

Mr Bill Shorten National Secretary The Australian Workers' Union 685 Spencer Street WEST MELBOURNE VIC 3003

Dear Mr Shorten

Re Financial Return – National Office – year ending 30 June 2005 (FR2005/462)

Thank you for lodging the above financial documents. They were received on 23 December 2005.

The documents have been filed.

Yours sincerely

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Stephen Kellett Assistant Manager, Sydney Registry

9 January 2006

THE AUSTRALIAN WORKER'S UNION NATIONAL OFFICE

SECRETARY'S CERTIFICATE

I, Bill Shorten, being the National Secretary of The Australian Worker's Union, do hereby state that the attached documents are copies of operating reports, auditor's report and audited accounts and financial statement for the year ending on the 30th of June, 2005, that were:

1. made available to the membership in the week commencing 14 November 2005.

 presented by way of a postal ballot to the National Executive. The ballot was conducted on 07 December 2005, and closed on 16 December 2005 at 5.00pm. Post ballot was completed with result in favour of Motion to adopt the 2004/2005 National Office Operating Report, Financial Accounts, Statements and Auditor's Report.

Date 21st day of December, 2005

Bill Shorten " National Secretary



(NATIONAL OFFICE)

AUDITORS' REPORT,

FINANCIAL STATEMENTS AND NOTES THERETO

FOR THE YEAR ENDED 30 JUNE 2005

(NATIONAL OFFICE)

OPERATING REPORT JULY 2004 – JUNE 2005

Principal Activities and Changes

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 activities of the organisation.

Results

The profit for the financial year amounted to \$276,808

Financial Affairs

There were no significant changes in the Union's financial affairs during the financial year

Right of Members to Resign:

AWU Rule 14 – Resigning as a member – provides for resignation of members in accordance with s174 of Schedule 1B of the Workplace Relations Act 1996

Membership of Superannuation Scheme

There are no members or officials who hold the position of trustee or director of an entity, scheme or company as described in s.254 (2)(d) of Schedule of 1B, where a criterion of such entity is that the holder of such position must be a member or official of a registered organisation.

Number of Members

Number of persons in register of members: 125,493

Number of Employees

Number of employees (equivalent full time): 12

Names of members of management committee:

Brischke, T Chambers, F Collison, R Currie, P Daly, T Eagles; M Gillespie, A Hall, G Hanson, W Heath, C Leo, F Melham, C Ludwig, B Madden, M Maher, K McBride, N Meiklejohn, B Penn, G

Names of members of management Committee:

Roberts, G Ryan, G Shorten, B

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Sugars, H Wakefield, I Wood, S

Paul Currie ceased to be a member of the management committee on 31 August 2004. All other members of the management committee were members for the whole of the reporting period.

Other Informaton

There is no other information that the Union considers relevant

Signed: Bill Shorten

Date:

- 2 -

(NATIONAL OFFICE)

STATUTORY STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2005

COMMITTEE OF MANAGEMENT'S CERTIFICATE

On November, 2005, the Committee of Management passed the following resolution in relation to the general purpose financial report of this reporting unit for the financial year ended 30^{th} June, 2005: -

The Committee of Management declares in relation to the General Purpose Financial Report that in its opinion:

- (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 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;
- (e) during the financial year to which the General Purpose Financial Report relates and since the end of that year:
 - (i) meetings of the Committee of Management were held in accordance with the rules of the organisation; 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 Workplace Relations Act 1996 Schedule and the Workplace Relations Act 1996 Regulations; and
 - (iv) where the organisation consists of 2 or more reporting units, 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) there have been no requests for information sought by members of the

reporting unit or a Registrar duly made under section 272 of the Workplace Relations Act 1996.

(vi) there have been no compliance orders for inspection of financial records made by the Commission under section 273 of the Workplace Relations Act 1996 Schedule.

For and on behalf of the Committee of Management

W SHORTEN

W. P. LUDWIG

SIGNED at West Melbourne this /1 th day of November, 2005.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

AUSTRALIAN WORKERS UNION

(NATIONAL OFFICE)

Scope

We have audited the Financial Statements of the Australian Workers Union National Office for the year ended 30 June 2005 consisting of the Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flows and accompanying notes. The Committee of Management is responsible for the preparation and presentation of the Financial Statements and the information they contain. We have conducted an independent audit of these Financial Statements in order to express an opinion on them to the members of the Australian Workers Union.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Standards and statutory requirements so as to present a view which is consistent with our understanding of the Organisation's financial position and the results of its operations.

We received all the information and explanations that officers and employees of the Union were able to provide.

The audit opinion expressed in this report has been formed on the above basis.

<u>Audit Opinion</u>

In our opinion:

1. The Organisation kept satisfactory accounting records, including:

a) records of the sources and nature of the income of the National Office (including income from members); and

b) records of the nature and purposes of the expenditure of the Organisation.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

AUSTRALIAN WORKERS UNION

(NATIONAL OFFICE)

The accounts and statements prepared under Section 257 of the Registration of Organisations Schedule (being schedule 1B of the Workplace Relations Act, 1996), we are able to state that in our opinion:

i) The General Purpose Financial Report is presented fairly in accordance with:

- a) The requirements of the RAO Schedule;
- b) Applicable Australian Accounting Standards;
- c) Other mandatory professional reporting requirements

TROEDEL ADAMS & CO.

P. R. Troedel (F.C.A.) Chartered Accountants <u>Registered Company Auditor</u>

Dated this 1/ the day of November, 2005.

2.

THE AUSTRALIAN WORKERS' UNION (NATIONAL OFFICE) STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2005

•	NOTES	2004	<u>2005</u>
ACCUMULATED FUNDS	MOTES	<u>2004</u> \$	\$
BALANCE @ YEAR END		3,198,810	3,475,618
THESE FUNDS ARE REPRESENTED BY:- CURRENT ASSETS			
PETTY CASH		549	1,000
CASH AT BANK		876,380	97 1 ,791
		-	3,091
ACCOUNTS RECEIVABLE PROVISION FOR DOUBTFUL DEBTS		463,550 (50,000)	499,283 (50,000)
SUBSIDIES IN TRANSIT		20,720	(00,000)
		1,311,199	1,425,165
NON-CURRENT ASSETS			
INVESTMENTS	4	10,000	40.057
LOANS TO BRANCHES TERM DEPOSIT	4.	16,000 14,362	42,857 14,362
FINANCIAL SERVICES TRUST		13,462	13,462
LESS: PROVISION FOR DIMINITION IN VALUE		(13,460_)	(13,460)
		30,364	57,221
FIXED ASSETS (At Written Down Value)	3.	0.000.440	0 000 0 17
PROPERTIES OFFICE FURNITURE AND EQUIPMENT		9,886,113 53,510	9,908,647 41,715
WEBSITE DEVELOPMENT		33,990	24,926
MOTOR VEHICLES		181,447	192,563
		10,155,060	10,167,851
TOTAL ASSETS		11,496,623	11,650,238
LESS: CURRENT LIABILITIES			
Payables			
CREDITORS		919,476	786,896
Interest Bearing Liabilities			
HIRE PURCHASE LIABILITY		<u> </u>	
Provisions			<u> </u>
PROVISION FOR ACCRUED ANNUAL LEAVE		114,485	129,327
PROVISION FOR LONG SERVICE LEAVE		530,037	494,035
		644,522	623,362
TOTAL CURRENT LIABILITIES		1,597,200	1,410,257
NON CURRENT LIABILITIES			
Payables			
LOANS FROM BRANCHES Provisions	5.	2,297,476	2,367,068
PROVISION FOR LONG SERVICE LEAVE		3,260,870	3,143,695
Interest Bearing Liabilities		10.000	
HIRE PURCHASE LIABILITY SECURED LOAN - MEMBERS EQUITY		. 13,960 1,128,307	- 1,253,600
SECURED LOAN - MEMBERS EQUIT			
TOTAL NON CURRENT LIABILITIES		6,700,613	6,764,363
TOTAL LIABILITIES		8,297,813	8,174,620
ACCUMULATED FUNDS		3,198,810	3,475,618

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THE AUSTRALIAN WORKERS' UNION (NATIONAL OFFICE)

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STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE, 2005

INCOME	<u>Notes</u>	<u>2004</u> \$	<u>2005</u> \$
SUBSIDY INCOME		3,848,386	3,827,305
NATIONAL CONFERENCE SPONSORSHIP			113,220
ADVERTISING INCOME		80,000	194,900
DIRECTORS FEES		67,306	65,882
MAILING INCOME AWU JOURNALS		40,415	125,435
RENTAL INCOME		16,818	10,909
INTEREST		24,693	24,236
OTHER INCOME		1,127	46,452
TOTAL INCOME	-	4,078,745	4,408,339
· · · ·			
EXPENSES DIRECT MEMBERSHIP EXPENSES			
NORTHERN AUSTRALIA PROMOTION		192,854	73,915
ACTU - ORGANISER	,	49,837	21,611
ADVERTISING AND SUBSCRIPTIONS		9,405	5,646
AFFILIATION FEES		371,226	368,703
· · · · · ·			
BEREAVEMENT PAYMENTS		137,700	143,250
RESEARCH EXPENSES		36,715	18,083
COMPUTER MAINTENANCE AND TRAINING	5	17,161	14,947
DEPN OF COMPUTERS		16,381	18,214
DONATIONS		1,910	37,296
MEMBERSHIP SURVEYS		-	74,508
LEGAL FEES		118,711	44,799
GROWTH CAMPAIGN			22,164
MEMBERSHIP MAIL OUTS	_	12,973	18,786
"AUSTRALIAN WORKER" PUBLISHING COS		109,843	233,730
"AUSTRALIAN WORKER" PRINT AND PROD		83,829	280,705
"AUSTRALIAN WORKER" MAIL MANAGEME	NT	67,096	253,353 [°]
WEB SITE EXPENSES		8,737	6,340
MEDIA EXPENSES		3,890	10,725
SPONSORSHIP EXPENSE		4,500	500
GLASSWORKER BRANCH RESTRUCTURE		2,976	6,177
AWU FUNCTIONS		6,230	200
TOTAL	-	1,251,974	1,653,652
MEETING EXPENSES			
NATIONAL CONFERENCE EXPENSES	*	-	116,296
NATIONAL EXECUTIVE MEETINGS		6,290	8,195
MEETING EXPENSES - DELEGATES		7,200	21,530
TOTAL	-	13,490	146,021
OH&S EXPENSES			
OHAS EXPENSES		10,324	12,332
01100	-	10,324	12,332
	-	10,324	12,332

THE AUSTRALIAN WORKERS' UNION (NATIONAL OFFICE)

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE, 2005

· · ·	<u>Notes</u>	<u>2004</u> \$	<u>2005</u> \$
PAYROLL EXPENSES			
SALARIES & WAGES	7	859,432	960,038
SUPERANNUATION - EMPLOYER CONT.		125,624	133,754
WORKCOVER EXPENSES		8,623	15,427
PAYROLL TAX		30,993	39,993
ACCRUED ANNUAL LEAVE		14,545	14,842
LONG SERVICE LEAVE PROVISION		36,518	71,465
CONSULTANTS		72,191	4,162
TOTAL		1,147,926	1,239,680
TRAINING & TUITION			
UNIVERSITY FEES		<u>.</u>	1,864
SEMINAR AND CONFERENCE COSTS		22,375	22,771
TRAINING EXPENSES		1,866	6,512
		.,	0,012
TOTAL		24,241	31,147
TRAVEL EXPENSES			
TRAVEL EXPENSES	•	EC 709	62 212
AIR FARES		56,728 200,740	62,312 274,105
TAXIS AND PARKING		29,871	35,438
INDUSTRIAL OFFICERS EXPENSES		3,409	55,456
INDUSTRIAL OF HOLKS EXPENSED		_J,+05	-
TOTAL		290,748	371,855
TOTAL			071,000
MOTOR VEHICLE EXPENSES			
RUNNING EXPENSES		44,976	53,285
LOSS ON REALISATION		(3,367)	10,499
DEPRECIATION OF MOTOR VEHICLES		55,593	54,472
FRINGE BENEFITS TAX	•	35,025	25,934
FINANCE COSTS		14,842	4,485
I INANGE COSTS		14,04 <i>2.</i>	4,400
TOTAL		147,069	148,674
TELEPHONE EXPENSES			
LANDLINES		35,879	20,828
MOBILE PHONES		24,846	23,209
HOME PHONES		5,558	4,693
OTHER TELEPHONE EXPENSES		1,051	5,131
TOTAL		67,334	53,861
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- 10 -

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THE AUSTRALIAN WORKERS' UNION (NATIONAL OFFICE)

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STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE, 2005

	<u>Notes</u>	<u>2004</u> \$	<u>2005</u> \$
PROPERTY EXPENSES		Ŧ	+
RENTAL		51,521	55,824
INSURANCE		23,209	16,299
DEPRECIATION OF BUILDINGS		136,040	156,465
OTHER PROPERTY EXPENSES		29,171	11,768
		20,111	11,100
TOTAL		239,941	240,356
GENERAL EXPENSES	-		
AUDITING & ACCOUNTING		15,686	14,780
BANK FEES AND CHARGES		2,363	2,279
CLEANING		14,667	7,848
ELECTRICITY EXPENSES		8,293	8,751
MISC. EXPENSES		11,638	6,522
TOTAL		52,647	40,180
OFFICE EXPENSES			
STATIONERY		6,809	7,365
COURIER CHARGES AND FREIGHT		3,853	3,458
PRINTING		4,220	35,802
MAINTENANCE OF OFFICE EQUIPMENT		34,220	17,486
DEPRECIATION OF FURNITURE AND EQUIP.		9,961	8,520
INTERNET EXPENSES		5,398	5,217
INTEREST CHARGES		19,833	17,894
AWU AWARDS		1,000	2,700
-			
TOTAL		85,294	98,441
TOTAL		03,294	<u> </u>
TOTAL EXPENSES		3,330,988	4,036,200
NET OPERATING PROFIT		747,757	372,139
ADD: ABNORMAL ITEMS:			
GAIN ON SALE OF PROPERTY		1,333,796	
			05.004
LESS: ABNORMAL LOSSES	6.	373,925	95,331
NET PROFIT FOR YEAR		1,707,628	276,808
ADD: ACCUMULATED FUNDS AT BEGINNING		1,491,182	3,198,810
ACCUMULATED FUNDS AT YEAR END		3,198,810	3,475,618

AUSTRALIAN WORKERS' UNION NATIONAL OFFICE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE, 2005

	<u>2004</u> \$	<u>2005</u> \$
CASH FUNDS AT COMMENCEMENT	\$ 451,324	\$ 876,929
CASHINFLOW		
ADD: PROCEEDS FROM OPERATING ACTIVITIES SUBSIDIES FROM BRANCHES INTEREST RECEIVED OTHER INCOME LESS PAYMENTS TO SUPPLIERS AND EMPLOYEES	4,334,148 24,693 179,196 (4,213,077) 324,960	4,123,964 23,781 678,962 (4,499,189) 327,518
ADD: PROCEEDS FROM INVESTING ACTIVITIES DISPOSAL OF FIXED ASSETS LESS PURCHASES OF FIXED ASSETS	2,254,660 (1,541,490) 713,170	73,347 (387,075) - 313,728
TOTAL INFLOW	1,038,130	13,790
CASHOUTFLOW		
LESS: OUTFLOW FROM FINANCING ACTIVITIES NET REPAYMENT OF HIRE PURCHASE DEBTS NET LOANS FROM BRANCHES BUILDING FINANCE REPAYMENT OF BUILDING FINANCE TOTAL OUTFLOW	90,178 (12,171) (1,412,653) <u>1,947,171</u> <u>612,525</u> 612,525	50,215 (95,465) (250,641) 214,819 - 81,072 (81,072)
CASH FUNDS AT YEAR END	\$ 876,929	\$ 971,791

Note:

The above Statement of Cash Flows by its very nature does not take into account end of year adjustments for accrued income, expenditure, nor the provision of depreciation on non-current assets.

(NATIONAL OFFICE)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2005

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant policies which have been adopted in the preparation of these financial statements are:

1.1 **BASIS OF PREPARATION**

The Financial statements of the Union have been drawn up in accordance with applicable Accounting Standards, the ROA Schedule of the Workplace Relations Act 1996 and other requirements of law. They have been prepared on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. The accounting policies have been consistently applied and, except where there is a change in accounting policy, are consistent with those of the previous year. The accounting records have been kept on an accrual basis.

1.2 INCOME TAX

No provision for income tax is necessary as the Union is exempt from income tax under Section 23(f) of the Income Tax Assessment Act.

1.3 EMPLOYEE ENTITLEMENTS

Provision for Annual Leave

The provision for employee entitlements to Annual Leave represents the amount which the Union has a present obligation to pay resulting from employees' services provided up to the balance date. The provision has been calculated at nominal amounts based on current wage and salary rates plus leave loading.

2. **PROVISION FOR LONG SERVICE LEAVE**

- 2.1 The liability for Long-Service Leave of Branch officials has only been accumulated in the books of account up to 31th December 2001.
- 2.2 In accordance with the decision of the National Executive, Branches are now required to bring to account the annual indebtedness to Long Service Leave of its officials.

- 13 -

THE AUSTRALIAN WORKERS' UNION

(NATIONAL OFFICE)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2005

3.

	2004 \$	2005 \$
FIXED ASSETS		
Properties –		
Land and Buildings (at cost)	10,758,107	10,938,290
Less Accumulated Depreciation	<u>(871,994)</u>	(1,029,643)
	9,886,113	9,908,647
Motor Vehicles -		
At Cost	274,960	271,796
Less Accumulated Depreciation	<u>(93,513)</u>	<u>(79,233)</u>
	<u>181,447</u>	<u>192,563</u>
Office Furniture and Equipment		
At Cost	104,387	110,397
Less Accumulated Deprecation	(50,877)	(68,682)
r	53,510	41,715
· · · · ·		
Website Development Costs		
At Cost	45,320	45,320
Less Accumulated Depreciation	<u>(11,330)</u>	<u>(20,394)</u>
	<u>33,990</u>	<u>24,926</u>
TOTAL FIXED ASSETS	\$ <u>10.155.060</u>	\$ <u>10,167,851</u>

(NATIONAL OFFICE)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2005

The properties included in the National Office Balance Sheet are: (at written down value)

		2004 \$	2005 \$
157 -	- 161 Maitland Road, Mayfield	1,512,300	1,479,800
685 8	Spencer St, West Melbourne	2,714,159	2,649,782
	- 270 Murray St, Hobart	408,950	402,325
34 C	hurch St, Dubbo	670,780	665,605
2 Na	pier St, Deakin, ACT	1,474,370	1,459,995
8-1	0 Creedy St, Cairns	77,178	76,658
211 1	Mulgrave Rd, Cairns	1,329,150	1,319,175
	St, Townsville	543,184	535,815
Maq	uarie St, Taree	248,400	245,450
~	urn Crescent, Whyalla Norrie	100,042	97,917
	elmore St, Wollongong	807,600	976,125
•		<u>9,886,113</u>	<u>9,908,648</u>
4.	LOANS TO BRANCHES (NON CU	RRENT)	
	AWU - Whyalla Woomera Branch	16,000	5,000
	AWU – TAPS Branch	_	2,857
	AWU – WA Branch	-	35,000
	· · · · · · · · · · · · · · · · · · ·	16,000	42,857
5.	LOANS FROM BRANCHES (NON	CURRENT)	
	AWU West Australia Branch	146,500	146,500
	AWU New South Wales State Union	2,120,788	2,090,102
	AWU Victorian Branch		<u>130,466</u>
	Awo victorian branch	2,297,476	2,367,068
<i>(</i>			
6.	ABNORMAL ITEMS		1. e
	Capital Gain on the sale of property Less:	1,333,796	-
	Expenses incurred in prior years	(<u>373,925)</u> <u>959,871</u>	(<u>95,331)</u> (<u>95,331</u>)

- 14 -

(NATIONAL OFFICE)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2005

7. SALARIES AND WAGES

In accordance with Sub-regulations 107 (a) (XIV) and (XV) of the Workplace Relations Regulations, we report that the figure Salaries and Wages in the Statement of Financial Performance is made up of the following:-

	2004	2005
	\$	\$
Elected Representatives	160,934	169,162
Employees	698,498	790.876
•	<u>\$ 859.432</u>	<u>\$ 960.038</u>

8. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

The Committee of Management is not aware of any post-balance date event or contingent liability which may materially affect the operating results or financial position of the National Office for the year under review or in future years.

9. 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 Section 272 of the RAO Schedule which reads 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).