



Australian Government

Australian Industrial Registry

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Ms Sally McManus
Branch Secretary
Australian Municipal, Administrative, Clerical and Services Union
New South Wales & ACT (Services) Branch
PO Box 1865
STRAWBERRY HILLS NSW 2012

Dear Ms McManus

Re: Financial Reports for the year ended 30 June 2006 – Australian Municipal, Administrative, Clerical and Services Union – New South Wales & ACT (Services) Branch – FR2006/232

I have received the financial reports of the Australian Municipal, Administrative, Clerical and Services Union – New South Wales & ACT (Services) Branch for the year ended 30 June 2006. The documents were lodged in the Industrial Registry on 19 December 2006.

The documents have been filed.

No further action is required in respect of the financial reports for the year ended 30 June 2006. However, there are some comments I would like to make to assist you in the preparation of future financial reports.

1. Auditor's Report

It is not clear whether the signatory auditor, D S McLean, is an approved auditor.

Regulation 4 of the *Workplace Relations (Registration and Accountability of Organisations) Regulations 2003* (RAO Regulations) defines an approved auditor as a person who is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the National Institute of Accountants **and** holds a current Public Practice Certificate. In all likelihood a Registered Company Auditor would fall under the category of an approved auditor, but the preferred practise is that this is made explicit in the Auditor's Report.

Please draw this to the attention of your auditor for future reports.

2. Recovery of Wages Activity

I note that the accounts do not provide any information in relation to any recovery of wages activity.

Items 16 – 23, 25(f) and 27(b) of the Industrial Registrar's Reporting Guidelines govern the financial reporting of recovery of wages activity. A copy of the Reporting Guidelines is enclosed for your future reference. You may also access the Reporting Guidelines through the AIRC website at www.airc.gov.au under the subheadings organisations/ registration and accountability/ reporting guidelines (situated on the top right hand corner).

In circumstances where the reporting unit has not undertaken any recovery of wages activity for the financial year a statement by the auditor *or* a declaration in the committee of management statement to the effect that there was no recovery of wages activity for the financial year would be sufficient.

Electronic Lodgement

I thank you for using the electronic lodgement service provided by the Registry. I would encourage you to continue to use the service for future lodgements. As a registered user you may lodge your documents via the Electronic Lodgement page of the AIRC website at www.air.gov.au. Alternatively, you may send an email with the documents attached to riateam3@air.gov.au

Should you wish to discuss the matters raised in this letter I may be contacted on (03) 8661 7989 (Thursday or Friday) or by email on cynthia.lobooth@air.gov.au .

Yours sincerely,

Cynthia Lo-Booth
Statutory Services Branch

2 February 2006

Encl.

FE 2006/232

**AUSTRALIAN SERVICES UNION NSW
AND ACT (SERVICES) BRANCH**

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2006

In accordance with s.254 of the Workplace Relations Act 1996 ("the Act), your Branch Executive presents the following report.

Principal Activities

The principal activity of the Branch during the year was that of a registered trade union. Those activities included but were not limited to representing members in the Industrial Commission, providing legal advice relating to Workers Compensation, representing members with individual grievances, provision of industrial advice, providing training, promoting the interests of the members, improvement of living standards and quality of life for members.

Other activities include:

1. Administration of the Branch in accordance with the national rules of the Union, including meeting reporting requirements imposed by the Workplace Relations Act with respect to registered organisations, convening of meetings of the Executive of the NSW and ACT Services Branch in accordance with its Rules and implementing decisions made by the Branch Executive.
2. In accordance with decisions of the Branch Executive, developing and implementing industry work plans to give effect to activities considered by the Branch and its members to be important in protecting and advancing the interests of members employed in the Branch's industry sectors.
3. Maintaining the finances and assets of the Branch in accordance with the Union's Rules.
4. Co-ordinating membership organising and recruitment campaigns.
5. Working with the National Office to maintain Federal Awards and national agreements affecting members in the Services Branch and maintaining the safety net of award wages and conditions in Federal Awards as allowed under the Workplace Relations Act as amended from time to time.
6. Negotiating Enterprise Agreements.
7. Providing an industrial advocacy and representation with regard to industrial matters.
8. Managing campaigns on behalf of members on particular issues and in particular industry sectors.
9. Developing and delivering training for Delegates and Branch officials.
10. Maintaining the Branch's affiliations and attendance at meetings convened by organisations to which the Branch affiliated.

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2006 (Cont'd)

11. Maintaining the Branch's relationships with Government, political parties and other relevant industry and interest groups in accordance with the aims and objectives of the Union.
12. Maintaining communications strategy including collection and dissemination of information relevant to particular industries through the maintenance of the Branch's website, production of industry newsletters, production of branch journals and by other means.
13. Providing research and information services in accordance with industry work plans.
14. Operating special industry forums and convening meetings of Industry Division Committees of Management.
15. Maintaining and amending Branch rules as required.

Operating Result

Results of the Branch's principal activities were to improve the wages and conditions of employment of the Branch membership.

Another significant result has been the education of members regarding their rights under laws affecting them at work.

Significant changes in the Nature of the Principal Activities

There were no significant changes in the nature of the branch's principal activities during the reporting year, other than those imposed by the terms of the new Workplace Relations Act.

The Union continues to seek to promote and advance the interests of members in the face of hostile legislation designed to reduce wages and working conditions of its members and to hamper the ability of employee organisations to set and maintain decent wages and working conditions.

Significant changes in the Branch's Financial Affairs

There was no significant change in the financial affairs of the Branch.

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2006 (Cont'd)

Rights of Members – Manner of Resignation

Subject to the rules of the organisation (Clause 22) and s.174 of the Act, members have the right to resign from membership of the Branch by written notice addressed to and delivered to the Secretary of the Branch.

Rule 32, "Resignations" reads as follows:

- a. A member may resign membership of the Union by written notice addressed and delivered to the Branch Secretary.
- b. A notice of resignation takes effect
 - i. where the member ceases to be eligible for membership of the Union:
 1. on the day on which the notice is received; or
 2. the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;whichever is the later; or
 - ii. in any other case:
 1. at the end of 2 weeks after the notice is received; or
 2. on the day specified in the notice,whichever is the later.
- c. Notice of resignation shall be addressed to the Branch Secretary and delivered to that officer.
- d. Any member resigning shall be liable for the payment of all subscriptions, fines and levies owing to the Union under these Rules at the date of leaving, and such monies may be sued for and recovered in the name of the Union.
- e. Any subscription paid by a member in respect of a period beyond the end of the quarter in which the member's notice of resignation expires shall be remitted to the member if so requested and a member who pays annual subscription by instalments shall not be liable to pay any instalment for any period after the end of the quarter in which the member's notice of resignation expires and a member who resigns where the member ceased to be eligible to become a member of the Union as hereinbefore mentioned shall be entitled to the same remission.
- f. A notice delivered to the Branch Secretary shall be taken to have been received by the Union when it was delivered.
- g. A notice of resignation that has been received by the Union is not invalid because it was not addressed and delivered to the Branch Secretary.
- h. A resignation from membership of the Union is valid, even if not affected in accordance with sub-clauses a. to g. of this Rule, if the member is informed in writing by or on behalf of the Union, that the resignation has been accepted.

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2006 (Cont'd)

- i. A member on leaving the Union after compliance with this Rule shall be entitled, on written application to the Secretary of the member's Branch, to a clearance certificate in the prescribed form."

Superannuation Office Holders

No officers and/or members of the Branch are directors of companies that are trustees of superannuation funds which require one or more of their directors to be a member of a registered organisation.

Other Prescribed Information

In accordance with Regulation 159 of the Workplace Relations (Registration and Accountability of organisations) Regulations –

- (a) the number of persons who, at the end of the financial year, were recorded in the register of members for s.230 of the RAQ Schedule and who are taken to be members of the Branch under s244 of the RAQ Schedule was 13,165.
- (b) the number of persons who were, at the end of the financial year, employees of the Branch (including both full-time and part-time employees measured on a full-time equivalent basis) was 34.
- (c) the names of those who have been members of the Branch Executive at any time during the financial year and the periods for which he or she held office were:

<u>Name</u>	<u>Position</u>	<u>Period</u>
Barry Rule	Branch President	1 July 2005 – 30 June 2006
Frances Teirney	Deputy Branch President (1)	1 July 2005 – 30 June 2006
Robert McLean	Deputy Branch President (2)	1 July 2005 – 30 June 2006
Narelle Clay	Vice President (SACS)	1 July 2005 – 30 June 2006
Geoffrey Fuller	Vice President (Water)	1 July 2005 – 30 June 2006
John Maher	Vice President (Transport)	1 July 2005 – 30 June 2006
Paul Rowe	Vice President (Airlines)	1 July 2005 – 30 June 2006
Joe von Bornemann	Vice President (Info Tech)	1 July 2005 – 30 June 2006
Stephen Brodie	Vice President (Shipping & Travel)	1 July 2005 – 17 March 2006
Vacant	Vice President (Ports)	1 July 2005 – 30 June 2006
Kim Sattler	Vice President (Women) (1)	1 July 2005 – 30 June 2006
Robyn Merrill	Vice President (Women) (2)	1 July 2005 – 30 June 2006
Kristyn Thompson	Branch Secretary	1 July 2005 - 10 August 2005
Sally McManus	Executive President	1 July 2005 – 10 August 2005
Sally McManus	Branch Secretary	10 August 2005 – 30 June 2006
Naomi Arrowsmith	Assistant Secretary	7 November 2005 – 13 April 2006
Naomi Arrowsmith	Deputy Secretary	13 April 2006 – 30 June 2006
Rod Masters	Treasurer	1 July 2005 – 30 June 2006
Maree McDermott	Executive Councillor (SACS)	1 July 2005 – 30 June 2006
Les Dallis	Executive Councillor (Water) (1)	1 July 2005 – 30 June 2006
William Wotton	Executive Councillor (Water) (2)	30 June 2005 – 1 July 2006
Jane Walker	Executive Councillor (Transport) (1)	20 June 2005 - 22 Sept 2005

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

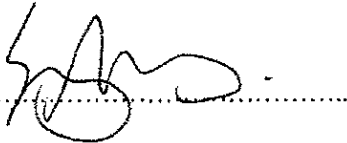
**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2006 (Cont'd)**

<u>Name</u>	<u>Position</u>	<u>Period</u>
Dragan Bircevic	Executive Councillor (Transport) (1)	22 Sept 2005 – 30 June 2006
Bill Hosking	Executive Councillor (Transport) (2)	30 June 2005 – 22 Sept 2005
Robert Hucker	Executive Councillor (Transport) (2)	22 Sept 2005 – 30 June 2006
Marie O'Hare	Executive Councillor (Airlines)	1 July 2005 – 30 June 2006
Max Johns	Executive Councillor (Hunter Water)	1 July 2005 – 30 June 2006
Owen Caughley	Executive Councillor (Info Tech)	1 July 2005 – 30 June 2006
Vacant	Executive Councillor (Shipping and Travel)	1 July 2005 – 30 June 2006
Vacant	Executive Councillor (Ports)	1 July 2005 – 30 June 2006

Other Relevant Information

Nil

Signed for and on behalf of the Committee of Management.



Sally McManus
Branch Secretary

29 November 2006.

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

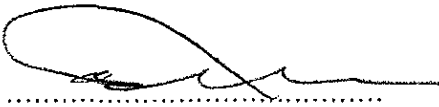
BRANCH COMMITTEE OF MANAGEMENT'S STATEMENT

On 29 November 2006, the Branch Committee of management of the Australian Services Union NSW and ACT (Services) Branch (the reporting unit) passed the following resolution in relation to the General Purpose Financial Report (GPFR) of the reporting unit for the year ended 30 June 2006.

The Branch Committee of Management declares that in relation to the GPFR of the reporting unit for the year ended 30 June 2006.

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cashflows of the branch for the financial year ended 30 June 2006;
- (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 ended 30 June 2006 and since the end of the financial year:
 - (i) meetings of the Branch Committee of Management were held in accordance with the rules of the organisation and the rules of the branch; and
 - (ii) the financial affairs of the branch have been managed in accordance with the rules of the organisation and the rules of the branch; and
 - (iii) the financial records of the branch have been kept and maintained in accordance with Schedule 1B to the Workplace Relations Act 1996 and the Workplace Relations (Registration and Accountability of Organisations) Regulation 2003; and
 - (iv) the financial records of the branch have been kept, as far as practicable, in a consistent manner to each of the other branches and national office of the organisation; and
 - (v) no information has been sought in any request of a member of the branch or a Registrar under section 272 of Schedule 1B to the Workplace Relations Act 1996; and
 - (vi) no order for inspection of the financial records has been made by the Commission under section 273 of Schedule 1B to the Workplace Relations Act 1996

For the Branch Committee of Management



Barry Rule
President

29 November 2006

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2006 \$	2005 \$
INCOME			
Membership Fees		4,224,369	3,971,201
Administration Fee – Australian Services Union of NSW		20,000	30,000
Interest Income		3,402	30,909
Other Income		77,829	22,137
Work Cover Assist		36,332	74,843
Distributions from Available-for-Sale Financial Assets		25,825	33,479
		<u>4,387,757</u>	<u>4,162,569</u>
EXPENDITURE			
Depreciation			
Furniture and Fittings		17,500	18,819
Computer Equipment		43,522	28,286
Motor Vehicles		33,027	11,594
		<u>94,049</u>	<u>58,699</u>
Employee Benefits Expense			
Salaries and Allowances			
- Officials		157,386	145,743
- Employees		1,729,678	1,630,569
Accrued Annual Leave		221,374	176,152
Long Service Leave		102,733	48,864
Fringe Benefits Tax		13,603	25,006
Payroll Tax		126,153	106,533
Superannuation		227,879	248,279
Other		44,471	55,917
		<u>2,623,277</u>	<u>2,437,063</u>
Other Expenses			
Accounting		33,029	22,100
Affiliation fees		69,923	68,215
ASU National Office Capitation Fees		319,738	303,557
Campaigns		242,909	137,495
Contributions to Welfare and Emergency Fund		20,800	20,800
Delegates		12,322	16,597
Donations		7,020	606
Equipment expense		94,472	144,455
Loss of disposal of Non-Current Assets		25,182	-
Meetings		14,909	15,439
Motor vehicle expense		112,510	100,210
Office supplies		20,479	14,299
Postage		27,450	26,234
Printing		68,133	107,998
Professional fees	11	200,885	48,599
Property expenses		86,745	149,294
Stationery		23,297	22,078
Telephone		159,234	133,129
Balance brought forward		<u>1,539,037</u>	<u>1,331,105</u>

(The accompanying notes form part of these financial statements.)

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006 (cont'd)**

	Note	2006	2005
		\$	\$
Balance Carried forward		1,539,037	1,331,105
Travel expense		69,514	38,049
Workcover assist project		<u>22,768</u>	<u>46,533</u>
		<u>1,631,319</u>	<u>1,415,687</u>
TOTAL EXPENDITURE		<u>4,348,645</u>	<u>3,911,449</u>
NET SURPLUS FOR THE YEAR		<u>39,112</u>	<u>251,120</u>

(The accompanying notes form part of these financial statements.)

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

**BALANCE SHEET
AS AT 30 JUNE 2006**

	Note	2006 \$	2005 \$
ACCUMULATED (DEFICIT) AND RESERVES			
Available for sale Investment reserve	18	(4,624)	-
Accumulated (Deficit)		<u>(121,619)</u>	<u>(162,300)</u>
		<u>(126,243)</u>	<u>(162,300)</u>
Represented by Net Liabilities below:			
ASSETS			
Current Assets			
Cash and cash equivalents	5	147,225	310,978
Receivables	6	239,355	151,839
Investments	7	<u>189,538</u>	<u>452,924</u>
Total Current Assets		<u>576,118</u>	<u>915,741</u>
Non-Current Assets			
Property, plant and equipment	8	<u>188,742</u>	<u>187,106</u>
Total Non-Current Assets		<u>188,742</u>	<u>187,106</u>
TOTAL ASSETS		<u>764,860</u>	<u>1,102,847</u>
LIABILITIES			
Current Liabilities			
Payables	9	314,932	268,424
Provisions	10	<u>419,523</u>	<u>321,178</u>
Total Current Liabilities		<u>734,455</u>	<u>589,602</u>
Non-Current Liabilities			
Payables	9	29,647	399,189
Employee Entitlements	10	<u>127,001</u>	<u>276,356</u>
Total Non-Current Liabilities		<u>156,648</u>	<u>675,545</u>
TOTAL LIABILITIES		<u>891,103</u>	<u>1,265,147</u>
NET LIABILITIES		<u>(126,243)</u>	<u>(162,300)</u>

(The accompanying notes form part of these financial statements.)

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

**STATEMENT OF CHANGES IN ACCUMULATED (DEFICIT) AND RESERVES
FOR THE YEAR ENDED 30 JUNE 2006**

	Accumulated (Deficit)	Available- for-Sale Investment Reserve	Total
	\$	\$	\$
Balance at 1 July 2004	(413,420)	-	(413,420)
Net Surplus for the Year	<u>251,120</u>	<u>-</u>	<u>251,120</u>
Balance at 30 June 2005	(162,300)	-	(162,300)
Adjustment on adoption of AASB 132 and AASB 139	1,569	(1,569)	-
Net decrease in value of Available-for sale financial assets	-	(3,055)	(3,055)
Net Surplus for the Year	<u>39,112</u>	<u>-</u>	<u>39,112</u>
Balance at 30 June 2006	<u>(121,619)</u>	<u>(4,624)</u>	<u>(126,243)</u>

(The accompanying notes form part of these financial statements.)

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2006 \$	2005 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Members		4,218,471	4,008,638
Payments to Suppliers and Employees		(4,222,925)	(4,393,222)
Interest Received		3,402	30,909
Other Receipts		<u>124,332</u>	<u>664,392</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	15(b)	<u>123,280</u>	<u>310,717</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Property, Plant & Equipment		(138,810)	(98,248)
Proceeds from Property, Plant & Equipment		52,303	-
Payments for Purchase of Investments		(176,362)	50,178
Proceeds from Sale of Investments		<u>462,518</u>	<u>-</u>
NET CASH PROVIDED BY/ (USED IN) INVESTING ACTIVITIES		<u>199,649</u>	<u>(48,070)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments to Australian Services Union of NSW		<u>(486,682)</u>	<u>(123,815)</u>
NET CASH (USED IN) FINANCING ACTIVITIES		<u>(486,682)</u>	<u>(123,815)</u>
NET (DECREASE) INCREASE IN CASH HELD		(163,753)	172,311
CASH AT BEGINNING OF FINANCIAL YEAR		<u>310,978</u>	<u>138,667</u>
CASH AT END OF FINANCIAL YEAR	15(a)	<u>147,225</u>	<u>310,978</u>

(The accompanying notes form part of these financial statements.)

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

I. SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Workplace Relations Act 1996.

Compliance with Australian equivalents to International Financial Reporting Standards ensures that the financial report comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS) except for:

- Segment reporting because AASB 114 "Segment Reporting" does not apply to not-for-profit organisations.
- Impairment of assets under AASB 136 "Impairment of assets"

Basis of Preparation

The financial report is for the Australian Services Union NSW and ACT (Services) Branch, and in accordance with the Workplace Relations Act, 1996 the Branch is a reporting unit. The Australian Services Union is an organisation registered under the Workplace Relations Act. In accordance with the Act the Union is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Union and the branch are not subject to the Corporations Act 2001.

The financial report has been prepared on the basis of historical costs modified by the revaluation of selected financial assets and liabilities for which the fair value basis of accounting has been applied. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

This is the first financial report prepared under AIFRS and AASB I First-Time Adoption of Australian Equivalents to International Financial Reporting Standards has been applied in preparing these statements. Comparatives for the year ended 30 June 2005, with the exception of financial instruments, have been restated accordingly. The Union has taken the exemption available under AASB I to apply AASB 132 and AASB 139 from 1 July 2005.

Reconciliations of the impact of the adoption of AIFRS on the Union's Accumulated Deficits and Reserves and Net Deficit are detailed in Note 4.

The following is a summary of the significant accounting policies adopted by the Branch in the preparation of the financial report.

(a) Revenue

Revenue from membership fees are recognised upon receipt of monies from members.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from grant income is recognised upon receipt of monies.

All revenue is stated net of the amount of Goods and Services Tax (GST).

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006 (Cont'd)

I. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Income Tax

No provision for Income Tax is necessary as Industrial Trade Unions are exempt from Income Tax under Section 50-15 of the Income Tax Assessment Act 1997.

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and any impairment in value.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the Branch commencing from the time the asset is ready for use. The depreciation rates used for each class of asset are:

Furniture & Fixtures	10%
Computer Equipment	33.3%
Motor Vehicles	20%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date.

Gains and losses on disposals are calculated as the difference between the net disposal proceeds and the asset's carrying amount and are included in the income statement in the year that the item is derecognised.

Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership are transferred to the branch are classified as finance leases.

Finance Leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006 (Cont'd)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(d) Impairment

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and value in use. For the purpose of assessing value in use of assets not held primarily to generate cash, this represents depreciated current replacement cost, as the Branch is a not-for profit organisation.

(e) Employee Entitlements

Provision is made for the Branch's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled plus related on costs.

Other employee benefits payable later than one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. In the case of Long Service Leave this results in an amount not materially different to that achieved by discounting future cash flows.

Contributions are made by the Branch to employee superannuation funds and are charged as expenses when incurred.

(f) Investments

All investments and other financial assets are initially stated at cost, being the fair value of consideration given plus acquisition costs. Purchases and sales of investments are recognised on trade date, which is the date on which the entity commits to purchase, or sell the asset. Accounting policies for each category of investments and other financial assets subsequent to initial recognition are set out below.

Available-for-sale financial assets

Investments, which are classified as available for sale, are measured at fair value. Unrealised gains or losses on these investments are recognised directly to equity in the Available-for-Sale Investment Reserve until the investment is sold or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported for that asset is included in the income statement.

(g) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables on the balance sheet are shown inclusive of GST.

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006 (Cont'd)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(h) Accounting Standards Issued But Not Yet Effective

There have been no accounting standards issued which will impact the financial report in future periods and which are not yet effective.

2. ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Branch makes estimates and assumptions concerning the future. The resulting accounting estimates by definition seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of asset and liabilities.

(b) Critical judgments in applying the Branch's accounting principles

There are no critical judgements that have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities.

3. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act, 1996, the attention of members is drawn to the provisions of Sub-Sections [1], [2] and [3] of Section 272 of Schedule 1B which read as follows:-

- [1] A member of a reporting unit, or a Registrar, 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).

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006 (Cont'd)

4. IMPACT OF ADOPTION OF AIFRS

The impact of adopting AIFRS on the accumulated deficits and surplus reported under previous Australian Generally Accepted Accounting Principles ("AGAAP") is set out below.

	\$
(a) Total Accumulated Deficits under previous AGAAP at 1 July 2005	(162,300)
Transfer to Available-for-Sale Investment Reserve	<u>1,569</u>
Total Accumulated Deficits under AIFRS at 1 July 2005	<u>(160,731)</u>
(b) Available-for-Sale Investment Reserve under previous AGAAP at 1 July 2005	-
Change in value of financial assets	<u>(1,569)</u>
Available-for-Sale Investment Reserve under AIFRS at 1 July 2005	<u>(1,569)</u>
(c) The Union has elected to take the exemption available under AASB 1 to apply AASB 132 and AASB 139 from 1 July 2005. There are no other adjustments required to assets, liabilities or accumulated deficits and reserves as a result of the introduction of AIFRS.	
(d) There are no material differences between the Cash Flow Statement presented under AIFRS and the Cash Flow Statement presented under AGAAP.	
(e) There was no impact on the previously reported 2005 surplus.	

	2006	2005
	\$	\$
5. CASH AND CASH EQUIVALENTS		
Cash on Hand - Petty Cash	1,000	1,000
Cash at bank	<u>146,225</u>	<u>309,978</u>
	<u>147,225</u>	<u>310,978</u>
6. RECEIVABLES		
Current		
ASU of NSW	87,493	-
Trade Debtors	39,240	29,411
Sundry Debtors	76,588	70,690
Prepayments	<u>36,034</u>	<u>51,738</u>
	<u>239,355</u>	<u>151,839</u>

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006 (Cont'd)

	2006	2005
	\$	\$
7. INVESTMENTS		
(Non Public Investments)		
Cash and Cash Equivalents		
Term Deposits	<u>14,507</u>	<u>47,294</u>
Available for Sale Financial Assets		
Managed Funds (at Fair Value)	<u>175,031</u>	<u>405,630</u>
	<u>189,538</u>	<u>452,924</u>
8. PROPERTY, PLANT AND EQUIPMENT		
Furniture and Fixtures	486,196	486,196
Less: Accumulated Depreciation	<u>(483,345)</u>	<u>(465,845)</u>
	2,851	20,351
Computer Equipment	251,949	213,405
Less: Accumulated Depreciation	<u>(188,103)</u>	<u>(122,376)</u>
	63,846	91,029
Motor Vehicles	98,448	117,550
Less: Accumulated Depreciation	<u>(10,763)</u>	<u>(41,824)</u>
	87,685	75,726
Leased Motor Vehicles	34,360	-
Less: Accumulated Amortisation	<u>-</u>	<u>-</u>
	34,360	-
Total Property, Plant and Equipment	<u>188,742</u>	<u>187,106</u>

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006 (Cont'd)

8. PROPERTY, PLANT AND EQUIPMENT (cont'd)

MOVEMENTS IN CARRY AMOUNTS

Reconciliations of the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year are set out below:

	Furniture and Fittings \$	Computer Equipment \$	Motor Vehicles \$	Leased Motor Vehicles \$	Total \$
Balance at 1 July 2005	20,351	91,029	75,726	-	187,106
Additions	-	38,544	100,266	34,360	173,170
Disposals	-	(22,205)	(55,280)	-	(77,485)
Depreciation	(17,500)	(43,522)	(33,027)	-	(94,049)
Balance at 30 June 2006	<u>2,851</u>	<u>63,846</u>	<u>87,685</u>	<u>34,360</u>	<u>188,742</u>

	Note	2006 \$	2005 \$
9. PAYABLES			
Current			
Trade creditors and accruals		242,649	215,552
GST Clearing		67,570	52,872
Lease Liability	19	<u>4,713</u>	<u>-</u>
		<u>314,932</u>	<u>268,424</u>
Non-Current			
ASU of NSW		-	399,189
Lease Liability	19	<u>29,647</u>	<u>-</u>
		<u>29,647</u>	<u>399,189</u>
10. EMPLOYEE ENTITLEMENTS			
Current			
Annual Leave		221,695	248,599
Long Service Leave		<u>197,828</u>	<u>72,579</u>
		<u>419,523</u>	<u>321,178</u>
Non- Current			
Long Service Leave		<u>127,001</u>	<u>276,356</u>

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006 (Cont'd)

	2006	2005
	\$	\$
11. PROFESSIONAL SERVICES		
Remuneration of Auditor for:		
Audit of the financial Report	18,000	17,100
Other services	-	2,750
	<u>18,000</u>	<u>19,850</u>
Legal Fees	<u>182,885</u>	<u>28,749</u>
	<u>200,885</u>	<u>48,599</u>

12. SUPERANNUATION

All employees of the Branch are entitled to benefits from a superannuation plan on retirement, disability or death. The Branch participated in a defined contribution plan. The benefits provided under this plan are based on accumulated contributions and earnings for each employee. The Branch's liability is limited to paying the contributions to the plan.

13. RELATED PARTIES

- (a) The aggregate amount of remuneration paid to officers during the financial year is disclosed in the income statement under Salaries and Allowances - Officials.
- (b) The aggregate amount paid during the financial period to a superannuation plan in respect of the retirement of officers was \$32,927 (2005: \$47,399).
- (c) There have been no other transactions between officers and the union other than those relating to their membership of the union and the 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.
- (d) A related union, the Australian Services Union of NSW, provides financial support to the Union.

14. GOING CONCERN

As at 30 June 2006, the Union had net liabilities of \$126,243 (2005: \$162,300) and its current liabilities of \$734,455 exceeded its current assets of \$576,118. The Branch is reliant on the financial support of a related Union, the Australian Services Union of NSW. The Australian Services Union of NSW has resolved to provide financial support in order for the Australian Services Union NSW and ACT (Services) Branch to meet its debts as and when they fall due.

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006 (Cont'd)

	2006 \$	2005 \$
15. CASH FLOW INFORMATION		
(a) For the purposes of the cash flow statement, cash includes cash on hand and at call deposits with banks and other financial institutions.		
Cash on Hand - Petty Cash	1,000	1,000
Cash at bank	<u>146,225</u>	<u>309,978</u>
	<u>147,225</u>	<u>310,978</u>
(b) Reconciliation of cash flow from operations with operating result		
Surplus	39,112	251,120
Non-Cash flows in surplus		
Depreciation	94,049	58,699
Loss on disposal of non-current assets	25,182	-
Reinvestment of income from managed funds	(25,825)	(33,479)
Change in Assets & Liabilities		
(Increase)/Decrease in Trade Debtors	(9,829)	38,221
(Increase)/Decrease in Sundry Debtors	(5,898)	37,437
Decrease/(Increase) in Prepayments	15,704	(3,391)
Increase/(Decrease) in Current Payables	41,795	(89,323)
(Decrease)/Increase provision for Employee Entitlements	<u>(51,010)</u>	<u>51,433</u>
Cash flow from operations	<u>123,280</u>	<u>310,717</u>

16. REGISTERED OFFICE

The registered office and principal place of business of the branch is:

Level 1
39 to 47 Renwick Street
Redfern NSW 2016

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006 (Cont'd)

17. FINANCIAL INSTRUMENTS

Interest Rate Risk

The Branch's exposure to interest rate risk, and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out below:

30 June 2006

	Weighted Average Effective Interest Rate	Floating Interest Rate \$	Fixed Interest Rate Maturing		Non Interest Bearing \$	Total \$
			Within 1 Year \$	1 to 5 Years \$		
Financial Assets						
Cash assets	3.75%	146,225	-	-	1,000	147,225
Receivables	N/A	-	-	-	203,321	203,321
Investments	7.28%	189,538	-	-	-	189,538
Total Financial Assets		<u>335,763</u>	<u>-</u>	<u>-</u>	<u>204,321</u>	<u>540,084</u>
Financial Liabilities						
Payables	14.34%	-	4,713	29,647	310,219	344,579
Net Financial Assets		<u>335,763</u>	<u>(4,713)</u>	<u>(29,647)</u>	<u>(105,898)</u>	<u>195,505</u>

30 June 2005

	Weighted Average Effective Interest Rate	Floating Interest Rate \$	Fixed Interest Rate Maturing		Non Interest Bearing \$	Total \$
			Within 1 Year \$	1 to 5 Years \$		
Financial Assets						
Cash assets	1.50%	309,978	-	-	1,000	310,978
Receivables	N/A	-	-	-	100,101	100,101
Investments	8.50%	-	452,924	-	-	452,924
Total financial Assets		<u>309,978</u>	<u>452,924</u>	<u>-</u>	<u>101,101</u>	<u>864,003</u>
Financial Liabilities						
Payables	N/A	-	-	-	(667,613)	(667,613)
Net Financial Assets		<u>309,978</u>	<u>452,924</u>	<u>-</u>	<u>(566,512)</u>	<u>196,390</u>

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006 (Cont'd)

17. FINANCIAL INSTRUMENTS (Cont'd)

Credit Risk Exposure

Credit Risk is the risk that counter-parties to a financial asset will fail to discharge their obligation, causing the Branch to incur financial loss.

The credit risk exposure of the Branch to financial assets which have been recognised in the Balance Sheet is generally the carrying amounts, net of any provisions for doubtful debts.

The carrying amounts of cash and non-interest bearing monetary financial assets and liabilities (eg receivables and payables) approximate net fair values.

	Note	2006 \$	2005 \$
18. RESERVES			
Available-for-Sale Investment Reserve			
Balance at 1 July 2005		(1,569)	-
Change in fair value during the year		<u>(3,055)</u>	<u>-</u>
Balance at 30 June 2006		<u>(4,624)</u>	<u>-</u>

This reserve records unrealised gains and losses on available-for-sale investments which are measured at fair value.

19. COMMITMENT

Finance Lease Commitment

Payable

- Not later than 12 months		9,783	-
- Between 12 Months and 5 Years		39,132	-
		<u>48,915</u>	<u>-</u>
Less future finance charges		<u>(14,555)</u>	<u>-</u>
Present Value of Minimum lease payments		<u>34,360</u>	<u>-</u>
Current Liability	9	4,713	-
Non Current Liability	9	<u>29,647</u>	<u>-</u>
		<u>34,360</u>	<u>-</u>

20. CONTINGENT LIABILITY

The Branch has given a guarantee to Sandhurst Trustees as additional security for the Mortgage Loan to Australian Services Union of NSW. The guarantee is secured by the assets of the Branch. As at balance date the mortgage loan so guaranteed by the Branch amounted to \$3,219,173.

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

INDEPENDENT AUDIT REPORT

To the members of the Australian Services Union NSW and ACT (Services) Branch

Scope

The Financial Report and the Responsibility of the Branch Committee of Management and the Branch Secretary

The financial report comprises the income statement, balance sheet, statement of changes in accumulated deficit and reserves, cash flow statement, accompanying notes to the financial statements and the Committee of Management's statement for Australian Services Union NSW and ACT (Services) Branch for the year ended 30 June 2006.

The Branch Committee of Management and the Branch Secretary are responsible for the preparation and true and fair presentation of the financial report in accordance with the Workplace Relations Act 1996. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Branch. Our audit has been conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal controls, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Workplace Relations Act 1996, including compliance with Accounting Standards and other mandatory professional reporting requirements in Australia a view which is consistent with our understanding of the Branch's financial position and its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Committee of Management and the Branch Secretary.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Workplace Relations Act 1996.

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

INDEPENDENT AUDIT REPORT (cont'd)

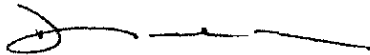
Audit Opinion

In our opinion the general purpose financial report of Australian Services Union NSW and ACT (Services) Branch is in accordance with the Workplace Relations Act 1996, including:

- (i) giving a true and fair view of the Branch's financial position as at 30 June 2006 and its performance for the year ended on that date; and
- (ii) complying with applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia; and
- (iii) complying with any other requirements of the RAO.



A J Williams & Co
Chartered Accountants



D S McLean
Registered Company Auditor.
SYDNEY NSW 2000

29 November 2006

**AUSTRALIAN MUNICIPAL ADMINISTRATIVE CLERICAL & SERVICES
UNION**

(AUSTRALIAN SERVICES UNION)

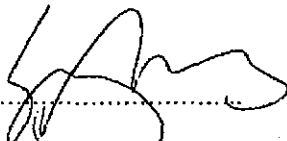
NSW AND ACT SERVICES BRANCH

CERTIFICATE OF SECRETARY

S268 of Schedule 1B Workplace Relations Act 1996

I, Sally McManus, being the Branch Secretary of the Australian Municipal Administrative Clerical and Services Union (Australian Services Union), NSW and ACT (Services) Branch certify:

- that the documents lodged herewith are copies of the full report, referred to in s268 of the RAO Schedule; and
- that the full report, was provided to members on 7th December 2006; and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on 12 December 2006; in accordance with section 266 of the RAO Schedule.



Branch Secretary

12 December 2006



AUSTRALIAN SERVICES UNION

ASU

7 December 2006

Dear Member

The *Workplace Relations Act* provides that the financial affairs of unions are checked and audited every year. The Act also requires unions to report to members on what the union has been doing on their behalf during the year.

Now you can check on-line the audited finances and activities of the NSW and ACT (Services) Branch of the ASU, as well as the National Union.

NSW and ACT (Services) Branch

A full copy of the audited financial statements can be found by visiting our website www.asuservices.labor.net.au/about/ and clicking the link "Audited Financial Accounts 2006".

National Union

A full copy of the audited financial statements of the National Union can also be found at www.asuservices.labor.net.au/about/ and clicking the link "National Audited Accounts".

A paper copy of the National accounts, statements and auditor's report will be supplied free of charge to any member who so requests by writing to Paul Slape, National Secretary, ASU, 116 Queensberry Street, Carlton South, Victoria, 3053.

You will note that the auditors of both the Branch and National Accounts have declared that, in their opinions, the respective financial reports are properly drawn up so as to present fairly the financial positions of the Union as at 30th June 2006 and its performance for the year ended on that date, and that the financial reports are in accordance with the *Workplace Relations Act 1996* and other Australian Accounting Standards.

Australian Services Union of NSW

In accordance with our obligation under Subsection 282(3) of the *Industrial Relations Act 1996*, enclosed please find a summarised version of the audited reports of the ASU of NSW.

Subsections (1) and (2) of section 512 of the *Industrial Relations Act 1991*, preserved as regulations under section 282(3) *Industrial Relations Act 1996*, provide that:

- (1) A member of an organisation, or the Industrial Registrar, may apply to the organisation for specified information prescribed by the regulations in relation to the organisation [Industrial Relations Regulation 1992, clause 60];
- (2) An organisation must, on the making of such an application, make the specified information available to the member or the Industrial Registrar in the manner, and within the time, prescribed by the regulations.

Hard (full) copies of the financial statements of both the NSW and ACT (Services) Branch and Australian Services Union of NSW are available on request by contacting the Union's Redfern Office on 02 9310 4000, or by writing to the Branch Secretary, ASU, PO Box 1865, Strawberry Hills, NSW, 2012.

ACTIVE STRONG UNITED

AUSTRALIAN SERVICES UNION NSW & ACT (SERVICES) BRANCH T 02 9310 4000 F 02 9698 8936 Outside Sydney Area 1300 784 278

Yours sincerely

A handwritten signature in black ink, appearing to be 'Sally McManus', written in a cursive style.

Sally McManus
Branch Secretary