Australian Workers' Union
SA Branch

ABN: 55 863 353 525

FINANCIAL STATEMENTS

2019

The Australian Workers' Union South Australian Branch

Financial Statements 2018–19

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The Australian Workers' Union South Australian Branch

Certificate by prescribed designated officer

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

Certificate for the year ended 30 June 2019

I Peter Lamps being the Branch Secretary of the Australian Workers" Union South Australian Branch certify:

- that the documents lodged herewith are copies of the full report for the Australian Workers' Union South Australian Branch for the period ended 30th June 2019 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and

- that the full report was provided to members of the Australian Workers' Union South Australian Branch

  on _____ and

- that the full report was presented to meeting of the committee of managements of the Australian Workers' Union South Australian Branch

  on _____accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer: .....

Name of prescribed designated officer: .....

Title of prescribed designated officer: .....

Dated: .....

HLB MANN JUDD

Independent Audit Report to the Members of Australian Workers Union South Australian Branch

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Australian Workers Union South Australian Branch (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 Australian Workers Union South Australian Branch 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.

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HLB MANN JUDD

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.

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.

HLB MANN JUDD

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.
- 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 auditor registered under the RO Act.

HLB Mann Judd Audit (SA) Pty Ltd
Chartered Accountants

Corey McGowan
Director

Adelaide, South Australia
27 September 2019

Registration number (as registered by the Commissioner under the RO Act): AA2017/23 for the year ended 30th June 2019

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Expenditure report required under subsection 255(2A)

for the year ended 30th June 2019

The committee of management presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 30th June 2019.

Categories of expenditures	2019 ($)	2018 ($)
Remuneration and other employment-related costs and expenses – employees	**1,276,112**	1,294,563
Advertising	**4,215**	1,188
Operating costs	**1,001,732**	1,095,754
Donations to political parties	–	-
Legal costs	**43,576**	99,164

Signature of designated officer: .....

Name and title of designated officer: PETER LANIPS - BRANCH SECRETARY

Dated: FRIDAY 27th SEPTEMBER 2019

Operating Report

for the year ended 30th June 2019

The committee of management presents its operating report on the Australian Workers' Union South Australian Branch for the year ended 30th 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 AUSTRALIAN WORKERS' UNION SOUTH AUSTRALIAN BRANCH's principal activities during the year were to:

- provide guidance on employment terms and conditions;
- Secure improved conditions of employment for the members;
- Assist members in dispute resolution;
- Assist members who may have become injured in the course of their employment;
- Assist dependants of members through financial benefits; and
- Assist members in unfair dismissal matters before relevant tribunals.

There have been no significant changes in the nature of these activities

Significant changes in financial affairs

There has been a decline in membership due to redundancies and closures which occurred during the financial year, predominately in Manufacturing and Defence Industries.

Right of members to resign

The right of AWU members to resign from the Branch is set out in Rule 14 of The Australian Workers' Union Rules as registered under the act.

Officers or members who are superannuation fund trustee(s) 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

Wayne Hanson – was appointed to the Adelaide Cemetery Board by His-Excellency the Governor of South Australian on recommendation by the Minister.

Gary Henderson – was appointed to the CITB Industry Fund Board by nomination of the Branch Secretary and appointed by the Minister.

Nathan Crack – was appointed to the CITB Industry Fund Board as a proxy by nomination by the Branch Secretary and appointed by the Minister.

Nathan Crack – was appointed to the MAQOHSC Board as a proxy by the Branch Secretary.

Peter Lamps – was appointed by the minister as a member of the Industrial Relations Consultative Council (IRCC).

Peter Lamps was appointed as member of MAQOHSC Board by the Minister.

Ian Steel was appointed to the Statewide Super Board on January 2019

The principal activity for Statewide is to provide a superannuation scheme for the benefit of Workers across the Local Government Industry through South Australia and the Northern Territory.

The principal activity of CITB (Construction and Industry Training Board) is an industry owned and led, non-Government agency responsible for supporting the South Australian building and construction industry by providing leadership in training and skills development for its workforce.

The principal activity of MAQOHSC (Mining and Quarry Occupational Health and Safety Committee) aims to promote high occupational health and safety standards to prevent injury and disease in the mining and quarrying industry within South Australia.

The principal activity of the IRCC (Industrial Relations Consultative Committee) is a tri partite committee which provides industrial relations advice to the Minister.

Number of members

The number of persons that were, at the end of the financial year to which the report relates, recorded in the register of members is **4532** (2018:4734)

Number of employees

The number of persons who were, at the end of the financial year to which the report relates, employees of the Branch, where the number of employees includes both full-time employees, casuals and part time employees measured on a full-time basis is 13 (2018:13).

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

Name	Position	Date
Wayne Hanson	President	01/07/18 – 14/02/19
Gary Henderson	President	14/02/19 – 30/06/19
Peter Lamps	Secretary	01/07/18 – 30/06/19
Terry Bails	Vice President	01/07/18 – 30/06/19
Wayne Rae	Vice President	01/07/18 – 30/06/19
Frank Mateos	Assistant Secretary	01/07/18 – 30/06/19
Ian Ashmore	Committee Member	01/07/18 – 30/06/19
Grant Petagna	Committee Member	01/07/18 – 30/06/19
Nathan Crack	Committee Member	01/07/18 – 30/06/19
Gary Henderson	Committee Member	01/07/18 – 14/02/19
Scott Martin	Committee Member	01/07/18 – 30/06/19
James Phelan	Committee Member	01/07/18 – 30/06/19
Trish Stringer	Committee Member	01/07/18 – 30/06/19
Stacy Lopresto	Committee Member	01/07/18 – 30/06/19
Michael Hopgood	Committee Member	01/07/18 – 30/06/19
Martin Hilton	Committee Member	01/07/18 – 30/06/19
Cleofe Vinas-Wilson	Committee Member	01/07/18 – 30/06/19
Russell Webb	Committee Member	01/07/18 – 30/06/19

Signature of designated officer: .....

Name and title of designated officer: PETER LAMPS - BRANCH SECRETARY

Dated: FRIDAY 27th SEPTEMBER 2019

Committee of management statement

for the year ended 30 June 2019

On 26 / 9 / 2019 the Committee of Management of the Australian Workers' Union South Australian Branch passed the following resolution in relation to the general purpose financial report (**GPFR**) for the year ended 30th 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:

   i. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and

   ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and

   iii. the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and

   iv. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and

   v. where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and

   vi. where any order for inspection of financial records has been made by the 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: PETER LAMPS - BRANCH SECRETARY

Dated: 27th SEPTEMBER 2019

Statement of comprehensive income

for the year ended 30 June 2019

	Notes	**2019**	2018
		$	$
Revenue			
Membership subscription*		**2,167,388**	2,245,790
Capitation fees and other revenue from another reporting unit*	3A	**-**	
Levies	3B	**-**	-
Investment income	3C	**67,538**	68,144
Rental revenue	3D	**-**	-
Other revenue		**290,258**	287,596
Total revenue		**2,525,184**	2,601,530
Other Income			
Grants and/or donations*	3E	**-**	-
Net gains from sale of assets	3F	**-**	-
Revenue from recovery of wages activity*	3G		
Total other income		**-**	-
Total income		**-**	-
Expenses			
Employee expenses	4A	**1,276,112**	1,294,563
Capitation fees and other expense to another reporting unit*	4B	**233,718**	244,755
Affiliation fees	4C	**32,945**	34,881
Administration expenses	4D	**702,524**	784,279
Grants or donations	4E	**21,200**	9,507
Depreciation and amortisation	4F	**-**	-
Finance costs	4G	**5,138**	6,983
Legal costs	4H	**43,576**	99,164
Audit fees	12	**15,422**	16,538
Other expenses	4I	**-**	-
Total expenses		**2,330,635**	2,490,670
Surplus (deficit) for the year		**194,549**	110,860
Other comprehensive income			
Items that will be subsequently reclassified to profit or loss			
Gain/(loss) on available for sale investments		**-**	-
Gain/(loss) on debt instruments at fair value through other comprehensive income		**-**	-
Items that will not be subsequently reclassified to profit or loss			
Gain/(loss) on revaluation of land & buildings		**-**	-
Gain/(loss) on equity instruments designated at		**-**	-
Total comprehensive income for the year		**194,549**	110,860

The above statement should be read in conjunction with the notes.
*As required by the reporting guidelines. Item to remain even if 'nil'

Statement of financial position

as at 30 June 2019

	Notes	**2019** $	2018 $
ASSETS			
Current Assets			
Cash and cash equivalents	5A	**2,853,358**	2,692,455
Trade and other receivables*	5B	**175,357**	167,160
Other current assets	5C	**23,410**	7,100
Total current assets		**3,052,125**	2,866,715
Non-current Assets			
Land and buildings	6A	-	-
Plant and equipment	6B	-	-
Investment property	6C		
Intangibles	6D	-	-
Investments in associates	6E	-	-
Other financial assets	6F	-	-
Other non-current assets	6G	-	-
Total non-current assets		-	-
Total assets		**3,052,125**	2,866,715
LIABILITIES			
Current Liabilities			
Trade payables*	7A	**63,902**	85,491
Other payables*	7B	**73,510**	74,227
Employee provisions	8A	**975,394**	962,225
Total current liabilities		**1,112,806**	1,121,943
Non-current Liabilities			
Employee provisions	8A	-	
Other non-current liabilities		-	-
Total non-current liabilities		-	-
Total liabilities		**1,112,806**	1,121,943
Net assets		**1,939,319**	1,744,772
EQUITY			
General funds		-	-
Reserves		-	-
Retained earnings		**1,939,319**	1,744,772
Total equity		**1,939,319**	1,744,772

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.

Statement of changes in equity

for the year ended 30 June 2019

	Notes	Retained earnings $	Total equity $
Balance as at 1 July 2017		1,633,910	1,633,910
Adjustment for errors		-	-
Adjustment for changes in accounting policies		-	-
Surplus / (deficit)		110,860	110,860
Other comprehensive income		-	-
Closing balance as at 30 June 2018		**1,744,770**	**1,744,770**
Adjustment for errors		**-**	**-**
Surplus / (deficit)		**194,549**	**194,549**
Other comprehensive income		**-**	**-**
Closing balance as at 30 June 2019		**1,939,319**	**1,939,319**

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

Statement of cash flows

for the year ended 30 June 2019	Notes	2019 $	2018 $
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units/controlled entity(s)	11B	**200,000**	200,000
Interest		**66,668**	71,280
Membership fees		**2,317,336**	2,200,083
Other		**145,550**	345,430
Total Cash Received		**2,729,554**	2,816,793
Cash used			
Employees		**1,262,941**	1,348,712
Suppliers		**1,123,299**	1,146,256
Payment to other reporting units/controlled entity(s)	11B	**177,273**	210,000
Finance Costs		**5,138**	20,157
Total Cash Used		**2,568,651**	2,725,125
Net cash from (used by) operating activities	11A	**160,903**	91,668
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		**-**	-
Proceeds from sale of land and buildings		**-**	-
Other		**-**	-
Cash used			
Purchase of plant and equipment		**-**	-
Purchase of land and buildings		**-**	-
Other		**-**	-
Net cash from (used by) investing activities		**-**	-
FINANCING ACTIVITIES			
Cash received			
Contributed equity		**-**	-
Other		**-**	-
Cash used			
Repayment of borrowings		**-**	-
Other		**-**	-
Net cash from (used by) financing activities		**-**	-
Net increase (decrease) in cash held		**160,903**	91,668
Cash & cash equivalents at the beginning of the reporting period		**2,692,455**	2,600,787
Cash & cash equivalents at the end of the reporting period	5A	**2,692,455**	2,692,455

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

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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 Australian Workers' Union South Australian Branch is a not-for-profit entity.

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

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

There are no accounting assumptions or estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

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

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

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

  The impact of applying this standard is discussed further below.

- AASB 2017-1 Amendments to Australian Accounting Standards – Transfers of Investments Property, Annual Improvements 2014-2016 Cycle and other amendments, which clarify certain requirements in:

  - AASB 12 Disclosure of Interests in Other Entities – clarification of scope
  - AASB 128 Investments in Associates and Joint Ventures – measuring an associate or joint venture at fair value
  - AASB 140 Investment Property – change in use

  The adoption of this amendment did not have an impact on the Australian Workers' Union South Australian Branch.

- AASB Interpretation 22 *Foreign Currency Transactions and Advance Considerations,* which clarifies that the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration.

  The adoption of this amendment did not have an impact on the AWU.

Impact on adoption of AASB 9

The Australian Workers' Union South Australian Branch has adopted AASB 9 Financial Instruments on 1 July 2018. AASB 9 replaces the existing guidance in AASB 139 Financial Instruments Recognition and Measurement, and includes revised guidance on the classification and measurement of financial assets, including a new expected credit loss model for calculating impairment on financial assets. It also carries forward the guidance on recognition and derecognition of financial liabilities from AASB 139.

Classification:

From 1 July 2018, the AWU classifies financial assets as either:

- those measured at fair value, with adjustments to fair value recorded through Other Comprehensive Income (FVOCI) or through profit or loss (FVTPL), and
- those measured at amortised cost.

The AWU's financial assets and trade and other receivables are held within a business model whose objective is to collect contractual cash flows and have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. Therefore, these balances are measured at amortised cost under AASB 9, which is consistent with their treatment in prior years.

There has been no change in the classification of the AWU's financial assets, or trade and other receivables, cash and cash equivalents, financial liabilities, or trade and other payables – these items continue to be measured at amortised cost.

Impairment:

The AWU's financial assets and trade and other receivable are subject to AAB 9' new expected credit loss (ECL) model for recognising and measuring impairment of financial assets.

The AWU has adopted the simplified approach under ASSB 9 for calculating the allowance. The collective loss allowance is determined based on the historical default percentage in each portfolio and adjusted for other current observable and forward-looking information as a means to estimate lifetime ECL for similar financial assets. As a result of this process, no provision was considered necessary for the year ended 30 June 2019, an an adjustment was not necessary for comparative information.

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 the AWU include:

AASB 16 *Leases* (AASB 16)

AASB 16 was issued in January 2016 and it replaces AASB 117 *Leases*, AASB Interpretation 4 *Determining whether an Arrangement contains a Lease*, AASB Interpretation-115 *Operating Leases-Incentives* and AASB Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease.*

For NFP entities, AASB 16 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 16. The AWU plans to adopt AASB 16 on the required effective date 30 June 2020 of using full retrospective method.

AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under AASB 16 is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.

During the financial year ended 30 June 2019, the AWU performed a preliminary assessment of AASB 16.

The AWU leases photcopiers and IT equipment. The implementation of AASB 16 will not have a material impact on the AWU.

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 AWU plans to adopt AASB 15 on the required effective date 30 June 2020 of using full retrospective method.

During the financial year ended 30 June 2019, the AWU performed a preliminary assessment of AASB 1058 and 15.

The primary source of revenue is membership subscriptions, the adoption of AASB 1058 and AASB 15 will not have a material impact.

AASB 2017-6 *Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation*

The amendments to AASB 9 clarify that a financial asset passes the solely payments of principal and interest criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments apply retrospectively and are effective from 1 January 2019, with earlier application permitted.

These amendments have no impact on the financial statements of the AWU.

1.5 Revenue

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

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

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.

1.6 Gains

Sale of assets

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

1.7 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.

1.8 Employee benefits

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

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

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

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

Provision is made for separation and redundancy benefit payments. The Australian Workers' Union South Australian Branch 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.

1.9 Leases

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

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

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

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

1.10 Borrowing costs

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

1.11 Cash

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

1.12 Financial instruments

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

1.13 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 AWU's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the AWU 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 AWU'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 AWU 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

Financial assets at amortised cost

The AWU measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (**EIR**) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The AWU's financial assets at amortised cost includes trade receivables.

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The AWU has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
    a) the AWU has transferred substantially all the risks and rewards of the asset, or
    b) the AWU has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the AWU has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the AWU continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

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

Trade receivables

For trade receivables that do not have a significant financing component, the AWU 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 AWU does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The AWU 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.

1.14 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 AWU's financial liabilities include trade and other payables.

Subsequent measurement

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.

1.15 Contingent liabilities and contingent assets

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

1.16 Land, buildings, plant and equipment

Asset Recognition Threshold

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

Revaluations—Land and Buildings

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

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

Depreciation

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

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

	2019	**2018**
Land & buildings	-	-
Plant and equipment	**3 to 5 years**	3 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.

1.17 Taxation

The Australian Workers' Union South Australian 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.

1.18 Fair value measurement

The Australian Workers' Union South Australian Branch measures financial instruments, such as, financial assets as 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 14A.

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

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

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

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

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

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

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

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

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

1.19 Going concern

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

The Australian Workers' Union South Australian Branch has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis

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 Australian Workers' Union South Australian Branch.

	2019	2018
	$	$

Note 3 Income

Note 3A: Capitation fees and other revenue from

another reporting unit*

(A) The Branch did not receive any capitation
Fees from another reporting unit of the organisation
(B) The Branch did not receive any other financial
support from another reporting unit of the organisation

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

Note 3B: Levies*

The Branch did not receive any levies from another reporting unit of the organisation	-	-
Total levies	-	-

Note 3C: Investment income

Interest		
Deposits	**67,538**	68,144
Loans	-	-
Debt instruments at fair value through OCI	-	-
Dividends	-	-
Total investment income	**67,538**	68,144

* 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 3D: Rental revenue		
Properties	-	-
Other	-	-
Total rental revenue	-	-
Note 3E: Grants or donations*		
Grants	-	-
Donations	-	-
Total grants or donations	-	-
Note 3F: Net gains from sale of assets		
Land and buildings	-	-
Plant and equipment	-	-
Intangibles	-	-
Total net gain from sale of assets	-	-
Note 3G: Revenue from recovery of wages activity		
Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	-	-
Total revenue from recovery of wages activity	-	-

* 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 4 Expenses

Note 4A: Employee expenses*

Holders of office:		
Wages and salaries	**795,099**	752,010
Superannuation	**135,456**	143,409
Leave and other entitlements	**65,416**	145,049
Separation and redundancies	**-**	-
LSL Provision	**18,036**	(100,557)
Annual Leave Provision	**(4,867)**	46,409
Payroll Tax	**17,665**	36,642
Other employee expenses	**9,552**	12,153
Fringe Benefits Tax	**33,449**	40,464
Subtotal employee expenses holders of office	**1,069,806**	1,075,579
Employees other than office holders:		
Wages and salaries - Clerical	**183,155**	187,230
Superannuation	**18,579**	19,429
Leave and other entitlements - Clerical	**2,630**	9,846
Separation and redundancies	**-**	-
Other employee expenses	**1,942**	2,479
Subtotal employee expenses employees other than office holders	**206,306**	218,984
Total employee expenses	**1,276,112**	1,294,563

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

Capitation fees		
AWU National Head Office	**233,718**	244,755
Subtotal capitation fees	**233,718**	244,755
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	**-**	-

[Provide description for each item above. Capitation fees includes equivalent terminology referred to in the organisations rules e.g. sustentation fees)

	2019	2018
	$	$

Note 4C: Affiliation fees*

Australian Labor Party	**32,854**	34,336
UTLC Whyalla Affiliation	**(227)**	227
MAY Day Affiliation	**318**	318
Total affiliation fees/subscriptions	**32,945**	34,881

* 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 4D: Administration expenses

Total paid to employers for payroll deductions of membership subscriptions*	-	-
Compulsory levies*		
[*list each levy including purpose and name of entity*]	-	-
Fees/allowances - meeting and conferences*	-	-
Conference and meeting expenses*	-	-
Contractors/consultants	**35,246**	32,684
Property expenses	**245,277**	287,085
Office expenses	**61,275**	68,193
Information communications technology	**52,724**	41,444
Other	**291,755**	336,092
Subtotal administration expense	**686,277**	765,498
Operating lease rentals:		
Minimum lease payments	**16,247**	18,781
Total administration expenses	**16,247**	18,781

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	-	682
Total expensed that exceeded $1,000	**21,200**	8,825
Total grants or donations	**21,200**	9,507

	2019 $	2018 $

Note 4F: Depreciation and amortisation

Depreciation		
Land & buildings	-	-
Property, plant and equipment	-	-
Total depreciation	-	-
Amortisation		
Intangibles	-	-
Total amortisation	-	-
Total depreciation and amortisation	-	-

Note 4G: Finance costs

Finance leases	-	-
Overdrafts/loans	-	-
Bank Charges	**5,138**	6,983
Total finance costs	**5,138**	6,983

Note 4H: Legal costs*

Litigation	-	-
Other legal costs	**43,576**	99,164
Total legal costs	**43,576**	99,164

Note 4I: Other expenses

Penalties - via RO Act or the *Fair Work Act 2009**	-	-
Total other expenses	-	-

* 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 5 Current Assets

Note 5A: Cash and cash equivalents

Cash at bank	**343,179**	248,709
Cash on hand	**1,300**	1,300
Short term deposits	**2,508,880**	2,442,446
Other	**-**	-
Total cash and cash equivalents	**2,853,359**	2,692,455

Note 5B: Trade and other receivables

Receivables from other reporting unit[s]*		
	-	-
Total receivables from other reporting unit[s]	**-**	-
Less allowance for expected credit losses*		
	-	-
Total allowance for expected credit losses	**-**	-
Receivable from other reporting unit[s] (net)	**-**	-
Other receivables:		
GST receivable	**28,356**	32,874
Other – Trade Receivables	**147,002**	134,286
Total other receivables	**175,358**	167,160
Total trade and other receivables (net)	**175,358**	167,160

Note 5C: Other current assets

Prepayments	**23,410**	7,100
Total other current assets	**23,410**	7,100

Note 6 Non-current Assets

	2019 $	2018 $
Note 6A: Plant and equipment		
Plant and equipment:		
at cost	-	2,091
accumulated depreciation	-	(2,091)
Total plant and equipment	-	-

Reconciliation of opening and closing balances of plant and equipment

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

	2019 $	2018 $

Note 7 Current Liabilities

Note 7A: Trade payables

Trade creditors and accruals	**63,902**	85,491
Subtotal trade creditors	**63,902**	85,491
Payables to other reporting unit[s]*		
[*list name and amount for each reporting unit*]	-	-
Subtotal payables to other reporting unit[s]	-	-
Total trade payables	-	-

Settlement is usually made within 30 days.

Note 7B: Other payables

Wages and salaries	-	-
Superannuation	-	-
Payable to employers for making payroll deductions of membership subscriptions*	-	-
Legal costs*		
Litigation	-	-
Other legal costs	-	-
Prepayments received/unearned revenue	-	-
GST payable	**73,510**	74,227
Other	-	-
Total other payables	**73,510**	74,227
Total other payables are expected to be settled in:		
No more than 12 months	**73,510**	74,227
More than 12 months	-	-
Total other payables	**73,510**	74,227

* 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	**307,559**	329,551
Long service leave	**521,888**	495,116
Separations and redundancies	**-**	-
Other	**-**	-
Subtotal employee provisions—office holders	**829,447**	824,667
Employees other than office holders:		
Annual leave	**89,805**	72,680
Long service leave	**56,142**	64,878
Separations and redundancies	**-**	-
Other	**-**	-
Subtotal employee provisions—employees other than office holders	**145,947**	137,558
Total employee provisions	**975,394**	962,225
Current	**975,394**	962,225
Non-current	**-**	-
Total employee provisions	**975,394**	962,225

	2019 $	2018 $

Note 9 Cash Flow

Note 9A: 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	**2,853,358**	2,692,455
Balance sheet	**2,853,358**	2,692,455
Difference	**-**	-

The difference is represented by .....
(*Note: this explanation is required only where there is a difference*).

Reconciliation of profit/(deficit) to net cash from operating activities:		
Profit/(deficit) for the year	**194,549**	110,860
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	**(8,198)**	20,283
(Increase)/decrease in prepayments	**(16,312)**	3,201
Increase/(decrease) in supplier payables	**(22,306)**	11,472
Increase/(decrease) in other payables		
Increase/(decrease) in employee provisions	**13,169**	(54,148)
Increase/(decrease) in other provisions	**-**	-
Net cash from (used by) operating activities	**160,902**	91,668

Note 9B: Cash flow information*

Cash inflows		
The Amalgamated AWU (SA) State Union	**200,000**	200,000
Total cash inflows	**200,000**	200,000
Cash outflows		
The Amalgamated AWU (SA) State Union	**177,272**	210,000
Total cash outflows	**177,272**	210,000

	2019	2018
	$	$

Note 10 Contingent Liabilities, Assets and Commitments

Note 10A: Commitments and contingencies

Operating lease commitments—as lessee

Office Equipment leases

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

Within one year	**12,657**	11,729
After one year but not more than five years	**42,896**	17,433
More than five years	**-**	-
	55,553	29,162

Note 11 Related Party Disclosures

Note 11A: Related party transactions for the reporting period

Officer	Related Party	Reason	Amount
Peter Lamps	Amalgamated AWU (SA) State Union	Wages	6,270
		Superannuation	627
	IRCC	Board Industrial Relations Consultative	440
	Mining & Quarry OHS Council	Attend Board Meetings (per Annum)	440
	Mining & Quarry OHS Council	Field Trips-flights, accommodation & meals	750
	Mining & Quarry OHS Council	Invite to IQA dinner as a board member price unknown but not exceeding $100	100
	Stacey Lamps	Casual Admin Work @ Award wages	28,885
		Superannuation	2,888
Wayne Hanson	Adelaide Cemeteries Authority	Board Fees	1,981
	Marcus Hanson	Son	0
Frank Mateos	Amalgamated AWU (SA) State Union	Wages & superannuation	6,897
Gary Henderson	Amalgamated AWU (SA) State Union	Wages & Superannuation	6,900
	CITB	Accommodation food and beverages	1,200
	CITB	Board Fees & superannuation	4,000
	Thoroughbred Racing SA	Industry entry pass per race	20
Leanne Ware	Stacy Lopresto	Daughter	0
Stacy Lopresto	Leanne Ware	Mother	0
Michael Hopgood	Amalgamated AWU (SA) State Union	Wages	6,270
		Superannuation	627
	Lynda Hopgood	Cleaner	5,200
Scott Martin	Amalgamated AWU (SA) State Union	Wages	6,270
		Superannuation	627
Marcus Hanson	Amalgamated AWU (SA) State Union	Wages	5,380
		Superannuation	538
	Wayne Hanson	Father	0
Nathan Crack	Amalgamated AWU (SA) State Union	Wages	6,270
		Superannuation	627
	Mining & Quarry OHS Council	Board Sitting fee and super (estimate)	500
Martin Hilton	Australian Super Steel Division	Accommodation and flights	3,606
Trish Stringer	Amalgamated AWU (SA) State Union	Wages & superannuation	6,897

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2019, the Australian Workers' Union South Australian Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2018: $Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

During the year, the Australian Workers Union SA Branch received a management fee of $200,000 from the Amalgamated AWU (SA) State Union, for services rendered during the year ended 30 June 2019 (2018: $200,000).

The Australian Workers Union SA Branch has rented office space from Amalgamated AWU (SA) State Union at $17,500 per month July 18 - June 19. A total of $177,273 was paid during the year (2018 $210,000). All motor vehicles are rented from the Amalgamated AWU (SA) State Union. A total of $141,818 was paid during the year (2018 $157,090).

All dealings are in the ordinary course of business.

As at 30 June 2019 the Australian Workers Union SA Branch is owed a balance of $21,841 (30 June 2018 $9,996) by the Amalgamated AWU (SA) State Union.

The management fee, rental and motor vehicle rental charges and various operating costs met by the Amalgamated AWU (SA) State Union during the year on behalf of the Australian Workers' Union SA Branch have been debited and charged to the loan balance respectively

	2019 $	2018 $

Note 11B: Key management personnel remuneration for the reporting period

Short-term employee benefits		
Salary (including annual leave taken)	**216,097**	212,518
Annual leave accrued	**19,252**	18,898
Total short-term employee benefits	**235,349**	231,416
Post-employment benefits:		
Superannuation	**39,716**	32,944
Total post-employment benefits	**39,716**	32,944
Other long-term benefits:		
Long-service leave	**10,011**	9,827
Total other long-term benefits	**10,011**	9,827
Total	**285,076**	274,187

Note 12 Remuneration of Auditors

Value of the services provided		
Financial statement audit services	**13,892**	13,638
Auditing of the AEC State Associated Entity Returns	**1,530**	2,900
Total remuneration of auditors	**15,422**	16,538

No other services were provided by the Auditors of the financial statements other than assistance with preparation of the cash flow statement and financial instruments note.

Note 13 Financial Instruments

The Union's financial instruments consist mainly of deposits with banks, receivables and payables.

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

	2019	2018
	$	$
Note 13A: Categories of Financial Instruments		
Financial assets		
Cash and Cash Equivalents	**2,853,358**	2,692,455
Trade and Other Receivables	**198,768**	174,258
Total	**3,052,126**	2,866,713
Carrying amount of financial assets	**3,052,126**	2,866,713
Financial liabilities		
Other financial liabilities:		
Trade and Other Payables	**137,412**	159,718
Total	**137,412**	159,718
Carrying amount of financial liabilities	**137,412**	159,718
Note 13B: Net income and expense from financial assets		
Loans and receivables/amortised cost		
Interest revenue	**-**	-
Exchange gains/(loss)	**-**	-
Impairment	**-**	-
Gain/(loss) on disposal	**-**	-
Net gain/(loss) from loans and receivables	**-**	-
Note 13C: Net income and expense from financial liabilities		
At amortised cost		
Interest expense	**-**	-
Exchange gains/(loss)	**-**	-
Gain/(loss) on disposal	**-**	-
Net gain/(loss) from financial liabilities – at amortised cost	**-**	-

Note 13D: Credit risk

The Committee of Management is responsible for monitoring and managing the Union's compliance with its risk management strategy and consists of senior management members. The committee's overall risk management strategy is to assist the Union in meeting its financial targets while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the finance committee on a regular basis. These include credit risk policies and future cash flow requirements.

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

Financial assets		
Cash and Cash Equivalents	**2,853,358**	2,692,455
Trade & Other Receivables	**198,768**	174,258
Total	**3,052,126**	2,866,713
Financial liabilities		
Trade & Other Payables	**137,412**	159,718
Total	**137,412**	159,718

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

Set out below is the information about 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	-%	-%	-%	-%	-%	
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	-%	-%	-%	-%	-%	
Estimate total gross carrying amount at default			-	-	-	-
Expected credit loss			-	-	-	-

The Australian Workers' Union South Australian Branch'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 13D.

Note 13E: Liquidity risk

Liquidity risk arises from the possibility that the Union might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Union manages this risk through regular reporting of financial position to the Committee of Management, maintaining a reputable credit profile and only investing surplus cash with major financial institutions.

Contractual maturities for financial liabilities 2019

	On Demand	**< 1 year $**	**1– 2 years $**	**2– 5 years $**	**>5 years $**	**Total $**
Trade & Other Payables	**-**	**137,412**	**-**	**-**	**-**	137,412
Total	**-**	137,412	**-**	**-**	**-**	137,412

Contractual maturities for financial liabilities 2018

	On Demand	< 1 year $	1– 2 years $	2– 5 years $	>5 years $	Total $
Trade & Other Payables	-	159,718	-	-	-	159,718
Total	-	159,718	-	-	-	159,718

Note 14 Fair Value Measurement

The Committee of Management assessed that cash, trade receivables and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

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 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

OFFICER DECLARATION STATEMENT

I, Peter Lamps being the Branch Secretary of The Australian Workers' Union South Australian Branch declare that the following activities did not occur during the reporting period ending 30th June 2019.

The reporting unit did not:

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

- 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
- pay legal costs relating to litigation
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- 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
- transfer to or withdraw from a fund (other than the general fund), account, asset 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

Signed by the officer:

Dated: 27/9/19