

**CPSU – SPSF GROUP - WESTERN AUSTRALIAN PRISON  
OFFICERS' UNION (WAPOU) BRANCH**

**ABN 98 473 603 480**

**GENERAL PURPOSE FINANCIAL REPORT  
FOR THE PERIOD ENDED 30 JUNE 2017**



**Anderson Munro & Wyllie**

CHARTERED ACCOUNTANTS

**Street Address:**

Unit 8  
210 Winton Road  
JOONDALUP WA 6027

**Postal Address:**

PO Box 229  
JOONDALUP DC WA 6919

**By Appointment:**

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CPSU – SPSF GROUP - WESTERN AUSTRALIAN PRISON OFFICERS' UNION (WAPOU) BRANCH

### Report on the Financial Report

#### Opinion

I have audited the accompanying financial report of CPSU – SPSF Group - Western Australian Prison Officers' Union (WAPOU) Branch ("the Branch") which comprises the statement of financial position as at 30 June 2017 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Committee of Management Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Branch as at 30 June 2017 and its financial performance and its cash flows for the year ended on that date in accordance with:

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

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

#### Basis for Opinion

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

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

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

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

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

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.



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

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

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

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

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

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

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



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

**Responsibilities**

The Committee of Management is responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with the reporting guidelines of the General Manager. My responsibility is to express an opinion on the recovery of wages activity financial report, based on my audit conducted in accordance with Australian Auditing Standards.

ANDERSON MUNRO & WYLLIE

**ANDERSON MUNRO & WYLLIE**

Chartered Accountants

Address: Unit 8, 210 Winton Road, Joondalup, Western Australia

**MARTIN SHONE**

Principal & Registered Company Auditor

Member of the Institute of Chartered Accountants in Australia and New Zealand

Registration number AA2017/8

Dated at Perth, Western Australia this 5<sup>th</sup> day of September 2017

# CPSU – SPSF GROUP - WESTERN AUSTRALIAN PRISON

## OFFICERS' UNION (WAPOU) BRANCH

ABN 98473603480

### OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2017

The Committee of Management presents its operating report on the Reporting Unit for the year ended 30 June 2017.

#### Principal Activity-

The principle activities of the Branch during the year ending 30 June 2017 were as follows:

- representing individual members in grievance disputes with employers resulting in members being treated fairly and their rights respected.
- representing all members at various workplaces regarding disputes with employers resulting in a fair outcome.
- negotiating Enterprise Bargaining Agreements resulting in increased wages and conditions for members covered by those Agreements.
- negotiating Industrial Agreements at a number of worksites resulting in the settlement of disputes or the resulting in flexibility working arrangements.
- providing Branch Delegates and Worksite Committee members with training and education to enable them to better represent members in the workplace.

#### Operating Results

The Branch's profit for the year amounted to \$2 (2016: \$8 loss).

#### Review of Operations

A review of the operations of the Branch during the financial period found that there were no significant changes in nature to these principal activities during the financial period.

#### Significant Changes in the State of Affairs

No matters or circumstances arose during the reporting period which significantly affected the financial affairs of the Branch.

#### After Balance Date Events

There are no significant events after balance date to be reported.

#### Member's Right to Resign

Members may resign from the Branch by giving written notice to the Branch in accordance with the rules of the Branch.

#### Officers & employees who are superannuation fund trustee or director of a company that is a superannuation fund trustee

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

#### Membership of the Branch

Number of members as at 30 June 2017: 2,347 (30 June 2016: 2,219)

#### Employees of the Branch

At the end of the financial period the Branch employed NIL staff.

**CPSU – SPSF GROUP - WESTERN AUSTRALIAN PRISON**

**OFFICERS' UNION (WAPOU) BRANCH**

**ABN 98473603480**

**OPERATING REPORT (continued)  
FOR THE YEAR ENDED 30 JUNE 2017**

**Members of the Committee of Management**

**The State Executive members who held office during the period were:**

K. Brown	Union President	
J. Welch	Union Secretary	
M. Cromb	Union Treasurer	
Andrew Smith	Union Assistant Secretary	
U. Thiel	Union Vice President	
Paul Barry	Union Executive Member	
D. Mcateer	Union Executive Member	- resigned 06/01/2017

Members of the State Executive Committee were in office for the period covering the report until the date of this report unless otherwise stated.

**The State Council members who held office during the period were:**

C. Austin, Acacia		
C. Totterdell, Acacia		- elected 09/01/2017
G Longman, Casuarina		
T Kennedy, Casuarina		- elected 09/01/2017
A Ryan, Casuarina		- elected 09/01/2017
J Fisher, DDU		- elected 09/01/2017
S Parker, EGRP		
P Morris, EGRP		
N Mitchell, Greenough		- elected 21/11/2016
C Pizzey, Greenough		- re-elected 21/11/2016
S Reynolds, Hakea		
A Smith, Hakea		
P Vose, Hakea		
A Zouch, Work Camps		- elected 21/11/2016
P Cowie, Karnet		
J Pennicott, Albany		
J Demeza, Albany		
J Hampton Meagher, Bandyup		
B Cooper Bonser, Bandyup		
C. King, Boronia		
P Shaw, Broome		
I Ralph, Bunbury		
M Palmer, Bunbury		
E Reid, SOG		- elected 19/05/2016
G Kenna, Roebourne		
M Buscumb, Wooroloo		- elected 09/01/2017

WESTERN AUSTRALIAN PRISON

OFFICERS' UNION OF WORKERS

ABN 98 518 622 745

OPERATING REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2017

The State Council members who held office during the period were (continued):

S. Richardson, Wooroloo

- elected 09/01/2017

I. Kholi, Wandoo

R. MacDonald, WKRP

Members have been in office for the period covering the report until the date of this report unless otherwise stated.

**Indemnification of Officer or Auditor**

No indemnities have been given or insurance premiums paid, during or since the end of the financial period, for any person who is or has been an officer or auditor of the Union.

**Proceedings on Behalf of the Union**

No person has applied for leave of Court to bring proceedings on behalf of the Union or intervene in any proceedings to which the Union is a party for the purpose of taking responsibility on behalf of the Union for all or any part of those proceedings. The Union was not a party to any such proceedings during the period.

**Wages Recovery Activity**

The Union has not undertaken any recovery of wages activity for the year ended 30 June 2017.

**Other Information**

There is no other information that the Union considers relevant.

**Auditor's Independent Declaration**

A copy of the auditor's independence declaration is set out on page 8.

Signed in accordance with a resolution of the Committee of Members passed on the 5<sup>th</sup> September 2017



John Welch  
Secretary

Dated: 5<sup>th</sup> September 2017



Michael Cromb  
Treasurer

Dated: 5<sup>th</sup> September 2017



CPSU – SPSF GROUP - WESTERN AUSTRALIAN PRISON

OFFICERS' UNION (WAPOU) BRANCH

ABN 98473603480

COMMITTEE OF MANAGEMENT STATEMENT

On the 5<sup>th</sup> day of September 2017 the Committee of Management of CPSU – SPSF Group - Western Australian Prison Officers' Union (WAPOU) Branch ("the Branch") passed the following resolution in relation to the general purpose financial report (GPFR) for the financial year ended 30 June 2017:

The Branch Committee of Management of the Western Australian Prison Officers' Union of Workers declares that in its opinion:

1. the financial statements and notes comply with the Australian Accounting Standards and other mandatory professional reporting requirements;
2. the financial statements and notes comply with the reporting guidelines of the General Manager of Fair Work Commission ("General Manager");
3. the financial statements and notes give a true and fair view of the Branch's financial performance, financial position and cash flows, and the changes in equity for the period then ended;
4. there are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
5. during the financial period to which the GPFR relates and since the end of that period:
  - (a) meetings of the Committee of Management were held in accordance with the rules of the Branch;
  - (b) the financial affairs of the Branch have been managed in accordance with the rules of the Branch;
  - (c) the financial records of the Branch have been kept and maintained in accordance with the *Fair Work (Registered Organisations) Act 2009* ("Act") and *Fair Work (Registered Organisations) Regulations 2009* ("Regulations"), *Industrial Relations Act 1979 (WA)* ("IR Act") and *Industrial Relations Commission Regulations 2005 (WA)* ("IRC Regulations");
  - (d) the Branch is one of a number of CPSU reporting units. The financial records of the Branch have been kept as far as practicable in a consistent to other reporting units within the organisation;
  - (e) no information was sought by any member of the Branch or the General Manager of Fair Work Commission duly made under section 272 of the Act; and
  - (f) no orders have been made by the Commissioner under section 273 of the Act during the year ending 30 June 2017.
6. further the Branch Committee of Management of the Branch declares that the Branch has not undertaken any recovery of wages activity during the year ending 30 June 2017.

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



John Welch

Secretary

Dated: 5<sup>th</sup> September 2017



Michael Cromb

Treasurer

Dated: 5<sup>th</sup> September 2017



# Anderson Munro & Wyllie

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**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE MEMBERS OF  
CPSU – SPSF GROUP – WESTERN AUSTRALIAN PRISON OFFICERS' UNION (WAPOU) BRANCH**

As auditor for the audit of CPSU – SPSF Group - Western Australian Prison Officers' Union (WAPOU) Branch for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017 there has been:

No contraventions of any applicable code of professional conduct in relation to the audit.

ANDERSON MUNRO & WYLLIE

**ANDERSON MUNRO & WYLLIE**

Chartered Accountants

-----  
**Martin Shone**

Principal

Dated at Perth, Western Australia this 5<sup>th</sup> of September 2017

CPSU – SPSF GROUP - WESTERN AUSTRALIAN PRISON

OFFICERS' UNION (WAPOU) BRANCH

ABN 98473603480

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
<b>Revenue</b>			
Membership Subscription	3A	-	-
Capitation Fees	3B	-	-
Levies	3C	-	-
Interest Received	3D	2	1
<b>Total Revenue</b>		<b>2</b>	<b>1</b>
<b>Other Income</b>			
Grants or Donations	3E	-	-
Transfers		36,826	35,088
<b>Total other income</b>		<b>36,826</b>	<b>35,088</b>
<b>Total income</b>		<b>36,828</b>	<b>35,089</b>
<b>Expenses</b>			
Employee Expenses	4A	-	-
Capitation Fees	4B	(36,826)	(35,088)
Affiliation Fees	4C	-	-
Administration Expenses	4D	-	(9)
Grants or Donations	4E	-	-
Legal Costs	4F	-	-
Other Expenses	4G	-	-
<b>Total expenses</b>		<b>(36,826)</b>	<b>(35,097)</b>
<b>Profit/(Loss) for the year</b>		<b>2</b>	<b>(0)</b>
<b>Other Comprehensive Income</b>			
Items that will not be subsequently reclassified to profit or loss		-	-
<b>Total Comprehensive Profit/(Loss) for the year</b>		<b>2</b>	<b>(8)</b>

The accompanying notes form part of these financial statements.

**CPSU – SPSF GROUP - WESTERN AUSTRALIAN PRISON**

**OFFICERS' UNION (WAPOU) BRANCH**

**ABN 98473603480**

**STATEMENT OF FINANCIAL POSITION**

**AS AT 30 JUNE 2017**

	Note	2017 \$	2016 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	5A	449	447
Trade and Other Receivables	5B	3,184	2,951
<b>TOTAL CURRENT ASSETS</b>		<b>3,633</b>	<b>3,398</b>
<b>NON-CURRENT ASSETS</b>			
<b>TOTAL NON-CURRENT ASSETS</b>		<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>3,633</b>	<b>3,398</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade Payables	6A	3,184	2,951
Other Payables	6B	-	-
Employee Provisions	7A	-	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,184</b>	<b>2,951</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee Provisions	7A	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>3,184</b>	<b>2,951</b>
<b>NET ASSETS</b>		<b>449</b>	<b>447</b>
<b>EQUITY</b>			
Retained Earnings		449	447
<b>TOTAL EQUITY</b>		<b>449</b>	<b>447</b>

The accompanying notes form part of these financial statements.

**CPSU – SPSF GROUP - WESTERN AUSTRALIAN PRISON**

**OFFICERS' UNION (WAPOU) BRANCH**

**ABN 98473603480**

**STATEMENT OF CHANGES OF EQUITY  
FOR THE YEAR ENDED 30 JUNE 2017**

	Retained Earnings	Total
	\$	\$
<b>Balance at 1 July 2015</b>	<b>455</b>	<b>455</b>
Loss for the Year	(8)	(8)
<b>Balance at 30 June 2016</b>	<b>447</b>	<b>447</b>
Profit for the Year	2	2
<b>Balance at 30 June 2017</b>	<b>449</b>	<b>449</b>

The accompanying notes form part of these financial statements.

**CPSU – SPSF GROUP - WESTERN AUSTRALIAN PRISON**

**OFFICERS' UNION (WAPOU) BRANCH**

**ABN 98473603480**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Transfers from WAPOU	9B	36,826	35,336
Refund of GST from ATO		-	295
Interest		2	1
		<hr/>	<hr/>
<b>Cash used</b>			
Payment to National Office	9B	(36,826)	(35,336)
Payment to Suppliers		-	(9)
		<hr/>	<hr/>
<b>Net cash from Operating Activities</b>	9A	<b>2</b>	<b>287</b>
		<hr/>	<hr/>
<b>INVESTING ACTIVITIES</b>			
Cash received		-	-
Cash used		-	-
		<hr/>	<hr/>
<b>Net cash from Investing Activities</b>		<b>-</b>	<b>-</b>
		<hr/>	<hr/>
<b>FINANCING ACTIVITIES</b>			
Cash received		-	-
Cash used		-	-
		<hr/>	<hr/>
<b>Net cash from Financing Activities</b>		<b>-</b>	<b>-</b>
		<hr/>	<hr/>
Net Increase in Cash held		2	287
Cash and Cash Equivalents at the Beginning of the Year		447	160
		<hr/>	<hr/>
Cash and Cash Equivalents at the End of the Year		<b>449</b>	<b>447</b>
		<hr/>	<hr/>

The accompanying notes form part of these financial statements

**RECOVERY OF WAGES ACTIVITY**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**CPSU – SPSF GROUP - WESTERN AUSTRALIAN PRISON  
OFFICERS' UNION (WAPOU) BRANCH  
ABN 98473603480**

No recovery of wages activities occurred in the reporting period.

The accompanying notes form part of these financial statements

# CPSU – SPSF GROUP - WESTERN AUSTRALIAN PRISON

## OFFICERS' UNION (WAPOU) BRANCH

ABN 98473603480

### Note 1: Branch Information

The financial report of CPSU – SPSF Group - Western Australian Prison Officers' Union (WAPOU) Branch ("the Branch") for the year ended 30 June 2017 was authorised for issue in accordance with a resolution of the Committee of Management.

The financial statements cover the Branch as an individual entity. The Branch is registered and domiciled in Western Australia.

The Branch is a trade Branch which represents the industrial interests of the career public sector and private industry Prison Officers employed within the state of Western Australia.

Number of members at 30 June 2017: 2,347 (30 June 2016: 2,219).

The financial statements were authorised for issue on 5<sup>th</sup> September 2017 by the members of the committee.

### Note 2: Summary of Significant Accounting Policies

#### BASIS OF PREPARATION

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 Branch is a not-for-profit entity.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

#### Accounting Policies

##### (a) Revenue

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

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

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

Donation income is recognised when it is received.

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

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



CPSU – SPSF GROUP - WESTERN AUSTRALIAN PRISON

OFFICERS' UNION (WAPOU) BRANCH

ABN 98473603480

**Note 2: Summary of Significant Accounting Policies (Continued)**

**(b) Gains**

***Sale of Assets***

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

**(c) Capitation Fees and Levies**

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

**(d) 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 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 Branch 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.

The Branch recognises an obligation to 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 as per the requirements of the relevant industrial conditions or obligations set out by Fair Work Commission.

**(e) Leases**

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

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

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

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

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

**(f) Borrowing Costs**

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

**CPSU – SPSF GROUP - WESTERN AUSTRALIAN PRISON**

**OFFICERS' UNION (WAPOU) BRANCH**

**ABN 98473603480**

**Note 2: Summary of Significant Accounting Policies (Continued)**

**(g) Cash**

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

**(h) Financial Instruments**

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

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

**(i) Financial Assets**

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

**(i) *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 Branch 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 Branch 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 2: Summary of Significant Accounting Policies (Continued)**

**(i) Financial Assets (Continued)**

**(i) *Fair value through profit or loss (Continued)***

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

**(ii) *Held-to-maturity investments***

Financial assets with fixed or determinable payments and fixed maturity dates that the Branch 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.

**(iii) *Available-for-sale***

The Branch is aware of the accounting policies and standards that are required in the circumstances where listed shares and listed redeemable notes are held as investments by the Branch but no such shares or notes are held by the Branch.

**(iv) *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.

**(v) *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.

**(vi) *Impairment of financial assets***

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

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

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

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**Note 2: Summary of Significant Accounting Policies (Continued)**

**(i) Financial Assets (Continued)**

**(vi) *Impairment of financial assets (Continued)***

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. 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.

**(vii) *Derecognition of financial assets***

The Branch 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.

**(j) 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'.

**(i) *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.

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**Note 2: Summary of Significant Accounting Policies (Continued)**

**(j) Financial Liabilities (Continued)**

**(i) Fair value through profit or loss (Continued)**

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.

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

**(ii) 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.

**(iii) Derecognition of financial liabilities**

The Branch 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.

**(k) 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.

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**Note 2: Summary of Significant Accounting Policies (Continued)**

**(l) Land, Buildings, Plant and Equipment**

**Asset Recognition Threshold**

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

**Depreciation**

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the diminishing 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.

The depreciation rates used for each class of depreciable assets are:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Furniture and equipment	5% - 40%
Motor vehicles	25%
Buildings and improvements	2.5% to 25%

**Derecognition**

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

**(m) Investment Property**

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured at its cost, including transaction costs, less accumulated depreciation.

**Depreciation**

Depreciable investment property assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the diminishing 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.

The depreciation rates used for each class of depreciable assets are:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Furniture and equipment	5% - 40%
Buildings and improvements	2.5% to 25%

**Derecognition**

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

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**Note 2: Summary of Significant Accounting Policies (Continued)**

**(n) Impairment for Non-Financial Assets**

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

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

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

**(p) Comparative Figures**

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

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

**(q) Accounts Payable and Other Payables**

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**(r) Significant Accounting Judgements and Estimates**

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Branch.

Nil

**Key estimates**

*Impairment*

**Key judgments**

*Available-for-sale investments*

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***Note 2: Summary of Significant Accounting Policies (Continued)***

**(s) 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.

***Future Australian Accounting Standards Requirements***

The Branch has assessed the new and amended pronouncements applicable to future reporting periods and has determined that their effect on the Branch is NIL.

**(sa) Going Concern**

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

The Branch provides no financial support to ensure another reporting unit can continue on a going concern basis.



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**Note 3: Income**

No income was received during the reporting period for Capitation Fees, Levies, Grants or Donations or support from another reporting unit of the organisation.

	2017	2016
	\$	\$
<b>Note 3A: Membership Subscription</b>	<u>-</u>	<u>-</u>
<b>Note 3B: Capitation Fees</b>	<u>-</u>	<u>-</u>
<b>Note 3C: Levies</b>	<u>-</u>	<u>-</u>
<b>Note 3D: Interest Received</b>		
Deposits	<u>2</u>	<u>1</u>
<b>Total interest</b>	<u>2</u>	<u>1</u>
<b>Note 3E: Grants or Donations</b>	<u>-</u>	<u>-</u>

**Note 4: Expenses**

During the reporting year no expenses were incurred as consideration for employers making payroll deductions of membership subscriptions, compulsory levies imposed, legal costs or penalties imposed on the Branch under the RO Act with respect to its conduct.

**Note 4A: Employee Expenses**

Holders of office:

- Wages and salaries	-	-
- Superannuation	-	-
- Leave and other entitlements	-	-
- Other employee expenses	<u>-</u>	<u>-</u>
<b>Subtotal employee expenses holders of office</b>	<u>-</u>	<u>-</u>

**Employees other than office holders:**

- Wages and salaries	-	-
- Superannuation	-	-
- Leave and other entitlements	-	-
- Other employee expenses	<u>-</u>	<u>-</u>
<b>Subtotal employee expenses employees other than office holders</b>	<u>-</u>	<u>-</u>
<b>Total employee expenses</b>	<u>-</u>	<u>-</u>

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	2017	2016
<b>Note 4: Expenses (continued)</b>	\$	\$
<b>Note 4B: Capitation Fees</b>		
National Office Membership	(36,826)	(35,088)
<b>Total Capitation Fees</b>	<u>36,826</u>	<u>(35,088)</u>
<b>Note 4C: Affiliation Fees</b>	<u>-</u>	<u>-</u>
<b>Note 4D: Administration Expenses</b>		
Audit fees	-	-
Bank charges	-	(9)
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowance – meeting & conferences	-	-
Conference and meeting expenses	-	-
<b>Total administrative expenses</b>	<u>-</u>	<u>(9)</u>
<b>Note 4E: Grants or Donations</b>	-	-
Grants	-	-
Donations	-	-
<b>Total grants or donations</b>	<u>-</u>	<u>-</u>
<b>Note 4F: Legal Costs</b>		
Other Legal Matters	-	-
<b>Total legal costs</b>	<u>-</u>	<u>-</u>
<b>Note 4G: Other Expenses</b>		
Penalties - via RO Act or RO Regulations	-	-
<b>Total other expenses</b>	<u>-</u>	<u>-</u>

**Note 5: Current Assets**

The Branch has no fund or account operated in respect of compulsory levies or voluntary contributions, and therefore has no such monies invested in any assets. The Branch has no fund or account (other than the general fund) the operation of which is required by its rules or by the rules of the organisation, and therefore no transfers and/or withdrawal(s) from such an account.

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<b>Note 5: Current Assets (Continued)</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Note 5A: Cash and Cash Equivalents</b>		
Cash at bank	449	447
<b>Total cash and cash equivalents</b>	<u>449</u>	<u>447</u>
<b>Note 5B: Trade and Other Receivables</b>		
Receivables from other reporting units	-	-
Less provision for doubtful debts	-	-
<b>Total receivables from other reporting units (net)</b>	<u>-</u>	<u>-</u>
<b>Other receivables:</b>		
Receivable from WAPOU	3,184	2,951
ATO Refunds	-	-
<b>Total trade and other receivables</b>	<u>3,184</u>	<u>2,951</u>

**Note 6: Current Liabilities**

The Branch has no payables or other financial liability to any other reporting unit of the organisation.

The Branch has no payables to employers as consideration for the employer making payroll deductions for membership subscriptions, or in respect of legal costs and other expenses related to litigation or other legal matters.

**Note 6A: Trade Payables**

Trade creditors and accruals	3,184	2,951
<b>Subtotal trade creditors</b>	<u>3,184</u>	<u>2,951</u>
Payables to other reporting units	-	-
<b>Total trade payables</b>	<u>3,184</u>	<u>2,951</u>

Settlement is usually made within 30 days.

**Note 6B: Other Payables**

Consideration to employers for payroll deductions	-	-
Legal costs	-	-
<b>Total other payables</b>	<u>-</u>	<u>-</u>

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<b>Note 7: Provisions</b>	<b>2017</b>	<b>2016</b>
<b>Note 7A: Employee Provisions</b>	<b>\$</b>	<b>\$</b>
Office holders:		
– Annual leave	-	-
– Long service leave	-	-
<b>Subtotal employee provisions – office holders</b>	<u>-</u>	<u>-</u>
Employees other than office holders:		
– Annual leave	-	-
– Long service leave	-	-
<b>Subtotal employee provisions – employees other than office holders</b>	<u>-</u>	<u>-</u>
<b>Total employee provisions</b>	<u>-</u>	<u>-</u>
Current	-	-
Non-current	-	-
<b>Total employee provisions</b>	<u>-</u>	<u>-</u>

**Note 8: Segment Information**

The Branch operates in one business and one geographic segment. Hence no separate segment information has been provided.

**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	449	447
Balance sheet	449	447
<b>Difference</b>	<u>-</u>	<u>-</u>

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<b>Note 9A: Cash Flow Reconciliation (continued)</b>	<b>2017</b>	<b>2016</b>
	\$	\$
<b>Reconciliation of profit to net cash from operating activities:</b>		
Profit/(Loss) for the year	2	(8)
<b>Changes in assets/liabilities:</b>		
Increase/(Decrease) in accounts receivable	1,490	(543)
(Increase)/Decrease in payables	(1,490)	248
<b>Net cash generated from operating activities</b>	<u>-</u>	<u>287</u>

**Note 9B: Cash Flow Information**

Cash inflows		
Transfer from WAPOU to cover capitation fees payment	<u>36,826</u>	<u>35,088</u>
<b>Total cash inflows</b>	<u>36,826</u>	<u>35,088</u>
Cash outflows		
National Office Membership	<u>36,826</u>	<u>35,088</u>
<b>Total cash outflows</b>	<u>36,826</u>	<u>35,088</u>

**Note 10: Related Party Disclosures**

**Note 10A: Related Party Transactions for the Reporting Period**

The Branch has common office bearers and membership through an arrangement under the WA Industrial Relations legislation.

**Note 10B: Key Management Personnel Remuneration for the Reporting Period**

Short-term employee benefits:		
- Salary (including annual leave taken)	-	-
- Annual leave accrued	-	-
- Remuneration for attending meeting & conferences & travel allowance	-	-
- Committee honorariums	-	-
- Meeting expenses	-	-
<b>Total short-term employee benefits</b>	<u>-</u>	<u>-</u>

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**Note 10B: Key Management Personnel Remuneration for the Reporting Period (Continued)**

	2017	2016
	\$	\$
Post-employment benefits:		
– Superannuation	-	-
<b>Total post-employment benefits</b>	<u>-</u>	<u>-</u>
Other long-term benefits:		
– Long service leave	-	-
<b>Total long-term benefits</b>	<u>-</u>	<u>-</u>

**Note 10C: Remuneration Paid to the Employee (Other than Office Holders)**

Short-term employee benefits:		
– Salary (including annual leave taken)	-	-
– Annual leave accrued	-	-
<b>Total short-term employee benefits</b>	<u>-</u>	<u>-</u>
Post-employment benefits:		
– Superannuation	-	-
<b>Total post-employment benefits</b>	<u>-</u>	<u>-</u>
Other long-term benefits:		
– Long service leave	-	-
<b>Total long-term benefits</b>	<u>-</u>	<u>-</u>

**Note 11: Remuneration of Auditors**

Value of the services provided		
– Financial statement audit services	-	-
– Other services & membership audit	-	-
<b>Total remuneration of auditors</b>	<u>-</u>	<u>-</u>

**Note 12: Events after the reporting period**

There were no events that occurred after 30 June 2017, or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Branch.

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**Note 13: Financial Risk Management**

The Branch's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, bank loans and overdrafts.

**Note 13A: Categories of Financial Instruments**

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

	Note	2017	2016
		\$	\$
<b>Financial assets</b>			
<b>Loans and receivables</b>			
Cash and cash equivalents	5A	449	447
Trade and other receivables	5B	3,184	2,951
<b>Total financial assets</b>		<u>3,633</u>	<u>3,398</u>
<b>Financial liabilities</b>			
<b>Fair value through profit or loss</b>			
Trade and other payables	6A	3,184	2,951
Interest bearing liabilities		-	-
<b>Total financial liabilities</b>		<u>3,184</u>	<u>2,951</u>

The Committee's overall risk management strategy seeks to assist the Branch in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Committee on a regular basis. These include the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for the operations. The Branch does not have any derivative instruments at 30 June 2017.

**Note 13B: Net Income and Expense from Financial Assets**

<b>Loans and receivables</b>			
Interest revenue	3D	2	1
<b>Net gain from financial assets</b>		<u>2</u>	<u>1</u>

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**Note 13: Financial Risk Management (Continued)**

**Note 13C: Specific Financial Risk Exposures and Management**

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk.

There have been no substantive changes in the types of risks the Branch is exposed to, how these risks arise, or the Committee's objectives, policies and processes for managing or measuring the risks from the previous period.

**(i) Credit risk**

The Branch is exposed to credit risk on account of (a) default by individual members to pay their maximum membership contributions; and (b) default by tenants to pay for the rent charges.

The Branch's maximum exposure to credit risk is the carrying amount of trade and other receivable at reporting date.

The credit risk is managed by ensuring that (a) membership dues are deducted by the employers as part of the payroll processing; and (b) rental dues are invoiced in advance prior to occupancy.

The Branch does not monitor the credit risks in relation to cash and cash equivalent, which are transacted through creditworthy financial institutions. The management believes that these institutions are being subject to strict prudential norms imposed by Legislation, Reserve Bank and other regulatory authorities.

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

	Note	2017	2016
		\$	\$
<b>Financial assets</b>			
<b>Loans and receivables</b>			
Trade and other receivables	5B	3,184	2,951
<b>Total financial assets</b>		<b>3,184</b>	<b>2,951</b>
<b>Financial liabilities</b>			
<b>Fair value through profit or loss</b>			
Trade and other payables	6A	3,184	2,951
<b>Total financial liabilities</b>		<b>3,184</b>	<b>2,951</b>

In relation to the entity's gross credit risk no collateral is held.



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**Note 13: Financial Risk Management (Continued)**

**Note 13C: Specific Financial Risk Exposures and Management (Continued)**

(ii) **Liquidity risk**

Liquidity risk is the risk that the Branch will encounter difficulties in meeting the contractual obligations of its financial liabilities (principally due to shortage of funds).

Liquidity risk is kept continually under review and managed to ensure that cleared funds are held to meet the obligations on the respective due dates.

Liquidity risk is managed through:

- (a) Monitoring short term forecasted in-flows and the committed cash outflows of financial liabilities;
- (b) Monitoring the unused withdrawal facilities with banks.

The tables below reflect an undiscounted contractual maturity analysis for non-derivative financial liabilities. The Branch does not hold directly any derivative financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

**Financial liability and financial asset maturity analysis:**

	Within 1 Year	1 to 5 Years	Over 5 Years	Total
	2017	2017	2017	2017
	\$	\$	\$	\$
<b>Financial liabilities due for payment</b>				
Trade and other payables	3,184	-	-	3,184
Total expected outflows	<b>3,184</b>	-	-	<b>3,184</b>
<b>Financial Assets — cash flows realisable</b>				
Cash and cash equivalents	449	-	-	449
Trade and other receivables	3,184	-	-	3,184
	<b>3,633</b>	-	-	<b>3,633</b>
Net inflow on financial instruments	<b>449</b>	-	-	<b>449</b>

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**Note 13: Financial Risk Management (Continued)**

**Note 13C: Specific Financial Risk Exposures and Management (Continued)**

**Financial liability and financial asset maturity analysis (Continued):**

	Within 1 Year	1 to 5 Years	Over 5 Years	Total
	2016	2016	2016	2016
	\$	\$	\$	\$
<b>Financial liabilities due for payment</b>				
Trade and other payables	2,951	-	-	2,951
Total expected outflows	<u>2,951</u>	<u>-</u>	<u>-</u>	<u>2,951</u>
<b>Financial Assets — cash flows realisable</b>				
Cash and cash equivalents	447	-	-	447
Trade and other receivables	2,951	-	-	2,951
Total anticipated inflows	<u>3,398</u>	<u>-</u>	<u>-</u>	<u>3,398</u>
Net inflow on financial instruments	<u>447</u>	<u>-</u>	<u>-</u>	<u>447</u>

(iii) **Market risk**

(a) **Interest rate risk**

Interest rate risk is the risk that the fair values and cash-flows of Branch's financial instruments will be affected by changes in the market interest rates.

The management of the Branch believes that the risk of interest rate movement would not have material impact on Branch's operations.

(b) **Other price risk**

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) of securities held.

**Sensitivity analysis**

The following table illustrates sensitivities to the Branch's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables

	Profit	Equity
	\$	\$
<b>Year ended 30 June 2017</b>		
+/-1% in interest rates	-	-
<b>Year ended 30 June 2016</b>		
+/-1% in interest rates	-	-

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**Note 13: Financial Risk Management (Continued)**

**Note 13C: Fair Value Measurement – Financial Assets and Financial Liabilities**

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair value may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair values is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Branch. Most of these instruments, which are carried at amortised cost (ie accounts receivables, loan liabilities), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the Branch.

		2017		2016	
	Note	Carrying Value	Fair Value	Carrying Value	Fair Value
		\$	\$	\$	\$
<b>Financial assets</b>					
Cash and cash equivalents	(i)	449	449	447	447
Trade and other receivables	(i)	3,184	3,184	2,951	2,951
<b>Total financial assets</b>		<b>3,633</b>	<b>3,633</b>	<b>3,398</b>	<b>3,398</b>
<b>Financial liabilities</b>					
Trade and other payables	(i)	3,184	3,184	2,951	2,951
Interest bearing liabilities	(i)	-	-	-	-
<b>Total financial liabilities</b>		<b>3,184</b>	<b>3,184</b>	<b>2,951</b>	<b>2,951</b>

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, accounts receivable and other debtors and accounts payable and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables excludes amounts provided for annual leave, which is outside the scope of AASB 139.

**Note 14: Administration of financial affairs by a third party**

The financial affairs of the Branch were not administered by another entity.

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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 Commission:

- (1) A member of a reporting unit, or the General Manager of Fair Work Commission, 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).