assets acquired	-	-	-
Goodwill arising on acquisition	-	-	-

2015:	[Entity]	[Entity]	Total
Consideration transferred			
Less: fair value of identifiable net assets acquired	-	-	-
Goodwill arising on acquisition	-	-	-

	2016	2015
	$	$

Note 18 Administration of financial affairs by a third party[2]

Name of entity providing service:	None
Terms and conditions:	None
Nature of expenses/consultancy service:	None

Detailed breakdown of revenues collected and/or expenses incurred

	2016 $	2015 $
Revenue		
Membership subscription	-	-
Capitation fees	-	-
Levies	-	-
Interest	-	-
Rental revenue	-	-
Other revenue	-	-
Grants and/or donations	-	-
Total revenue	-	-
Expenses		
Employee expense	-	-
Capitation fees	-	-
Affiliation fees	-	-
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	-	-
Administration expenses	-	-
Grants or donations	-	-
Finance costs	-	-
Legal costs	-	-
Audit fees	-	-
Penalties - via RO Act or RO Regulations	-	-
Other expenses	-	-
Total expenses	-	-

2 Refer to Item 31 in the Reporting Guidelines.

Note 19 Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or General Manager:

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

(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

(3) A reporting unit must comply with an application made under subsection (1).

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INDEPENDENT AUDITOR'S REPORT TO THE COMMITTEE OF MANAGEMENT OF TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA NATIONAL COUNCIL

Report on the Financial Report

We have audited the accompanying financial report of the Textile Clothing & Footwear Union of Australia – National Council, which comprises the statement of financial position as at 31 December 2016, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes and the committee of management's declaration of the reporting entity for the financial year.

Committee of Management's Responsibility for the Financial Report

The reporting entity's committee of management 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 determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the committee of management also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements that the financial statements comply with International Financial Reporting Standards (IFRS).

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 judgment, 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 reporting entity's preparation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the reporting 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 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 Australian professional ethical pronouncements.

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INDEPENDENT AUDITOR'S REPORT TO THE COMMITTEE OF MANAGEMENT OF TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA NATIONAL COUNCIL continued

Auditor's Opinion

In our opinion the general purpose financial report of the entity:

a. (i) presented fairly the entity's financial report for the year ended 31 December 2016 in accordance with the provisions of the Fair Work (Registered Organisations) Act 2009, other requirements imposed by these Reporting Guidelines or Part 3 of Chapter 8 of the Act; and
(ii) complied with the Australian Accounting Standards (including Australian Accounting Interpretations) and the International Financial Reporting Standards as disclosed in Note 1.
(iii) indicates that management's use of the going concern basis of accounting in preparation of the financial statements is appropriate.

b. properly and fairly report all information in relation to recovery of wages activity required by the reporting guidelines of the General Manager of the Fair Work Commission including;
(i) any fees charged to or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
(ii) any donations or other contributions deducted from recovered money

MSI Ragg Weir

MSI RAGG WEIR
Chartered Accountants

L.S.WONG
Partner
Approved Auditor and Member of the Chartered Accountants in Australia and New Zealand and current holder of a current public practice certificate
Melbourne:

25 May 2017

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Independent legal & accounting firms

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