Level 8, Terrace Towers 80 William Street, East Sydney, NSW 2011 Telephone: (02) 8374 6666 Fax: (02) 9380 6990 Email: sydney@air.gov.au

Mr Bill Shorten
National Secretary
AWU
685 Spencer Street
WEST MELBOURNE VIC 3003

Dear Mr Shorten

Re: Lodgement of Financial Statements and Accounts – AWU National Office – for year ending 30 June 2006 (FR2006/476)

I refer to the abovementioned financial statements and accounts which were lodged in the Registry on 22 January 2007.

The legislative requirements appear to have been met and accordingly the documents have been filed.

Yours sincerely,

Stephen Kellett

**Statutory Services Branch** 

12 March 2007



# NATIONAL OFFICE

685 SPENCER STREET WEST MELBOURNE VIC 3003

TEL: (03) 8327 0888 FAX: (03) 8327 0899

CALL CENTRE: 1300 362 298 E-MAIL: members@awu.net.au INTERNET: www.awu.net.au

**BILL SHORTEN** National Secretary

# 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, 2006, that were:

- 1. made available to the membership in the week commencing 30 November 2006.
- 2. presented by way of a postal ballot to the National Executive. The ballot was conducted on 21 December 2006, and closed on 15 January 2007 at 5.00pm. Post ballot was completed with result in favour of Motion to adopt the 2005/2006 National Office Operating Report, Financial Accounts, Statements and Auditor's Report.

Date 19th January, 2007

NATIONAL SECRETARY



# (NATIONAL OFFICE)

# AUDITORS' REPORT, FINANCIAL STATEMENTS AND NOTES THERETO FOR THE YEAR ENDED 30 JUNE 2006

# (NATIONAL OFFICE)

# OPERATING REPORT JULY 2005 – JUNE 2006

# **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 \$848,924.93

#### **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: 120,627

# Number of Employees

Number of employees (equivalent full time): 12

# Names of members of management committee:

Brischke, T	Hanson, W
Borowick, M	Heath, C
Boscacci, B	Howes, P
Chambers, F	Melham, C
Collison, R	Lamp, P
Daly, T	Ludwig, B
Eagles, M	Madden, M
Gillespie, A	Maher, K
Hall, G	McBride, N

# Names of members of management Committee:

Roberts, G Ryan, G Shorten, B Thompson, A Wakefield, I

Williams, M

All 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 Shørten

Date: /

November 2006

# (NATIONAL OFFICE)

## STATUTORY STATEMENTS

#### FOR THE YEAR ENDED 30 JUNE, 2006

# **COMMITTEE OF MANAGEMENT'S CERTIFICATE**

On 13 November, 2006, the Executive passed the following resolution in relation to the general purpose financial report of this reporting unit for the financial year ended 30<sup>th</sup> June, 2006: -

The Executive 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 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 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 Executive

SHORTEN

W. P. LUDWIG

SIGNED at West Melbourne this

7 day of November, 2006.

# 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 2006 consisting of the Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flows and accompanying notes. The Executive 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.

#### Audit Opinion

In our opinion:

- 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)

- 2. The accounts and statements prepared under Section 257 of the Registration of Organisations Schedule (being schedule 1B of the Workplace Relations Act, 1996), we were 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

Registered Company Auditor

Dated this 12006.

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# THE AUSTRALIAN WORKERS' UNION (NATIONAL OFFICE) STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2006

ACCUMULATED FUNDS	NOTES	<u>2005</u> \$	<u>2006</u> \$
BALANCE @ YEAR END		3,475,618	4,324,543
THESE FUNDS ARE REPRESENTED BY:- CURRENT ASSETS			
PETTY CASH		1,000	1,000
CASH AT BANK		971,791	1,840,004
SHARES IN PUBLIC COMPANIES ACCOUNTS RECEIVABLE		3,091	3,091
PROVISION FOR DOUBTFUL DEBTS		499,283 ( 50,000 )	629,956 ( 50,000 )
		1,425,165	2,424,050
NON-CURRENT ASSETS			
INVESTMENTS LOANS TO BRANCHES	4.	42,857	35,000
TERM DEPOSIT	<b>-7.</b>	14,362	14,362
FINANCIAL SERVICES TRUST		13,462	13,462
LESS: PROVISION FOR DIMINITION IN VALUE		( 13,460)	( 13,460)
FIVED ACCETO (ALIMANIA Del CAMA)	•	57,221	49,364
FIXED ASSETS (At Written Down Value) PROPERTIES	3.	9,908,647	9,352,240
OFFICE FURNITURE AND EQUIPMENT		41,715	33,703
WEBSITE DEVELOPMENT		24,926	15,862
MOTOR VEHICLES		192,563	200,484
		10,167,851	9,602,289
TOTAL ASSETS		11,650,237	12,075,703
LESS: CURRENT LIABILITIES Payables			
CREDITORS		786,896	995,786
Provisions			
PROVISION FOR ACCRUED ANNUAL LEAVE		129,327	131,837
PROVISION FOR LONG SERVICE LEAVE		494,035	548,051
		623,362	679,888
TOTAL CURRENT LIABILITIES	•	1,410,257	1,675,675
NON CURRENT LIABILITIES			•
Payables LOANS FROM BRANCHES Provisions	5.	2,367,068	2,931,791
PROVISION FOR LONG SERVICE LEAVE Interest Bearing Liabilities		3,143,695	3,143,695
SECURED LOAN - MEMBERS EQUITY		1,253,600	
		6,764,363	6,075,486
TOTAL LIABILITIES	-	8,174,620	7,751,160
		3,475,618	4,324,543

# THE AUSTRALIAN WORKERS' UNION (NATIONAL OFFICE)

# STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE, 2006

INCOME	2005 \$		<u>2006</u> \$
SUBSIDY INCOME	3,827,305		4,067,692
ACTU SPECIAL LEVY	0,027,000		714,653
NATIONAL CONFERENCE - SPONSORSHIP	113,220		7 14,000
ADVERTISING INCOME	194,900		106 220
DIRECTORS FEES	65,882		196,230 87,952
MAILING INCOME AWU JOURNALS	125,435		125,466
RENTALINCOME	123,433		10,909
INTEREST	24,236		17,335
OTHER INCOME	46,452		56,777
OTTEN NOOME	40,402		30,777
TOTAL INCOME	4,408,339		5,277,015
EXPENSES			
DIRECT MEMBERSHIP EXPENSES			
NORTHERN AND WESTERN AUSTRALIA PROMOTION	73,915		31,289
ACTU - ORGANISER	21,611		-
ADVERTISING AND SUBSCRIPTIONS	5,646		8,295
AFFILIATION FEES	368,703		372,547
BEREAVEMENT PAYMENTS	143,250		148,200
RESEARCH EXPENSES	18,083		15,867
COMPUTER MAINTENANCE AND TRAINING	14,947		9,882
DEPN OF COMPUTERS	18,214		18,184
DONATIONS	37,296		94,538
MEMBERSHIP SURVEYS	74,508		_
LEGAL FEES	44,799		147,410
GROWTH CAMPAIGN	22,164		45
IR CAMPAIGN			863,751
MEMBERSHIP MAIL OUTS	18,786		11,111
"AUSTRALIAN WORKER" PUBLISHING COSTS	233,730		227,399
"AUSTRALIAN WORKER" PRINT AND PRODUCTION	280,705		266,847
"AUSTRALIAN WORKER" MAIL MANAGEMENT	253,353		251,451
WEB SITE EXPENSES	6,340		18,059
MEDIA EXPENSES	10,725		11,479
SPONSORSHIP EXPENSE	500		8,000
GLASSWORKER BRANCH RESTRUCTURE	6,177		-
AWU FUNCTIONS (120 YEAR CELEBRATION)	200		34,276
TOTAL	1,653,652		2,538,631
MEETING EXPENSES		-	
NATIONAL CONFERENCE EXPENSES	116,296		1,981
NATIONAL EXECUTIVE MEETINGS	8,195		4,540
NATIONAL MEETINGS	_		3,518
MEETING EXPENSES - DELEGATES	21,530		5,734
TOTAL	146,021		15,773
OH&S EXPENSES	40.000		E 740
OH&S	12,332		5,719
	12,332		5,719

# THE AUSTRALIAN WORKERS' UNION (NATIONAL OFFICE)

# STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE, 2006

	<u>2005</u> \$	<u>2006</u> \$
PAYROLL EXPENSES	•	<b>Y</b>
SALARIES & WAGES	960,038	932,314
SUPERANNUATION - EMPLOYER CONT.	133,754	124,395
WORKCOVER EXPENSES	15,427	16,524
PAYROLL TAX	ŕ	
	39,993	32,039
ACCRUED ANNUAL LEAVE	14,842	11,014
LONG SERVICE LEAVE PROVISION	71,465	29,395
CONSULTANTS	735	37,800
CONTRACTORS	3,427	149,250
TOTAL	1,239,681	1,332,730
TRAINING & TUITION		
UNIVERSITY FEES	1,864	_
SEMINAR AND CONFERENCE COSTS	22,771	13,393
TRAINING EXPENSES	6,512	300
THO MAINS EXILENCES		
TOTAL	31,147	13,693
TRAVEL EXPENSES		
TRAVEL AND ACCOMMODATION	62,312	105,492
AIR FARES	274,105	234,172
TAXIS AND PARKING	35,438	40,513
· · · · · · · · · · · · · · · · · · ·		, , , , , ,
TOTAL	371,855	380,178
MOTOR VEHICLE EXPENSES		·
RUNNING EXPENSES	53,285	59,623
LOSS ON REALISATION	10,499	16,356
DEPRECIATION OF MOTOR VEHICLES	54,472	54,588
FRINGE BENEFITS TAX	25,934	31,519
FINANCE COSTS	4,485	01,010
FINANCE COSTS	7,700	
TOTAL	148,675	162,085
TELEPHONE EXPENSES		
LAND LINES	20,828	22,515
MOBILE PHONES	23,209	26,026
HOME PHONES	4,693	5,551
OTHER TELEPHONE EXPENSES	5,131	6,499
	<u></u>	·
TOTAL	53,861	60,590

# THE AUSTRALIAN WORKERS' UNION (NATIONAL OFFICE)

# STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE, 2006

	2005 ©	<u>2006</u>
PROPERTY EXPENSES	Φ	\$
RENTAL	55,824	67,207
INSURANCE	16,299	14,948
DEPRECIATION OF BUILDINGS	156,465	158,499
OTHER PROPERTY EXPENSES	11,768	10,755
TOTAL	240,356	251,409
GENERAL EXPENSES		
AUDITING & ACCOUNTING	14,780	17,070
BANK FEES AND CHARGES	2,279	2,411
CLEANING	7,848	8,049
ELECTRICITY EXPENSES	8,751	6,819
MISC. EXPENSES	6,522	4,489
TOTAL	40,180	38,838
OFFICE EXPENSES		
STATIONERY	6,289	5,548
COURIER CHARGES AND FREIGHT	3,458	4,259
PRINTING	35,802	41,522
LEASE AND RENTAL OF EQUIPMENT	17,486	17,591
DEPRECIATION OF FURNITURE AND EQUIP.	8,520	7,523
REPAIRS AND MAINTENANCE OF EQUIP.	898	2,912
MERCHANDISE EXPENSE	177	3,689
INTERNET EXPENSES	5,217⊸	4,451
INTEREST CHARGES	17,894	3,660
AWU AWARDS	2,700	2,000
TOTAL	98,441	93,156
TOTAL	30,441	93,130
TOTAL EXPENSES	4,036,200	4,892,803
NET OPERATING PROFIT	372,139	384,212
ADD: ABNORMAL ITEMS: GAIN ON SALE OF PROPERTY	. <b>6</b> . –	464,713
LESS: ABNORMAL LOSSES	95,331	-
NET PROFIT FOR YEAR	276,808	848,925
ADD: ACCUMULATED FUNDS AT BEGINNING	3,198,810	3,475,618
ACCUMULATED FUNDS AT YEAR END	3,475,618	4,324,543

# AUSTRALIAN WORKERS' UNION NATIONAL OFFICE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE, 2006

	<u>2005</u> \$	<u>2006</u> \$
CASH FUNDS AT COMMENCEMENT	\$ 876,929	\$ 971,791
CASH INFLOW		
ADD: PROCEEDS FROM OPERATING ACTIVITIES SUBSIDIES FROM BRANCHES	4,123,964	4,318,339
INTEREST RECEIVED	23,781	17,824
OTHER INCOME	678,962	569,879
LESS PAYMENTS TO SUPPLIERS AND EMPLOYEES	(4,499,189)	(4,124,707)
	327,518	781,335
ADD: PROCEEDS FROM INVESTING ACTIVITIES		
DISPOSAL OF FIXED ASSETS	73,347	(134,792)
LESS PURCHASES OF FIXED ASSETS	(387,075)	910,596
	(313,728)	775,804
TOTAL INFLOW	13,790	1,557,139
CASH OUTFLOW		-
LESS: OUTFLOW FROM FINANCING ACTIVITIES		
NET REPAYMENT OF HIRE PURCHASE DEBTS	(50,215)	-
NET LOANS FROM BRANCHES	130,465	648,920
NET LOANS TO BRANCHES	(35,000)	(84,197)
OTHER LOANS	250,641	•
REPAYMENT OF OTHER LOANS	<u>(214,819)</u> 81,072	(1,253,650) (688,927)
TOTAL OUTFLOW	81,072	(688,927)
CASH FUNDS AT YEAR END	\$ 971,791	\$ 1,840,004

## 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, 2006

# 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

This report is a general purpose financial report drawn up in accordance with applicable Accounting Standards, 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 31<sup>st</sup> 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.

# (NATIONAL OFFICE)

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

# FOR THE YEAR ENDED 30 JUNE, 2006

	<b>2005</b> \$	<b>2006</b> \$
FIXED ASSETS	<b>5</b>	<b>3</b>
Properties –		
Land and Buildings (at cost)	10,938,290	10,443,290
Less Accumulated Depreciation	(1,029,643)	(1,091,050)
	9,908,647	9,352,240
Motor Vehicles -		
At Cost	271,796	273,589
Less Accumulated Depreciation	(79,233)	<u>(73,105)</u>
	<u>192,563</u>	<u>200,484</u>
Office Furniture and Equipment		
At Cost	110,397	115,778
Less Accumulated Deprecation	(68,682)	(82,075)
	41,715	33,703
Website Development Costs		
At Cost	45,320	45,320
Less Accumulated Depreciation	(20,394)	(29,458)
	24,926	<u>15,862</u>
TOTAL FIXED ASSETS	\$10,167,851	\$ <u>9,602,289</u>

# (NATIONAL OFFICE)

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

# FOR THE YEAR ENDED 30 JUNE, 2006

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

	<b>2005</b> \$	<b>2006</b> \$
157 – 161 Maitland Road, Mayfield	1,479,800	1,447,300
685 Spencer St, West Melbourne	2,649,782	2,585,405
250 – 270 Murray St, Hobart	402,325	<b>-</b>
34 Church St, Dubbo	665,605	660,430
2 Napier St, Deakin, ACT	1,459,995	1,445,620
8 – 10 Creedy St, Cairns	76,658	76,137
211 Mulgrave Rd, Cairns	1,319,175	1,309,201
Sturt St, Townsville	535,815	528,445
Macquarie St, Taree	245,450	242,500
9 Murn Crescent, Whyalla Norrie	97,917	95,792
18 Belmore St, Woolongong	976,125	961,410
	9,908,648	9,352,240
4. LOANS TO BRANCHES (NON CURRENT)		
AWU - Whyalla Woomera Branch	5,000	<b>-</b> · · .
AWU – TAPS Branch	2,857	<u>.</u>
AWU – WA Branch	35,000	<u>35,000</u>
AWO WA Dianon	42,857	<u>35,000</u>
5. LOANS FROM BRANCHES (NON CURRENT)		
		the second section of the second
AWU West Australia Branch	146,500	146,500
AWU New South Wales State Union	2,090,102	2,005,905
AWU Victorian Branch	<u>130,466</u>	<u>779,386</u>
	<u>2,367,068</u>	<u>2,931,791</u>
6. ABNORMAL ITEMS	· .	·
Capital Gain on the sale of property Less:	-	464,713
Expenses incurred in prior years	(95,331)	-
	(95,331))	464,713

# (NATIONAL OFFICE)

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

# FOR THE YEAR ENDED 30 JUNE, 2006

#### 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:-

	2005	2006
	\$	\$
Elected Representatives	169,162	244,745
Employees	<u>790,876</u>	687,569
	<u>\$ 960,038</u>	<u>\$ 932,314</u>

# 8. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

The Executive 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 274 which reads as follows:

- a) "A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation;
- b) An organisation shall, on application made under Subsection (1) by a member of the organisation or a Registrar, make the specified information available to a member or the Registrar in such manner, and within such time, as is prescribed;
- c) A Registrar may only make an application under Subsection (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member."