



15 May 2017

Mr Timothy Dawson  
Branch Secretary  
Transport Workers' Union of Australia, Western Australia Branch  
3<sup>rd</sup> Floor, 82 Beaufort Street  
Perth WA 6000

By e-mail: [info@twuwa.org.au](mailto:info@twuwa.org.au)  
[legal@twu.com.au](mailto:legal@twu.com.au)

Dear Mr Dawson

**Transport Workers' Union of Australia, Western Australia Branch  
Financial Report for the year ended 31 December 2016 - FR2016/350**

I acknowledge receipt of the financial report for the year ended 31 December 2016 for the Transport Workers' Union of Australia, Western Australia Branch (TWU-WA). The financial report was lodged with the Fair Work Commission (FWC) on 11 April 2017 and as advised in the FWC e-mail of 26 April 2017 the matter has been transferred to the Registered Organisations Commission (ROC) effective 1 May 2017.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

Whilst the 2016 report has been filed the following should be addressed in the preparation of the next financial report.

The TWU-WA financial report included a 'Certificate of Secretary' which has been used by the ROC to assess compliance against s. 268 of the *Fair Work (Registered Organisations) Act 2009*. The report also included a 'Certificate by Prescribed Designated Officer'. To avoid confusion please ensure that only one Designated Officer's Certificate is included with future reports.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 9603 0707 or by email at [ken.morgan@roc.gov.au](mailto:ken.morgan@roc.gov.au)

Yours sincerely

A handwritten signature in black ink, appearing to read 'K. Morgan'.

**KEN MORGAN**  
Financial Reporting Advisor  
Registered Organisations Commission



Tim Dawson Branch Secretary

**TRANSPORT WORKERS UNION**  
Western Australian Branch

3rd Floor, 82 Beaufort Street, Perth WA | PO Box 8497, Perth Business Centre, Perth WA 6849

Phone (08) 9328 7477 | Facsimile (08) 9227 8320 | ABN 37 494 080 681

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

**Certificate of Secretary**

Certificate for the period ended 31 December 2016

I Timothy Dawson being the Secretary of the Transport Workers' Union of Australia, Western Australian Branch certify:

- That the document lodged herewith is a copy of the full report for the Transport Workers' Union of Australia, Western Australian Branch 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 Transport Workers' Union of Australia, Western Australian Branch) on 15 March 2017; and
- That the full report was presented to a second meeting of the Branch Committee of Management, of the Transport Workers' Union of Australia, Western Australian Branch on 10 April 2017, in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signed:

Timothy Dawson

Secretary, Transport Workers' Union of Australia, Western Australian Branch.

Date:

11/04/2017

**TRANSPORT WORKERS' UNION OF AUSTRALIA**

**WESTERN AUSTRALIAN BRANCH**

**AUDITED GENERAL PURPOSE FINANCIAL REPORT**

**FOR THE YEAR ENDED**

**31 DECEMBER 2016**

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**TRANSPORT WORKERS' UNION OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH**

**INDEX TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRANSPORT WORKERS' UNION OF AUSTRALIA – WESTERN AUSTRALIAN BRANCH**

### **Auditor's Opinion on the Financial Report**

We have audited the accompanying financial report of Transport Workers' Union of Australia – Western Australian Branch, which comprises the statement of financial position as at 31 December 2016 and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and the recovery of wages activity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Committee of Management's statement.

In our opinion, the financial report of Transport Workers' Union of Australia - Western Australian Branch is in accordance with the requirements of Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009, including:

- a) Giving a true and fair view of the entity's financial position as at 31 December 2016 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards (including Australian Accounting Interpretations).

### **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Going Concern Basis of Preparation**

Based on all reasonably foreseeable circumstances impacting the entity and the information obtained during the audit, we concur with management's decision to prepare the financial report on the going concern basis.

### **Report on the Recovery of Wages Activity**

We have audited the Recovery of Wages Activity included on page 14 of the entity's general purpose financial report for the year ended 31 December 2016.

The members of the Committee of Management are responsible for the preparation and presentation of the Recovery of Wages Activity in accordance with Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

Our responsibility is to express an opinion on the Recovery of Wages Activity, based on our audit conducted in accordance with Australian Auditing Standards.

### **Auditor's Opinion**

In our opinion the Recovery of Wages Activity is in accordance with the reporting guidelines of the Industrial Registrar for the year ended 31 December 2016, including:

- a) presenting fairly and properly the Recovery of Wages Activity's financial position as at 31 December 2016 and its performance for the year ended on that date, 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

### **Committee of Management's Responsibility for the Financial Report**

The members of the Committee of Management are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards 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 preparing the financial report, The Committee of Management is responsible for assessing the Entity'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 management either intends to liquidate the Branch or to cease operations, or has no realistic alternative but to do so.

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

Our objectives are 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 our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 Australia Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess 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 our 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 Branch'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 Branch's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Branch to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We 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 we identify during our audit.

BUTLER SETTINERI (AUDIT) PTY LTD



MARIUS VAN DER MERWE CA  
Approved auditor as per Regulation 4  
CA ANZ number 438 060  
Director  
Perth  
Date: 13 March 2017

**TRANSPORT WORKERS' UNION OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH**

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER  
FOR THE YEAR ENDED 31 DECEMBER 2016**

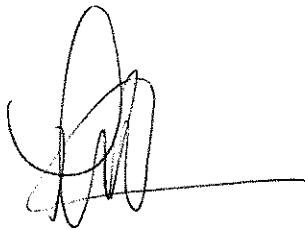
I Timothy Dawson being the branch secretary of the Transport Workers' Union of Australia – Western Australian Branch ("Branch") certify:

- that the documents lodged herewith are copies of the full report for the Branch for the year ended 31 December 2016 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 13 March 2017 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Timothy Dawson

Branch Secretary

Dated: 13 March 2017

A handwritten signature in black ink, consisting of a large, stylized initial 'T' followed by a series of loops and a long horizontal line extending to the right.

**TRANSPORT WORKERS' UNION OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH**

**OPERATING REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

The committee presents its report on the reporting unit for the financial year ended 31 December 2016.

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

The Principal activities of the Transport Workers' Union – Western Australian Branch ("Branch") during the reporting period were to provide industrial and organising services to the members consistent with the objects of the Branch and particularly the object of protecting and improving the interest of the members.

The Branch's principal activities resulted in maintaining and improving the wages and conditions of employment of the membership, particularly for those members in collective enterprise agreements negotiated by the Branch.

There were no significant changes in the nature of the Branch's principal activities during the reporting period.

**Significant changes in financial affairs**

There were no significant changes to the Branch's financial affairs during the reporting period.

**Right of members to resign**

Clause 11 of the Branch rules details the right of a member to resign from the Branch:

11. Resignation from membership

- (1) A member may resign from membership by notice in writing addressed and delivered to the Branch Secretary of the Branch in which the member is enrolled.
- (2) A notice of resignation from membership takes effect:
  - (a) if the member has ceased to be eligible:
    - i. on the day on which the notice is received by the Union;
    - ii. on the day specified in the notice;whichever is later; or



**TRANSPORT WORKERS' UNION OF AUSTRALIA**  
**WESTERN AUSTRALIAN BRANCH**

(b) in any other case:

- i. at the end of 2 weeks after the notice is received by the Branch Secretary; or
- ii. on the day specified in the notice;

whichever is later.

- (3) Any dues payable but not paid by a former member, in relation to a period before the member's resignation from the Branch took effect, may be sued for and recovered in accordance with rule 81 as a debt to the Branch.
- (4) A notice delivered in accordance with sub-rule (1) is deemed to have been received by the Branch when it was delivered.
- (5) A notice of resignation that has been received by the Branch is not invalid only because it was not addressed and delivered in accordance with sub-rule (1).
- (6) A resignation from membership is valid, even if it was not effected in accordance with this rule, if the member is informed in writing by the Branch that the resignation has been accepted.

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

Timothy Dawson is a Director of the TWU Superannuation Fund.

**Number of members**

The number of persons that were, as at 31 December 2016, recorded in the register as members was 8,588.

**Number of employees**

The number of persons who were, as at 31 December 2016, employees of the Branch, including both full-time employees and part-time employees was 20.

**TRANSPORT WORKERS' UNION OF AUSTRALIA**  
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**Names of Committee of Management members and period positions held during the financial year**

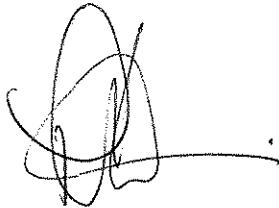
The name of each person who was a member of the Committee of Management of the Branch during the financial year ended 31 December 2016, and the period for which he or she held such a position during that year is detailed as follows:

**Committee Member Period Position Held**

Ray McMillan	01/01/16 – 31/12/16
Mark Bebich	01/01/16 – 31/12/16
Paul Aslan	01/01/16 – 31/12/16
John Davis	01/01/16 – 31/12/16
Timothy Dawson	01/01/16 – 31/12/16
Michael Cook	01/01/16 – 31/12/16
Michael Lawson	01/01/16 – 31/12/16
Deborah Dunbar	01/01/16 – 31/12/16
Bruce Spaul	01/01/16 – 31/12/16
Peter Elliott	01/01/16 – 31/12/16
Ralph Roth	01/01/16 – 31/12/16
William Nuttal	01/01/16 – 31/12/16
Andrew Payne	01/01/16 – 31/12/16

Timothy Dawson

Branch Secretary



Dated: 13 March 2017

**TRANSPORT WORKERS' UNION OF AUSTRALIA**  
**WESTERN AUSTRALIAN BRANCH**

**COMMITTEE OF MANAGEMENT STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

On the 13 March 2017, the committee of management of the Transport Workers' Union of Australia – Western Australian Branch ("Branch") passed the following resolution in relation to the general purpose financial report (GPFR) 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 Fair Work (Registered Organisations) Act 2009 (the "RO Act"); and
  - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
  - (v) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
  - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

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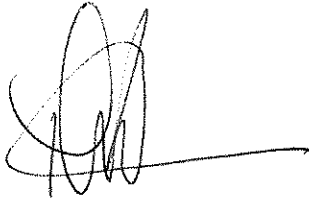
(f) in relation to recovery of wages activity:

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

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

Timothy Dawson

Branch Secretary

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

Dated: 13 March 2017

**TRANSPORT WORKERS' UNION OF AUSTRALIA**

**WESTERN AUSTRALIAN BRANCH**

**STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 \$	2015 \$
<b>Revenue</b>			
Membership subscriptions		4,498,230	4,726,675
Federal Committee expenses reimbursement		18,729	14,394
Super Fund Director reimbursement		201,084	180,112
Funeral benefit recoveries		-	-
Advertising and sponsorship		20,000	25,000
Interest received		58,735	73,176
Sundry income		28,346	15,422
<b>Total income</b>		<b>4,825,124</b>	<b>5,034,779</b>
<b>Expenses</b>			
Affiliation fees	3B	166,906	169,086
Audit and accountancy fees	3C	37,559	53,575
Donations	3D	65,010	18,259
Depreciation and amortisation	3E	205,656	159,228
Employee expenses	3A	2,374,983	2,317,825
Litigation		40,527	85,976
Other legal costs		10,028	38,379
Meeting expenses	3F	93,854	85,892
Net loss from sale of fixed assets	3G	1,778	5,722
Sustentation fees		793,458	833,771
Other expenses	3H	1,362,943	1,282,020
<b>Total expenses</b>		<b>5,152,702</b>	<b>5,049,733</b>
<b>Loss for the year before income tax</b>		<b>(327,578)</b>	<b>(14,954)</b>
Income tax benefit		-	-
<b>Loss for the year after income tax</b>		<b>(327,578)</b>	<b>(14,954)</b>
<b>Other comprehensive income</b>			
Revaluation of land and buildings		(135,119)	-
<b>Total comprehensive income for the year</b>		<b>(462,697)</b>	<b>(14,954)</b>

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

**TRANSPORT WORKERS' UNION OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2016**

	Notes	2016 \$	2015 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4A	2,711,420	3,498,353
Trade and other receivables	4B	15,474	113,827
Other current assets		21,704	20,202
Non-current asset held for sale	5B	335,000	-
<b>Total current assets</b>		<b>3,083,598</b>	<b>3,632,382</b>
<b>Non-current assets</b>			
Land and buildings	5A	2,218,608	2,412,601
Plant and equipment	5A	529,002	511,193
Office refurbishment	5A	52,196	62,466
<b>Total non-current assets</b>		<b>2,799,806</b>	<b>2,986,260</b>
<b>Total assets</b>		<b>5,883,404</b>	<b>6,618,642</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payables	6A	244,018	410,636
Employee provisions	7A	400,852	506,775
<b>Total current liabilities</b>		<b>644,870</b>	<b>917,411</b>
<b>Non-current liabilities</b>			
Employee provisions	7A	-	-
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>644,870</b>	<b>917,411</b>
<b>Net assets</b>		<b>5,238,534</b>	<b>5,701,231</b>
<b>EQUITY</b>			
Accumulated funds	8A	4,287,169	4,614,747
Asset revaluation reserve	8B	951,365	1,086,484
<b>Total equity</b>		<b>5,238,534</b>	<b>5,701,231</b>

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

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WESTERN AUSTRALIAN BRANCH**

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

	Notes	Accumulated funds \$	Asset revaluation reserve \$	Total equity \$
<b>Balance as at 1 January 2015</b>		4,629,701	1,086,484	5,716,185
Loss for the year after income tax		(14,954)	-	(14,954)
Transfer (from)/to reserve		-	-	-
<b>Closing balance as at 31 December 2015</b>		<b>4,614,747</b>	<b>1,086,484</b>	<b>5,701,231</b>
Loss for the year after income tax		(327,578)	-	(327,578)
Transfer (from)/to reserve		-	-	-
Other comprehensive income for the year		-	(135,119)	(135,119)
<b>Closing balance as at 31 December 2016</b>		<b>4,287,169</b>	<b>951,365</b>	<b>5,238,534</b>

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

**TRANSPORT WORKERS' UNION OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 \$	2015 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Membership receipts		4,592,997	4,726,675
Reimbursements from Transport Workers Union – National Office		18,729	14,394
Interest received		62,321	70,234
Other receipts		249,430	338,568
<b>Cash used</b>			
Sustentation fees paid to Transport Workers Union – National Office		(988,519)	(735,620)
Payment to suppliers and employees		(4,230,792)	(3,900,574)
<b>Net cash (used in)/from operating activities</b>	9A	<u>(295,834)</u>	<u>513,677</u>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sale of plant and equipment		-	2,272
<b>Cash used</b>			
Purchase of fixed assets		(157,491)	(83,071)
Purchase of land and buildings		(333,608)	-
<b>Net cash used in investing activities</b>		<u>(491,099)</u>	<u>(80,799)</u>
<b>Net (decrease)/increase in cash held</b>		<u>(786,933)</u>	<u>432,878</u>
Cash & cash equivalents at the beginning of the reporting period		3,498,353	3,065,475
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	4A	<u>2,711,420</u>	<u>3,498,353</u>

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



TRANSPORT WORKERS' UNION OF AUSTRALIA

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RECOVERY OF WAGES ACTIVITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	\$	\$
<b>Cash assets in respect of recovered money at beginning of year</b>	-	-
<b>Receipts</b>		
Amounts recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
<b>Total receipts</b>	-	-
<b>Payments</b>		
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	-	-
<b>Total payments</b>	-	-
<b>Cash asset's in respect of recovered money as at end of year</b>	-	-
Number of workers to which the monies recovered relates	-	-
<b>Aggregate payables to workers attributable to recovered monies but not yet distributed</b>		
Payable balance	-	-
Number of workers the payable relates to	-	-
<b>Fund or account operated for recovery of wages</b>		
Wage Recoupment Trust Account	-	-

**TRANSPORT WORKERS' UNION OF AUSTRALIA  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**NOTES TO AND FORMING PART OF 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**

Transport Workers' Union of Australia – Western Australian Branch ("Branch") is a trade union with a principal place of business located at 3<sup>rd</sup> Floor, 82 Beaufort Street, Perth WA.

Transport Workers' Union of Australia ("the Federal Organisation") are the registered proprietors and owners of the Branch's office.

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 Organisations) Act 2009*. For the purpose of preparing the general purpose financial statements, the Branch is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities at 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 New Australian Accounting Standards**

**1.3a New and Amended Standards adopted by the Branch**

The Branch has applied a number of new and revised standards which have become effective for the first time in their annual reporting period commencing 1 January 2016. Information on the more significant standard(s) is presented below:

AASB 2014-3: Amends AASB 11 to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business.

AASB 2014-4: Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138).

AASB 2014-9: Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements.

AASB 2015-1: Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle.

AASB 2015-2: Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101.

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**1.3a New and Amended Standards adopted by the Branch (continued)**

AASB 2015-3: Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality.

AASB 2015-4: Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent.

AASB 2015-5: Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception.

AASB 2015-9: AASB 2015-9 inserts scope paragraphs into AASB 8 *Operating Segments* and AASB 133 *Earnings per Share* in place of application paragraph text in AASB 1057.

The adoption of these amendments has not had a material impact on the Branch as they are largely not applicable to the Branch or relate to the clarification of existing requirements.

Certain new accounting standards and interpretations have been published but are not mandatory for 31 December 2016 reporting periods. The Branch's assessment is that these new pronouncements will have no impact on the amounts recognised in the financial statements but may affect their disclosure in future periods.

**1.3b New Accounting Standards for application in future periods**

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods and which the Branch has decided not to early adopt. A discussion of those future requirements and their impact on the Branch follows:

Reference	Title	Summary
AASB 9	<i>Financial Instruments</i>	<p>AASB 9 (December 2014) is a new Principal standard which replaces AASB 139.</p> <p>This new Principal version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.</p> <p>AASB 9 is effective for annual periods beginning on or after 1 January 2018.</p> <p>The final version of AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses.</p> <p>Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised.</p> <p>The Standard also requires to recognise full lifetime expected losses on a timelier basis.</p>

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**1.3b New Accounting Standards for application in future periods (continued)**

Reference	Title	Summary
AASB 9	<i>Financial Instruments (continued)</i>	<p>Amendments to AASB 9 (December 2009 &amp; 2010 editions) (AASB 2013-9) issued in December 2013 included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures.</p> <p>AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139.</p> <p>The main changes are described below.</p> <p>a. Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.</p> <p>b. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.</p> <p>c. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.</p> <p>d. Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:</p> <ul style="list-style-type: none"> <li>▶ The change attributable to changes in credit risk are presented in other comprehensive income (OCI)</li> <li>▶ The remaining change is presented in profit or loss</li> </ul> <p>AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss.</p> <p>Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 – Part E.</p> <p>AASB 2014-7 incorporates the consequential amendments arising from the issuance of AASB 9 in Dec 2014.</p>

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1.3b New Accounting Standards for application in future periods (continued)

Reference	Title	Summary
AASB 9 (continued)	<i>Financial Instruments (continued)</i>	This may impact the classification and measurement of the Branch's financial assets and liabilities.
AASB 2014-10	<i>Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	<p>AASB 2014-10 amends AASB 10 <i>Consolidated Financial Statements</i> and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require:</p> <p>(a) A full gain or loss to be recognised when a transaction involves a business (whether it is housed in a subsidiary or not)</p> <p>(b) A partial gain or loss to be recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.</p> <p>Effective for periods commencing 1 January 2018.</p> <p>This amendment is not anticipated to significantly impact the Branch.</p>
AASB 2015-6	<i>Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, AASB 124 &amp; AASB 1049]</i>	<p>This Standard makes amendments to AASB 124 <i>Related Party Disclosures</i> to extend the scope of that Standard to include not-for-profit public sector entities.</p> <p>Effective for periods commencing 1 January 2017.</p> <p>This amendment is not anticipated to significantly impact the Branch.</p>
AASB 2015-7	<i>Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities [AASB 13]</i>	<p>This Standard makes amendments to AASB 13 <i>Fair Value Measurement</i> to exempt not-for-profit public sector entities from certain requirements of the Standard.</p> <p>Effective for periods commencing 1 January 2017.</p> <p>This amendment is not anticipated to significantly impact the Branch.</p>

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**1.3b New Accounting Standards for application in future periods (continued)**

Reference	Title	Summary
AASB 1058	<i>Income of Not-for-Profit Entities</i>	<p>AASB 1058 and AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities will defer income recognition in some circumstances for NFP entities, particularly where there is a performance obligation or any other liability. In addition, certain components in an arrangement, such as donations, may be separated from other types of income and recognised immediately. The Standard also expands the circumstances in which NFP entities are required to recognise income for goods and services received for consideration that is significantly less than the fair value of the asset principally to enable the entity to further its objectives (discounted goods and services), including for example, peppercorn leases.</p> <p>AASB 1004 Contributions is also amended, with many of its requirements being revised and relocated AASB 1058. The scope of AASB 1004 is effectively limited to address issues specific to government entities and contributions by owners in a public sector entity context.</p> <p>AASB 1058 will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted, provided AASB 15 <i>Revenue from Contracts with Customers</i> is applied on or before the date of initial application.</p> <p>The Branch is currently assessing the impact of AASB 1058.</p>
AASB 16	<i>Leases</i>	<p>The key features of AASB 16 are as follows:</p> <p><b>Lessee accounting</b></p> <ul style="list-style-type: none"> <li>• Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.</li> <li>• Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease.</li> <li>• AASB 16 contains disclosure requirements for lessees.</li> </ul>

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**1.3b New Accounting Standards for application in future periods (continued)**

Reference	Title	Summary
AASB 16	<i>Leases (continued)</i>	<p><b>Lessor accounting</b></p> <ul style="list-style-type: none"> <li>• AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.</li> <li>• AASB 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk.</li> </ul> <p>Effective for periods commencing 1 January 2019.</p> <p>Based on the current number of operating leases held by the Branch, the impact is not expected to be significant.</p>
AASB 2016-1	<i>Amendments to Australian Accounting Standards - Recognition of Deferred Tax Assets for Unrealised Losses [AASB 112]</i>	<p>The standard amends AASB 112 <i>Income Taxes</i> (July 2004) and AASB 112 <i>Income Taxes</i> (August 2015) to clarify the requirements on recognition of deferred tax assets for unrealised losses on debit instruments measured at fair value.</p> <p>Effective for periods commencing 1 January 2017.</p> <p>This amendment will not impact the Branch as the Branch is currently exempt from tax.</p>
AASB 2016-2	<i>Amendments to Australian Accounting Standards – Disclosure initiative: Amendments to AASB 107</i>	<p>The standard amends AASB 107 <i>Statement of Cash Flows</i> (August 2015) to require entities preparing financial statements in accordance with Tier1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.</p> <p>Effective for periods commencing 1 January 2017.</p> <p>This amendment is not anticipated to significantly impact the Branch.</p>



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**1.3b New Accounting Standards for application in future periods (continued)**

Reference	Title	Summary
AASB 2016-4	<i>Amendments to Australian Accounting Standards – Recoverable Amount of Non-cash-Generating Specialised Assets of Not-For-Profit Entities [AASB 136]</i>	<p>This standard amends AASB 136 to remove references to depreciated replacement cost as a measure of value in use for not-for-profit entities and clarify that not-for-profit entities holding non-cash-generating specialised assets at fair value in accordance with AASB 13 [under the revaluation model in AASB 116 and AASB 138] no longer need to consider AASB 136.</p> <p>Not-for-profit entities holding such assets at cost will determine recoverable amounts using current replacement cost in AASB 13.</p> <p>Effective for periods commencing 1 January 2017.</p> <p>This amendment is not anticipated to significantly impact the Branch.</p>

The Branch does not anticipate early adoption of any of the above Australian Accounting Standards.

**1.4 Revenue**

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

Interest due on term deposits is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Membership revenue is recognised on an accrual basis when the amount of revenue can be reliably measured and when there is no significant uncertainty as to its collectability.

Donation income is recognised when received.

No capitation fee, voluntary contributions, levies or any other financial support from another reporting unit was received during the year.

**1.5 Gains**

***Sale of assets***

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

**1.6 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.

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**Note 1 Summary of Significant Accounting Policies (continued)**

**1.6 Employee benefits (continued)**

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits due 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 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. Reporting Unit recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

**1.7 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.

**1.8 Financial instruments**

Financial assets and financial liabilities are recognised when a reporting unit 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.

**1.9 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.

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**Note 1 Summary of Significant Accounting Policies (continued)**

**1.9 Financial assets (continued)**

All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

**1.9.a Fair value through profit or loss**

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 profit or loss and other comprehensive income.

**1.9.b 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.

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**Note 1 Summary of Significant Accounting Policies (continued)**

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

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

**1.9.d 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. Membership receivables have not been accounted for as there is significant uncertainty as to the recoverability thereof and we therefore do not have reasonable information to measure the future economic benefit of the asset.

**1.9.e 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.

**1.9.f 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.

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**Note 1 Summary of Significant Accounting Policies (continued)**

***1.9.f Impairment of financial assets (continued)***

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

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

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

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

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

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.

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**Note 1 Summary of Significant Accounting Policies (continued)**

**1.9.f Impairment of financial assets (continued)**

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.

**1.9.g 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.

**1.10 Financial Liabilities**

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'.

**1.10.a 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:

- 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.

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**Note 1 Summary of Significant Accounting Policies (continued)**

***1.10.a Fair value through profit or loss (continued)***

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 profit or loss and other comprehensive income.

***1.10.b 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.

***1.10.c 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.

**1.11 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.

**1.12 Buildings, Plant and Equipment**

***1.12.a 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.

***1.12.b 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.

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**Note 1 Summary of Significant Accounting Policies (continued)**

**1.12.b Revaluations—Land and Buildings (continued)**

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.

**1.12.c Depreciation**

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using the straight line or reducing balance method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

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

Property	2.5% straight line
Plant & equipment	7.5% - 40% reducing balance
Office refurbishments	10% - 37.5% reducing balance
Motor vehicles	18.75% reducing balance

**1.12.d 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.

**1.12.e 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.



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**Note 1 Summary of Significant Accounting Policies (continued)**

**1.13 Taxation**

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

Revenues, expenses 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.

**1.14 Fair value measurement**

The Branch measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date.

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 Branch. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Branch uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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**Note 1 Summary of Significant Accounting Policies (continued)**

**1.14 Fair value measurement (continued)**

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

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

**1.15 Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are disclosed in the relevant section in the notes to the financial statements.

**1.16 Going concern**

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

The Branch has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

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**Note 2 Events after the Reporting Period**

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

**2016**                      **2015**  
\$                                      \$

**Note 3 Expenses**

**Note 3A: Employee expenses**

**Holders of Office:**

Wages & Salaries	340,909	300,928
Superannuation	46,585	57,539
Leave and other entitlements	71,206	21,768
Separation and redundancies	-	-
Other employee expenses	-	-

**Employees other than office holders:**

Wages & Salaries	1,328,406	1,522,389
Superannuation	232,241	226,656
Leave and other entitlements	245,453	101,742
Separation and redundancies	27,293	-
Other employee expenses	82,890	86,803
<b>Total employee expenses</b>	<b>2,374,983</b>	<b>2,317,825</b>

**Note 3B: Affiliation fees**

Australian Labour Party	107,116	90,671
Trades and Labour Council	59,790	78,415
<b>Total affiliation fees/subscriptions</b>	<b>166,906</b>	<b>169,086</b>

**Note 3C: Audit and accountancy fees**

Audit services	24,114	15,732
Agreed-upon procedures	-	1,000
<b>Non-audit services:</b>		
Accountancy work by related practice	13,445	36,843
<b>Total audit and accountancy fees</b>	<b>37,559</b>	<b>53,575</b>

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	2016	2015
	\$	\$
<b>Note 3 Expenses (continued)</b>		
<b>Note 3D: Donations</b>		
<i>Donations exceeding \$1,000</i>		
ALP	-	10,000
ALP Western Australia	57,100	1,100
CFMEU	2,000	-
John Cummins Foundation	-	2,000
Lions Australia	-	1,500
Dragon Fire Australia	2,000	-
White Ribbon Australia	-	2,250
	61,100	16,850
<i>Donations less than \$1,000</i>		
ALP Western Australia	1,410	909
Darling Range Sports College	500	-
Lions Australia	900	-
PCYC	-	500
ALP donation WA	600	-
Radio Lollipop	500	-
	3,910	1,409
<b>Total donations</b>	65,010	18,259
<b>Note 3E: Depreciation and amortisation</b>		
Depreciation		
Buildings	57,482	-
Plant and equipment	137,904	146,737
Office refurbishment	10,270	12,491
<b>Total depreciation and amortisation</b>	205,656	159,228
<b>Note 3F: Meeting expenses</b>		
Branch Committee of Management	32,525	29,100
Other meeting expenses	61,329	56,792
<b>Total meeting expenses</b>	93,854	85,892

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**Note 3G: Net loss from sale of assets**

	2016	2015
	\$	\$
Profit on disposal of land and buildings	-	-
Loss on disposal of plant and equipment	(1,778)	(5,722)
<b>Total net loss from sale of assets</b>	<u>(1,778)</u>	<u>(5,722)</u>

**Note 3H: Other expenses**

Advertising	1,252	1,089
Bank charges	29,984	34,324
Cleaning expenses	1,095	-
Commission paid	-	10,000
Compulsory levies to Federal Office levies	48,131	24,815
Computer operating expenses	25,467	14,872
Computer programming maintenance	64,051	47,400
Consultancy fees	5,000	3,000
Debt collection expenses	24,553	24,007
Fringe benefits tax	15,381	21,703
Funeral benefit	81,000	81,000
General expenses	16,404	16,603
Hire of equipment	260	256
Insurance	93,330	89,842
Lease expenses	233	-
Motor vehicle expenses	149,228	137,781
Office refurbishment costs	-	120
Organisers' expenses - country	16,407	43,360
Payroll tax	104,943	84,095
Presidential honorarium fees	7,000	11,000
Printing, stationery and stamps	226,479	218,564
Promotional products purchases	139,917	100,762
Rent, rates and electricity	74,513	61,233
Repairs and maintenance	9,424	4,373
Staff amenities	1,584	1,512
Staff/Delegates training	4,606	10,378
Subscriptions	10,181	9,140
Telephone	51,940	52,988
Travelling and accommodation	154,860	176,425
Uniforms	5,720	1,378
<b>Total other expenses</b>	<u>1,362,943</u>	<u>1,282,020</u>

There were no expenses other than the above-mentioned that related to compulsory levies, grants, fees / allowances paid to persons in respect of their attendances as representatives at conferences or other meetings, wholly or partly responsible, during the year.

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**Note 4 Current assets**

**Note 4A: Cash and cash equivalents**

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks, net of outstanding bank overdrafts, and short term money market balances. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	2,708,763	3,496,003
Cash on hand	2,422	2,115
Other	235	235
<b>Total cash and cash equivalents</b>	<b>2,711,420</b>	<b>3,498,353</b>

**Note 4B: Trade and other receivables**

<b>Trade receivables</b>	-	94,767
<b>Other receivables:</b>		
Accrued interest	15,474	19,060
Sundry debtors	-	-
<b>Total other receivables</b>	<b>15,474</b>	<b>19,060</b>
<b>Total trade and other receivables (net)</b>	<b>15,474</b>	<b>113,827</b>

There are no trade and other receivables as a result of transactions and/or past events with another reporting unit of the organisation.

There is no provision for doubtful debts as a result of transactions and/or part events with another reporting unit of the organisation.

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	2016	2015
	\$	\$
<b>Note 5 Non-current assets</b>		
<b>Note 5A: Property, plant and equipment</b>		
Land and buildings at valuation	2,218,608	2,412,601
Less: Accumulated depreciation	-	-
	2,218,608	2,412,601
Plant and equipment at cost	1,440,263	1,297,512
Less: Accumulated depreciation	(911,261)	(786,319)
	529,002	511,193
Office refurbishment at cost	199,286	199,286
Less: Accumulated depreciation	(147,090)	(136,820)
	52,196	62,466
	2,799,806	2,986,260

The Transport Workers' Union of Australia ("the Federal Organisation") are the registered proprietors and owners of the Branch's offices. The office property was acquired by the expenditure of the WA Branch funds and forms part of the assets of the Branch.

The basis of valuation of the Branch's office premises and industrial unit is fair market value based upon market appraisal valuations carried out by independent firms of real estate agents and valuers effective at 31 December 2016.

Land and buildings are valued by independent valuation, at fair value hierarchy level 2. Input used is the sales comparison approach (market data).

	Land & buildings	Plant & equipment	Office refurbishment	Total
	\$	\$	\$	\$
Balance at 1 Jan 2015	2,412,601	582,853	74,957	3,070,411
Additions	-	83,071	-	83,071
Disposals	-	(7,994)	-	(7,994)
Revaluation	-	-	-	-
Depreciation	-	(146,737)	(12,491)	(159,228)
Balance at 31 Dec 2015	2,412,601	511,193	62,466	2,986,260
Additions	333,608	157,491	-	491,099
Disposals	-	(1,778)	-	(1,778)
Revaluation	(135,119)	-	-	(135,119)
Depreciation	(57,482)	(137,904)	(10,270)	(205,656)
Non-current asset held for sale	(335,000)	-	-	(335,000)
Balance at 31 Dec 2016	2,218,608	529,002	52,196	2,799,806

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**Note 5B: Non Current Assets Held for Sale**

Unit 5/16 Dellamarta Road, Wangara, has been classified as a non current asset held for sale. A selling agreement was entered into on 7 December 2016 and the sale is expected to be settled within the next twelve months.

At 31 December 2016 the property is carried at fair value of \$335,000 as this is considered a reasonable estimation of realizable value.

**Note 6 Current liabilities**

**Note 6A: Trade payables**

	2016	2015
	\$	\$
Trade creditors and accruals	196,108	312,316
GST payable (net)	45,130	94,440
Payroll liabilities	2,780	3,880
<b>Total trade payables</b>	<u>244,018</u>	<u>410,636</u>

Settlement is usually made within 30 days.

There are no payables in respect of litigation and other legal matters.

There are no trade and other payables as a result of transactions and/or past events with another reporting unit of the organisation.

There are no payables to employers as consideration for the employers making payroll deductions for membership subscriptions.

**Note 7 Provisions**

The amounts expected to be paid to fund employees for their pro rata entitlements to annual leave and long service leave are accrued annually at current salary rates. Sick leave has not been accrued, as any sick leave entitlements are considered contingent and non-vesting.



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	2016	2015
	\$	\$
<b>Note 7A: Employee provisions</b>		
<b> Holders of Office:</b>		
Annual leave	31,526	33,344
Long service leave	92,044	103,154
Separation and redundancies	-	-
Other	-	-
<b> Employees other than office holders:</b>		
Annual leave	132,217	188,996
Long service leave	145,065	181,281
Separation and redundancies	-	-
Other	-	-
<b>Total employee provisions</b>	<b>400,852</b>	<b>506,775</b>
Current	400,852	506,775
Non-current	-	-
<b>Total employee provisions</b>	<b>400,852</b>	<b>506,775</b>

**Note 8 Equity**

**Note 8A: Accumulated funds**

<b>Balance as at start of year</b>	4,614,747	4,629,701
Loss for the year	(327,578)	(14,954)
Transfer from reserves	-	-
<b>Balance as at end of year</b>	<b>4,287,169</b>	<b>4,614,747</b>

Accumulated funds relate to surpluses built over the years since commencement of operations.

**Note 8B: Asset revaluation reserve**

<b>Balance as at start of year</b>	1,086,484	1,086,484
Revaluation decrement for the year	(135,119)	-
Transfer to reserves	-	-
<b>Balance as at end of year</b>	<b>951,365</b>	<b>1,086,484</b>

The revaluation reserve is a reserve that accumulates increments of fair value adjustments to assets being carried at fair value. Its purpose is to quantify movements in fair value to be able to establish unrealised gains on assets held.

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**Note 8B: Other Specific disclosures – Funds**

No monies or balances of monies have been invested in any assets.

No other funds or accounts were in operation.

	2016	2015
	\$	\$

**Note 9 Notes to the Statement of Cash Flows**

**Note 9A: Cash Flow Reconciliation**

**Reconciliation of cash and cash equivalents as per  
Statement of Financial Position to Statement of Cash  
Flows:**

**Cash and cash equivalents as per:**

Statement of Cash Flows	2,711,420	3,498,353
Statement of Financial Position	2,711,420	3,498,353
<b>Difference</b>	-	-

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

Deficit for the year	(327,578)	(14,954)
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**Adjustments for non-cash items**

Depreciation/amortisation	205,656	159,228
Loss on disposal of assets	1,778	5,722

**Changes in assets/liabilities**

Decrease in trade and other receivables	98,353	115,092
(Increase)/decrease in prepayments	(1,502)	10,340
(Decrease) /increase in trade payables	(166,618)	114,739
(Decrease)/increase in employee provisions	(105,923)	123,510
<b>Net cash from/(used in) operating activities</b>	<b>(295,834)</b>	<b>513,677</b>

**Note 9B: Cash Flow Information**

No reporting unit or controlled entity is the source of cash inflows or the application of a cash outflow.

**Note 10 Contingent liabilities and assets**

No material contingent liabilities and assets exist as at 31 December 2016.

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**Note 11 Political and Sponsorship Fund**

The Branch maintains a separate account known as the "Political Fund and Sponsorship Account". Funds received from advertising and sponsorship revenue are deposited to this account. The account is then used to pay out political donations, sponsorships and affiliation fees.

The balance of the fund as at 31 December 2016 was \$90,560 (2015: \$133,336) with the funds being held in a separate Commonwealth Bank account, which is an interest bearing account. This forms part of the balance of the Branch cash and cash equivalents.

**Note 12 Commitments**

There are no capital commitments, lease commitments or contractual obligations as at 31 December 2016.

**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
	\$	\$
<b>Revenue received from Transport Workers Union – Superannuation Fund includes the following:</b>		
Expense reimbursement	201,084	180,112
	<u>201,084</u>	<u>180,112</u>
<b>Revenue received from Transport Workers Union - National Office includes the following:</b>		
Travel reimbursements	-	-
	<u>-</u>	<u>-</u>
<b>Expenses paid to Australian Labour Party includes the following:</b>		
Donation	58,510	12,009
Affiliation	107,116	90,671
	<u>165,626</u>	<u>102,680</u>
<b>Expenses paid to Trades and Labour Council includes the following:</b>		
Affiliation	59,790	78,415
	<u>59,790</u>	<u>78,415</u>

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	2016	2015
	\$	\$
<b>Note 13 Related Party Disclosures (continued)</b>		

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

**Expenses paid to Transport Workers Union – National Office  
includes the following:**

Sustentation	793,458	833,771
	793,458	833,771

**Expenses paid to Transport Workers Union – Superannuation  
Fund includes the following:**

Expense reimbursement	-	-
	-	-

**Amounts owed to Transport Workers Union – National Office  
include the following:**

Sustentation	102,657	108,909
	102,657	108,909

**Note 13 Related Party Disclosures (continued)**

**Note 13B: Key Management Personnel Remuneration for the Reporting Period**

	2016	2015
	\$	\$
<b>Short-term employee benefits</b>		
Salary (including annual leave taken)	442,496	322,696
Annual leave accrued	(26,272)	(33,344)
<b>Total short-term employee benefits</b>	416,224	289,352
<b>Post-employment benefits:</b>		
Superannuation	-	-
<b>Total post-employment benefits</b>	-	-
<b>Other long-term benefits:</b>		
Long-service leave	-	-
<b>Total other long-term benefits</b>	-	-
<b>Termination benefits</b>	-	-
<b>Total</b>	-	-

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**Note 13C: Transactions with key management personnel and their close family members**

There were no transactions with key management personnel and their close family members.

**Note 14 Financial Instruments**

The Branch's policy is to review bank products and ensure the maximum rate of interest is earned on at call deposits.

**Note 14A: Categories of Financial Instruments**

	2016	2015
	\$	\$
<b>Financial Assets</b>		
Loans and receivables:		
Cash and cash equivalents	2,711,420	3,498,353
Trade and other receivables	15,474	113,827
<b>Total</b>	2,726,894	3,612,180
 <b>Carrying amount of financial assets</b>	 2,726,894	 3,612,180
 <b>Financial Liabilities</b>		
Fair value through profit or loss:		
Trade and other payables	244,018	410,636
<b>Total</b>	244,018	410,636
 <b>Carrying amount of financial liabilities</b>	 244,018	 410,636

**Note 14B: Credit Risk**

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The credit risk of financial assets of the Branch which have been recognised on the Statement of Financial Position is the carrying amount, net of any provision for doubtful debts. The Branch has limited exposure to credit risk due to its association with recognisable banking and financial institutions.

**Note 14C: Liquidity Risk**

Liquidity risk is the risk that the Branch will not be able to meet its financial obligations as they fall due. The Branch has limited exposure to liquidity risk as there are few payables (as per Note 6A) and ample cash available to settle all payables as they fall due.

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**Note 14 Financial Instruments (continued)**

**Note 14D: Market Risk**

Market risk is the risk of changes in market prices, such as foreign exchange rate interest rates. The Branch has no exposure to foreign currency risk as activities are wholly performed within Australia. The Branch's exposure to interest rate risk is limited to the money held in the bank accounts. Interest benefiting assets are managed in such a way as to maximise results for external market forces.

*Interest rate risk*

All financial assets recognised in the Statement of Financial Position are carried at cost and are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes. The Branch's exposure to market interest rates relates primarily to the Branch's cash and cash equivalents.

**Sensitivity analysis of the risk that the entity is exposed to for financial year ended 31 December 2016**

	Risk variable	Change in risk variable %	Effect on Profit and Equity	
			loss \$	\$
Interest rate risk	2,711,420	1.00	27,114	27,114

**Sensitivity analysis of the risk that the entity is exposed to for financial year ended 31 December 2015**

	Risk variable	Change in risk variable %	Effect on Profit and Equity	
			loss \$	\$
Interest rate risk	3,498,353	1.00	34,984	34,984

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**Note 15 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 the General Manager of Fair Work Australia:

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

**Note 16 Recovery of Wages Activity**

No amounts were received on behalf of members during the reporting period.

**Note 17 Activities not occurred during the year**

There was no amalgamation, restructure or revocation during the year.

There were no donations or grants received during the year.

No going concern financial support was provided to another reporting unit.

No expenses were incurred as consideration for payroll deductions of membership subscriptions.

No penalties were imposed under the RO Act with respect to the conduct of Transport Workers' Union of Australia.

**Note 18 Fair Value Measurement**

**Note 18A: Fair Value Measurement – Land and buildings**

Land and buildings are valued by independent valuation, at fair value hierarchy level 2. Input used is the sales comparison approach (market data).

The following table contains the carrying amounts and related fair values for the Transport Workers Union of Australia's land and buildings:

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**Note 18B: Fair Value Hierarchy**

**Fair value hierarchy – 31 December 2016**

	Effective Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		\$	\$	\$
Land and buildings	31/12/2016		2,218,608	
<b>Total</b>		-	2,218,608	-
<b>Total</b>		-	2,218,608	-