SHOP, DISTRIBUTIVE & ALLIED EMPLOYEES' ASSOCIATION: FINANCIAL REPORTS FOR THE YEAR ENDED 30 JUNE 2019

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION, ANNUAL FINANCIAL REPORT 30 JUNE 2019

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2019

The members of the National Executive present their report together with the financial report of Shop, Distributive & Allied Employees' Association ('the Association') for the financial year ended 30 June 2019 and the auditor's report thereon.

1. Membership

Membership of the Association as at 30 June 2019 was 203,867 (2018: 207,131).

Persons eligible to do so under the rules of the Association were actively encouraged to join the Association. Pursuant to s174 of the *Fair Work (Registered Organisations) Act 2009* ("RO Act") and in accordance with Rule 27 of the Association, members have the right to resign from the Association by written notice to the appropriate Branch of the Association.

2. Committee of management

The members of the National Executive of the Association at any time during or since the end of the financial year are:

Name	*Experience*
Mr Michael Donovan National President	National Executive Member since 1996 National Vice President since 2014-2018 National President since November 2018
Ms Barbara Nebart National Vice President	National Executive Member since 2004 National Vice President since November 2018
Mr Gerard Dwyer National Secretary-Treasurer	National Executive Member since 2005 National President 2008-2014 National Secretary-Treasurer since 2014
Ms Julia Fox National Assistant Secretary	National Executive Member since 2016 National Assistant Secretary since 2016
Mr Joseph de Bruyn (retired)	National Executive Member (1978-2018) National Secretary-Treasurer (1978-2014) National President (2014-2018)
Mr Paul Griffin	National Executive Member since 1990
Mr Josh Peak	National Executive Member since since June 2019
Ms Sonia Romeo (retired)	National Executive Member (2016-2019)
Mr Bernie Smith	National Executive Member since 2014
Mr Chris Gazenbeek	National Executive Member since 2014
Mr Peter O'Keeffe	National Executive Member since 2014

3. Affiliations & Directorships

The Association, through its Branches, is affiliated with the Australian Labor Party ("ALP"). Delegates were credentialed to various state and national meetings of the ALP. The National Secretary-Treasurer is a member of the ALP National Executive and the Australian Labor Advisory Council.

The Association is affiliated with the Australian Council of Trade Unions ("ACTU"). The National Secretary-Treasurer is Senior Vice President of the ACTU, and a director of ACTU Trustee companies ACTU Member Connect Pty Ltd and The Union Education Foundation Limited. Three other representatives of the Association are also members of the ACTU Executive. Officials of the Association are active on a range of ACTU Committees, including finance, governance, tax, health and safety, women, vocational education and training, workers capital, international and industrial legislation.

The Association is affiliated to Union Network International ("UNI"). Various officials of the Association hold elected positions within UNI. The National Secretary-Treasurer is Vice President of UNI-APRO. The National Secretary-Treasurer is President of UNI-APRO Commerce Sector. The National Assistant Secretary is Vice President of UNI World Women's Committee.

4. Principal activities

The Association maintained its industrial awards and agreements and produced a range of publications for its members. During the year ended 30 June 2019, the Association continued with its significant campaign on Customer Violence & Abuse in Retail and Fast Food, called "No One Deserves A Serve".

Enterprise agreements were negotiated with a range of employers, including but not limited to, Woolworths, Kmart, Bunnings and a range of warehouse agreements. These agreements all resulted in improved wages and working conditions for the employees covered by them.

The Association continues its defence of penalty rates in the Hair and Beauty Award and also protects other entitlements from attack by employers. The Association also promotes and protects members by participating in a range of legislative inquiries and reviews.

There were no significant changes in the Association during the financial year in the nature of its activities and financial affairs. At 30 June 2019, there were 16.1 effective full-time equivalent employees of the National Office of the Association (2018: 14.7).

Further information is available on the SDA National website at www.sda.org.au.

5. SDA Report to the Workplace Gender Equality Agency

The Shop, Distributive and Allied Employees' Association, as required by the *Workplace Gender Equality Act 2012*, lodged its public report for the reporting year 2018-2019, to the Workplace Gender Equality Agency, on the 29th May 2019. The report is available on the SDA National website at www.sda.org.au.

6. Superannuation Trustees

Four representatives of the Association hold positions as Directors of the Retail Employees' Superannuation Trust ("REST"). Below are the directors as at 30 June 2019, and those nominated as alternate Employee Directors.

Directors:	*Alternates:*
• Mr Joseph de Bruyn	• Mr Gerard Dwyer
• Mr Ian Blandthorn	• Mr Michael Donovan
• Mr Michael Tehan	• Ms Aliscia Di Mauro
• Ms Julia Fox	• Dr Adam Walk (Appointed 28 November 2018)

7. Information to be provided to Members or General Manager

In accordance with the requirements of subsection 272(5) of the RO Act, the attention of members is drawn to the provisions of subsections (1), (2) and (3) of section 272, which states as follows:

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

Dated at Melbourne this 22nd day of August, 2019

Michael Donovan — **Gerard Dwyer**
National President — **National Secretary-Treasurer**

COMMITTEE OF MANAGEMENT STATEMENT

We, Gerard Dwyer and Michael Donovan, being two members of the National Executive of the Association, do state on behalf of the National Executive and in accordance with a resolution passed by the National Executive on 22nd August 2019 in relation to the accompanying general purpose financial report that, in the opinion of the National Executive:

(a) the financial statements and notes set out on pages 11 to 56 comply with the Australian Accounting Standards;
(b) the financial statements and notes set out on pages 11 to 56 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 present a true and fair view of the financial performance, financial position and cash flows of the association for the financial year ended 30 June 2019;
(d) there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable; and
(e) during the financial year ended 30 June 2019 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 Association 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 Association 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.

Dated at Melbourne this 22nd day of August, 2019

Michael Donovan — **Gerard Dwyer**
National President — **National Secretary-Treasurer**

CERTIFICATE BY NATIONAL SECRETARY-TREASURER
Certificate for the year ended 30 June 2019

I, Gerard Dwyer, being the National Secretary-Treasurer officer responsible for keeping the accounting records of the Association certify that as at 30 June 2019 the number of members of the Association was 203,867.

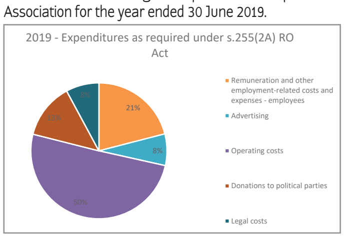
In my opinion:

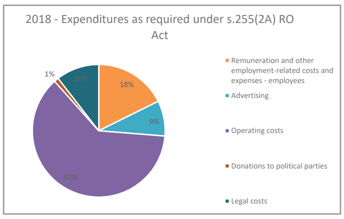
(i) the accompanying financial report set out on pages 11 to 56 presents fairly a view of the financial position of the Association as at 30 June 2019;
(ii) a record has been kept of all monies paid by or collected from members of the Association and all monies so paid or collected have been credited to the bank account to which those monies are to be credited in accordance with the rules of the Association;
(iii) before any expenditure was incurred by the Association, approval of the incurring of the expenditure was obtained in accordance with the rules of the Association;
(iv) no payments were made out of funds or accounts operated by the Association in respect of compulsory levies raised by the Association or voluntary contributions collected from members of the Association or other funds, the operation of which is required by the rules of the Association for a purpose other than the purpose for which the funds or accounts were operated;
(v) no loans or other financial benefits other than remuneration in respect of their full time employment with the Association were made to persons holding office in the Association; and
(vi) a Register of Members of the Association was maintained in accordance with the *Fair Work (Registered Organisations) Act 2009*.

Dated at Melbourne this 22nd day of August, 2019
Gerard Dwyer
National Secretary-Treasurer

EXPENDITURE REPORT REQUIRED UNDER SUBSECTION 255(2A) FOR THE YEAR ENDED 30 JUNE 2019

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





Dated at Melbourne this 22nd day of August, 2019

Michael Donovan — **Gerard Dwyer**
National President — **National Secretary-Treasurer**

OFFICER DECLARATION STATEMENT

I, Gerard Dwyer, being the National Secretary-Treasurer of the Shop Distributive & Allied Employees' Association, declare that the following activities did not occur during the reporting period ending 30 June 2019.

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive periodic or membership subscriptions
- receive revenue via compulsory levies
- receive other income via grants or donations
- receive other income via revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay capitation fees to another reporting unit
- pay compulsory levies
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a receivable with other reporting units
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a fund or reserve account in equity for compulsory levies, voluntary contributions or required by the rules of the organisation
- transfer to or withdraw from a fund or reserve account in equity (other than the general fund in equity), account, asset or controlled entity
- have a balance within the general fund in equity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Dated at Melbourne this 22nd day of August, 2019
Gerard Dwyer
National Secretary-Treasurer

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	2019 $	2018 $
Assets			
Cash and cash equivalents	10	1,426,029	1,253,269
Trade and other receivables	11	509,352	620,672
Other financial assets	12	27,000,000	26,700,000
Total current assets		28,935,381	28,573,941
Property, plant and equipment	14	600,188	584,014
Investment property	15	28,000,000	24,000,000
Employee benefits	17	192,903	467,459
Total non-current assets		28,793,091	25,051,473
TOTAL ASSETS		**57,728,472**	**53,625,414**
Liabilities			
Trade and other payables	16	376,627	396,986
Employee benefits	17	808,698	725,156
Total current liabilities		1,185,325	1,122,142
Employee benefits	17	33,657	27,858
Total non-current liabilities		33,657	27,858
TOTAL LIABILITIES		**1,218,982**	**1,150,000**
NET ASSETS		**56,509,490**	**52,475,414**
Equity			
Retained earnings		56,509,490	52,475,414
TOTAL EQUITY		**56,509,490**	**52,475,414**

The notes on pages 15 to 56 are an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
Revenue			
Affiliation fees	21	6,566,153	6,016,150
Rental income	15(a)	1,423,322	1,470,677
Total revenue		7,989,475	7,486,827
Other income	6	5,225,820	6,057,037
Total other income		5,225,820	6,057,037
Total income		**13,215,295**	**13,543,864**
Expenditure			
53 Queen St, Melbourne - direct operating expenses	15(a)	634,483	602,863
ACTU IR Campaign Levy	21	-	2,000,000
Advertising		716,007	915,233
Affiliation fees	21	2,147,376	2,134,393
Audit fees	22	33,836	30,986
Delegates expenses/allowances - meetings and conferences		186,009	319,774
Depreciation	14	98,990	100,290
Grants and donations	8	1,618,565	191,250
Legal costs	9	748,510	1,114,655
Conference and meeting expenses		326,593	278,056
Administration expenses	7	195,145	181,731
Other expenses	13	723,523	861,615
Personnel expenses	18	1,996,972	1,806,626
Travel expenses		192,599	195,413
Total Expenses		**9,618,608**	**10,732,885**
Result from Operating Activities		**3,596,687**	**2,810,979**
Finance income			
Interest income	12	621,727	601,276
Income tax expense	4(m)	-	-
Surplus/(deficit) for the year		**4,218,414**	**3,412,255**
Other comprehensive income			
Items that will never be reclassified to profit or loss			
Re-measurement of defined benefit asset (loss)/gain	17	(184,338)	80,700
Income tax on other comprehensive income		-	-
Items that are or may be reclassified to profit or loss		-	-
Other comprehensive (loss)/income, net of tax		(184,338)	80,700
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**4,034,076**	**3,492,955**

The notes on pages 15 to 56 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	Note	Retained earnings $	Total equity $
Balance at 1 July 2018		52,475,414	52,475,414
Total comprehensive income for the period			
Surplus/(deficit) for the period		4,218,414	4,218,414
Other comprehensive income			
Re-measurement of defined benefit asset, net of tax	17	(184,338)	(184,338)
Total comprehensive income for the period		4,034,076	4,034,076
Transactions with members of the Association, recognised directly in equity		-	-
Balance at 30 June 2019		**56,509,490**	**56,509,490**
Balance at 1 July 2017		48,982,459	48,982,459
Total comprehensive income for the period			
Surplus/(deficit) for the period		3,412,255	3,412,255
Other comprehensive income			
Re-measurement of defined benefit asset, net of tax	17	80,700	80,700
Total comprehensive income for the period		3,492,955	3,492,955
Transactions with members of the Association, recognised directly in equity		-	-
Balance at 30 June 2018		**52,475,414**	**52,475,414**

The notes on pages 15 to 56 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
Cash flows from operating activities			
Cash receipts from operations			
Cash receipts from other reporting units	19b	8,602,216	8,475,235
Cash receipts from other sources		1,811,598	1,900,490
Total cash receipts from operations		**10,413,814**	**10,375,725**
Cash payments used in operations			
Cash paid to suppliers		(9,009,723)	(10,135,815)
Cash paid to employees		(1,138,764)	(1,055,994)
Cash paid to other reporting units	19b	(182,433)	(201,680)
Total cash payments used in operations		(10,330,920)	(11,393,489)
Cash generated/(used in) from operations		82,894	(1,017,764)
Interest received		617,762	619,245
Net cash from/(used in) operating activities	19a	**700,656**	**(398,519)**
Cash flows from investing activities			
(Acquisition of) /proceeds from term deposits		(300,000)	800,000
(Acquisition of) property, plant and equipment	14	(126,506)	(56,527)
(Acquisition of) fixutes and fittings for investment property	15	(111,570)	(39,384)
Proceeds from sale of property, plant and equipment		10,180	21,832
Net cash (used in)/from investing activities		**(527,896)**	**725,921**
Cash flows from financing activities			
Net cash from/(used in) financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		172,760	327,402
Cash and cash equivalents at 1 July		1,253,269	925,867
CASH AND CASH EQUIVALENTS AT 30 JUNE	10/19a	**1,426,029**	**1,253,269**

The notes on pages 15 to 56 are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

1. REPORTING ENTITY

Shop, Distributive & Allied Employees' Association (the 'Association') is an Association domiciled in Australia. The address of the Association's registered office is Level 6, 53 Queen Street, Melbourne. The financial report of the Association for the financial year ended 30 June 2019 comprises the National Account and the International Fund. The Association is a not-for-profit entity and primarily is involved in retail trade union activities.

2. BASIS OF PREPARATION

A) STATEMENT OF COMPLIANCE

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that apply for the reporting period, and the Fair Work (Registered Organisations) Act 2009. This is the first set of the Association's financial statements in which AASB 9 Financial Instruments has been applied. Under the transition method chosen, comparative information has not been restated.

The financial statements were approved by the National Executive on the 22nd day of August, 2019.

B) BASIS OF MEASUREMENT

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for the following material items in the statement of financial position:

- investment property is measured at fair value; and
- the defined benefit asset is recognized as the net total of the fair value of plan assets, plus unrecognised past service cost and unrecognised actuarial losses, less unrecognised actuarial gains and the present value of the defined benefit obligation.

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.

C) FUNCTIONAL AND PRESENTATION CURRENCY

The financial report is presented in Australian dollars, which is the Association's functional currency.

D) COMPARATIVE AMOUNTS

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

E) USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(i) Judgements

Information about critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

- Note 15 - Investment property.

(ii) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following note:

- Note 17 - Employee benefits.

Measurement of fair values

A number of the Association's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Association has an established control framework with respect to the measurement of fair values. Significant fair value measurements are overseen and reviewed regularly, including unobservable inputs and valuation adjustments. If third party information is used to measure fair values, the Association assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of AASBs, including the level in the fair value hierarchy in which such valuations should be classified. Significant valuation issues are reviewed by the Association's Audit and Risk Committee.

When measuring the fair value of an asset or a liability, the Association uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Association recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 15 - investment property.

3. NEW AUSTRALIAN ACCOUNTING STANDARDS

A) ADOPTION OF NEW AUSTRALIAN ACCOUNTING STANDARDS

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 standard and amendment, which has been adopted for the first time this financial year:

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

Impact on adoption of AASB 9

Initial application

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

The Association has applied AASB 9 prospectively, with an initial application date of 1 July 2018. The Association has not restated the comparative information, which continues to be reported under AASB 139. Differences arising from the adoption of AASB 9 would be recognised directly in opening retained earnings and other components of equity as at 1 July 2018 (of which there were none).

(i) Classification and measurements

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

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

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

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

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

In summary, upon adoption of AASB 9, the Association applied the following required or elected reclassifications:

1 July 2018		**AASB 9 measurement category**		
		Fair value through profit or loss	**Amortised cost**	**Fair value through OCI**
		$	**$**	**$**
AASB 139 measurement category				
Loans and receivables				
Cash and cash equivalents	1,253,269	-	1,253,269	-
Receivables	620,672	-	620,672	-
	1,873,941	**-**	**1,873,941**	**-**

(ii) Impairment loss

The adoption of AASB 9 has changed the Association's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward looking Expected Credit Loss (ECL) approach. AASB 9 requires the association to recognize an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets, i.e. those held at amortised cost and at fair value through other comprehensive income.

B) 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 Association include:

(i) 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 Association plans to adopt AASB 16 on the required effective date 1 July 2019 of using the modified 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 Association performed a preliminary assessment of AASB 16, noting no material leases are held by the Association where the Association acts as a lessee.

(ii) 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 Association plans to adopt AASB 15 on the required effective date 1 July 2019 using modified retrospective method.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements by the Association.

A) REVENUE

(i) Affiliation fees

Affiliation fees are fees received from the Branches of the Association in accordance with the rules of the Association. Such fees are referred to as affiliation fees in the rules and are calculated as a percentage of gross Branch membership income and paid annually in March for the financial year (1 July to 30 June). Revenue (received or receivable) from affiliation fees is accounted for on an accrual basis under AASB 118 Revenue standard and is recorded as revenue in the financial year to which it relates. Revenue is measured at the fair value of the consideration received or receivable.

(ii) Rental Income

Rental income from investment property is recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

B) FINANCE INCOME AND FINANCE COSTS

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

Interest 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. 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.

C) GAINS

Sale of assets

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

D) AFFILIATION FEES AND LEVIES

Affiliation fees and levies are recognised on an accrual basis and recorded as an expense in the year it relates to which it relates.

E) EMPLOYEE BENEFITS

(i) Defined benefit plans

The Association's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Association, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Association determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Association recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(ii) Other long-term employee benefits

The Association's net obligation in respect of long-term employee benefits other than defined benefit superannuation funds is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on Australian Corporate bonds that have maturity dates approximating the terms of the Association's obligations in which the benefits are expected to be paid.

(iii) Short-term benefits

Liabilities for employee benefits for wages, salaries and annual leave represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts and expensed based on remuneration wage and salary rates that the Association expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax. Amounts that are expected to be settled beyond 12 months are measured in accordance with long term benefits.

F) 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.

(i) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(ii) Determining whether an arrangement contains a lease

At inception of an arrangement, the Association determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met:

- the fulfilment of the arrangement is dependent on the use of a specific asset or assets; and
- the arrangement contains a right to use the asset(s).

At inception or upon reassessment of the arrangement, the Association separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the association concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Association's incremental borrowing rate.

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 statement of financial position.

H) FINANCIAL INSTRUMENTS

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

Financial assets

(i) Initial recognition and measurement

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Association's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Association 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 Association'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 Association commits to purchase or sell the asset.

(ii) 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

The Association 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 Association's financial assets at amortised cost includes trade and other receivables, term deposits held with the Commonwealth Bank of Australia (see note 12) and cash and cash equivalents.

(iii) De-recognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Association 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 'passthrough' arrangement; and either:
    - a) the Association has transferred substantially all the risks and rewards of the asset; or
    - b) the Association has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Association 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 Association continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

(iv) 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 of financial assets

(i) Trade receivables
For trade receivables that do not have a significant financing component, the Association 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 Association does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Association has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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

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

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

Financial liabilities

(i) Initial recognition and measurement
Financial liabilities are classified, at initial recognition, at amortised cost 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 Association's financial liabilities include trade and other payables.

(ii) Subsequent measurement
After initial recognition, trade payables and other payables are subsequently measured at amortised cost using the effective interest rate (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.

(iii) De-recognition
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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Share capital
The Association is an unincorporated registered organisation under the Fair Work (Registered Organisations) Act 2009 and does not have share capital.

Foreign currency transactions
Transactions in foreign currencies are translated to the functional currency of the Association at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.
Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.
Foreign currency differences arising on retranslation are recognised in profit or loss.

I) CONTINGENT ASSETS AND LIABILITIES
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.

J) PROPERTY, PLANT AND EQUIPMENT

(i) Recognition and measurement
Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The initial cost of an asset includes expenditures that are directly attributable to the acquisition of the asset.
The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within other income/other expenses in profit or loss.

(ii) Subsequent costs
The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Association and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation
Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in profit or loss on a straight-line or diminishing value over the estimated useful lives of each part of an item of property, plant and equipment, to most closely reflect the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Association will obtain ownership by the end of the lease term.
Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and adjusted as appropriate.
Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2019	*2018*
Leasehold improvements	**5-20 years**	**5-20 years**
Fixtures and fittings	**4-20 years**	**4-20 years**
Motor vehicles	**8 years**	**8 years**

(iv) De-recognition
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.

K) INVESTMENT PROPERTY
Investment properties are properties held to earn rentals or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise. Refer to note 15(b) for details of determination of fair value.
Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.
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 de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.
When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings. When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

L) IMPAIRMENT OF NON-FINANCIAL ASSETS
The carrying amounts of the Association's non-financial assets, other than investment property, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount. A CGU is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.
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 Association were deprived of the asset, its value in use is taken to be its depreciated replacement cost.
Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

M) TAXATION
The Association 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).
Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated with the amount of GST excluded, as the Association reports to the ATO for GST on a cash-basis. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.
Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

N) PROVISIONS
A provision is recognised if, as a result of a past event, the Association has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

O) FAIR VALUE MEASUREMENT
A number of the Association's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 23a.
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 Association. 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 Association 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 Association 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 investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Association 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.

P) SEGMENT REPORTING
An operating segment is a component of the Association that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the other Association's other components. All operating segments' operating results are reviewed regularly by the Association's office holders to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Q) FINANCIAL RISK MANAGEMENT
The Association has exposure to the following risks from their use of financial instruments:

i) Credit risk
ii) Liquidity risk
iii) Market risk
iv) Operational risk

Risk Management Framework
The National Executive has overall responsibility for the establishment and oversight of the risk management framework. Risk management policies are established to identify and analyse the risks faced by the Association, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Association's activities. The Association, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.
A detailed assessment of the Association's exposure to the above risks is included in note 23.

5. EVENTS AFTER THE REPORTING PERIOD
There were no events that occurred after 30 June 2019, and prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Association.

6. OTHER INCOME

	Note	*2019 $*	*2018 $*
Investment property - fair value increment	15	3,888,430	4,210,616
ACTU trust distributions	21	25,719	99,842
SDA Branch reimbursements	21	1,254,043	1,688,609
REST director's fees	21	58,790	54,795
Gain/(loss) on disposal of assets		(1,162)	3,175
		5,225,820	**6,057,037**

7. ADMINISTRATION EXPENSES

	Note	*2019 $*	*2018 $*
Information technology support		36,321	34,825
Office expenses		62,405	60,878
Printing & photocopier		23,779	22,768
Subscriptions		42,325	39,138
Telecommunication		30,315	24,122
Total administration expense		**195,145**	**181,731**

8. GRANTS OR DONATIONS

	2019 $	2018 $
Grants:		
Total paid that were $1,000 or less	-	-
Total paid that exceeded $1,000	-	-
Donations:		
Total paid that were $1,000 or less	-	-
Total paid that exceeded $1,000	1,618,565	191,250
Total grants or donations	**1,618,565**	**191,250**

9. LEGAL COSTS

Litigation	66,159	289,478
Other legal matters	682,351	825,177
Total legal costs	**748,510**	**1,114,655**

10. CASH AND CASH EQUIVALENTS

Cash at bank	19,857	320,566
Cash management account	1,245,548	873,141
Short term deposits	160,624	59,562
Total cash and cash equivalents	**1,426,029**	**1,253,269**

11. RECEIVABLES

Other receivables:		
Accrued interest income	97,937	93,972
Sundry debtors	273,996	413,073
Prepayments	137,419	113,627
Total receivables net of impairment provision	**509,352**	**620,672**

12. OTHER CURRENT ASSETS

Term deposits	27,000,000	26,700,000
Total other current assets	**27,000,000**	**26,700,000**

Term deposits have stated interest rates of 1.96 to 2.37 percent (2018: 2.37 to 2.54 percent) and mature in 120 days or more. The Association's exposure to credit and interest rate risk is disclosed in note 23.

During the year ended 30 June 2019, the Association received interest income of $621,727 (2018: $601,276) in respect of financial assets not at fair value through profit and loss.

13. OTHER EXPENSES

Consultants and professional services	341,251	437,480
Information communications technology	327,731	380,095
Motor vehicle running costs	25,578	30,946
Other	28,963	13,094
Total other expenses	**723,523**	**861,615**

14. PROPERTY, PLANT AND EQUIPMENT

Cost	*Furniture and fittings* $	*Motor Vehicles* $	*Leasehold Improvements* $	*Total* $
Balance at 1 July 2018	290,345	96,463	697,010	1,083,818
Acquisitions	7,429	-	119,077	126,506
Disposals	-	(33,606)	-	(33,606)
Balance at 30 June 2019	**297,774**	**62,857**	**816,087**	**1,176,718**
Balance at 1 July 2017	244,966	132,494	692,038	1,069,498
Acquisitions	51,555	-	4,972	56,527
Disposals	(6,176)	(36,031)	-	(42,207)
Balance at 30 June 2018	**290,345**	**96,463**	**697,010**	**1,083,818**
Depreciation and impairment losses				
Balance at 1 July 2018	144,534	51,389	303,881	499,804
Depreciation expense for the year	28,250	9,293	61,447	98,990
Disposals	-	(22,264)	-	(22,264)
Balance at 30 June 2019	**172,784**	**38,418**	**365,328**	**576,530**
Balance at 1 July 2017	122,450	53,641	246,973	423,064
Depreciation expense for the year	27,946	15,436	56,908	100,290
Impairments	(5,862)	(17,688)	-	(23,550)
Balance at 30 June 2018	**144,534**	**51,389**	**303,881**	**499,804**
Carrying amounts				
At 1 July 2018	145,811	45,074	393,129	584,014
At 30 June 2019	**124,990**	**24,439**	**450,759**	**600,188**
At 1 July 2017	122,516	78,853	445,065	646,434
At 30 June 2018	**145,811**	**45,074**	**393,129**	**584,014**

15. INVESTMENT PROPERTY

A) RECONCILIATION OF CARRYING AMOUNT

Property	**2019 $**	**2018 $**
Opening balance as at 1 July	24,000,000	19,750,000
Capital improvements	111,570	39,384
Net gain from fair value adjustment	3,888,430	4,210,616
Closing balance as at 30 June	**28,000,000**	**24,000,000**

Investment property comprises a commercial property located at 53 Queen Street, Melbourne. The Association retains possession of levels 6 and 7 as its registered head office and leases the remaining floors to third parties. Each of the leases contains an initial non-cancellable period of a minimum of three years, with fixed percentage annual rent increases. Some lease incentives were paid towards tenancy fit-outs and are being amortised over the period of the leases on a straight line basis. No contingent rents are paid. Further information about these leases are contained in Note 20.

Rental income earned and received from the investment property during the year was $1,423,322 (2018: $1,470,677). Direct expenses incurred in relation to the investment properties that generated rental income during the year was $634,483 (2018: $602,863). During the year and as at year-end, no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal were present. The Association does not have any contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

B) MEASUREMENT OF FAIR VALUE

(i) Fair value hierarchy

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Association's investment property at least every two years. In years where external, independent valuations are not obtained, these are substituted with Association management performing internal valuations utilising publicly available market data for properties with similar characteristics to the Association's investment property.

The fair value measurement for investment property of $28,000,000 was determined at 30 June 2019 by Gary Longden, Director and certified practising valuer of M3 Property P/L, a registered independent appraiser having an appropriate recognised professional qualification from Australian Property Institute and recent experience in the location and category of the property being valued. The fair value measurement has been categorised as a Level 3 fair value based on the inputs to the valuation technique used (see Note 4(o)).

(ii) Level 3 fair value - valuation technique and significant unobservable inputs

The following shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation techniques: Discounted cash flow approach (2019), Discounted cash flow approach (2018)

Discounted cash flow approach: The discounted cash flow approach involves formulating a projection of net income over a specified horizon, typically ten years, and discounting this cash flow including the projected terminal value at the end of the projection period at an appropriate rate.

The present value of this discounted cash flow represents the Market value of the property.

Significant unobservable inputs:

- 2019: Discount rate 6.50%,
- 2018: Discount rate 7.00%.

Inter-relationship between key unobservable inputs and fair value measurement

The estimated fair value would increase (decrease) if:

- 2019: The discount rate was lower (higher),
- 2018: The discount rate was lower (higher)

16. TRADE AND OTHER PAYABLES

	2019 $	**2018 $**
Payables to other reporting units		
SDA Victoria	5,931	4,258
Total trade payables	**5,931**	**4,258**
Litigation	-	-
Other legal matters	44,311	58,034
PAYG withholding tax	38,864	32,946
Tenant security deposits	157,924	56,862
Other	129,597	244,886
Total other payables	**370,696**	**392,728**
Total trade and other payables are expected to be settled in:		
No more than 12 months	218,703	340,124
More than 12 months	157,924	56,862
Total trade and other payables	**376,627**	**396,986**

17. EMPLOYEE BENEFITS

Current liability		
Office holders		
Liability for long service leave	167,178	156,472
Liability for annual leave	53,331	52,392
Separation and redundancies	-	-
Other	-	-
	220,509	208,864
Employees other than office holders		
Liability for long service leave	284,947	247,493
Liability for annual leave	303,242	268,799
Separation and redundancies	-	-
Other	-	-
	588,189	516,292
	808,698	**725,156**
Non-current liability		
Employees other than office holders		
Liability for long-service leave	33,657	27,858
	33,657	**27,858**
Non-current asset		
Office holders and other employees		
Present value of funded obligations	2,245,200	1,827,723
Fair value of plan assets - funded	(2,438,103)	(2,295,182)
Recognised (asset) for defined benefit obligations	**(192,903)**	**(467,459)**

The Association makes contributions to the SDA (Victoria Branch) benefit superannuation plan, a sub-plan of the Retail Employees' Superannuation Trust, that provide defined benefit amounts for office holders and other employees upon retirement. The Association has determined that, in accordance with the terms and conditions of the defined benefit plans, and in accordance with statutory requirements (such as minimum funding requirements) of the plan of the respective jurisdictions, the present value of refunds or reductions in future contributions is not lower than the balance of the fair value of the plan assets less the total present value of obligations. As such, no decrease in the defined benefit asset is necessary at 30 June 2019 (30 June 2018: no decrease in the defined benefit asset).

The following tables analyse plan assets, present value of defined benefit obligations, expense recognised in profit or loss, actuarial assumptions and other information for the plan.

Movements in the net asset for defined benefit obligations recognised in the statement of financial position:		
Net (asset)/liability for defined benefit obligations at 1 July	(467,459)	(587,644)
Contributions paid into the plan	-	-
Amount recognised in other comprehensive income - actuarial	184,338	(80,700)
Expenses recognised in statement of comprehensive income	90,218	200,885
Net (asset)/liability for defined benefit obligations at 30 June	**(192,903)**	**(467,459)**
Movement in the present value of the defined benefit obligations		
Defined benefit obligations at 1 July	1,827,723	2,336,666
Current service cost	231,835	217,272
Interest cost	65,915	62,551
Actuarial losses/(gains) recognised in other comprehensive income (see below)	245,039	39,645
Benefits paid by the plan	(80,438)	(804,095)
Taxes, premium & expenses paid	(44,874)	(24,316)
Defined benefit obligations at 30 June	**2,245,200**	**1,827,723**
All benefits are vested at the end of the reporting period.		
Movement in the present value of plan assets		
Fair value of plan assets at 1 July	2,295,181	2,924,310
Expected return on plan assets at discount rate	207,533	78,938
Actuarial losses/(gains) recognised in other comprehensive income (see below)	60,701	120,345
Contributions paid	-	-
Benefits paid	(80,438)	(804,095)
Taxes and expenses	(44,874)	(24,316)
Fair value of plan assets at 30 June	**2,438,103**	**2,295,182**
Expense recognised in profit or loss		
Current service costs	231,835	217,272
Net interest costs	(141,617)	(16,387)
	90,218	**200,885**
Re-measurements of net defined benefit liability/asset		
Loss/(Gain) on defined benefit obligation	245,039	39,645
(Gain)/Loss on assets	(60,701)	(120,345)
Recognised in other comprehensive income	**184,338**	**(80,700)**
Actuarial gains (and losses) recognised in other comprehensive income		
Cumulative amount at 1 July	189,794	109,094
Recognised during the period	(184,338)	80,700
Cumulative amount at 30 June	**5,456**	**189,794**

The major categories of plan assets as a percentage of total fund assets are as follows:

	2019	*2018*
Australian Equity	17%	17%
International Equity	23%	23%
Fixed Income	6%	6%
Property	9%	9%
Cash	8%	8%
Other	37%	37%

Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

Discount rate at 30 June	2.40%	3.75%
Future salary increases	3.75%	4.00%

Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumptions set out above. The following table summarises how the impact on the defined benefit obligation at the end of the reporting period would have increased (decreased) as a result of a change in the respective assumptions by one percent.

	2019 $	2018 $
Additional DBO for a 1% decrease in the discount rate	175,773	146,951
Reduction in DBO for a 1% increase in the discount rate	153,801	128,802

The above sensitivities are based on the average duration of the benefit obligation determined by the actuary as at 30 June 2019 and are applied to adjust the defined benefit obligation at the end of the reporting period for the assumptions concerned. Whilst the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation to the sensitivity of the assumptions shown.

Historical information	2019 $	2018 $
Present value of the defined benefit obligation	2,245,200	1,827,723
Fair value of plan assets - funded	(2,438,103)	(2,295,182)
Recognised (asset)/liability for defined benefit obligation	**(192,903)**	**(467,459)**

Funding

The plan is fully funded by the Association. The funding requirements are based on the plan fund's actuarial measurement framework set out in the funding policies of the plan. The funding is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions above. Employees are not required to contribute to the plan.

The Association expects to contribute NIL (2019: NIL) to its defined benefit superannuation fund during the year ended 30 June 2020 as it is is currently on a contributions holiday.

18. PERSONNEL EXPENSES

	2019 $	2018 $
Holders of office:		
Wages and salaries	303,720	293,466
Superannuation (including expenses related to defined benefit)	24,946	56,172
Leave and other entitlements	11,646	31,422
Separation and redundancies	-	-
Other employee expenses	54,645	57,509
Total employee expenses - holders of office	**394,957**	**438,569**
Employees other than office holders:		
Wages and salaries	1,326,445	1,079,375
Superannuation (including expenses related to defined benefit)	116,341	175,459
Leave and other entitlements	77,695	(78,674)
Separation and redundancies	-	118,090
Other employee expenses	81,534	73,807
Total employee expenses - employees other than office holders	**1,602,015**	**1,368,057**
Total employee expenses	**1,996,972**	**1,806,626**

19. CASH FLOW RECONCILIATION AND INFORMATION

19A. 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	1,426,029	1,253,269
Balance sheet	1,426,029	1,253,269
Difference	**-**	**-**
Reconciliation of profit/(loss) to net cash from operating activities:		
Profit/(loss) for the year	4,218,414	3,412,255
Adjustments for non-cash items		
Depreciation	98,990	100,290
Fair value movements in investment property	(3,888,430)	(4,210,616)
Loss/(gain) on disposal of assets	1,162	(3,175)
Actuarial gains/(losses) recognised in equity on defined benefit plan	(184,338)	80,700
Changes in assets/liabilities		
Change in accrued interest income	(3,965)	17,969
Change in prepayments	(23,792)	(49,893)
Change in sundry debtors	139,077	102,405
Change in pension asset/(liability)	274,556	120,185
Change in trade and other payables	(20,359)	78,614
Change in provisions and employee benefits	89,341	(47,253)
Net cash from/(used in) operating activities	**700,656**	**(398,519)**

19B. CASH FLOW INFORMATION

Cash inflows		
Cash receipts from other reporting units		
SDA Newcastle	572,913	565,498
SDA New South Wales	2,339,436	2,328,502
SDA Queensland	1,458,635	1,382,996
SDA South Australia	1,055,009	1,077,618
SDA Tasmania	235,407	231,288
SDA Victoria	1,929,067	1,876,755
SDA Western Australia	1,011,749	1,012,578
Total cash inflows	**8,602,216**	**8,475,235**
Cash ouflows		
Cash paid to other reporting units		
SDA Newcastle	-	75,099
SDA New South Wales	23,585	18,960
SDA Queensland	51,438	18,665
SDA South Australia	-	-
SDA Tasmania	-	-
SDA Victoria	81,152	77,386
SDA Western Australia	26,258	11,570
Total cash outflows	**182,433**	**201,680**

20. CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

Operating lease commitments – as lessor

The Association leases out its investment property (see note 15a) under operating leases. The future minimum lease income under non-cancellable leases are as follows:

	2019 $	2018 $
Within one year	1,273,597	1,244,958
After one year but not more than five years	1,473,506	1,781,173
After five years	-	-
	2,747,103	**3,026,131**

21: RELATED PARTY DISCLOSURES

Terms and conditions of transactions with related parties

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for all transactions 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 association 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.

Branches

The Association received from its branches the following affiliation fees:

	2019 $	2018 $
SDA Newcastle	436,424	402,345
SDA New South Wales	1,761,378	1,633,283
SDA Queensland	1,126,093	1,000,253
SDA South Australia	808,462	764,533
SDA Tasmania	179,448	173,894
SDA Victoria	1,456,863	1,301,778
SDA Western Australia	797,485	740,064
	6,566,153	**6,016,150**

The Association received from its branches the following expense reimbursements:

2019	*ACTU IR Campaign Levy* $	*ALP Election Donation* $	*No One Deserves A Serve Campaign* $	*IT - Workit App* $	*Other* $	*IT - Intranet* $	*TOTAL* $
SDA Newcastle	-	29,882	43,356	8,901	345	1,922	**84,406**
SDA New South Wales	-	129,048	184,971	38,441	4,621	8,301	**365,382**
SDA Queensland	-	65,616	106,293	19,545	4,264	4,221	**199,939**
SDA South Australia	-	59,307	68,213	17,666	1,636	3,815	**150,637**
SDA Tasmania	-	10,956	19,432	3,264	201	705	**34,558**
SDA Victoria	-	106,462	151,315	31,713	496	6,848	**296,834**
SDA Western Australia	-	48,729	54,884	14,515	1,024	3,135	**122,287**
	-	**450,000**	**628,464**	**134,045**	**12,587**	**28,947**	**1,254,043**

2018	*ACTU IR Campaign Levy* $	*Penalty Rate Campaign* $	*No One Deserves A Serve Campaign* $	*IT - Workit App* $	*Other* $	*IT - Intranet* $	*TOTAL* $
SDA Newcastle	67,120	-	34,252	5,901	177	4,294	**111,744**
SDA New South Wales	282,620	-	144,280	24,847	13,709	18,081	**483,537**
SDA Queensland	150,248	-	77,164	13,209	6,783	9,612	**257,016**
SDA South Australia	131,884	-	38,815	11,595	24,389	8,437	**215,120**
SDA Tasmania	24,361	-	7,407	2,142	899	1,559	**36,368**
SDA Victoria	238,332	-	121,306	20,954	8,524	15,247	**404,363**
SDA Western Australia	105,435	-	55,051	9,270	3,960	6,745	**180,461**
	1,000,000	**-**	**478,275**	**87,918**	**58,441**	**63,975**	**1,688,609**

The amounts paid or payable by the Association to its branches for expenses incurred on its behalf:

	2019 $	2018 $
SDA *Newcastle*		
Meeting expenses	-	34,352
Delegates expenses	-	114
Legal costs (litigation)	-	33,807
SDA *New South Wales*		
Administration expenses (office supplies)	2,138	670
Delegates expenses	17,701	16,334
Other expenses (motor vehicle running costs)	1,602	1,684
SDA *Queensland*		
Delegates expenses	3,517	16,300
Meeting expenses	43,245	2,020
SDA *Victoria*		
Personnel expenses (reimbursement of Victorian payroll tax)	87,082	75,351
SDA *Western Australia*		
Federal Branch - Delegates expenses	-	1,098
State Union - Delegate expenses	4,631	10,362
State Union - Litigation costs	19,240	-

The amounts owed to its branches at 30 June 2019 by the Association are included in payables to other reporting units in Note 16.

Affiliates

The amounts paid or payable by the Association to its affiliates for expenses incurred on its behalf:

ACTU		
Affiliation fees paid	1,328,705	1,357,551
IR Campaign Levy	-	2,000,000
Meeting expenses - attendance at conferences, forums & training	1,732	14,841
Union Network International (UNI)		
Affiliation fees paid	818,671	776,842
Donations - UNI-APRO Activities Fund	277,815	-
ALP National Secretariat		
Meeting expenses & Fund-raising dinner	1,045	100
Donations	1,000,000	-
ALP NSW		
Donation - Federal Campaign, Organiser Salaries	116,250	69,750
WA Labor		
Donation - Federal Swan & Burt Campaign	46,500	46,500
ALP SA		
Meeting expenses	5,850	-
ALP Qld		
Donation	93,000	-

The Association received trust distribution income of $25,719 (2018: $99,842) from the ACTU as an affiliate. In accordance with the ACTU "Constitution, Rules and Standing Orders" this was acquitted by the ACTU as additional affiliation fees and is included above.

There were no amounts owed to its affiliates at 30 June 2019 by the Association.

Other related parties

Key management personnel

The following were key management personnel of the Association during the financial year:

Name	*Position*
Joseph de Bruyn	Officer - National President until November 2018
Michael Donovan	Officer - National Vice-President until November 2018 Officer - National President from November 2018
Barbara Nebart	Officer - National Vice-President from November 2018
Gerard Dwyer	Officer - National Secretary-Treasurer
Julia Fox	Officer - National Assistant Secretary
Bernie Smith	National Executive Member
Paul Griffin	National Executive Member
Josh Peak	National Executive Member from June 2019
Sonia Romeo	National Executive Member until June 2019
Chris Gazenbeek	National Executive Member
Peter O'Keeffe	National Executive Member

Key management personnel remuneration

The National Secretary-Treasurer and National Assistant Secretary are salaried employees of the Association with contributions made for them to a post-employment defined benefit superannuation fund. The Association also provides motor vehicles and parking and the National Secretary-Treasurer is provided accomodation when travelling to the registered National Office in Melbourne. The retiring National President was provided a motor vehicle and parking. The incoming National President and Vice-President receive honorariums. As the National Executive Members are not paid by the Association, there are only 4 remunerated officer holders of the Association for the year.

The Association pays or reimburses travel, accommodation and meal allowances for the National Officers and the National Executive Members whilst attending National Council and/or National Executive meetings or performing other Association duties, and are disclosed in the Statement of profit or loss in Delegate expenses/allowances - meetings and conferences. The National Officers and National Executive Members are allowed to keep any frequent flyer points or rewards earned as a result of such travel, the value of which cannot be determined.

Key management personnel compensation to the National Officers comprised:

	2019 $	2018 $
Short-term employee benefits	449,950	563,105
Post-employment benefits	56,001	61,198
Other long term benefits	7,522	7,268
	513,473	**631,571**

Note 17 discloses liabilities for annual leave and long service leave for office holders.

2019 $	**Gerard Dwyer Secretary-Treasurer**	**Michael Donovan Vice-President**	**Joseph de Bruyn President**	**Julia Fox Assistant Secretary**	**Barbara Nebart Vice-President**	**Total**
Short-term employee benefits						
Salary (including annual leave taken)	162,972	-	-	140,748	-	303,720
Honorarium & gifts	-	3,500	-	-	-	3,500
Annual leave accrued	2,483	-	-	(3,218)	-	(735)
REST Director Fees	-	-	51,142	-	-	51,142
Non-monetary (accommodation, motor vehicle & parking)	57,111	-	10,664	24,548	-	92,323
Total short-term employee benefits	**222,566**	**3,500**	**61,806**	**162,078**	**-**	**449,950**
Post-employment benefits						
Superannuation-Defined Benefit	24,446	-	-	21,112	-	45,558
Superannuation (REST SG payments)	-	-	4,858	5,585	-	10,443
Total post-employment benefits	**24,446**	**-**	**4,858**	**26,697**	**-**	**56,001**
Other long-term benefits						
Long-service leave	4,036	-	-	3,486	-	7,522
Total other long-term benefits	**4,036**	**-**	**-**	**3,486**	**-**	**7,522**
Total	**251,048**	**3,500**	**66,664**	**192,261**	**-**	**513,473**

2018 $	**Gerard Dwyer Secretary-Treasurer**	**Michael Donovan Vice-President**	**Joseph de Bruyn President**	**Julia Fox Assistant Secretary**	**Barbara Nebart Vice-President**	**Total**
Short-term employee benefits						
Salary (including annual leave taken)	157,470	-	-	135,996	-	293,466
Honorarium & gifts	-	3,500	-	-	-	3,500
Annual leave accrued	4,199	-	-	3,627	-	7,826
REST Director Fees	-	-	153,425	-	-	153,425
Non-monetary (accommodation, motor vehicle & parking)	55,692	-	24,211	24,985	-	104,888
Total short-term employee benefits	**217,361**	**3,500**	**177,636**	**164,608**	**-**	**563,105**
Post-employment benefits						
Superannuation-Defined Benefit	23,621	-	-	20,399	-	44,020
Superannuation (REST SG payments)	-	-	14,575	2,603	-	17,178
Total post-employment benefits	**23,621**	**-**	**14,575**	**23,002**	**-**	**61,198**
Other long-term benefits						
Long-service leave	3,900	-	-	3,368	-	7,268
Total other long-term benefits	**3,900**	**-**	**-**	**3,368**	**-**	**7,268**
Total	**244,882**	**3,500**	**192,211**	**190,978**	**-**	**631,571**

Joe de Bruyn did not restand for the position of President in November 2018. Michael Donovan was elected to the position of President and Barbara Nebart to the position of Vice President. No payments were made in respect of the FY19 financial year to Barbara Nebart.

Apart from the details disclosed in this note, no officer has entered into any material transactions with the Association since the end of the previous financial year and there were no material contracts involving officers' interests existing at year-end.

Superannuation

No Contributions (2018: NIL) were made to a post-employment defined benefit fund managed by the Retail Employees' Superannuation Trust ("REST") on behalf of salaried office holders and employees other than office holders.

The Association received director fees of $58,790 (2018: $54,795) from REST for the services performed by nominated office holders and employees employed by the Association. These director fees are included in Other Income in note 6.

Mr Joe de Bruyn on being elected National President in October 2014 no longer receives a salary from the Association, therefore is entitled to personally receive director fees for services as a REST director from November 2014, these are disclosed in short-term employee benefits in key management personnel in Note 21. He did not restand for the position of President in November 2018. The directors personally receive Superannuation Guarantee (SG) payments from REST for the above director fees, these are disclosed in postemployment benefits for key management personnel in Note 21.

Transactions with key management personnel and their close family members

	2019 $	2018 $
Loans/to from key management personnel		
Other transactions with key management personnel		
Information communications technology expenses paid to ITO Australia, a company owned by the brother-in-law of the National Secretary	-	6,774
	-	**6,774**

22. AUDITOR'S REMUNERATION

Audit services		
Auditors of the Association		
KPMG Australia:		
Audit and review of financial reports	33,836	30,986
	33,836	30,986
Other services		
Auditors of the Association		
KPMG Australia:		
Other assurance services	2,810	2,755
	2,810	2,755
TOTAL AUDITORS' REMUNERATION	**36,646**	**33,741**

23. FINANCIAL INSTRUMENTS

23A. CATEGORIES OF FINANCIAL INSTRUMENTS

Financial assets		
Amortised cost:		
Cash and cash equivalents	1,426,029	1,253,269
Receivables	509,352	620,672
Other financial assets	27,000,000	26,700,000
Total financial assets at amortised cost	**28,935,381**	**28,573,941**
Carrying amount of financial assets	**28,935,381**	**28,573,941**
Financial liabilities		
Other financial liabilities:		
Trade and other payables	376,627	396,986
Carrying amount of financial liabilities	**376,627**	**396,986**

23B. NET INCOME AND EXPENSE FROM FINANCIAL ASSETS

Financial assets at amortised cost		
Interest revenue - cash and cash equivalents	11,296	6,455
Interest revenue - other financial assets	610,431	594,821
Total income from financial assets at amortised cost	**621,727**	**601,276**
Total income from financial assets	**621,727**	**601,276**

23C. CREDIT RISK

Credit risk is the risk of financial loss to the Association if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Association's receivables from customers and other financial assets.

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

Financial assets	**2019 $**	**2018 $**
Trade and other receivables	509,352	620,672
Cash and cash equivalents	1,426,029	1,253,269
Other financial assets	27,000,000	26,700,000
Total	**28,935,381**	**28,573,941**

Receivables

The Association's exposure to credit risk is influenced mainly by the individual characteristics of each customer or tenant. Credit evaluations are performed on all tenants of the investment property prior to the signing of a lease agreement and security deposits are required by way of bank guarantees or cash, to be held for the term of all leases. None of the Association's receivables are past due (2018: nil) and based on historic default rates and the minimal credit risk, the Association believes no impairment allowance is necessary. None of the tenants were in arrears at the balance sheet date and there is no indication to management that any of the tenants present a significant credit risk. All receivables are with tenants in the Australian geographical region and therefore no impairment loss has been recognised at balance date (2018: no impairment loss).

	Trade and other receivables					
		Days past due				
	Current $	**< 30 days $**	**30-60 days $**	**61-90 days $**	**>91 days $**	**Total $**
30 June 2019						
Expected credit loss rate	-%	-%	-%	-%	-%	-%
Estimate total gross carrying amount at default	-	-	-	-	-	-
Expected credit loss	-	-	-	-	-	-
30 June 2018						
Expected credit loss rate	-%	-%	-%	-%	-%	-%
Estimate total gross carrying amount at default	-	-	-	-	-	-
Expected credit loss	-	-	-	-	-	-

Cash and cash equivalents

The Group held cash and cash equivalents of $1,426,029 at 30 June 2019 (2018: $1,253,269), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with bank and financial institution counterparties which are located in Australia, currently the CBA with a current long term credit rating of Aa3 (Moody's Investor Services).

Other financial assets

The other financial assets are all bank bills and term deposits issued by the Commonwealth Bank of Australia and the Association believes no impairment allowance is necessary.

The Association'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 23c.

23D. LIQUIDITY RISK

Liquidity risk is the risk that the Association will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Association's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Association's reputation.

The Association prepares budgets and cash flow forecasts, which assists it in monitoring cash flow requirements and optimising its cash return on investments. Typically the Association ensures that it has sufficient cash on demand to meet expected operational expenses for a period of at least 120 days, the maximum term of its primary financial assets being term deposits. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The carrying amount of the Association's financial liabilities is represented by trade and other payables (note 16). The carrying amounts approximate contractual cash flows and all are due in 3 months or less (2018: 3 months or less). The Association has adequate financial assets to meet these liabilities and assesses liquidity risk as minimal.

Contractual maturities for financial liabilities 2019

	On Demand	**< 1 year $**	**1- 2 years $**	**2- 5 years $**	**>5 years $**	**Total $**
Trade and other payables	-	376,627	-	-	-	376,627
Total	**-**	**376,627**	**-**	**-**	**-**	**376,627**

Contractual maturities for financial liabilities 2018

	On Demand	**< 1 year $**	**1- 2 years $**	**2- 5 years $**	**>5 years $**	**Total $**
Trade and other payables	-	396,986	-	-	-	396,986
Total	**-**	**396,986**	**-**	**-**	**-**	**396,986**

23E. MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Association's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Association has limited exposure to currency risks on International Fund transactions (international affiliation fees and donations) that are denominated in a currency other than the functional currency, being the Australian dollar (AUD). The currencies in which these transactions primarily are denominated are Swiss Francs (CHF), Singapore dollars (SGD) and American dollars (USD). The Association uses at its discretion forward exchange contracts (typically 1-3 months) to hedge its currency risk, with maturity dates the same as the due dates of the International Fund transactions. At reporting date there were no forward exchange contracts in place.

Interest rate risk

The Association's interest rate risk arises from its investments in bank bills, term deposits and cash management accounts. Bank bills and term deposits are issued at fixed rates for terms of between 30 and 120 days. The Association maintains a number of different bank bills and term deposits maturing at regular intervals to smooth fluctuations in interest rates being offered. The majority of cash reserves are held in term deposits, with cash management bank accounts (with variable interest rates) used to provide liquidity funds at call.

At the reporting date the interest rate profile of the Association's interest-bearing financial instruments was:

Sensitivity analysis of the interest rate risk that the Association is exposed to for 2019

	Risk variable	**Change in risk variable %**	**Effect on**	
			Profit and loss $	**Equity $**
Financial assets				
Cash and cash equivalents	Interest rate	100bp increase	12,606	12,606
Other financial assets	Interest rate	100bp increase	284,534	284,534

Sensitivity analysis of the interest rate risk that the Association is exposed to for 2018

	Risk variable	**Change in risk variable %**	**Effect on**	
			Profit and loss $	**Equity $**
Financial assets				
Cash and cash equivalents	Interest rate	100bp increase	12,413	12,413
Other financial assets	Interest rate	100bp increase	239,847	239,847

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Association's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Association's operations. The Association's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Association's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within the Association. This responsibility is supported by the development of overall Association standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorisation of transactions;
- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and other legal requirements;
- Documentation of controls and procedures;
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- Requirements for the reporting of operational losses and proposed remedial action;
- Development of contingency plans;
- Training and professional development;
- Ethical and business standards;
- Risk mitigation, including insurance where this is effective.

Capital management

The Association's policy is to maintain a strong capital base so as to maintain member, creditor and market confidence and to sustain future development of the union's activities. The National Executive monitors the return on capital and seeks to maintain a conservative position between higher returns and the advantages and security afforded by a sound capital position. There were no changes in the Association's approach to capital management during the year, and the Association is not subject to externally imposed capital requirements.

24. CONTROLLED ENTITIES

Parent entity

The Association comprises the Shop, Distributive and Allied Employees' Association National Account and the International Fund.

	2019 %	2018 %
Controlled Entity		
Ordinary shares		
WT Travel Pty Ltd	100	100

WT Travel Pty Ltd, an Australian controlled entity, was purchased by the Shop Distributive and Allied Employees' Association National Executive on 30 September 1993. It formerly traded as a travel agency, but is currently a dormant Association. Given WT Travel is a dormant Association and its results and financial position at 30 June 2019 are nil, consolidated accounts are not prepared.

25. FAIR VALUE MEASUREMENT

25A. FINANCIAL ASSETS AND LIABILITIES

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

25B. FINANCIAL AND NON-FINANCIAL ASSETS AND LIABILITIES FAIR VALUE HIERARCHY

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

Fair value hierarchy - 30 June 2019

Assets measured at fair value	**Date of valuation**	Level 1 $	Level 2 $	Level 3 $
Investment property	30 June 2019	-	-	28,000,000
Total assets measured at fair value		**-**	**-**	**28,000,000**

Fair value hierarchy - 30 June 2018

Assets measured at fair value	**Date of valuation**	Level 1 $	Level 2 $	Level 3 $
Investment property	30 June 2018	-	-	24,000,000
Total assets measured at fair value		-	-	24,000,000

Refer to note 15(b) for further detail over fair value measurement of the investment property.

26: 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).

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

OPINION

We have audited the ***Financial Report*** of the Shop, Distributive and Allied Employees' Association *(the Association).*

In our opinion, the accompanying Financial Report presents fairly, in all material respects, the financial position of the Shop, Distributive and Allied Employees' Association as at 30 June 2019, and of its financial performance and its cash flows for the year then ended, in accordance with:

- the Australian Accounting Standards;
  and;
- other requirements imposed by the reporting guidelines and Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*

The ***Financial Report*** comprises:

- Statement of financial position as at 30 June 2019
- Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Other explanatory information including the Committee of Management Statement, Officer Declaration Statement and the Expenditure Report Required Under Subsection 255(2A).

BASIS FOR OPINION

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Association in accordance with the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the *Financial Report* in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

RESTRICTION ON USE AND DISTRIBUTUTION

The Financial Report has been prepared to assist the Committee of Management of Shop, Distributive and Allied Employees' Association in complying with the financial reporting requirements of the Fair Work (Registered Organisations) Act 2009.

As a result, the Financial Report and this Auditor's Report may not be suitable for another purpose.

Our opinion is not modified in respect of this matter.

Our report is intended solely for the Committee of Management and members of the Shop, Distributive and Allied Employees' Association and should not be used by parties other than the Committee of Management and the members of Shop, Distributive and Allied Employees' Association. We disclaim any assumption of responsibility for any reliance on this report, or on the Financial Report to which it relates, to any person other than the Committee of Management and the members of the Shop, Distributive and Allied Employees' Association or for any other purpose than that for which it was prepared.

OTHER INFORMATION

Other Information is financial and non-financial information in Shop, Distributive and Allied Employees' Association's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Committee of Management are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Operating Report and the Certificate by the National Secretary - Treasurer.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

RESPONSIBILITIES OF THE COMMITTEE OF MANAGEMENT FOR THE FINANCIAL REPORT

The Committee of Management are responsible for:

- the preparation and fair presentation of the Financial Report in accordance with the financial reporting requirements of Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*
- iimplementing necessary internal control to enable the preparation of a Financial Report that that is free from material misstatement, whether due to fraud or error
- assessing the Association's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL REPORT

Our 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 our 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. They 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.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our Auditor's Report.

I declare that I am an auditor registered under the RO Act.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

OPINION

I declare that, as part of the audit of the financial report for the financial year ended 30 June 2019, the Committee of Management's use of the going concern basis of accounting in the preparation of the Shop, Distributive and Allied Employees' Association's financial report is appropriate.

KPMG
Amanda Bond
Partner
Tower Two, Collins Square,
727 Collins Street, Melbourne
22 August 2019
Registered Auditor - Fair Work (Registered Organisations) Act 2009, #AA2019/11

LEAD AUDITOR'S INDEPENDENCE DECLARATION TO THE MEMBERS OF THE SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION

I declare that, to the best of my knowledge and belief, in relation to the audit of Shop, Distributive and Allied Employees' Association for the financial year ended 30 June 2019 there have been:

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

KPMG
Amanda Bond
Partner
Tower Two, Collins Square,
727 Collins Street, Melbourne
22 August 2019
Registered Auditor - Fair Work (Registered Organisations) Act 2009, #AA2019/11

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION, TASMANIAN BRANCH ANNUAL FINANCIAL REPORT YEAR ENDED 30 JUNE 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION, TASMANIAN BRANCH

We have audited the financial report of Shop, Distributive and Allied Employees Association, Tasmanian Branch (the "Association"), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, the recovery of wages activity, notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the declaration by State Council.

In our opinion, the accompanying financial report presents fairly, in all material respects, the Association's financial position as at 30 June 2019 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the Association's constitution and the requirements imposed by Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.

Basis for Opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

State Council are responsible for the other information. The other information comprises the information included in the Association's annual financial report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

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

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

Responsibilities of State Council for the Financial Report

State Council are responsible for the preparation of the financial report in accordance with Australian Accounting Standards, the Association's constitution and the requirements imposed by Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* and for such internal control as State Council determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, State Council are responsible for assessing the ability of the Association to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless State Council either intend to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Members of the State Council are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by State Council.
- Conclude on the appropriateness of State Council'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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with State Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Stuart Dare is an approved auditor under section 256 of the Fair Work (Registered Organisations) Act 2009.

He is a member of the Chartered Accountants Australia and New Zealand (CA ANZ) and holds a current Public Practice Certificate.

DELOITTE TOUCHE TOHMATSU
S Dare
Partner
Chartered Accountant
RO number (AA2017/152)
Launceston, 26 September 2019
Liability limited by a scheme approved under Professional Standards Legislation.
Member of Deloitte Asia Pacific Limited and the Deloitte Network.

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

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

Certificate for the period ended 30 June 2019

I, Paul Orlando Griffin, being the General Secretary of Shop, Distributive and Allied Employees Association, Tasmanian Branch certify:

- that the documents lodged herewith are copies of the full report for Shop, Distributive and Allied Employees Association, Tasmanian Branch for the period ended 30 June 2019 referred to in s.268 of the RO Act; and
- that the full report was provided to the State Council on 25 September 2019; and
- that the full report was presented to a general meeting of the State Council of the reporting unit on 25 September 2019 in accordance with s.266 of the RO Act.

Name and title of designated officer: Paul Orlando Griffin – General Secretary
Dated 25 September 2019

OFFICER DECLARATION STATEMENT

I, Paul Orlando Griffin, being the General Secretary of Shop, Distributive and Allied Employees Association Tasmanian Branch declare that the following activities did not occur during the reporting period ending 30 June 2019.

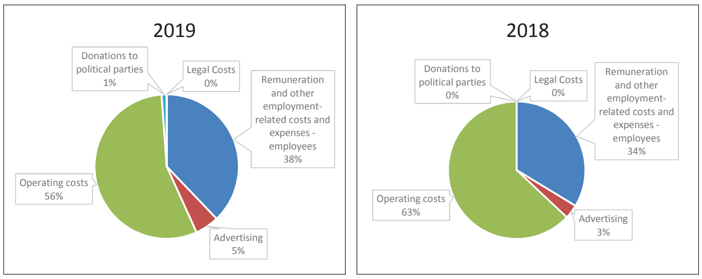
a) Acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
b) Have another entity administer the financial affairs of the reporting unit
c) Make a payment to a former related party of the reporting unit

Signed by the officer: Paul Orlando Griffin – General Secretary
Dated 25 September 2019

s.255(2A) Fair Work (Registered Organisations) Act 2009 (RO Act)

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

EXPENDITURE AS REQUIRED UNDER S. 255(2A) RO ACT FOR THE YEAR ENDED 30 JUNE 2019



Name and title of designated officer: Paul Orlando Griffin – General Secretary
Dated 25 September 2019

OPERATING REPORT

The State Council presents its report on the reporting unit for the financial year ended 30 June 2019.

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

The principal activities of the Shop, Distributive and Allied Employees Association - Tasmanian Branch (the Association) during the year were to promote the interests of its members through a quarterly journal and other publications outlining implementation of any new enterprise agreements, wage increases and changes to industrial legislation both Federal and State.

To set targets of member recruitment in each company where the Association had members, to attain eventual 100% membership with a calendar year goal in excess of 6,000 members.

Significant changes in financial affairs

There were no significant changes in the financial affairs of the Association.

Right of members to resign

A member may resign in accordance with Branch Rule 12.

Officers or members who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee

General Secretary/Treasurer, Paul Griffin is a Director of the Tasplan Superannuation Fund.

Number of members

The Shop Distributive and Allied Employees Association, Tasmanian Branch, had 5,067 members as at 30 June 2019 (2018: 4,924) which included both honorary and life members, with the highest number of members throughout the 2019 financial year reaching 5,245.

Number of employees

The Association employed thirteen staff which includes three part-time and three casual staff.

Names of Committee of Management members and period positions held during the financial year

All members held these positions for the entire reporting period unless indicated otherwise.

On 19th November 2018 State Council held an election. The results became effective 31st December 2018. Changes below became effective on that date

General President:	Isabell Wells	Appointed during year
Branch Vice President:	Ross Charlton	New member
	James Fitzpatrick	Retired
General Secretary:	Paul Griffin	
State Committee:	Fiona Smith	New member
	Sharon Butcher	New member
	Aniela Harris	
	Katrina Barr	
	Karyn Synnott	General President until election
	Leanne Porter	
	Katrina Riseley	Retired
	Tania Venn	Retired

Name and title of designated officer: Paul Orlando Griffin – General Secretary
Dated 25 September 2019

DECLARATION BY STATE COUNCIL FOR THE YEAR ENDED 30 JUNE 2019

On the 25 September 2019 the State Council of the Shop, Distributive and Allied Employees Association, Tasmanian Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2019:

The State Council 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 State Council 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 State Council.

Name and title of designated officer: Paul Orlando Griffin – General Secretary
Dated 25 September 2019

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

Continuing Operations	Note	2019 $	2018 $
Revenue			
Membership dues	4(a)	1,767,313	1,745,234
Interest	4(e)	76,233	59,318
Other revenue	4(f)	35,144	50,995
Net gains from sale of assets	4(g)	132,999	-
		2,011,689	1,855,547
Expenditure			
Direct member benefits expenses		273,294	249,415
Affiliation fees	5(a)	14,772	13,605
Capitation fees	5(b)	209,534	204,856
Marketing expenses		192,007	157,066
Occupancy expenses		50,304	75,706
Administration expenses	5(c)	329,518	342,103
Employee benefits expenses	5(d)	688,657	593,945
Grants or donations	5(e)	29,940	5,395
Motor vehicle expenses		55,427	51,918
Depreciation	5(f)	50,423	29,363
Other expenses	5(h)	-	-
Surplus for the year		117,813	132,175
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss		-	-
Gain on revaluation of land and buildings		-	1,132,446
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income		-	1,132,446
Total comprehensive income for the year		117,813	1,264,621

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes to the financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	2019 $	2018 $
Current assets			
Cash and bank balances	6	185,476	2,451,221
Trade and other receivables	7	288,237	288,785
Inventories	8	7,299	8,565
Financial Assets	9	2,806,239	-
Total current assets		3,287,251	2,748,571
Non-current assets			
Property, plant and equipment	10	1,087,356	1,539,313
Total non-current assets		1,087,356	1,539,313
Total assets		4,374,607	4,287,884
Current liabilities			
Trade and other payables	11	73,579	117,389
Provisions	12	169,106	163,051
Total current liabilities		242,685	280,440
Non-current liabilities			
Provisions	12	14,764	8,099
Total non-current liabilities		14,764	8,099
Total liabilities		257,449	288,539
Net assets		4,117,158	3,999,345
Equity			
Retained earnings	13	3,307,937	2,703,683
Reserves	14	809,221	1,295,662
Total equity		4,117,158	3,999,345

The Statement of Financial Position should be read in conjunction with the notes to the financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Reserves $	Retained earnings $	Total $
Balance at 1 July 2017	163,216	2,571,508	2,734,724
Profit for the year	-	132,175	132,175
Other comprehensive income for the year	1,132,446	-	1,132,446
Balance at 30 June 2018	1,295,662	2,703,683	3,999,345
Balance at 1 July 2018	1,295,662	2,703,683	3,999,345
Profit for the year	-	117,813	117,813
Other comprehensive income for the year	-	-	-
Realisation of amount previously realised as asset revaluation reserve	(486,441)	486,441	-
Balance at 30 June 2019	809,221	3,307,937	4,117,158

The Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
Cash flows from operating activities			
Receipts from members and other third parties		2,011,894	1,991,691
Payment to suppliers and employees		(2,082,166)	(1,901,991)
Interest and other costs of finance paid		-	-
Income taxes paid		-	-
Net cash provided by/(used in) operating activities	19(b)	(70,272)	89,700
Cash flows from investing activities			
Interest received		76,233	59,318
Payments for property, plant and equipment		(221,033)	(10,284)
Proceeds from sale of property, plant and equipment		755,566	-
Net cash (used in)/provided by investing activities		610,766	49,034
Cash flows from financing activities			
Repayment of borrowings		-	-
Net cash used in financing activities		-	-
Net increase in cash and cash equivalents		540,494	138,734
Cash and cash equivalents at the beginning of the financial year		2,451,221	2,312,487
Cash and cash equivalents at the end of the financial year	19(a)	2,991,715	2,451,221

The Statement of Cash Flows should be read in conjunction with the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

1. GENERAL INFORMATION

Shop, Distributive and Allied Employees Association, Tasmanian Branch is the Tasmanian branch of the national Shop, Distributive and Allied Employees Association. The Association's registered office and its principal place of business are as follows:

Registered office
72 York Street
Launceston
TASMANIA 7250

Principal place of business
72 York Street
Launceston
TASMANIA 7250

2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

2.1 NEW AND REVISED AASBS AFFECTING AMOUNTS REPORTED AND/OR DISCLOSURES IN THE FINANCIAL STATEMENTS

In the current year, the Association has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has not had a material impact on the current or prior periods. The Association draws the attention of the users to the following accounting standard changes that have occurred during the year:

AASB 9 'Financial Instruments'

In the current year, the Association has applied AASB 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other AASB Standards that are effective for an annual period that begins on or after 1 January 2018. The transition provisions of AASB 9 allow an entity not to restate comparatives, which has been adopted given the minimal impact caused by AASB 9 on the Association.

All recognised financial assets that are within the scope of AASB 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The Association previously measured financial assets (relating to term deposits) at amortised cost and these investments continue to measured on the same basis under AASB 9 given they held within a business model to collet contractual cash flows and these cash flows consist solely of payments of principal and interest.

Financial assets classified as loans and receivables under AASB 139, that were measured at amortised cost, continue to be measured at amortised cost under AASB 9 as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

In relation to the impairment of financial assets, AASB 9 requires an expected credit loss model, as opposed to an incurred credit loss model under AASB 139. The expected credit loss model requires the Association to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised but given the minimal trade receivables and member loans subject to credit terms at balance date and in the comparative period such analysis is not material.

Given the Association's only financial liabilities are measured at amortised cost, AASB 9 has had no impact on the classification and measurement of the Association's financial liabilities.

There were no financial assets or financial liabilities which the Association had previously designated as at FVTPL under AASB 139 that were subject to reclassification or which the Association has elected to reclassify upon the application of AASB 9. There were no financial assets or financial liabilities which the Association has elected to designate as at FVTPL at the date of initial application of AASB 9.

The application of AASB 9 has had no impact on the cash flows of the Association.

2.2 STANDARDS AND INTERPRETATIONS IN ISSUE BUT NOT YET EFFECTIVE

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

AASB 16 ' Leases'	Effective to annual reporting periods beginning on or after 1 January, 2019
AASB 1058 Income of Not-for-Profit Entities (AASB 1058) and AASB 15 Revenue from Contracts with Customers (AASB 15)	Effective to annual reporting periods beginning on or after 1 January, 2019
AASB 2017-6 Amendments to Australian Accounting Standards - Prepayment Features with Negative Compensation	Effective to annual reporting periods beginning on or after 1 January, 2019
AASB 2018-1 Amendments to Australian Accounting Standards - Annual Improvements 2015-2017 Cycle	Effective to annual reporting periods beginning on or after 1 January, 2019

2.3 ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The Association has assessed the future impact of the Australian Accounting Standards and Interpretations in issue that are not effective for the current year end, and they are not expected to have a material impact on financial statements, except as noted below. The Association does not intend to adopt any of these pronouncements before their effective dates.

AASB 16 Leases

AASB 16 was issued in January 2016 and it replaces AASB 117 *Leases* , AASB Interpretation 4 D*etermining 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 Association plans to adopt AASB 16 on the required effective date 1 July 2019 of using modified 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 Association performed a preliminary assessment of AASB 16.

As at the reporting date, the Association has non-cancellable operating lease commitments of $85,349. Of these commitments, none relate to short term or low value leases.

- For the lease commitments, the Association would expect to recognise right of use assets of approximately $76,694 on 1 July 2019 and lease liabilities of $76,694.
- Net current assets will be $11,584 lower due to the presentation of a portion of the liability as a current liability.
- Operating cash flows will increase and financing cash flows decrease by approximately $10,748 as repayment of the principal portion of the lease liabilities will be classified as cash flows from financing activities.
- The Association is not a lessor, and hence there is no impact on the financial statements.

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

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 Association plans to adopt AASB 15 on the required effective date 1 January 2019 of using modified retrospective method.

During the financial year ended 30 June 2019, the Association performed a preliminary assessment of AASB 1058 and 15. The new income recognition requirements shift the focus from a reciprocal/non-reciprocal basis to a basis of assessment that considers the enforceability of a contract and the specificity of performance obligations. The core principle of the new income recognition requirements in AASB 1058 is when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives, the excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately.

An example of a 'related amount' is AASB 15 and in cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, income is recognised when (or as) the performance obligations are satisfied under AASB 15, as opposed to immediate income recognition under AASB 1058. Under AASB 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. AASB 15 introduces a 5-step approach to revenue recognition, which is more prescriptive than AASB 118.

It is rare that the Association would acquire assets for significantly less than the fair value of the assets and the majority of the the revenue is largely unimpacted by enforceable contract, as the standard prescribes. As a result of this the Association does not expect a material impact on the financial statements as a result of the future adoption of these standards.

3. SIGNIFICANT ACCOUNTING POLICIES

STATEMENT OF COMPLIANCE

The financial report is a general purpose financial report which has been prepared in accordance with the Association's constitution, the requirements of the *Fair Work (Registered Organisations) Act 2009*, Australian Accounting Standards and Interpretations, and complies with other requirements of the law. The financial report includes the financial statements of the Association. For the purposes of preparing the financial statements, the Association is a not-for-profit entity.

The financial statements were authorised for issue by the State Council on 25 September 2019.

BASIS OF PREPARATION

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Historical cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(A) BORROWING COSTS

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

(B) CASH AND CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(C) EMPLOYEE BENEFITS

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

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the association in respect of services provided by employees up to reporting date.

<u>Defined contribution plans</u>

Contributions to defined contribution superannuation plans are expensed when incurred.

(D) FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when the Association 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.

(E) FINANCIAL ASSETS

All regular way purchases or sales of financial assets are recognised and derecognised on a 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.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows
- 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.

The Association does not irrevocably designate debt instruments that meet the conditions of amortised cost as fair value through other comprehensive income (FVTOCI), therefore by default all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Amortised cost and 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.

For financial assets the effective interest rate is the rate that exactly discounts estimated future cash receipts excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost (see above) are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship.

Impairment of financial assets

The Association recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Association always recognises lifetime ECL for trade receivables and contract assets. The expected credit losses on hese financial assets are estimated using a provision matrix based on the Association's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Association recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Association measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Write-off policy

The Association writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Association's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forwardlooking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Association's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Association in accordance with the contract and all the cash flows that the Association expects to receive, discounted at the original effective interest rate.

If the Association has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Association measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Association recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

De-recognition of financial assets

The Association 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. If the Association neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Association recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Association retains substantially all the risks and rewards of ownership of a transferred financial asset, the Association continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

(F) FINANCIAL LIABILITIES

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL in certain circumstances, however the Association does not currently designate financial liabilities as FVTPL or hold liabilities for trading and therefore by default all the Association's financial liabilities are measured at amortised cost.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

The Association derecognises financial liabilities when, and only when, the Association's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(G) INCOME TAX

The Association 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).

(H) INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Costs, are assigned to inventory on hand by the method most appropriate to each particular class of inventory, with the majority being valued on a first in first out basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

(I) PROPERTY, PLANT AND EQUIPMENT

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.

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.

(J) REVENUE RECOGNITION

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

<u>Member subscriptions</u>

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

<u>Sale of goods</u>

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

(a) the Association has transferred to the buyer the significant risks and rewards of ownership of the goods;

(b) the Association retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

(c) the amount of revenue can be measured reliably;

(d) it is probable that the economic benefits associated with the transaction will flow to the entity; and

(e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

<u>Rendering of services</u>

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. Member subscriptions and car park rental income is recognised to the extent that the associated services relating to the fees have been provided.

<u>Interest revenue</u>

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

(K) GOODS AND SERVICES TAX

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

(a) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

(b) for receivables and payables which are recognised inclusive of GST.

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 taxation authority is classified as operating cash flows.

(L) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Association's accounting policies, which are described above, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The State Council has engaged a third party property valuer, to determine the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of these assets, the property valuer uses market-observable date to the extent available, to establish an appropriate fair value of the assets..

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(M) 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.

(N) 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.

(O) GOING CONCERN

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

The Association has not agreed to provide financial supporting to ensure another reporting unit has the ability to continue as a going concern.

4. REVENUE

An analysis of the Association's revenue for the year, from continuing operations, is as follows:

	2019 $	*2018 $*
(a) Revenue from member subscriptions	1,767,313	1,745,234
(b) Capitation fees	-	-
(c) Levies	-	-
(d) Grants or donations	-	-
(e) Interest	76,233	59,318
(f) Other revenue		
Movie ticket sales	23,623	33,878
Car park rent	9,001	8,837
Other	2,521	8,280
	35,144	50,995
(g) Net gain from sale of assets	132,999	-
(h) Recovery of wages	-	-

5. PROFIT FOR THE YEAR

Profit for the year has been arrived at after recognising the following gains and losses:

(A) AFFILIATION FEES		
Australian Labour Party - Tasmania	14,772	13,605
(B) CAPITATION FEES		
Unions Tasmania	30,086	30,962
SDAEA National Account	156,042	151,212
SDAEA International Fund	23,406	22,682
	209,534	204,856
(C) ADMINISTRATION FEES		
Consideration to employers for payroll deductions		
Commissions paid to employers	6,123	28,770
Compulsory levies	-	-
Delegate meetings and training	52,810	44,356
Fees/allowances - meetings and conferences	-	-
Meeting expenses	795	817
Other administration costs	269,790	268,160
	329,518	342,103
(D) EMPLOYEE EXPENSES		
Holders of office:		
Wages and salaries	74,840	71,588
Superannuation	7,874	7,843
Leave and other entitlements	8,046	10,971
Separation and redundancies	-	-
Other employee expenses	22,521	6,681
	113,281	97,083
Employees other than office holders:		
Wages and salaries	411,556	347,773
Superannuation	43,176	37,827
Leave and other entitlements	51,464	69,276
Separation and redundancies	-	-
Other employee expenses	69,180	41,986
	575,376	496,862
Total employee expenses	688,657	593,945
(E) GRANTS OR DONATIONS		
Grants:		
Total paid that were $1,000 or less	-	-
Total paid that exceeded $1,000	-	-
Donations:		
Total paid that were $1,000 or less	5,705	5,395
Total paid that exceeded $1,000	24,235	-
	29,940	5,395
(F) DEPRECIATION AND AMORTISATION		
Depreciation of non-current assets	50,423	29,363
	50,423	29,363
(G) LEGAL COSTS		
Litigation	-	-
Other legal matters	-	-
	-	-
(H) OTHER EXPENSES		
Penalties - via RO Act or RO Regulations	-	-
	-	-

6. CASH AND CASH EQUIVALENTS

Petty cash - Launceston	100	100
Petty cash - Hobart	100	100
Undeposited Funds	648	-
Cash at bank - trading account	184,628	495,995
CBA Term Deposit	-	1,902,327
CBA Online saver	-	52,699
	185,476	2,451,221

7. TRADE AND OTHER RECEIVABLES

Subscriptions in arrears	168,134	145,120
Sundry debtors and prepayments	13,979	53,566
Car park debtors	420	960
Member and employee loans	69,185	67,807
Accrued interest income	36,519	21,332
Receivables from other reporting units	-	-
	288,237	288,785
Less allowance for expected credit losses	-	-
Net trade and other receivables	288,237	288,785

The average credit period on sales is 60 days. No interest is charged on outstanding trade receivables. Included in the Association's trade receivables are an immaterial amount of debtors greater than 90 days.

The Association has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and amounts receivable are still considered recoverable.

8. INVENTORIES

Movie tickets	7,299	8,565

9. FINANCIAL ASSETS

Term Deposits	2,806,239	-

10. PROPERTY, PLANT AND EQUIPMENT

	Freehold land at fair value	*Buildings at fair value*	*Plant and equipment at cost*	*Low value pool*	*Total*
	$	*$*	*$*	*$*	*$*
Gross carrying amount					
Balance at 30 June 2017^	150,000	302,204	404,228	132,149	988,581
Additions	-	-	10,286	-	10,286
Disposals	-	-	-	-	-
Revaluation	500,000	534,994	-	-	1,034,994
Balance at 30 June 2018^	650,000	837,198	414,514	132,149	2,033,861
Additions	-	-	246,941	-	246,941
Disposals	-	(600,000)	(192,765)	-	(792,765)
Revaluation	-	-	-	-	-
Balance at 30 June 2019	650,000	237,198	468,690	132,149	1,488,037
Accumulated depreciation					
Balance at 30 June 2017^	-	(98,365)	(334,237)	(130,033)	(562,635)
Depreciation expense	-	(5,954)	(22,615)	(794)	(29,363)
Disposals	-	-	-	-	-
Revaluation	-	97,450	-	-	97,450
Balance at 30 June 2018^	-	(6,869)	(356,852)	(130,827)	(494,548)
Depreciation expense	-	(5,781)	(44,146)	(496)	(50,423)
Disposals	-	-	144,290	-	144,290
Revaluation	-	-	-	-	-
Balance at 30 June 2019	-	(12,650)	(256,708)	(131,323)	(400,681)
Net book value					
As at 30 June 2018	650,000	830,329	57,662	1,322	1,539,313
As at 30 June 2019	650,000	224,548	211,982	826	1,087,356

The following estimated useful lives are used in the calculation of depreciation:

Class of asset	*Depreciation rate*
Buildings	2% - 2.5%
Plant and equipment	10% - 67%
Low value pool	19% - 38%

Aggregate depreciation allocated, whether recognised as an expense or capitalised as part of the carrying amount of other assets during the year:

	2019 $	*2018 $*
Buildings	5,781	5,954
Plant and equipment	44,146	22,615
Low value pool	496	794
	50,423	29,363

^ Refer to note 14

11. TRADE AND OTHER PAYABLES

Trade payables	25,529	73,308
Accruals	-	684
Other payables	47,459	43,397
Payables to other reporting units	-	-
Consideration to employers for payroll deductions	591	-
Legal costs	-	-
	73,579	117,389

The average credit period for purchases of goods and services is 30 days. No interest is charged on trade payables.

12. PROVISIONS

Employee Provisions		
Office Holders		
Annual Leave	12,005	12,287
Long Service Leave	73,171	68,464
Separation and redundancies	-	-
Other	-	-
	85,176	80,751
Employees other than office holders:		
Annual Leave	48,815	39,716
Long Service Leave	49,879	50,683
Separation and redundancies	-	-
Other	-	-
	98,694	90,399
	183,870	171,150
Current	169,106	163,051
Non Current	14,764	8,099
	183,870	171,150

13. RETAINED EARNINGS

Balance at beginning of financial year	2,703,683	2,571,508
Net profit attributable to members of the Association	117,813	132,175
Transfer from reserves	486,441	-
Balance at end of financial year	3,307,937	2,703,683

14. RESERVES

	2019 $	2018 $
Asset revaluation reserve		
Balance at beginning of financial year	1,295,662	163,216
Movements	-	1,132,446
Transfer to retained earnings	(486,441)	-
Balance at end of financial year	809,221	1,295,662

The asset revaluation reserve relates to land and buildings. In the 2018 financial year the Association decided that it was appropriate to carry land and buildings at fair value. The balance of the asset revaluation reserve is available to absorb future write-downs or decrements in the carrying value of land and buildings.

The fair value of the freehold land and buildings was determined by independent valuation. The valuation of 72 York Street, Launceston was carried out on 14 June 2018 by Opteon, independent valuers unrelated to the entity. Opteon have appropriate qualifications and recent experience in the valuations of properties in the Launceston area. The fair value was determined based on the market comparable approach that reflects recent transactions for similar properties and the capitalisation of net income method, where the market rentals of all lettable units of the properties are assessed by reference to the rentals achieved in the lettable units as well as the other lettings of similar properties in the neighbourhood. The capitalisation rate adopted is made by reference to the yield rates, observed by the valuers for similar properties in the locality and adjusted based on the valuers' knowledge of the factors specific to the respective properties. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

15. EQUITY

	2019 $	2018 $
Other specific disclosures - Funds		
Compulsory levy/voluntary contribution fund - if invested in assets	-	-
Other funds required by rules	-	-
	-	-

16. COMMITMENTS FOR EXPENDITURE

There are no capital or other expenditure commitments contracted for as at reporting date.

17. KEY MANAGEMENT PERSONNEL REMUNERATION

Details of key management personnel

The members of the State Council and other members of key management personnel of the Association during the year were:

General President:	Isabell Wells	Appointed during year
Branch Vice President:	Ross Charlton	New member
	James Fitzpatrick	Retired
General Secretary:	Paul Griffin	
State Committee:	Fiona Smith	New member
	Sharon Butcher	New member
	Aniela Harris	
	Katrina Barr	
	Karyn Synnott	General President until election
	Leanne Porter	
	Katrina Riseley	Retired
	Tania Venn	Retired

The aggregate remuneration made to councillors and other members of key management personnel of the Association is set out below:

	2019 $	2018 $
Short-term employee benefits	82,886	82,559
Post-employment benefits	7,874	7,843
Other long term employee benefits	-	-
Termination benefits	-	-
Share based benefits	-	-
	90,760	90,402

(A) TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

During the year State Councillors and their related entities purchased goods, which were trivial in nature, from the association on the same terms and conditions available to other members.

(B) TRANSACTIONS WITH OTHER RELATED PARTIES

Other related parties include:
SDAEA National Office
SDAEA International Fund

(C) LOANS TO RELATED PARTIES

	2019 $	2018 $
Loans to related parties include the following		
Matthew and Katrina Barr	16,780	17,360

The above loans relate to financial assistance provided to Matthew and Katrina Barr. The loans have been provided interest free and have an undefined term.

(D) TRANSACTIONS BETWEEN SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION, TASMANIAN BRANCH AND ITS RELATED PARTIES

During the financial year, the following material transactions occurred between the association and its other related parties:

(a) Shop, Distributive and Allied Employees Association, Tasmanian Branch paid annual capitation fees to SDAEA National Office of $156,042 (2018: $151,212)
(b) Shop, Distributive and Allied Employees Association, Tasmanian Branch paid annual capitation fees to SDAEA International Fund of $23,406 (2018: $22,682)
(c) Shop, Distributive and Allied Employees Association, Tasmanian Branch paid annual affiliation fees to ALP Tasmania of $14,772 (2018: $13,605)
(d) Shop, Distributive and Allied Employees Association, Tasmanian Branch paid annual capitation fees to Unions Tasmania $30,086 (2018: $30,962)

18. REMUNERATION OF AUDITORS

Auditor of the Association:	2019 $	2018 $
Audit of the financial report	10,505	10,280
Taxation services	14,150	16,100
	24,655	26,380

The auditor of Shop, Distributive and Allied Employees Association, Tasmanian Branch is Deloitte Touche Tohmatsu.

19. NOTES TO THE STATEMENT OF CASH FLOWS

(A) RECONCILIATION OF CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flow, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2019 $	2018 $
Petty cash - Hobart	200	200
Undeposited Funds	648	-
Cash at bank - trading account	184,628	495,995
Term Deposits	2,806,239	1,902,327
CBA Online saver	-	52,699
	2,991,715	2,451,221

(B) RECONCILIATION OF PROFIT FOR THE YEAR TO NET CASH FLOWS FROM OPERATING ACTIVITIES:

	2019 $	2018 $
Profit/(loss) from the year	117,813	1,264,621
Depreciation and amortisation	50,423	29,363
Gain on revaluation	-	(1,132,446)
Interest income received and receivable	(76,233)	(59,318)
Gain on sale of buildings	(132,999)	-
(Increase)/decrease in assets:		
Trade and other receivables	548	(10,793)
Inventories	1,267	606
Increase/(decrease) in liabilities:		
Trade and other payables	(43,810)	19,202
Provisions	12,720	(21,535)
Net cash generated by operating activities	(70,272)	89,700

(C) CASH FLOW INFORMATION:

Cash inflows from another reporting unit or controlled entity	-	-
	-	-
Cash outflows to another reporting unit or controlled entity	-	-
	-	-

20. FINANCIAL INSTRUMENTS

(A) SIGNIFICANT ACCOUNTING POLICIES

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the financial statements.

(B) LIQUIDITY RISK MANAGEMENT

Ultimate responsibility for liquidity risk management rests with the State Council, who has built an appropriate liquidity risk management framework for the management of the Association's short, medium, and long-term funding and liquidity management requirements. The Association manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

The following tables detail the Association's remaining contractual maturity from its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Association can be required to pay. The table includes both interest and principal cash flows:

	Weighted average effective interest rate	*Less than 1 month*	*1-3 months*	*3 months to 1 year*	*1-5 years*	*Total*
	%	$	$	$	$	$
2019 Amortised cost						
Non-interest bearing	-	73,579	-	-	-	73,579
		73,579	-	-	-	73,579
2018						
Non-interest bearing	-	117,389	-	-	-	117,389
		117,389	-	-	-	117,389

The following tables detail the Association's expected maturity from its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial assets including interest that will be earned on those assets except where the Association anticipates that the cash flow will occur in a different period.

	Weighted average effective interest rate	*Less than 1 month*	*1-3 months*	*3 months to 1 year*	*1-5 years*	*Total*
	%	$	$	$	$	$
2019 Amortised cost						
Non-interest bearing	-	473,713	-	-	-	473,713
Fixed interest rate instruments	2.75%	-	-	2,806,239	-	2,806,239
		473,713	-	2,806,239	-	3,279,952
2018						
Non-interest bearing	-	784,980	-	-	-	784,980
Fixed interest rate instruments	3.20%	-	-	1,902,327	-	1,902,327
Variable interest rate instruments	0.54%	52,699	-	-	-	52,699
		837,679	-	1,902,327	-	2,740,006

(C) FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.

The State Council considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximates their fair values.

(D) CREDIT RISK MANAGEMENT

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Association. The Association has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

(E) INTEREST RATE SENSITIVITY ANALYSIS

The Association holds both fixed interest rate and variable interest rate investments.

As at 30 June 2019, the Association holds $2,806,239 in a fixed rate term deposit. Interest rate exposure is minimal.

21. SUBSEQUENT EVENTS

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Association, the results of those operations, or the state of affairs of the Association in future financial years.

22. 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).

23. SEGMENT INFORMATION

The Association operates in one geographical location, Tasmania. All operating income is derived from member subscriptions. All costs are related to providing services to its members.

DETAILED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE YEAR ENDED 30 JUNE 2019

		2019 $		2018 $
Revenue		2,011,688		1,855,547
Commissions paid to employers		6,123		28,770
Affiliation fees		224,306		218,461
Marketing expenses		192,007		157,066
Campaigns	27,099		32,971	
Promotional and presentations	40,299		38,538	
Accident insurance - members	35,733		23,561	
Movie Tickets	38,412		39,883	
Presidential Card	74,645		54,798	
Scholarship Vouchers	57,105		59,664	
Direct member benefits expenses		273,294		249,415
Contractors	-		733	
Insurance - Building & Content	6,492		6,483	
Light & Power	5,922		5,648	
Rates & Land Tax	15,114		17,333	
Rental - Building	11,391		-	
Repairs & Maintenance - Building	4,518		39,429	
Repairs & Maintenance - Office	6,866		6,080	
Occupancy expenses		50,304		75,706
Audit fees	10,505		10,280	
Bad Debts	-		-	
Bank Fees	1,919		1,999	
Computer Expenses	14,995		16,204	
Consulting	9,232		10,000	
Delegate Expenses	31,454		18,389	
Delegates Meetings & Training	52,810		44,356	
Fees/allowances - meetings and conferences	-		-	
Fines	106		145	
Meeting Expenses	795		817	
Members Financial Assistance	73,120		66,310	
Merchant Fees	763		763	
National Council/Exec Expenses	4,800		15,233	
Office Expenses	6,689		6,371	
Postage & Freight	36,698		35,193	
Printing & Stationery	37,892		34,097	
Professional Fees	14,150		16,100	
State Council Expenses	3,995		3,045	
Subscriptions	3,815		3,365	
Sundry Expenses	1,803		12,142	
Telephone	17,855		15,889	
Valuation fees	-		2,635	
Administration expenses		323,395		313,333
Fares & Organisers expenses	1,582		2,013	
Fares & Organising Interstate	36,815		29,073	
FBT	21,249		19,001	
Functions	15,372		13,928	
Movement in provision for Annual Leave	8,817		(13,604)	
Movement in provision for Long Service Leave	3,904		(7,931)	
Staff Amenities	-		-	
Staff Training	-		2,203	
Workers Comp Insurance Staff	3,960		3,984	
Indirect employee Costs		91,699		48,667
Employees - Salaries	405,243		344,473	
Employees - Superannuation	43,176		37,827	
Employees - Annual/Sick Leave	37,003		47,311	
Employees - Long Service Leave	14,461		21,965	
Employees - Allowance	6,313		3,300	
Employees - Workers Comp Invoices - Staff	-		-	
Employees - Parental/Maternity	-		-	
Direct Employee Expenses - Employees		506,196		454,876
Officials - Salaries	74,840		71,588	
Officials - Superannuation	7,874		7,843	
Officials - Annual/Sick Leave	8,046		10,971	
Officials - Long Service Leave	-		-	
Officials - Allowance	-		-	
Officials - Parental/Maternity	-		-	
Direct Employee Expenses - Officials		90,760		90,402
Motor vehicle expenses		55,427		51,918
Depreciation		50,423		29,363
Loss on sale of fixed assets		-		-
Donations		29,940		5,395
Profit/(Loss) before tax		117,813		132,175
Income tax expense		-		-
Profit/(Loss) for the year		117,813		132,175