



4 January 2022

Daniel Walton
National Secretary
The Australian Workers' Union
Sent via email: members@nat.awu.net.au
CC: Cameron.Hume@rsm.com.au

Dear Daniel Walton,

**The Australian Workers' Union
Financial Report for the year ended 30 June 2021 – (FR2021/108)**

I acknowledge receipt of the financial report for the year ended 30 June 2021 for the Australian Workers' Union. The documents were lodged with the Registered Organisations Commission (**the ROC**) on 9 December 2021.

The financial report has now been filed. The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009 (RO Act)* have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

You are not required to take any further action in respect of the report lodged. Please note that the financial report for the year ending 30 June 2022 may be subject to an advanced compliance review.

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements.

The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0841 or by email at Mihiri.jayawardane@roc.gov.au.

Yours sincerely,

**Mihiri Jayawardane
Registered Organisations Commission**

NATIONAL OFFICE

Level 1, 16 - 20 Good Street, Granville NSW 2142
T: 1300 040 482 E: members@nat.awu.net.au W: www.awu.net.au
Daniel Walton National Secretary



ABN 28 853 022 982

9 December 2021

The Proper Officer
Registered Organisations Commission
Level 13
175 Liverpool Street
SYDNEY NSW 2000

Via Email: regorgs@roc.gov.au>

Dear Sir/Madam,

**Re: s. 268 Fair Work Act (Registered Organisations) Act 2009
Certificate for period ended 30 June 2021**

In relation to the annual financial returns to be lodged with the Registered Organisations Commission, please find attached:

- The 2020/2021 The Australian Workers' Union, National Office full report for year ended 30 of June 2021, including the National Secretary's Certificate on page 3.

Yours faithfully,

Daniel Walton
NATIONAL SECRETARY

(attachment)

THE AUSTRALIAN WORKERS' UNION

(NATIONAL OFFICE)

ABN 28 853 022 982

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE, 2021

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INDEPENDENT AUDITOR'S REPORT To the Members of The Australian Workers' Union (National Office)

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of The Australian Workers' Union (National Office) ('the Reporting Unit'), which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies; the National Executive's Statement, the subsection 255(2A) report and the Officer Declaration Statement.

In our opinion the accompanying financial report presents fairly, in all material aspects, the financial position of The Australian Workers' Union (National Office) as at 30 June 2021, and its financial performance and its cash flows for the year then ended in accordance with:

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

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

Basis for Opinion

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 Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to 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.

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

The National Executive and National Secretary are responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly 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 the National Executive and National Secretary for the Financial Report

The National Executive and National Secretary of the Reporting Unit are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such

internal control as the National Executive and National Secretary determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the 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 reporting unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the National Executive and National Secretary.
- Conclude on the appropriateness of the National Executive and National Secretary's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the reporting unit's ability to continue as a going concern. If 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 reporting unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the National Executive and National Secretary 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.

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



RSM AUSTRALIA PTY LTD



Cameron Hume

Director

Registered Auditor Number AA2018/25

Sydney, NSW

Dated: 29 October 2021

THE AUSTRALIAN WORKERS' UNION
PRESCRIBED DESIGNATED OFFICER CERTIFICATE
FOR THE YEAR ENDED 30 JUNE, 2021
s268 Fair Work (Registered Organisations) Act 2009

I, Daniel Walton, being the National Secretary of The Australian Workers' Union, hereby certify:

that the documents lodged herewith are copies of the full report of The Australian Workers' Union (National Office) Statutory Statements and Audit Report for year ended 30 June 2021, referred to in s.268 of the Fair Work (Registered Organisation) Act 2009, and

the full report was made available on the Union's National Office Website from 9 November 2021, and

that the full report was presented to a meeting of the National Executive on 25 November 2021, in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009 .



DANIEL WALTON

NATIONAL SECRETARY - THE AUSTRALIAN WORKERS' UNION

DATED: 9 December _____ 2021

THE AUSTRALIAN WORKERS UNION (NATIONAL OFFICE)

ABN 28 853 022 982

THE AUSTRALIAN WORKERS' UNION

**The Committee of Management presents the expenditure report as required under subsection 255(2A)
FOR THE YEAR ENDED 30 JUNE, 2021**

Categories of expenditures	2021	2020
	\$	\$
Remuneration and other employment-related costs and expenses - employees	2,278,161	2,091,134
Advertising	8,216	2,832
Operating costs	2,400,630	2,635,643
Donations to political parties	34,316	5,000
Legal costs	158,779	317,343



DANIEL WALTON

NATIONAL SECRETARY - THE AUSTRALIAN WORKERS' UNION

DATED: 29 October 2021

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE, 2021

Your National Executive present this report on the Australian Workers' Union National Office for the financial year ended 30 June 2021.

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

Principal Activities

The principal activities of the organisation continued to be those of a registered trade union working for the benefit of its members through negotiating enterprise bargaining agreements, varying Awards, representing members before industrial tribunals, training of delegates and members in Occupational Health and Safety, workplace organising, recruitment and public promotion of the interests of members. There were no significant changes to the principal activities of the organisation during the financial year.

Review of Operations

The Australian Workers' Union - National Office made a net profit of \$1,511,493 as a result of its activities. (2020: \$264,957).

Operating Results

	2021	2020
Total Comprehensive Income for the financial year amounted to	1,511,493	264,957

Significant Changes in State of Financial Affairs

The organisation's Financial Affairs have not been significantly impacted by Covid 19 or any other events during the course of the financial year;

Right of Members to Resign:

The Australian Workers' Union Rule 14 – Resigning as a member – provides for resignation of members in accordance with section 174(1) of the Fair Work (Registered Organisations) Act 2009. In accordance with section 174(1) of the Fair Work (Registered Organisations) Act 2009 a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation. There was no change to this rule during the year.

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE, 2021 (Cont'd)

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

Pursuant to section 254 (2)(d) of the Fair Work (Registered Organisations) Act 2009, the following members hold office as a Director of a trustee company of superannuation schemes as stated below:

Members	Name	Appointed	Resigned
Baker, Stephen	Sunsuper Rural & Regional Advisory	Mar-18	
Baker, Stephen	Qleave Portable Long Service Leave	Feb-19	
Chambers, Marina	Australian Super Advisory Board Pty Ltd	Apr-18	
Collison, Russell	Chifley Services Pty Ltd	Jan-19	
Crofts, Brad	AustralianSuper FAC	Jan-20	
Crofts, Brad	Australian Super (Alternate Director)	Dec-16	
Crofts, Brad	Australian Super (Investment Committee)	Aug-13	Feb-21
Davis, Ben	Prime Super Pty Ltd	Aug-19	
Davis, Ben	Chifley Services Pty Ltd	Jan-19	
Davies, Gregg	AustralianSuper, Steel Sub-Board		Sep-20
Fagan, Mark	Australian Super Steel Division Sub Board	Jan-17	
Gandy, Brad	Chifley Services Pty Ltd	Nov-19	
Goodey Mark	Sunsuper Pty Ltd	Jan-20	
Hilton, Martin	Australian Super Steel Division Sub Board	Jul-11	
Sell, Craig	Sunsuper Rural & Regional Advisory	Mar-17	
Steel, Ian	Statewide Superannuation Trust	Feb-19	
Schinneri Stacey Lee	Chifley Services Pty Ltd	Jan-19	
Turner, Lance	Australian Super Steel Division Sub Board	Aug-17	29-Jul-20
Walton, Daniel	AustralianSuper Pty Ltd	Dec-16	
Walton, Daniel	AustralianSuper Technology Committee	Jul-19	
Walton, Daniel	AustralianSuper Risk & Compliance Committee	Jan-20	
Walton, Daniel	AustralianSuper Investment Committee	Mar-21	
Walton Daniel	Chifley Services Pty Ltd	Jan-19	
Zelinsky Michael	CBUS	Jul-14	
Zelinsky Michael	CBUS Risk Committee	26-Feb-21	
Zelinsky Michael	CBUS Growth Committee	30-Apr-21	

Each officer holds the position by reason of the criterion that a representative of an Employee organisation be appointed.

Number of Members	2021	2020
Number of persons in registers of members:	72,132	71,920
Number of Employees		
Number of employees (equivalent full time):	22	21

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE, 2021 (Cont'd)

Members of the National Executive:

The names of each person who has been a member of the National Executive during the year and up to the date of this report are:

Members	Position	Elected Per E2020/188
Michael Zelinsky	Assistant National Secretary	1-Jul-21
Anthony Callinan	Branch Secretary / National Executive Member	1-Jul-21
Ben Davis	Branch Secretary / National Executive Member	1-Jul-21
Brad Gandy	Branch Secretary / National Executive Member	1-Jul-21
Ian Wakefield	Branch Secretary / National Executive Member	1-Jul-21
Peter Lamps	Branch Secretary / National Executive Member	1-Jul-21
Steve Baker	Branch Secretary / National Executive Member	1-Jul-21
Cathy Janetzki	National Executive Member	1-Jul-21
Jimmy Mastrandonakis	National Executive Member	1-Jul-21
Mark Raguse	National Executive Member	1-Jul-21
Paul Delaney	National Executive Member	1-Jul-21
Paul Noack	National Executive Member	1-Jul-17
Ronald Cowdrey	National Executive Member	1-Jul-21
Marina Chambers	National President	1-Jul-21
Daniel Walton	National Secretary / National Executive Member	1-Jul-21
Anthony Beers	National Vice President	1-Jul-21
Gary Henderson	National Vice President	1-Jul-21
Patrick Wood	National Vice President	1-Jul-21
Paul Farrow	National Vice President	1-Jul-21
Stephen Crawford	National Vice President	1-Jul-21



Signed: _____

Daniel Walton (National Secretary)

Date

29 October 2021



Signed: _____

Marina Chambers (President)

Date

29 October 2021

STATUTORY STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2021
NATIONAL EXECUTIVE'S STATEMENT

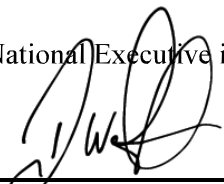
On Friday 29 October 2021


The National Executive passed the following resolution in relation to the general purpose financial report (GPFR) of this reporting unit (i.e. The Australian Workers' Union National Office, or the organisation) for the financial year ended 30 June, 2021:

The National Executive declares in relation to the GPFR 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 National Executive were held in accordance with the rules of the organisation; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to 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.

For and on behalf of the National Executive in accordance with a resolution of the National Executive

Signed:  _____ Date 29 October 2021
Daniel Walton (National Secretary)

Signed:  _____ Date 29 October 2021
Marina Chambers (President)

Signed: _____ day of, _____ 2021

THE AUSTRALIAN WORKERS UNION (NATIONAL OFFICE)
ABN 28 853 022 982

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE, 2021

<u>REVENUE</u>	<u>NOTES</u>	<u>2021</u>	<u>2020</u>
		\$	\$
MEMBERSHIP SUBSCRIPTIONS		-	-
CAPITATION / SUBSIDY INCOME	3A	3,691,295	3,530,251
LEVIES		-	-
INTEREST –BANK	3C	12,634	24,959
RENTAL INCOME	3D	44,800	44,800
BRANCH INCOME	11A	730,113	1,023,308
EMPLOYMENT INCOME RECOVERED FROM BRANCHES	11A	527,689	470,559
OTHER INCOME	3E	745,171	460,941
TOTAL REVENUE		<u>5,751,702</u>	<u>5,554,818</u>
GRANTS AND/OR DONATIONS	3F	174,273	75,727
NET GAINS FROM SALE OF ASSETS	3G	756,940	-
TOTAL OTHER INCOME		<u>931,213</u>	<u>75,727</u>
TOTAL INCOME		<u>6,682,915</u>	<u>5,630,545</u>
<u>EXPENSES</u>			
EMPLOYEE EXPENSES	4A	2,278,161	2,091,134
CAPITATION FEES	4B	-	-
AFFILIATION FEES	4C	589,216	576,708
ADMINISTRATION FEES	4D	1,783,064	2,021,211
GRANTS OR DONATIONS	4E	40,132	11,411
DEPRECIATION OR AMORTISATION	4F	291,320	313,636
FINANCE COSTS	4G	(407)	6,145
LEGAL COSTS	4H	158,779	317,343
AUDIT FEES	4I	31,157	28,000
TOTAL EXPENSES		<u>5,171,422</u>	<u>5,365,588</u>
SURPLUS FOR THE YEAR		<u>1,511,493</u>	<u>264,957</u>
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,511,493</u>	<u>264,957</u>

The above statement should be read in conjunction with the notes

THE AUSTRALIAN WORKERS UNION (NATIONAL OFFICE)
ABN 28 853 022 982

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE, 2021

<u>ASSETS</u>	<u>NOTES</u>	<u>2021</u>	<u>2020</u>
		\$	\$
CURRENT ASSETS			
CASH AND CASH EQUIVALENTS	5A	3,989,186	1,202,116
TRADE AND OTHER RECEIVABLES	5B	358,090	1,102,387
ASSET HELD FOR RESALE	5D	-	755,401
OTHER CURRENT ASSETS	5C	1,387,223	1,346,290
TOTAL CURRENT ASSETS		<u>5,734,499</u>	<u>4,406,194</u>
NON-CURRENT ASSETS			
LAND AND BUILDINGS	6A	5,835,473	5,990,543
PLANT AND EQUIPMENT	6B	131,340	135,178
INTANGIBLE ASSETS	6C	158,020	210,694
OTHER INVESTMENTS	6D	177,324	175,202
TRADE AND OTHER RECEIVABLES	6E	498,725	236,088
TOTAL NON-CURRENT ASSETS		<u>6,800,882</u>	<u>6,747,705</u>
TOTAL ASSETS		<u>12,535,381</u>	<u>11,153,899</u>
<u>LIABILITIES</u>			
CURRENT LIABILITIES			
TRADE PAYABLES	7A	198,563	382,708
OTHER PAYABLES	7B	273,571	331,196
EMPLOYEE PROVISIONS	7C	771,316	700,897
OTHER CURRENT LIABILITIES	8	3,286,099	3,286,099
TOTAL CURRENT LIABILITIES		<u>4,529,548</u>	<u>4,700,900</u>
NON CURRENT LIABILITIES			
EMPLOYEE PROVISIONS	7C	163,411	122,069
TOTAL NON - CURRENT LIABILITIES		<u>163,411</u>	<u>122,069</u>
TOTAL LIABILITIES		<u>4,692,959</u>	<u>4,822,969</u>
NET ASSETS		<u>7,842,423</u>	<u>6,330,930</u>
<u>EQUITY</u>			
GENERAL FUNDS		-	-
RETAINED EARNINGS		7,842,423	6,330,930
TOTAL EQUITY		<u>7,842,423</u>	<u>6,330,930</u>

The above statement should be read in conjunction with the notes

THE AUSTRALIAN WORKERS UNION (NATIONAL OFFICE)
ABN 28 853 022 982

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE, 2021

	GENERAL FUNDS	RETAINED EARNINGS	TOTAL EQUITY
	\$	\$	\$
BALANCE AS AT 30 JUNE 2019	-	6,065,973	6,065,973
Adjustment for errors	-	-	-
Adjustment for changes in accounting policies	-	-	-
(Deficit) for the year	-	264,957	264,957
Other comprehensive income for the year	-	-	-
Transfer to/from	-	-	-
Transfer from retained earnings	-	-	-
BALANCE AS AT 30 JUNE 2020	-	6,330,930	6,330,930
Adjustment for errors	-	-	-
Adjustment for changes in accounting policies	-	-	-
Surplus for the year	-	1,511,493	1,511,493
Other comprehensive income for the year	-	-	-
Transfer to/from	-	-	-
Transfer from retained earnings	-	-	-
BALANCE AS AT 30 JUNE 2021	-	7,842,423	7,842,423

The above statement should be read in conjunction with the notes

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE, 2021

	<u>NOTE</u>	<u>2021</u>	<u>2020</u>
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
CASH RECEIVED			
SUBSIDIES RECEIVED FROM BRANCHES	9	4,175,051	4,018,693
INTEREST RECEIVED		17,967	27,783
OTHER INCOME	9	4,509,865	2,213,700
		8,702,883	6,260,176
CASH USED			
EMPLOYEES & SUPPLIERS		(5,398,108)	(5,543,236)
PAYMENTS FOR LOW VALUE LEASES	4D	(27,816)	(35,760)
PAYMENTS TO BRANCHES	9	(1,936,245)	(166,776)
		(7,362,170)	(5,745,773)
NET CASH PROVIDED BY / USED IN OPERATING ACTIVITIES	9	1,340,714	514,403
CASH FLOWS FROM INVESTING ACTIVITIES			
CASH RECEIVED			
PROCEEDS FROM SALE OF PLANT AND EQUIPMENT	9	2,460,516	-
PROCEEDS FROM CHIFLEY DISTRIBUTION		-	412,430
PROCEEDS FROM PROPERTY DEPOSIT		-	104,665
OTHER		70,448	-
		2,530,964	517,095
CASH USED			
PURCHASE OF PLANT AND EQUIPMENT		(60,994)	(13,240)
TRANSFER OF PROPERTY SALE PROCEEDS TO BRANCHES		(1,023,613)	-
OTHER		-	(2,699)
		(1,084,607)	(15,939)
NET CASH PROVIDED BY / USED IN INVESTING ACTIVITIES		1,446,357	501,156
CASH FLOWS FROM FINANCING ACTIVITIES			
CASH RECEIVED			
CONTRIBUTED EQUITY		-	-
OTHER		-	-
		-	-
CASH USED			
REPAYMENT OF LOANS TO BRANCHES		-	-
OTHER		-	-
		-	-
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES		-	-
NET INCREASE (DECREASE) IN CASH HELD		2,787,070	1,015,560
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE REPORTING PERIOD		1,202,116	186,556
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	5A	3,989,186	1,202,116

The above statement should be read in conjunction with the notes

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of the financial statements

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

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

1.2 Comparative Amounts

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. Where errors are identified relating to comparative figures the comparative figures are restated and the nature of the error discussed.

1.3 Significant accounting judgements and estimates

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

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

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

- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material

[Application of this standard is discussed further below]

Application of these above amendments are discussed in Appendix C

- AASB 2020-4 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions
- AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework
- AASB 2018-6 Amendments to Australian Accounting Standards - Definition of a Business

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

Impact on adoption of AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material

The amendments provide a new definition of material that states, “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to The Australian Workers’ Union (National Office).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2021

1.4 New Australian Accounting Standards (continued)

Future Australian Accounting Standards

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 reporting unit include:

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

This Standard amends AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as | current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted. Although the Committee of Management anticipate that the adoption of AASB 2020-1 may impact the Union’s financial reports, it is difficult at this stage to determine the impact.

1.5 Current versus non-current classification

The Australian Workers’ Union (National Office) presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The reporting unit classifies all other liabilities as non-current.

1.6 Revenue and Other Income

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

The reporting unit enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of capitation fees, grants, and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2021

1.6 Revenue and Other Income (continued)

Revenue from contracts with customers

Where the reporting unit has a contract with a customer, the reporting unit recognises revenue when or as it transfers control of goods or services to the customer. The reporting unit accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

Donation income is recognised when it is received.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. Allowances are made when the collectability of the debt is no longer probable.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

Dividend revenue is recognised when the right to receive a dividend has been established.

Rental Income relates solely to the property acquired in Western Australia. (Owned by the AWU but used by the WA Branch), on a month to month basis as no fixed term arrangement exists.

Board fees are fees received where union officials are appointed to a board of trustees for superannuation funds as union representatives. These fees are recognised on an accruals basis. The fees are remitted to the Branch net of the PAYE obligation on the receiving officer.

All revenue is stated net of the amount of goods and services tax (GST).

Revenue includes expenses recovered from branches.

Income of the reporting unit as a Not-for-profit Entity

Consideration is received by the AWU (National Office) to enable the entity to further its objectives. The reporting unit recognises each of these amounts of consideration as income when the consideration is received (which is when the reporting unit obtains control of the cash) because, based on the rights and obligations in each arrangement.

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and the reporting unit's recognition of the cash contribution does not give to any related liabilities.

During the year, the reporting unit did receive cash consideration in the form of a grant however the arrangements did not allow consideration to be recognised as income upon receipt due to the requirement to meet specific performance objectives over a set timeframe:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2021

1.6 Revenue and Other Income (continued)

Government grants

Government grants are not recognised until there is reasonable assurance that the AWU (National Office) will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the AWU (National Office) recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the AWU (National Office) should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the AWU (National Office) with no future related costs are recognised in profit or loss in the period in which they become receivable.

1.7 Gains

Sale of Assets

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

1.7 Sustentation fees and levies

Where the AWU (National Office) arrangement with a branch or another reporting unit meets the criteria to be a contract with a customer, the AWU (National Office) recognises the sustentation fees promised under that arrangement when the monthly returns are submitted to it.

In circumstances where the criteria for a contract with a customer are not met, the AWU (National Office) will recognise sustentation fees as income upon receipt.

1.8 Employee Benefits

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

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

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

Provision is made for separation and redundancy benefit payments. The reporting unit recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2021

1.9 Leases

At inception of a contract, the Union assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Union where the Union is a lessee. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease. The National Office has a single lease for photocopying equipment.

Concessionary Leases

For leases that have significantly below-market terms and conditions principally to enable the Union to further its objectives (commonly known as peppercorn/concessionary leases), the Union has adopted the temporary relief under AASB 2018-8 and measures the right of use assets at cost on initial recognition. The AWU National Office occupies premises which are controlled by the AWU NSW Branch. There is no lease agreement in place and no rent is paid to the AWU NSW Branch.

Leases previously accounted for as operating leases

The AWU (National Office) has applied the available exemption for leases of low-value assets, and consequently no lease liabilities or right-of-use assets have been recognised in the statement of financial position.

Reporting unit as a lessor

The AWU (National Office) is not required to make any adjustments on transition to AASB 16 where it is a lessor.

1.10 Borrowing Costs

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

1.11 Cash and Cash Equivalents

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

1.12 Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

AWU classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2021

1.12 Financial instruments - initial recognition and subsequent measurement (continued)

(i) Classification

AWU classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on AWU's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether AWU has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

AWU reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which AWU commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and AWU has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, AWU measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

(iv) Impairment

AWU assesses on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, AWU applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

AWU's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2021

1.12 Financial instruments - initial recognition and subsequent measurement (continued)

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by AWU that are not designated as hedging instruments in hedge relationships as defined by AASB 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied. AWU has not designated any financial liability as at fair value through profit or loss.

Derecognition

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

1.13 Contingent Liabilities and Contingent Assets

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

1.14 Land, Buildings, Plant and Equipment

Asset Recognition Threshold

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

Revaluations—Land and Buildings

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

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

Depreciation

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

The depreciation rates used for each class of asset are:

Building	2.50%
Office Furniture and Equipment	10% - 33%
Website Development Costs	20%
Motor Vehicles	20%

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2021

1.14 Land, Buildings, Plant and Equipment (continued)

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

1.15 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured 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.

1.16 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

1.17 Intangibles

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

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit and loss when the asset is derecognised. The useful life of the Intangible asset is 5 Years

1.18 Impairment of non-financial assets

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2021

1.19 Taxation

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

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

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

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

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

1.20 Fair value measurement

The AWU (National Office) measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 15A.

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 AWU (National Office). 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 AWU (National Office) 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 AWU (National Office) 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2021

1.20 Fair value measurement (continued)

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

1.21 Going concern

The AWU (National Office) is not reliant on any agreed financial support of a Branch of the Union.

The AWU (National Office) has provided financial support to the AWU WA Branch and will continue to do so.

AWU has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

1.22 Changes in accounting policies, disclosures, standard and interpretations

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods that are expected to have a future financial impact on The AWU National Office include:

AASB 2021-1 – Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted.

Although the Committee of Management anticipate that the adoption of AASB 2021-1 may impact the Union's financial reports, it is difficult at this stage to determine the impact.

1.23 Trade Receivables

For trade receivables that do not have a significant financing component, the AWU National Office applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables. Therefore, the AWU National Office does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2021

NOTE 2. EVENTS AFTER THE REPORTING PERIOD

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not had a significant financial impact on The Australian Workers' Union (National Office) up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation continues to be dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

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 Australian Workers' Union (National Office), the results of those operations, or the state of affairs of The Australian Workers' Union (National Office) in future financial years.

The financial statements were signed by the National Executive committee on 29 October 2021

NOTE 3. INCOME

2021	2020
\$	\$

Disaggregation of revenue from contracts with customers

A disaggregation of The Australian Workers' Union (National Office) revenue by type of arrangements is provided on the face of the Statement of comprehensive income and in Note 3. No further disaggregation is considered applicable. AASB 15 paragraph 114 indicates that some entities will meet the objective for disaggregating revenue by using only one type of category to disaggregate revenue. Based on the current presentation and how the revenues are typically analysed it is not considered meaningful for The Australian Workers' Union (National Office) to further disaggregate its revenues.

Note 3A: Subsidy Income from Branches

New South Wales	1,007,191	969,390
Queensland	1,196,259	1,116,150
South Australia	233,695	234,962
Tasmania	160,579	155,318
Victoria	659,762	665,085
Western Australia	433,809	389,346
Total Subsidy Income	<u>3,691,295</u>	<u>3,530,251</u>

Note 3C: Interest

Deposits	12,634	24,959
Total Interest	<u>12,634</u>	<u>24,959</u>

Note 3D: Rental Revenue

Properties	44,800	44,800
Total Rental Revenue	<u>44,800</u>	<u>44,800</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2021

	2021	2020
	\$	\$
NOTE 3. INCOME (cont'd)		
Note 3E: Other Income		
Directors Fees	174,727	151,403
Dividends – Investments	486	430
Sponsorship & Advertising Income	193,963	153,409
Unrealised Gain on Investments	2,123	34,731
Other Income	373,872	120,968
Total Other Income	<u>745,171</u>	<u>460,941</u>
Note 3F: Grants or Donations		
Grants	174,273	75,727
Donations	-	-
Total Grants or donations	<u>174,273</u>	<u>75,727</u>
Note 3G: Net Gains from sales of assets		
Plant and Equipment	756,940	-
Total Net Gains from sales of assets	<u>756,940</u>	<u>-</u>
NOTE 4. EXPENSES		
Note 4A. Salary and Wages		
Holders of Office:		
Wages and salaries	452,956	401,408
Leave and other entitlements	65,563	76,644
Separation and redundancies	-	-
Superannuation	49,690	48,037
Other employee expenses	14,607	9,400
Total Post-employment benefits	<u>582,816</u>	<u>535,489</u>
Employees other than office holders:		
Wages and salaries	1,425,793	1,333,459
Superannuation	148,997	155,637
Leave and other entitlements	46,198	9,156
Separation and redundancies	11,584	-
Other employee expenses	62,773	57,393
Employee expenses employees other than office holders	<u>1,695,345</u>	<u>1,555,645</u>
Total employee expenses	<u>2,278,161</u>	<u>2,091,134</u>
Note 4B: Capitation fees		
Capitation fees	-	-
Total capitation fees	<u>-</u>	<u>-</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2021

	2021	2020
	\$	\$
NOTE 4. EXPENSES (cont'd)		
Note 4C: Affiliation fees		
Australian Council of Trade Unions	444,819	436,227
International Transport Workers Federation	1,776	1,774
International Union of Food & Agriculture	-	6,293
IndustriALL	141,672	132,014
Workers Health Centre	949	399
Total affiliation fees/subscriptions	589,216	576,708
Note 4D: Administration expenses		
Consideration to employers for payroll deductions	-	-
Campaign levies - ACTU - Industrial Relationship Campaign	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	192,390	253,914
Contractors/consultants	2,000	1,000
Property expenses	256,839	226,441
Office expenses	81,691	75,293
Information communications technology	842,610	983,801
Bereavement payments	94,500	94,620
Other	285,218	350,382
Subtotal administration expense	1,755,248	1,985,451
Operating lease rentals:		
Minimum lease payments - low value leases (Photocopiers)	27,816	35,760
Total administration expenses	1,783,064	2,021,211
Note 4E: 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	5,816	1,411
Total paid that exceeded \$1,000	34,316	10,000
Total grants or donations	40,132	11,411
Note 4F: Depreciation or Amortisation		
Depreciation		
Land & buildings	161,200	169,704
Property, plant and equipment	77,447	91,259
Total depreciation	238,647	260,963
Amortisation		
Intangibles	52,673	52,673
Total amortisation	52,673	52,673
Total depreciation and amortisation	291,320	313,636

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2021

	2021	2020
	\$	\$
NOTE 4. EXPENSES (cont'd)		
Note 4G: Finance costs		
Overdrafts/loans	5,742	6,099
Foreign exchange Loss / (Gain)	(6,149)	46
Total finance costs	<u>(407)</u>	<u>6,145</u>
Note 4H: Legal costs		
Litigation	-	-
Other legal matters	158,779	317,343
Total legal costs	<u>158,779</u>	<u>317,343</u>
Note 4I. Auditor's Remuneration		
Remuneration of the auditor of the Union for:		
Financial Statement audit services	31,157	28,000
Other Services	-	-
	<u>31,157</u>	<u>28,000</u>
NOTE 5. CURRENT ASSETS		
Note 5A: Cash and cash equivalents		
Cash at bank	3,952,884	1,166,027
Cash on hand	-	-
Short term deposits	36,302	36,089
Total cash and cash equivalents	<u>3,989,186</u>	<u>1,202,116</u>
Note 5B: Trade and other receivables		
Receivables from other reporting units		
New South Wales	13,587	45,475
Queensland	43,177	74,040
South Australia	78,122	82,132
Tasmania	15,311	18,378
Victoria	3,328	18,789
Western Australia	71,668	715,878
Total receivables from other reporting units	<u>225,193</u>	<u>954,692</u>
Less allowance for expected credit losses		
Allowance for expected credit losses - AWU Branches	(18,000)	-
Total allowance for expected credit losses	<u>(18,000)</u>	<u>-</u>
Receivable from other reporting units (net)	<u>207,193</u>	<u>954,692</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2021

	2021	2020
	\$	\$
NOTE 5. CURRENT ASSETS (cont'd)		
Other receivables:		
Other trade receivables	150,897	147,694
Allowance for expected credit losses - Other Receivables	-	-
Total other receivables	<u>150,897</u>	<u>147,694</u>
Total trade and other receivables (net)	<u><u>358,090</u></u>	<u><u>1,102,387</u></u>
Note 5C: Other current assets		
Accrued interest & other Income	3,595	8,103
Term deposits	1,200,000	1,200,000
Prepayments	183,628	138,187
Total other current assets	<u><u>1,387,223</u></u>	<u><u>1,346,290</u></u>
Note 5D: Assets held for resale		
Building - 18 Belmore Street, Wollongong	-	755,401
The settlement date for the sale of the building was the 30th of November 2020		
NOTE 6. NON CURRENT ASSETS		
Note 6A: Land and buildings		
Land and buildings:		
At cost	8,910,783	8,910,783
Less: accumulated depreciation	(3,075,310)	(2,920,240)
Total land and buildings	<u><u>5,835,473</u></u>	<u><u>5,990,543</u></u>
<u>Reconciliation of the opening and closing balances of land and buildings</u>		
As at 1 July		
Gross book value	8,910,783	9,899,416
Accumulated depreciation and impairment	(2,920,240)	(2,983,768)
Net book value 1 July	<u><u>5,990,543</u></u>	<u><u>6,915,648</u></u>
Additions	-	-
Transfer of property to assets held for resale	-	(755,401)
Write Back	6,130	-
Depreciation expense	(161,200)	(169,704)
Net book value 30 June	<u><u>5,835,473</u></u>	<u><u>5,990,543</u></u>
Net book value as of 30 June represented by:		
Gross book value	8,910,783	8,910,783
Accumulated depreciation and impairment	(3,075,310)	(2,920,240)
Net book value 30 June	<u><u>5,835,473</u></u>	<u><u>5,990,543</u></u>
Note 6B: Plant and equipment		
Plant and equipment:		
At cost	539,838	466,229
Less: accumulated depreciation	(408,498)	(331,051)
Total plant and equipment	<u><u>131,340</u></u>	<u><u>135,178</u></u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2021

	2021	2020
	\$	\$
NOTE 6. NON CURRENT ASSETS (cont'd)		
<i>Reconciliation of the opening and closing balances of plant and equipment</i>		
As at 1 July		
Gross book value	466,229	452,989
Accumulated depreciation and impairment	(331,051)	(239,792)
Net book value 1 July	135,178	213,197
Additions	73,609	13,240
Disposals	-	-
Write back	-	-
Depreciation expense	(77,447)	(91,259)
Other	-	-
Net book value 30 June	131,340	135,178
Net book value as of 30 June represented by:		
Gross book value	539,838	466,229
Accumulated depreciation and impairment	(408,498)	(331,051)
Net book value 30 June	131,340	135,178

Note 6C: Intangible Assets

Website expenses / computer software		
At cost		
	263,367	263,367
Less: accumulated depreciation	(105,347)	(52,673)
Total Intangible Assets	158,020	210,694

Reconciliation of the opening and closing balances of Intangible Assets

As at 1 July		
Gross book value	263,367	537,690
Accumulated depreciation and impairment	(52,673)	(274,323)
Net book value 1 July	210,694	263,367
Additions	-	-
Disposals	-	-
Write back	-	-
Depreciation expense	(52,673)	(52,673)
Other	-	-
Net book value 30 June	158,020	210,694
Net book value as of 30 June represented by:		
Gross book value	263,367	263,367
Accumulated depreciation and impairment	(105,347)	(52,673)
Net book value 30 June	158,020	210,694

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2021

	2021	2020
	\$	\$
NOTE 6. NON CURRENT ASSETS (cont'd)		
Note 6D: Other Investments		
Financial assets at fair value through profit and loss;		
Chifley Financial Services	-	-
Chifley Services Pty Ltd as trustee for the Chifley Trading Trust	165,000	165,000
ACTU Financial Services	13,462	13,462
Newcrest Mining	2,528	3,153
Bluescope Steel	2,196	1,169
Rio Tinto	7,598	5,878
Provisions for diminution	(13,460)	(13,460)
	<u>177,324</u>	<u>175,202</u>
Note 6E: Trade and other receivables		
AWU Western Australia	<u>498,725</u>	<u>236,088</u>
NOTE 7. CURRENT LIABILITIES		
Note 7A: Trade Payables		
Trade Creditors and accruals	198,563	382,708
Trade Creditors	<u>198,563</u>	<u>382,708</u>
Payable to other reporting entities		
New South Wales	-	-
South Australia	-	-
Tasmania	-	-
Victoria	-	-
Total trade payable to Branches	-	-
Total Trade Creditors and accruals	<u>198,563</u>	<u>382,708</u>
Note 7B: Other Payables		
Wages and salaries	-	-
Superannuation	-	-
Consideration to employers for payroll deductions	-	-
Legal costs		
Litigation	-	-
Other legal matters	51,021	12,810
Unearned revenue	6,656	104,665
GST payable / receivable - net	28,227	76,903
PAYG payable	77,727	68,286
Other	109,940	68,532
Total Other Payables	<u>273,571</u>	<u>331,196</u>
Note 7C: Provisions		
Elected Representatives (Holders of Office)		
Annual leave	67,309	40,540
Long service leave	449,600	408,694
Separation and redundancies	-	-
Other	-	-
	<u>516,909</u>	<u>449,234</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2021

	2021	2020
	\$	\$
NOTE 7. CURRENT LIABILITIES (cont'd)		
Employees (Other than Holders of Office)		
Annual leave	164,617	155,203
Long service leave	253,201	218,529
Separation and redundancies	-	-
Other	-	-
	<u>417,818</u>	<u>373,732</u>
Total Provisions	<u><u>934,727</u></u>	<u><u>822,966</u></u>
CURRENT - Provision for employee benefits		
Elected representatives	516,909	449,234
Employees	254,407	251,663
	<u>771,316</u>	<u>700,897</u>
NON-CURRENT - Provision for employee benefits		
Elected representatives	-	-
Employees	163,411	122,069
	<u>163,411</u>	<u>122,069</u>
Total Provision for employee benefits	<u><u>934,727</u></u>	<u><u>822,966</u></u>
NOTE 8. LOANS FROM BRANCHES - CURRENT BORROWINGS		
AWU New South Wales State Union	1,905,669	1,905,669
AWU Victorian Branch	1,231,180	1,231,180
	<u>3,136,849</u>	<u>3,136,849</u>
The loans are free of interest, with no fixed repayments terms, and are unsecured.		
AWU Tasmania Branch	149,250	149,250
- has no fixed repayments terms, is unsecured and interest is payable at 3.25% on the first \$3,000 and 6.25% on the balance		
	<u>149,250</u>	<u>149,250</u>
	<u><u>3,286,099</u></u>	<u><u>3,286,099</u></u>

Borrowings from Branches are classified as current liabilities as the National Office does not have an unconditional right to defer the repayment of these amounts, should a call for this be made by a branch.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2021

2021
\$

2020
\$

NOTE 9. CASH FLOW INFORMATION

Reconciliation of cash flow from operations with total comprehensive income for the year

Total Comprehensive Income / (Loss) for the year	1,511,493	264,957
Non-cash flow items in operating surplus		
Depreciation	291,320	313,636
Net loss / (gain) on disposal of property, plant and equipment	(756,940)	-
Net (gain) / loss on disposal of Investments	-	(139,396)
Unrealised (loss) gain on Investments	2,123	424
Changes in assets and liabilities		
Decrease / (Increase) in Subsidies Receivable	466,863	41,588
(Increase) / Decrease in Other assets	(44,136)	(37,610)
(Decrease) / Increase in Payables	(241,770)	(11,134)
Increase / (Decrease) in Provisions	111,761	81,938
Cash from operations	<u>1,340,714</u>	<u>514,403</u>

Receipts from Branches

New South Wales	1,760,356	1,813,904
Queensland	1,571,953	1,728,957
South Australia	286,063	277,723
Tasmania	222,692	228,933
Victoria	916,852	999,626
Western Australia	1,120,163	467,459
	<u>5,878,081</u>	<u>5,516,601</u>

Receipts from external parties

Directors Fees	174,727	160,145
Sponsorship	235,900	231,809
Grants	134,168	151,455
Property Settlement	2,460,516	-
Insurance Recovery	2,155,838	-
Other	192,920	172,383
Total	<u>5,354,070</u>	<u>715,792</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2021

NOTE 9. CASH FLOW INFORMATION (cont'd)

	2021	2020
	\$	\$
Payments to Branches		
New South Wales	188,702	55,175
Queensland	70,290	21,871
South Australia	16,106	7,476
Tasmania	12,155	5,749
Victoria	1,628,725	71,885
Western Australia	20,267	4,620
	<u>1,936,245</u>	<u>166,776</u>

NOTE 10. CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

Note 10A: Capital and Leasing commitments

Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

Payable — minimum lease payments

not later than 12 months	34,140	34,140
between 12 months and 5 years	68,280	102,420
	<u>102,420</u>	<u>136,560</u>

All operating lease obligations are in relation to equipment. The equipment lease is a non-cancellable lease with rent payable monthly in advance. The lease expires in May 2024

Note 10B: Contingent Liabilities

Bereavement payments during the financial year totalled	<u>94,500</u>	<u>94,620</u>
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The Union has not made an estimate or set a provision aside for future bereavement payments as it cannot reliably or practically estimate the amount of the future financial commitment of this to the union.

The National Office being part of the Federated Australian Workers Union has a general commitment to provide financial support to other AWU Branches.

Note 10C: Contingent Assets

The AWU National Office has no Contingent Assets.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2021

NOTE 11. RELATED PARTY TRANSACTIONS**Note 11A. Related Party Transactions for the Reporting Period***Transactions between related parties are as follows:-*

	NOTES	2021	2020
Revenue		\$	\$
Subsidy income from branches	3A	3,691,295	3,530,251
Rental income from Western Australia Branch		44,800	44,800
Training income from New South Wales Branch		-	13,200
Income received from Chifley Financial Services		35,992	57,501
Legal expenses - shared with Branches			
New South Wales		10,791	19,936
Queensland		9,984	24,146
South Australia		2,150	5,266
Tasmania		1,302	3,027
Victoria		25,002	59,702
Western Australia		4,426	17,784
Expenses - shared with Branches			
New South Wales		591,020	612,593
Queensland		205,887	292,650
South Australia		22,408	25,372
Tasmania		40,057	55,999
Victoria		142,106	162,775
Western Australia		202,668	214,617
Expenses			
Interest on loan			
Tasmania		(5,742)	(5,749)
Contribution to long service leave			
New South Wales		-	-
Donations			
New South Wales		-	-
Queensland		-	-
South Australia		-	-
Tasmania		-	-
Victoria		-	-
Western Australia		-	-
		<u>5,024,147</u>	<u>5,133,870</u>

We received \$Nil (2020: \$14,414) in Directors Fees from Chifley Financial Services.

In the year we also received commission fees of \$35,992 (2020: \$43,087) from Chifley Services Pty Ltd at Chifley Trading Trust.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2021

		2021		2020
		\$		\$
NOTE 11. RELATED PARTY TRANSACTIONS (cont'd)				
<i>Receivables and payables:-</i>				
Receivables from Branches	5B	225,193		954,692
Sundry receivables from Branches		-		-
		<u>225,193</u>		<u>954,692</u>
Loans payable to Branches	8	(3,286,099)		(3,286,099)
Liability for long service leave of Branches staff				
New South Wales		-		-
Queensland		(158,973)		(158,973)
		<u>(3,445,072)</u>		<u>(3,445,072)</u>

(i) There have been no other transactions between the office holders and the union other than those relating to their membership of the union and reimbursement by the union in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2021, the Union has recorded an impairment of receivables relating to amounts owed by related parties and declared person or body for \$18,000 (2020: \$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.

NOTE 11B. Key Management Personnel Remuneration for the Reporting Period

Key Management of the National Office are the Holders of Office. Key Management Personnel remuneration includes the following expenses

		2021		2020
		\$		\$
Transaction with Key Management Personnel				
Short Term Employee Benefits				
Wages and salaries		452,956		401,408
Annual leave accrued		35,426		46,537
Separation and redundancies		-		-
Other employee expenses		14,607		9,400
Total short term employee benefits		<u>502,989</u>		<u>457,345</u>
Post-employment benefits				
Superannuation		49,690		48,037
Total post-employment benefits		<u>49,690</u>		<u>48,037</u>
Other long term benefits				
Long service leave		30,137		30,107
Total other long-term benefits		<u>30,137</u>		<u>30,107</u>
Total		<u>582,816</u>		<u>535,489</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2021

NOTE 12. FINANCIAL RISK MANAGEMENT

a. General objectives, policies and processes

The union is exposed to risks that arise from its use of financial instruments. This note describes the union's objectives, policies and processes for managing those risks and the methods used to measure them.

There have been no substantive changes in the union's exposure to financial instrument risk, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The union's financial instruments consist mainly of deposits with banks, borrowings, investments and payables. The main risks the union is exposed to through its financial instruments are interest rate risk (see section (e) below), liquidity risk and credit risk.

The National Executive has overall responsibility for the determination of the union's risk management objectives and policies and whilst retaining ultimate responsibility for them, the National Executive makes investment decisions after considering appropriate advice.

b. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Union.

The Union has no significant concentration of credit risk with any single counterparty or group of counterparties. Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 5B.

c. Liquidity risk

Liquidity risk arises from the possibility that the Union might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Union manages this risk through the following mechanisms:-

- preparing forward looking cash flow, budget analysis in relation to its operational, investing and financing activities
- maintaining a reputable credit profile
- managing credit risk related to financial assets
- investing only in surplus cash with major financial institutions
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets

	2021	2020
	\$	\$
The union is not significantly exposed to this risk, as at 30 June 2021 it had;		
Cash and Term deposits < 3 months to meet these obligations as they fall due.	3,989,186	1,202,116
Total Current Liabilities < 12 Months	4,529,548	4,700,900

d. Market Risk

Market risk arises from the use of interest bearing, tradable financial instruments. It is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or other market factors (other price risk).

e. Interest rate risk

The Union's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and liabilities are summarised below:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2021

NOTE 12. FINANCIAL RISK MANAGEMENT (cont'd)

e. Interest rate risk (continued)

	Floating Interest Rate	Non interest Bearing	Total
	\$	\$	\$
30-June-2021			
Financial Assets			
Cash	3,989,186	-	3,989,186
Investments	-	177,324	177,324
Trade and other receivables	1,200,000	545,313	1,745,313
	<u>5,189,186</u>	<u>722,637</u>	<u>5,911,823</u>
Weighted average interest rate	0.92%		
Financial Liabilities			
Payables	-	3,758,232	3,758,232
	<u>-</u>	<u>3,758,232</u>	<u>3,758,232</u>
Net Financial Assets/(Liabilities)	<u>5,189,186</u>	<u>(3,035,595)</u>	<u>2,153,591</u>
30-June-2020			
Financial Assets			
Cash	1,202,116	-	1,202,116
Investments	-	175,202	175,202
Trade and other receivables	1,200,000	1,248,677	2,448,677
	<u>2,402,116</u>	<u>1,423,878</u>	<u>3,825,994</u>
Weighted average interest rate	2.05%		
Financial Liabilities			
Payables	-	4,000,003	4,000,003
	<u>-</u>	<u>4,000,003</u>	<u>4,000,003</u>
Net Financial Assets/(Liabilities)	<u>2,402,116</u>	<u>(2,576,126)</u>	<u>(174,009)</u>
Sensitivity Analysis			
	Carrying Amount	+1% (100 Basis Points) Profit	-1% (100 Basis Points) Loss
	\$	\$	\$
2021			
Cash and cash equivalents	<u>5,189,186</u>	<u>51,892</u>	<u>(51,892)</u>
2020			
Cash and cash equivalents	<u>2,402,116</u>	<u>24,021</u>	<u>(24,021)</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2021

NOTE 12. FINANCIAL RISK MANAGEMENT (cont'd)

f. Other Price Risks

The Union has minor investments in Rio Tinto Newcrest Mining and Blue Scope Steel where the net carrying value is \$12,332 (2020: \$10,200) and therefore has limited exposure to the fluctuations in price that are inherent in such a market. These investments are primarily held to keep track of these companies in the interest of the members and not for profit making purposes.

The Union has investments in unlisted entities; Chifley Financial Services , Chifley Services Pty Ltd as trustee for the Chifley Trading Trust and ACTU Financial Services where the net carrying value is \$165,000 (2020: \$165,000) and has limited exposure to the fluctuations in price that are inherent in such a market. These investments are primarily held in the interest of the members.

g. Foreign Exchange Risk

The union is not directly exposed to foreign exchange rate risk.

NOTE 13. UNION INFORMATION

The Australian Workers' Union – National Office

Level 1, 16 Good Street

GRANVILLE, NSW, 2142

NOTE 14. 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).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2021

NOTE 15. FAIR VALUE MEASUREMENT

Note 15A Financial assets and liabilities

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

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 30 June 2021 was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the AWU National Office based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30 June 2021 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

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

	Carrying amount 2021 \$	Fair value 2021 \$	Carrying amount 2020 \$	Fair value 2020 \$
Financial assets				
Trade receivables	874,815	874,815	1,338,475	1,338,475
Cash and cash equivalents	3,989,186	3,989,186	1,202,116	1,202,116
Term deposits	1,200,000	1,200,000	1,200,000	1,200,000
Total	6,064,001	6,064,001	3,740,591	3,740,591
Financial liabilities				
AWU Victoria Branch Loan	1,231,180	1,231,180	1,231,180	1,231,180
AWU NSW Branch Loan	1,905,669	1,905,669	1,905,669	1,905,669
AWU Tasmania Branch Loan	149,250	149,250	149,250	149,250
Trade payables	181,805	181,805	215,648	215,648
Total	3,467,904	3,467,904	3,501,747	3,501,747

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2021

Note 15B: Financial and non-financial assets and liabilities fair value hierarchy

The following tables provide 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 2021

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		\$	\$	\$
Shares in listed companies	30/06/2021	12,322	-	-
Shares in private companies	30/06/2021	-	165,000	-
Total		12,322	165,000	-

There were no transfers between classes during the year ended 30 June 2021

Fair value hierarchy – 30 June 2020

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		\$	\$	\$
Shares in listed companies	30/06/2020	10,200	-	-
Shares in private companies	30/06/2020	-	165,000	-
Total		10,200	165,000	-

There were no transfers between classes during the year ended 30 June 2020

**THE AUSTRALIAN WORKERS' UNION
OFFICER DECLARATION STATEMENT
FOR THE YEAR ENDED 30 JUNE, 2021**

I, Daniel Walton, being the National Secretary of the Australian Workers' Union (National Office), declare that the following activities did not occur during the reporting period ending 30 June 2021.

The reporting unit did not:

- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- make a payment to a former related party of the reporting unit
- have another entity administer the financial affairs of the reporting unit
- have revenue from recovery of wages activity
- pay a penalty imposed under the RO Act or the Fair Work Act 2009 (RG 14(k))



DANIEL WALTON

NATIONAL SECRETARY - THE AUSTRALIAN WORKERS' UNION

DATED: 29 October 2021