



21 November 2019

The Secretary  
Traffic Management Association of Australia

By e-mail

Dear Secretary

**Re: – Traffic Management Association of Australia - financial report for year ending 30 June 2019 (FR2019/247)**

I refer to the financial report of the Traffic Management Association of Australia. The documents were lodged with the Registered Organisations Commission (**ROC**) on 12 November 2019.

The financial report has been filed. The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements. Please note that the financial report for the year ending 30 June 2020 may be subject to an advanced compliance review.

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 report.

Nil activity disclosures

Item 21 of the reporting guidelines states that if any of the activities identified within items 10-20 of the reporting guidelines have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in an officer's declaration statement. I note that the officer's declaration statement included nil activity disclosures\* for which there was already an equivalent form of disclosure in the body of the notes. Please note that nil activities only need to be disclosed once.

\*The exceptions, where disclosure occurred only once, were for items 14(i) - incur expenses due to holding a meeting as required under the rules of the organisation<sup>1</sup>, 19 - have another entity administer the financial affairs of the reporting unit, and 20 - make a payment to a former related party of the reporting unit.<sup>2</sup>

The officer's declaration statement also included a nil activity disclosure in respect of a balance within the general fund [item 17(d)]. Having regard to the definition of "general fund" in the glossary on page 11 of the reporting guidelines it would appear that the balance of total equity of \$221,304 is the balance of the general fund and no nil activity disclosure applies.

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<sup>1</sup> Disclosed only at Note 4D

<sup>2</sup> Disclosed only in the officer declaration statement

### Difference in figure reporting in LGD statement and financial report

A nil balance for donations exceeding \$1,000 at Note 4E did not correspond to the total of the donations disclosed in the loans, grants and donations statement lodged under subsection 237(1) of the RO Act on 10 September 2019. This was confirmed as a clerical error that has been noted to ensure the figures will be reconciled in the next report.

### Committee of management statement

The committee of management statement was not dated and did not comply with the requirement of item 27(d) of the reporting guidelines. Item 27(d) requires that the committee of management statement be dated as at the date the designated officer signs the statement.<sup>3</sup>

### **Reporting Requirements**

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

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

Yours faithfully



Stephen Kellett  
Financial Reporting  
Registered Organisations Commission

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<sup>3</sup> This is a separate requirement, even where the dates may be identical, from the requirement of RG27(b) to 'specify the date of passage of the resolution', which was stated in the opening paragraph of the statement.



## **Traffic Management Association of Australia (TMAA)**

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

### **Certificate by prescribed designated officer**

Certificate for the year ended 30 June 2019

I, Stephen O'Dwyer, being the President of the Traffic Management Association of Australia (TMAA) certify:

- that the documents lodged herewith are copies of the full report for the Traffic Management Association of Australia (TMAA) for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the Traffic Management Association of Australia (TMAA), the reporting unit on 10 October 2019; and
- that the full report was presented to a General Members' Meeting of the Traffic Management Association of Australia (TMAA), the reporting unit on 7 November 2019 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:

Name of prescribed designated officer: Stephen O'Dwyer

Title of prescribed designated officer: President

Dated: 7 November 2019

**TRAFFIC MANAGEMENT ASSOCIATION  
OF AUSTRALIA**

**FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2019**

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**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF TRAFFIC MANAGEMENT ASSOCIATION OF AUSTRALIA****Report on the Audit of the Financial Report****Opinion**

I have audited the financial report of Traffic Management Association Of Australia (the reporting unit), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2019, notes to the financial statements, including a summary of significant accounting policies, the committee of management statement, the subsection 255(2A) report and the officer declaration statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Traffic Management Association Of Australia as at 30 June 2019, and its financial performance and its cash flows for the year ended on that date in accordance with:

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

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

**Basis for Opinion**

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

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

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

The committee of management is responsible for the other information. The other information obtained at the date of this auditor's report is in the operating report accompanying the financial report.

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

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

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## **Responsibilities of Committee of Management for the Financial Report**

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

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

## **Auditor's Responsibilities for the Audit of the Financial Report**

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the reporting unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee of management.
- Conclude on the appropriateness of the committee of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the reporting unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the reporting unit to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the reporting unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the reporting unit audit. I remain solely responsible for my audit opinion.

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

I declare that I am an approved auditor, a member of Chartered Accountants Australia & New Zealand and hold a current Public Practice Certificate.

**Vincents Assurance & Risk Advisory**



Phillip Miller

Director - 3 October 2019

Brisbane **Registration number (as registered by the Commissioner under the RO Act):**

**AA2017/24**

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## Report required under subsection 255(2A)

for the year ended 30 June 2019.

The committee of management presents the expenditure report<sup>1</sup> as required under subsection 255(2A) on the reporting unit for the year ended 30 June, 2019.

### Descriptive form

Categories of expenditures	2019 (\$)	2018 (\$)
Remuneration and other employment-related costs and expenses – employees	<b>\$27015</b>	<b>\$13477</b>
Advertising	<b>NIL</b>	<b>\$2740</b>
Operating costs	<b>NIL</b>	<b>NIL</b>
Donations to political parties	<b>NIL</b>	<b>NIL</b>
Legal costs	<b>NIL</b>	<b>NIL</b>

Signature of designated officer:

Name and title of designated officer: President

Dated: 1 October 2019

<sup>1</sup> Subsection 255(2A) provides a discretion to the reporting unit about how to report the required information. It is a matter for the reporting unit to determine whether the required information is presented in diagrammatic form such as, for example, a pie chart or whether it is reported in a descriptive form. Regardless, the reporting unit is only required to report the information in one format.



## **Traffic Management Association of Australia (TMAA)**

# **Operating report**

*for the year ended 30 June 2019*

The committee of management presents its operating report on the reporting unit for the year ended 30 June 2019.

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

The Traffic Management Association of Australia (TMAA) was registered under Fair Work Commission on 2 November 2011. The principal activities for the association are as follows:

#### **Objects of the Organisation**

The Organisation's objects are:

- a) To promote the Traffic Control Industry in Australia;
- b) To promote the need for safe working environments within the Traffic Control Industry;
- c) To represent the general interests of employers in the Traffic Control Industry;
- d) To provide information services to the Members in the Traffic Control Industry;
- e) To provide, when necessary, access to industrial relations services and legal representation for Members;
- f) To promote cooperation and respect within the Traffic Control Industry;
- g) To encourage Membership of the Organisation;
- h) To encourage, support and develop skills within the Traffic Control Industry;
- i) To actively promote standardisation and improvement within the Traffic Control Industry;
- j) To liaise with industry stakeholders promoting the interests of the Traffic Control Industry; and
- k) To lobby Local, State and Federal governments with regards to laws which will affect the interests of Members of the Traffic Control Industry.

The TMAA is currently working on three strategic areas of focus for the next year and beyond. They are:

- a) National Safety Awareness Campaign for Traffic Controllers
- b) National Accreditation for Traffic Controllers
- c) National Agreement Template for Traffic Controllers



### **Significant changes in financial affairs**

All financial reports and information from 1 July 2018 through to 30 June 2019 are provided in the General Purpose accounts and financial reports provided in separate documentation from the Operating Report.

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

There have been no additional significant charges in the organisations financial affairs during the year.

### **Right of members to resign**

- a) A Member may resign from the Organisation at any time by providing the Secretary with written notice of their resignation.
- b) No Membership fees will be refundable if a Member resigns from the Organisation.
- c) Any dues payable but not paid by a former Member of the Organisation, in relation to a period before the Member's resignation from the Organisation took effect, may be sued for and recovered in the name of the Organisation as a debt due to the Organisation.
- d) A Member's resignation takes effect fourteen (14) days from the time the notice is received by the Secretary, except where Rule 5.10(e) applies.
- e) A Member may choose to specify in their notice of resignation the date and time from which their resignation will take effect that is shorter than fourteen (14) days.

### **Officers or members who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such position**

There are no Officers or members who are superannuation fund trustees as this is not applicable to this Association.

### **Number of members**

As at 30 June 2019, there were 84 member companies of the TMAA represented under six state and one territory Divisions. A full list of current members can be provided upon written request to the Secretary.

### **Number of employees**

From 1 April 2019, an Executive Officer, Louise Van Ristell, was recruited as an employee on a part time basis.

Accounts for TMAA are completed by Lee Wilder. Division Secretariats are managed by Marie Cunningham, and Douglas Browning. All are external contractors.

### **Names of committee of management members and period positions held during the financial year**



**TRAFFIC MANAGEMENT**  
ASSOCIATION OF AUSTRALIA

The TMAA Management Committee office bearers are elected from a two-tier election presided over and implemented by the Australian Electoral Commission as required by Fair Work Commission for Registered Organisations.

The TMAA Board and State Representatives from 1 July 2018 – 30 June 2019 were:

**Andrew White – South Australia Division Representative – TMAA Treasurer**

**Paul Kelly – Queensland Division Representative– TMAA Vice President**

**Anthony Simmons – Victoria Division Representative**

**Damien Heaslip – Northern Territory Division Representative**

**Ben Marsonet – New South Wales Division Representative**

**Stephen O'Dwyer – Western Australian Division Representative - TMAA President**

**Camille O'Meara – Tasmania Division Representative – TMAA Secretary**

Signature of designated officer:

Name and title of designated officer: Stephen O'Dwyer, President

Dated: 30 June 2019





## Traffic Management Association of Australia (TMAA)

### Committee of management statement

*for the year ended 30 June 2019*

On 1/10/2019 the Traffic Management Association of Australia (TMAA) Committee of Management of the Traffic Management Association of Australia (TMAA) passed the following resolution in relation to the general purpose financial report (**GPFR**) for the year ended 30 June 2019:

The Committee of Management declares that in its opinion:

- a) the financial statements and notes comply with the Australian Accounting Standards;
- b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the **RO Act**);
- c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- e) during the financial year to which the GPFR relates and since the end of that year:
  - meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - 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
  - the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
  - where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
  - where information has been sought in any request by a member of the reporting unit or the Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and
  - 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.

This declaration is made in accordance with a resolution of the committee of management.

Signature of designated officer:

Name and title of designated officer: Stephen O'Dwyer, President

# Traffic Management Association of Australia

## Statement of comprehensive income

for the year ended 30 June 2019

	Notes	2019 \$	2018 \$
<b>Revenue</b>			
Membership subscription*		<b>244,879</b>	207,427
Capitation fees and other revenue from another reporting unit*	3A	-	-
Levies*	3B	-	-
Supplier memberships	3C	<b>116,721</b>	121,792
Sponsorships	3D	<b>153,442</b>	117,549
Other revenue		<b>(7,442)</b>	30,452
<b>Total revenue</b>		<b>507,600</b>	477,220
<b>Other Income</b>			
Grants and/or donations*	3E	-	-
Share of net profit from associate	6E	-	-
Revenue from recovery of wages activity*	3F	-	-
<b>Total other income</b>		-	-
<b>Total income</b>		<b>507,600</b>	477,220
<b>Expenses</b>			
Employee expenses	4A	<b>27,015</b>	13,477
Capitation fees and other expense to another reporting unit*	4B	-	-
Affiliation fees	4C	-	-
Administration expenses	4D	<b>421,747</b>	378,977
Grants or donations	4E	-	-
Legal costs	4F	-	-
Audit fees	14	-	2,766
Other expenses	4G	-	-
<b>Total expenses</b>		<b>448,762</b>	395,220
<b>Surplus (deficit) for the year</b>		<b>58,838</b>	82,000
<b>Other comprehensive income</b>			
Items that will be subsequently reclassified to profit or loss		-	-
<b>Total comprehensive income for the year</b>		<b>58,838</b>	82,000

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

\*As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

# Traffic Management Association of Australia

## Statement of financial position

as at 30 June 2019

	Notes	2019 \$	2018 \$
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents	5A	224,847	215,675
Trade and other receivables*	5B	15,094	21,566
Other current assets	5C	6,470	9,942
<b>Total current assets</b>		<b>246,411</b>	<b>247,183</b>
Non-current Assets			
Plant and equipment	6A	-	-
<b>Total non-current assets</b>		<b>-</b>	<b>-</b>
<b>Total assets</b>		<b>246,411</b>	<b>247,183</b>
<b>LIABILITIES</b>			
Current Liabilities			
Trade payables*	7A	3,866	6,681
Other payables*	7B	21,241	78,036
Employee provisions	8A	-	-
<b>Total current liabilities</b>		<b>25,107</b>	<b>84,717</b>
Non-current Liabilities			
Employee provisions	8A	-	-
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>25,107</b>	<b>84,717</b>
<b>Net assets</b>		<b>221,304</b>	<b>162,466</b>
<b>EQUITY</b>			
Retained earnings (accumulated deficit)		221,304	162,466
<b>Total equity</b>		<b>221,304</b>	<b>162,466</b>

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

\*As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

## Traffic Management Association of Australia

### Statement of changes in equity

*for the year ended 30 June 2019*

	Notes	General funds /reserves \$	Retained earnings \$	Total equity \$
<b>Balance as at 1 July 2017</b>		-	80,466	80,466
Surplus / (deficit)		-	82,000	82,000
<b>Closing balance as at 30 June 2018</b>		-	<b>162,466</b>	<b>162,466</b>
Surplus / (deficit)		-	<b>58,838</b>	<b>58,838</b>
<b>Closing balance as at 30 June 2019</b>		-	<b>221,304</b>	<b>221,304</b>

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



# Traffic Management Association of Australia

## Statement of cash flows

for the year ended 30 June 2019

		2019 \$	2018 \$
	Notes		
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Receipts from other reporting units/controlled entity(s)	11B	-	-
Interest		-	-
Other		<b>491,856</b>	516,019
<b>Cash used</b>			
Employees		-	-
Suppliers		<b>(482,684)</b>	(427,956)
Payment to other reporting units/controlled entity(s)	11B	-	-
<b>Net cash from (used by) operating activities</b>	11A	<b>9,172</b>	88,033
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sale of plant and equipment		-	-
Proceeds from sale of land and buildings		-	-
Other		-	-
<b>Cash used</b>			
Purchase of plant and equipment		-	-
Purchase of land and buildings		-	-
Other		-	-
<b>Net cash from (used by) investing activities</b>		-	-
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Contributed equity		-	-
Other		-	-
<b>Cash used</b>			
Repayment of borrowings		-	-
Other		-	-
<b>Net cash from (used by) financing activities</b>		-	-
<b>Net increase (decrease) in cash held</b>		<b>9,172</b>	88,033
Cash & cash equivalents at the beginning of the reporting period		<b>215,675</b>	127,642
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	5A	<b>224,847</b>	215,675

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

# **Traffic Management Association of Australia**

## **Index to the notes of the financial statements**

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## **Note 1 Summary of significant accounting policies**

### **1.1 Basis of preparation of the financial statements**

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

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

### **1.2 Comparative amounts**

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

### **1.3 Significant accounting judgements and estimates**

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

#### **Accounting estimates - Impairment of Assets**

The Registered Organisation assesses impairment at the end of each reporting period by evaluating conditions specific to the Registered Organisation that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

#### **Accounting estimates - Provisions**

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

### **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 9 Financial Instruments and relevant amending standards, which replaces AASB 139 Financial Instruments: Recognition and Measurement.

## Impact on adoption of AASB 9

### (a) Initial application

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

The Traffic Management Association of Australia has applied AASB 9 retrospectively, with an initial application date of 1 July 2018. The Traffic Management Association of Australia has not restated the comparative information, which continues to be reported under AASB 139.<sup>2</sup> Differences arising from the adoption of AASB 9 have been recognised directly in opening retained earnings and other components of equity as at 1 July 2018. The nature and effect of the changes as a result of adoption of AASB 9 are as follows:

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

	Ref	1 July 2018
	adjustments	\$
Classification and measurement	(i)	-
Impairment	(ii)	-
Other adjustments	(iii)	-
	-	-

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

The nature of these adjustments are described below.

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<sup>2</sup> Note: While AASB 9 must be applied retrospectively (with some exceptions), a reporting unit may elect to restate or not restate comparative information, which continues to be reported under AASB 139. For the purposes of the Model Report, comparative information have **not** been restated.

## **(i) Classification and measurement**

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

The assessment of the *reporting unit's* business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a significant impact to the Traffic Management Association of Australia.

- Trade receivables and other non-current financial assets (i.e., Loan to a related party) previously classified as loans and receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are now classified and measured as debt instruments at amortised cost.

The Traffic Management Association of Australia has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the *reporting unit's* financial liabilities.

## **(ii) Impairment loss**

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

Upon adoption of AASB 9 the Traffic Management Association of Australia did not recognise any additional impairment on the trade receivables which resulted in a decrease in retained earnings of the same amount as at 1 July 2018.

## ***Future Australian Accounting Standards Requirements***

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods that are expected to have a future financial impact on Traffic Management Association of Australia include:

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

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

For NFP entities, both AASB 1058 and 15 will commence from financial years beginning on or after 1 January 2019. Either a full retrospective application or a modified retrospective application is required for AASB 15. The Traffic Management Association of Australia plans to adopt AASB 15 on the required effective date [insert date] of using [full retrospective/modified retrospective] method.

During the financial year ended 30 June 2019, the Traffic Management Association of Australia performed a preliminary assessment of AASB 1058 and 15.

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.

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

The net book value of assets and or liabilities transferred to Traffic Management Association of Australia 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 Traffic Management Association of Australia/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*.

*Traffic Management Association of Australia* did not acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of the organisation, a determination or revocation by the General Manager of the Fair Work Commission under subsections 245(1) or 249(1) of the RO Act<sup>3</sup>.

### **1.6 Revenue**

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

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

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<sup>3</sup> Note: if the fact that the reporting unit did not acquire any such assets or liabilities in the above circumstances is disclosed in the officer declaration statement, it is not necessary to make such disclosure here.

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 loss allowance due to expected credit losses at each reporting date. A provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

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.

## **1.7 Government grants<sup>4</sup>**

Government grants are not recognised until there is reasonable assurance that the Traffic Management Association of Australia 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 Traffic Management Association of Australia recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Traffic Management Association of Australia should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

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

## **1.8 Gains**

### ***Sale of assets***

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

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<sup>4</sup> Policy relevant for for-profit reporting units. Not-for-profit reporting units must comply with AASB 1004 Contributions.

## **1.9 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.

## **1.10 Employee benefits**

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

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

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

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

Provision is made for separation and redundancy benefit payments. The Traffic Management Association of Australia 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.

## **1.11 Leases**

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

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

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

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

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



operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

### 1.12 Borrowing costs

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

### 1.13 Cash

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

### 1.14 Financial instruments

Financial assets and financial liabilities are recognised when a Traffic Management Association of Australia entity becomes a party to the contractual provisions of the instrument.

### 1.15 Financial assets

#### Initial recognition and measurement

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the [*reporting unit's*] business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Traffic Management Association of Australia initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

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

The *reporting unit's* business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Traffic Management Association of Australia commits to purchase or sell the asset.

### **Subsequent measurement**

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

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

### **Offsetting**

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

### **Impairment**

#### **(i) Trade receivables**

For trade receivables that do not have a significant financing component, the Traffic Management Association of Australia applies a simplified approach in calculating expected credit losses (**ECLs**) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the Traffic Management Association of Australia does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Traffic Management Association of Australia has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the Traffic Management Association of Australia recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Traffic Management Association of Australia expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages:

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

The Traffic Management Association of Australia considers a financial asset in default when contractual payments are 90<sup>5</sup> days past due. However, in certain cases, the Traffic Management Association of Australia may also consider a financial asset to be in default when internal or external information indicates that the Traffic Management Association of Australia is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

## **1.16 Financial Liabilities**

### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Traffic Management Association of Australia's financial liabilities include trade and other payables.

### **Subsequent measurement**

#### **Financial liabilities at fair value through profit or loss (including designated)**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied.

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<sup>5</sup> Note: Reporting unit to update as applicable.

## **Financial liabilities at amortised cost**

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

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

## **Derecognition**

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

## **1.17 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.

## **1.18 Land, buildings, plant and equipment**

### ***Asset Recognition Threshold***

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

### ***Depreciation***

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

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

	2019	2018
Land & buildings	40 years	40 years
Plant and equipment	2 to 5 years	2 to 5 years

### ***Derecognition***

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

## **1.19 Intangibles**

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

	2019	2018
Intangibles	3 to 5 years	3 to 5 years

### ***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.

## **1.20 Impairment of non-financial assets**

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

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Traffic Management Association of Australia

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

### **1.21 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.

### **1.22 Taxation**

The Traffic Management Association of Australia is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (**FBT**) and the Goods and Services Tax (**GST**).

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

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

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

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

### **1.23 Fair value measurement**

The Traffic Management Association of Australia measures financial instruments, such as, financial assets at fair value through the profit and loss, financial assets at fair value through OCI, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 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 Traffic Management Association of Australia. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Traffic Management Association of Australia 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 Traffic Management Association of Australia 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 Traffic Management Association of Australia 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.

## 1.24 Going concern

Traffic Management Association of Australia is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis<sup>6</sup>.

Traffic Management Association of Australia has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis<sup>7</sup>.

## Note 2 Events after the reporting period

There were no events that occurred after 30 June 2019, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of Traffic Management Association of Australia.

2019	2018
\$	\$

## Note 3 Income

### Note 3A: Capitation fees and other revenue from another reporting unit\*

#### Capitation fees:

*[list name and amount for each reporting unit]*

#### Subtotal capitation fees

-	-
-	-

#### Other revenue from another reporting unit:

*[list name and amount for each reporting unit]*

#### Subtotal other revenue from another reporting unit

#### Total capitation fees and another revenue from other reporting unit

-	-
-	-
-	-

*[Provide the description for each item above. Capitation fees includes equivalent terminology referred to in the organisation's rules e.g. sustentation fees).]*

### Note 3B: Levies\*

*[list purpose and amount for each compulsory or voluntary levy or appeal]*

#### Total levies

-	-
-	-

<sup>6</sup> Note: if the fact that the reporting unit is not reliant on agreed financial support from another reporting unit or entity is disclosed in the officer declaration statement, it is not necessary to make such disclosure here.

<sup>7</sup> Note: if the fact that the reporting unit has not agreed to provide financial support to another reporting unit or entity is disclosed in the officer declaration statement, it is not necessary to make such disclosure here.



	2019 \$	2018 \$
<b>Note 3C: Supplier memberships</b>		
Supplier memberships	116,721	121,792
<b>Total investment income</b>		
<b>Note 3D: Sponsorships</b>		
Supplier sponsorships	20,869	27,458
Other sponsorships	132,573	90,091
<b>Total rental revenue</b>	<b>153,442</b>	<b>117,549</b>
<b>Note 3E: Grants or donations *</b>		
Grants	-	-
Donations	-	-
<b>Total grants or donations</b>	<b>-</b>	<b>-</b>
<b>Note 3F: Revenue from recovery of wages activity</b>		
Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	-	-
<b>Total revenue from recovery of wages activity</b>	<b>-</b>	<b>-</b>

\* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

<b>2019</b>	<b>2018</b>
<b>\$</b>	<b>\$</b>

## Note 4 Expenses

### Note 4A: Employee expenses\*

#### Holders of office:

Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-

#### Subtotal employee expenses holders of office

-	-
---	---

#### Employees other than office holders:

Wages and salaries	<b>24,671</b>	18,551
Superannuation	<b>2,344</b>	1,093
Leave and other entitlements	-	(6,197)
Separation and redundancies	-	-
Other employee expenses	-	-

#### Subtotal employee expenses employees other than office holders

<b>27,015</b>	13,477
---------------	--------

#### Total employee expenses

<b>27,015</b>	13,477
---------------	--------

### Note 4B: Capitation fees and other expense to another reporting unit\*

#### Capitation fees

*[list name and amount for each reporting unit]*

-	-
---	---

#### Subtotal capitation fees

-	-
---	---

#### Other expense to another reporting unit

*[list name and amount for each reporting unit]*

-	-
---	---

#### Subtotal other expense to another reporting unit

-	-
---	---

#### Total capitation fees and other expense to another reporting unit

-	-
---	---

### Note 4C: Affiliation fees\*

*[list name and amount for each entity]*

-	-
---	---

#### Total affiliation fees/subscriptions

-	-
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\* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

2019	2018
\$	\$

#### Note 4D: Administration expenses

Total paid to employers for payroll deductions of membership subscriptions*	-	-
Compulsory levies*		
<i>[list each levy including purpose and name of entity]</i>	-	-
Fees/allowances - meeting and conferences*	-	-
Conference and meeting expenses*	-	-
Accountancy	31,170	36,033
Advertising	-	2,740
Consultants	146,576	169,359
Events	33,077	17,125
Insurance	2,410	2,555
Office expenses	51,071	64,392
Promotional	108,675	67,084
Other	48,768	19,689
<b>Subtotal administration expense</b>	<b>421,747</b>	<b>378,977</b>
Operating lease rentals:		
Minimum lease payments	-	-
<b>Total administration expenses</b>	<b>421,747</b>	<b>378,977</b>

#### Note 4E: Grants or donations\*

Grants:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
<b>Total grants or donations</b>	<b>-</b>	<b>-</b>

\* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

2018	2019	2018
	\$	\$
<b>Note 4F: Legal costs*</b>		
Litigation	-	-
Other legal costs	-	-
<b>Total legal costs</b>	-	-

**Note 4G: Other expenses**

Penalties - via RO Act or the <i>Fair Work Act 2009</i> *	-	-
<b>Total other expenses</b>	-	-

\* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

<b>2019</b>	<b>2018</b>
<b>\$</b>	<b>\$</b>

## Note 5 Current Assets

### Note 5A: Cash and cash equivalents

Cash at bank	<b>224,847</b>	215,675
Cash on hand	-	-
Short term deposits	-	-
Other	-	-
<b>Total cash and cash equivalents</b>	<b>224,847</b>	<b>215,675</b>

### Note 5B: Trade and other receivables

#### Receivables from other reporting unit[s]\*

*[list name and amount for each other reporting unit]*

	-	-
<b>Total receivables from other reporting unit[s]</b>	<b>-</b>	<b>-</b>

#### Less allowance for expected credit losses\*

*[list name and amount for each other reporting unit]*

	-	-
<b>Total allowance for expected credit losses</b>	<b>-</b>	<b>-</b>

#### Receivable from other reporting unit[s] (net)

-	-
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#### Other receivables:

GST receivable	<b>13,933</b>	9,564
Other	<b>1,161</b>	12,002

<b>Total other receivables</b>	<b>15,094</b>	21,566
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<b>Total trade and other receivables (net)</b>	<b>15,094</b>	21,566
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The movement in the allowance for expected credit losses of trade and other receivables is as follows:

At 1 July	-	-
Provision for expected credit losses	-	-
Write-off	-	-
<b>At 30 June</b>	<b>-</b>	<b>-</b>

### Note 5C: Other current assets

Prepayments	<b>6,470</b>	9,942
<b>Total other current assets</b>	<b>6,470</b>	<b>9,942</b>

\* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

## Note 6      Non-current Assets

	2019 \$	2018 \$
<b>Note 6A: Plant and equipment</b>		
Plant and equipment:		
at cost	-	-
accumulated depreciation	-	-
<b>Total plant and equipment</b>	<b>-</b>	<b>-</b>

### *Reconciliation of opening and closing balances of plant and equipment*

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

2019	2018
\$	\$

## Note 7 Current Liabilities

### Note 7A: Trade payables

Trade creditors and accruals	3,866	6,681
Operating lease rentals	-	-
<b>Subtotal trade creditor</b>	<b>3,866</b>	<b>6,681</b>
<b>Payables to other reporting unit[s]*</b> <i>[list name and amount for each reporting unit]</i>	-	-
<b>Subtotal payables to other reporting unit[s]</b>	-	-
<b>Total trade payables</b>	<b>3,866</b>	<b>6,681</b>

Settlement is usually made within 30 days.

### Note 7B: Other payables

Wages and salaries	6,000	-
Superannuation	2,163	-
Payable to employers for making payroll deductions of membership subscriptions*	-	-
Legal costs*		
Litigation	-	-
Other legal costs	-	-
Prepayments received/unearned revenue	2,200	75,176
GST payable	-	-
Other	10,878	2,860
<b>Total other payables</b>	<b>21,241</b>	<b>78,036</b>

Total other payables are expected to be settled in:

No more than 12 months	21,241	78,036
More than 12 months	-	-
<b>Total other payables</b>	<b>21,241</b>	<b>78,036</b>

\* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

2019	2018
\$	\$

## Note 8 Provisions

### Note 8A: Employee provisions\*

#### Office holders:

Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-

#### **Subtotal employee provisions—office holders**

-	-
---	---

#### Employees other than office holders:

Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-

#### **Subtotal employee provisions—employees other than office holders**

-	-
---	---

#### **Total employee provisions**

-	-
---	---

Current	-	-
Non-current	-	-

#### **Total employee provisions**

-	-
---	---

## Note 9 Non-current Liabilities

### Note 9A: Other non-current liabilities

[list classes]	-	-
<b>Total other non-current liabilities</b>	-	-

\* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.



	2019	2018
	\$	\$
<b>Note 10      Equity</b>		
<b>Note 10A: Other specific disclosures - funds*</b>		
<b>Compulsory levy/voluntary contribution fund – if invested in assets</b>		
<i>[list name of fund or account and the value of those asset(s)]</i>	-	-
<b>Other fund(s) required by rules</b>		
<i>[insert name of individual fund and purpose]</i>		
<b>Balance as at start of year</b>	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
<b>Balance as at end of year</b>	-	-

\* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

2019	2018
\$	\$

## 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	224,847	215,675
Balance sheet	224,847	215,675
<b>Difference</b>	-	-

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

Profit/(deficit) for the year	58,838	82,000
-------------------------------	--------	--------

##### Adjustments for non-cash items

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

##### Changes in assets/liabilities

(Increase)/decrease in net receivables	9,944	3,627
(Increase)/decrease in prepayments	-	-
Increase/(decrease) in supplier payables	(59,610)	(7,594)
Increase/(decrease) in other payables	-	-
Increase/(decrease) in employee provisions	-	-
Increase/(decrease) in other provisions	-	-
<b>Net cash from (used by) operating activities</b>	<b>9,172</b>	<b>88,033</b>

### Note 11B: Cash flow information\*

#### Cash inflows

[list each reporting unit/controlled entity]

<b>Total cash inflows</b>	-	-
---------------------------	---	---

#### Cash outflows

[list each reporting unit/controlled entity]

<b>Total cash outflows</b>	-	-
----------------------------	---	---

\* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

<b>2019</b>	<b>2018</b>
<b>\$</b>	<b>\$</b>

## **Note 12      Contingent Liabilities, Assets and Commitments**

There are no contingencies or commitments that have not been disclosed in the financial statements

## **Note 13      Related Party Disclosures**

### **Note 13A: Related Party Disclosures**

Traffic Management Association of Australia does not have any related party transactions.

### **Note 13B: Key management personnel remuneration for the reporting period**

Traffic Management Association of Australia does not have any key management personnel.

## **Note 14      Remuneration of Auditors**

### **Value of the services provided**

Financial statement audit services	-	2,766
Other services	-	-
<b>Total remuneration of auditors</b>	<b>-</b>	<b>2,766</b>

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

2019	2018
\$	\$

## Note 15 Financial Instruments

### Note 15A: Categories of Financial Instruments

#### *Financial assets*

Cash and cash equivalents	<b>224,847</b>	215,675
Trade receivables	<b>15,094</b>	21,566
<b>Total</b>	-	-
<b>Carrying amount of financial assets</b>	<b>239,941</b>	237,241

#### *Financial liabilities*

Other financial liabilities:		
Trade Payables	<b>3,866</b>	6,681
Other payables	<b>21,241</b>	78,036
<b>Carrying amount of financial liabilities</b>	<b>25,107</b>	84,717

2019	2018
\$	\$

**Note 15B: Net income and expense from financial assets**

<b>Held-to-maturity</b>		
<b>Net gain/(loss) held-to-maturity</b>	-	-
<b>Loans and receivables/amortised cost</b>		
<b>Net gain/(loss) from loans and receivables</b>	-	-
<b>Available for sale</b>		
<b>Net gain/(loss) from available for sale</b>	-	-
<b>Financial assets at fair value through profit and loss</b>		
<b>Total held for trading</b>	-	-
<b>Total designated as fair value through profit and loss</b>	-	-
<b>Net gain/(loss) on financial assets at fair value through profit and loss</b>	-	-
<b>Sub-total net income/(expense) from financial assets</b>	-	-
<b>Sub-total net income/(expense) from financial assets carried forward</b>	-	-
<b>Financial assets at fair value through other comprehensive income</b>		
<b>Total financial assets at fair value through other comprehensive income</b>	-	-
<b>Net income/(expense) from financial assets</b>	-	-

**Note 15C: Net income and expense from financial liabilities**

<b>At amortised cost</b>		
<b>Net gain/(loss) financial liabilities - at amortised cost</b>	-	-
<b>Fair value through profit and loss</b>		
<b>Held for trading:</b>		
<b>Total held for trading</b>	-	-
<b>Designated as fair value through profit and loss:</b>		
<b>Total designated as fair value through profit and loss</b>	-	-
<b>Net gain/(loss) at fair value through profit and loss</b>	-	-
<b>Net gain/(loss) from financial liabilities</b>	-	-

2019                      2018  
\$                              \$

## Note 15D: Credit risk

Credit risk is the risk of financial loss to the branch if a customer or counter party to a financial instrument fails to meet their contractual obligations.

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

### Financial assets

Cash and Cash equivalents	224,847	215,675
Receivables	15,094	21,566
<b>Total</b>	<b>239,941</b>	<b>237,241</b>

### Financial liabilities

Trade payable	3,866	6,681
Other payables	21,241	78,036
<b>Total</b>	<b>25,107</b>	<b>84,717</b>

Set out below is the information about the credit risk exposure on financial assets using a provision matrix:

30 June 2019	Trade and other receivables					
	Days past due					
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
	\$	\$	\$	\$	\$	\$
Expected credit loss rate	0%	0%	0%	0%	0%	
Estimate total gross carrying amount at default			-	-	-	-
Expected credit loss			-	-	-	-

30 June 2018	Trade and other receivables					
	Days past due					
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
	\$	\$	\$	\$	\$	\$
Expected credit loss rate	0%	0%	0%	0%	0%	
Estimate total gross carrying amount at default			-	-	-	-
Expected credit loss			-	-	-	-

The Traffic Management Association of Australia's maximum exposure to credit risk for the components of the statement of financial position at 30 June 2019 and 2018 is the carrying amounts as illustrated in Note 15D.

#### Note 15E: Liquidity risk

Liquidity risk is the risk that the branch will not be able to fund its obligations as they fall due.

##### Contractual maturities for financial liabilities 2019

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade payables	-	3,866	-	-	-	3,866
<b>Total</b>	-	<b>3,866</b>	-	-	-	<b>3,866</b>

##### Contractual maturities for financial liabilities 2018

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade payables	-	6,681	-	-	-	6,681
<b>Total</b>	-	<b>6,681</b>	-	-	-	<b>6,681</b>

#### Note 15F: Market risk

Market risks generally include interest rate risk, price risk, and currency risk. The Association is exposed mainly to interest rate risk in relation to the returns received from its Cash and Cash Equivalents. All are domestic investments so there are no currency risks in relation to those investments.

##### *Interest rate risk*

The method and assumption used for sensitivity analysis for 2019 and 2018 are the same and illustrate the effect that a 2% change in interest rates will have on the Branch's profit and loss and equity for both years. The change is equivalent to the approximate CPI variation during both years.

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

Risk variable	Change in risk variable %	Effect on	
		Profit and loss \$	Equity \$
Interest rate risk	- + 2%	4,497	4,497
Interest rate risk	- - 2%	(4,497)	(4,497)

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

Risk variable	Change in risk variable %	Effect on	
		Profit and loss \$	Equity \$
Interest rate risk	- + 2%	4,313	4,313
Interest rate risk	- - 2%	(4,313)	(4,313)

### Price risk

As the Association is only exposed to investments in cash and cash equivalents the association does not experience any price risk in regard to its investments.

## 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 30 June 2019 was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Traffic Management Association of Australia 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 30 June 2019 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

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

	Carrying amount 2019 \$	Fair value 2019 \$	Carrying amount 2018 \$	Fair value 2018 \$
<b>Financial assets</b>				
Cash and cash equivalents	224,847	224,847	215,675	215,675
Receivables	15,094	15,094	21,566	21,566
<b>Total</b>	<b>239,941</b>	<b>239,941</b>	<b>237,241</b>	<b>237,241</b>
<b>Financial liabilities</b>				
Trade payables	3,866	3,866	6,681	6,681
Other payables	21,241	21,241	78,036	78,036
<b>Total</b>	<b>25,107</b>	<b>25,107</b>	<b>84,717</b>	<b>84,717</b>



**Note 17      Section 272 *Fair Work (Registered Organisations) Act 2009***

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

Information to be provided to members or Commissioner:

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



## Officer declaration statement

I, Stephen O'Dwyer being the President of the Traffic Management Association of Australia (TMAA), declare that the following activities did not occur during the reporting period ending 1 July 2018 – 30 June 2019.

The reporting unit did not:

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

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive capitation fees or any other revenue amount from another reporting unit
- receive revenue via compulsory levies
- receive revenue from undertaking recovery of wages activity
- receive donations or grants
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay capitation fees or any other expense to another reporting unit
- pay affiliation fees to other entity
- pay compulsory levies
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- pay a donation that was \$1,000 or less
- pay wages and salaries to holders of office
- pay superannuation to holders of office
- pay leave and other entitlements to holders of office
- pay separation and redundancy to holders of office
- pay other employee expenses to holders of office



- pay leave and other entitlements to employees (other than holders of office)
- pay separation and redundancy to employees (other than holders of office)
- pay other employee expenses to employees (other than holders of office)
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- pay legal costs relating to litigation
- pay legal costs relating to other legal matters
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a receivable with other reporting unit(s)
- have a payable with other reporting unit(s)
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- have an annual leave provision in respect of holders of office
- have a long service leave provision in respect of holders of office
- have a separation and redundancy provision in respect of holders of office
- have other employee provisions in respect of holders of office
- have a annual leave provision in respect of employees (other than holders of office)
- have a long service leave provision in respect of employees (other than holders of office)
- have a separation and redundancy provision in respect of employees (other than holders of office)
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund
- provide cash flows to another reporting unit and/or controlled entity
- receive cash flows from another reporting units and/or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit



**TRAFFIC** MANAGEMENT  
ASSOCIATION OF AUSTRALIA

Signature of designated officer:

A handwritten signature in black ink, appearing to read "Simon Dwyer".

Name and title of designated officer: President

Dated: 1 October 2019

**Traffic Management Association of Australia**

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