



**Australian Government**  
**Australian Industrial Registry**

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 Paul Howes  
National Secretary  
The Australian Workers' Union  
Level 10, 377-383 Sussex Street  
SYDNEY NSW 2000



Dear Mr Howes

**Re: Financial Statements and Accounts – AWU National Office  
– year ending 30 June 2007 (FR2007/227)**

Thank you for your letter dated 6 January 2009 advising steps will be taken to alter the rules.

In view of this advice, the 2007 financial return has now been filed.

Yours sincerely,

  
Stephen Kellett  
for Deputy Industrial Registrar

7 January 2009

**STRONGER  
TOGETHER**

NATIONAL OFFICE  
Level 10, 377-383 Sussex Street  
Sydney NSW 2000  
T: (02) 8005 3333 F: (02) 8005 3300  
W: www.awu.net.au E: members@awu.net.au  
Members Hotline 1300 885 653  
PAUL HOWES National Secretary



6 January 2008

Mr Stephen Kellett  
Deputy Industrial Registrar  
Level 8 Terrace Towers  
80 William Street  
East Sydney NSW 2011

Fax: (02) 9380 6990



**E-MAILED**  
6.1.2008

Dear Mr Kellett,

**RE: Financial Statements and Accounts – AWU National Office – year ending 30 June 2008**

I am writing in response to your letter dated 22 December 2008. We also acknowledge that we received a letter from Mr Barry Jenkins dated 6 June 2008 in relation to this matter. Unfortunately, due to an administrative oversight, the rule alteration to provide for the requisition of a meeting to consider the general purpose financial report by 5 per cent of the membership is still yet to be effected.

We will seek to immediately address this oversight and take the necessary steps to resolve the issue as soon as possible. The alteration will require us to conduct a postal ballot and preparations for the ballot are already underway. It is expected that the postal ballot process will be concluded within three weeks.

Yours sincerely,

Paul Howes  
NATIONAL SECRETARY



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National Secretary  
The Australian Workers' Union  
Level 10, 377-383 Sussex Street  
SYDNEY NSW 2000



Dear Mr Howes

**Re: Financial Statements and Accounts – AWU National Office  
– year ending 30 June 2007 (FR2007/227)**

I refer to the abovementioned financial statements and accounts which were lodged on 23 January 2008 and to previous correspondence between yourself and Deputy Industrial Registrar Jenkins.

The subject of that correspondence concerned making appropriate provision for the requisition of a meeting to consider the general purpose financial report by no more than 5% of the membership, which would enable the National office report to be presented, in accordance with s266(3) of the RAO Schedule, to the National Executive, as has been the practice.

Whilst the rules of the organisation continue not to contain such a provision, the National Office financial reports must be presented to a general meeting (or series of meetings) of the organisation's membership, pursuant to s266(1), rather than to the National Executive.

In your letter dated 13 June 2008, you wrote to Deputy Industrial Registrar Jenkins indicating that a review of the rules of the organisation was being conducted and that you foreshadowed making an application to alter the rules.

To date there does not appear to have been any record of rule alteration to this effect lodged for certification, and I seek your advice on whether the organisation foreshadows such an alteration in the foreseeable future.

Yours sincerely,

Stephen Kellett  
for Deputy Industrial Registrar

22 December 2008

# STRONGER TOGETHER

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Members Hotline 1300 885 653  
PAUL HOWES National Secretary



13 June 2008

## FAXED

Mr Barry Jenkins  
Deputy Industrial Registrar  
Australian Industrial Registry  
Level 8  
80 William Street  
EAST SYDNEY NSW 2011

Via Facsimile 9380 6990

Dear Mr Jenkins

**Re: Financial Statements and Accounts – AWU National Office  
Year ended 30 June 2007 (F2007/227)**

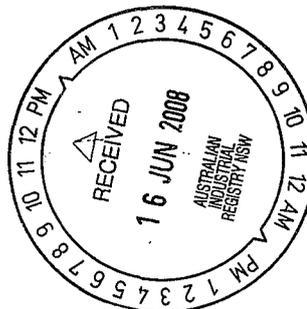
I refer to your correspondence of 6 June 2008 regarding the above matter.

Please be advised, AWU Legal Officer Marc DeCarne is in the process of reviewing the AWU rules.

Once the AWU National Executive members have carried the appropriate resolution, an application will be made to the Industrial Registry to vary the rules.

Yours sincerely,

Paul Howes  
**NATIONAL SECRETARY**





**Australian Government**  
**Australian Industrial Registry**

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Mr Paul Howes  
National Secretary  
The Australian Workers' Union  
Level 10, 377-383 Sussex Street  
SYDNEY NSW 2000

Dear Mr Howes

**Re: Financial Statements and Accounts – AWU National Office  
– year ending 30 June 2007 (FR2007/227)**

I refer to the abovementioned financial statements and accounts which were lodged on 23 January 2008. In particular I am writing in relation to the subject of the yearly presentation of financial accounts and statements pursuant to section 266 of Schedule 1 of the *Workplace Relations Act 1996* (the RAO Schedule).

In the course of a review of the rules of the registered organisations assigned to the Sydney Registry's portfolio, the Registry has realised that the rules of The Australian Workers' Union do not appear to contain a rule allowing for a general meeting of the organisation - as a whole - to be requisitioned by members along the lines prescribed by s266(3) of the RAO Schedule.

That section provides:

***266 Full report to be presented to meetings***

*(1) Subject to subsection (2), the reporting unit must cause the full report to be presented to a general meeting of the members of the reporting unit within the period of 6 months starting at the end of the financial year (or such longer period as is allowed by a Registrar under subsection 265(5)).*

*Note: This subsection is a civil penalty provision (see section 305).*

*(2) If the rules of the reporting unit permit a general meeting to be a series of meetings at different locations, the presenting of the full report to such a series of meetings is taken to be the presenting of the report to a general meeting. The general meeting is taken to have occurred at the time of the last of the meetings in the series.*

*(3) If the rules of the reporting unit provide for a specified percentage (not exceeding 5%) of members to be able to call a general meeting of the reporting unit for the purpose of considering the auditor's report, the general purpose financial report and the operating report, the full report may instead be presented to a meeting of the committee of management of the reporting unit that is held within the period mentioned in subsection (1).*

It is true that rule 48(2) does make provision along these lines but this rule appears to apply only to special general meetings of Branches, which are distinct reporting units from the National office.

The significance of this is that the practice of the organisation – continued from before the RAO amendments including s266 were introduced in 2003 – of presenting the National accounts and statements to the National Executive is strictly not permissible. In order to continue to do so, an appropriate rule applying to the organisation as a whole would need to be added to the rules.

Clearly the terms and effect of such a rule would envisage (and necessitate if requisitioned) a series of general meetings at different locations across the states.

A number of other large nationally operating registered organisations have for practical purposes included such a rule and this allows them to routinely present their national accounts to their national committee of management (or equivalent). I attach some relevant extracts as illustrations.

I am bringing this issue to your attention for your consideration and response. Please do not hesitate to contact me directly on (02) 8374 6504 if you wish to discuss this matter.

Yours sincerely



Barry Jenkins  
Deputy Industrial Registrar

6 June 2008

**EXTRACT FROM NATIONAL RULES OF Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia**

*20.4 General Meetings of Members to Consider Financial Reports*

- 20.4.1 A general meeting of members of the Union may be requested for the purpose of considering the auditor's report, the general purpose report and the operating report of the Union.*
- 20.4.2 The general meeting must be requested in writing, addressed and delivered to the National Secretary and must be signed by a number of members who comprise at least 5% of the membership of the Union.*
- 20.4.3 Upon receiving a valid request for a general meeting, the National Secretary must give all members of the Union not less than 14 days notice of the date, time, place and reason for calling the general meeting of members.*
- 20.4.4 The notice referred to in subrule 20.4.3 may be given by correspondence delivered to the member's last known address, or by email to the member's email address or by publishing a note in the Union's magazine or by notification on the Union's website.*
- 20.4.5 At the general meeting the National President shall preside. All members of the Union shall be entitled to attend and vote. The National Secretary may use the occasion of the meeting to add matters to the agenda other than the auditor's report, the general purpose report and the operating report of the Union. However, these three reports must be the first order of business of the meeting.*
- 20.4.6 For the convenience of facilitating member attendance, video conferencing may be used for meetings. Meetings may also be held in each State or other geographic area to facilitate member attendance.*
- 20.4.7 Not less than 5% of the membership of the Union shall form a quorum. The question of adoption or otherwise of each of the three reports shall be decided by a majority of those members present at the meeting. In the event of an even vote, the Chair shall have the casting vote.*

## **EXTRACT FROM RULES OF The Australasian Meat Industry Employees Union**

### ***General Meeting of Members of the Union - Financial Reports***

- 49.16 *A general meeting of the members of the Union may be requested for the purpose of considering the auditor's report, the general purpose report and the operating report of the Federal Council.*
- 49.17 *The general meeting referred to in rule 49.16: -*
- (i) must be requested in writing delivered to the Federal Secretary; and*
  - (ii) must be signed by a number of members of the Union who comprise at least*  
*4.5% of the membership of the Union.*
- 49.18 *Upon receiving a valid request conforming with rule 49.17, the Federal Secretary must give all members of the Union not less than 14 days notice of the date, time and place of the general meeting of members for the purpose of considering the auditor's report, the general purpose report and the operating report of the Federal Council.*
- 49.19 *The notice referred to in rule 49.18 may be given by correspondence delivered to the members' last held address or may be given by publishing a notice in a Branch's journal.*
- 49.20 *At the general meeting the President of the Federal Council shall preside. All members of the Union shall be entitled to attend and vote. The agenda shall be limited to the consideration and adoption or otherwise of the auditor's report, the general purpose report and the operating report of the Federal Council.*
- 49.21 *Not less than 4.5% of the membership of the Union shall form a quorum. The question of adoption or otherwise of the auditor's report, the general purpose report and the operating report of the Federal Council shall be decided by a majority of those members present. In the event of an even vote, the Chair shall have a casting vote.*

# STRONGER TOGETHER

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PAUL HOWES National Secretary



## THE AUSTRALIAN WORKERS' UNION

### NATIONAL OFFICE

### SECRETARY'S CERTIFICATE

I, Paul Howes, being the National Secretary of The Australian Workers' 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 30<sup>th</sup> of June, 2007, that were:

1. Made available to the membership in the week commencing 26 November, 2007.
2. Presented by way of a postal ballot to the National Executive. The postal ballot was conducted on 20 December, 2007 and closed on 8 January, 2008 at 4.00pm. The postal ballot was completed with a result in favour of the resolution to adopt the 2006/2007 National Office Operating Report, Financial Accounts, Statements and Auditor's Report.

Dated 9 January, 2008.

Paul Howes  
NATIONAL SECRETARY



THE AUSTRALIAN WORKERS' UNION

(NATIONAL OFFICE)

AUDITORS' REPORT.

FINANCIAL STATEMENTS AND NOTES THERETO

FOR THE YEAR ENDED 30 JUNE 2007



**THE AUSTRALIAN WORKERS' UNION**

**(NATIONAL OFFICE)**

**OPERATING REPORT JULY 2006 – JUNE 2007**

**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 \$294,671

**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: 102,161

**Number of Employees**

Number of employees (equivalent full time): 13

**Names of members of management committee:**

|              |            |
|--------------|------------|
| Brischke, T. | Hanson, W  |
| Borowick, M  | Heath, C   |
| Boscacci, B  | Howes, P   |
| Chambers, F  | Melhem, 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 Information**

There is no other information that the Union considers relevant

Signed:



~~Bill Shorten~~ PAUL HOWES

Date:

26-11-2007

**THE AUSTRALIAN WORKERS' UNION**

**(NATIONAL OFFICE)**

**STATUTORY STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE, 2007**

**COMMITTEE OF MANAGEMENT'S CERTIFICATE**

On *26 NOVEMBER*, 2007, 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, 2007: -

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.

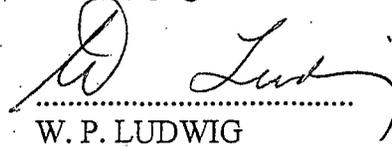
- (vi) there have been no compliance orders for inspection of financial records made by the Commission under section 273 of the Workplace Relations Act 1996 Schedule.

For and on behalf of the Executive



~~W. SHORTEN~~

PHOWES



W. P. LUDWIG

SIGNED at West Melbourne this 26th day of NOVEMBER, 2007.

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 2007 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:

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

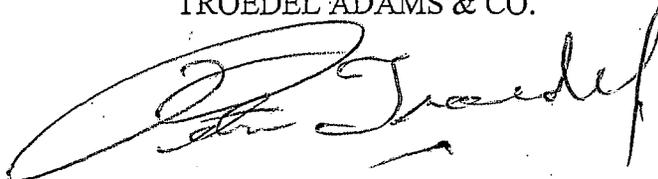
(NATIONAL OFFICE)

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 26<sup>th</sup> day of November, 2007.

**THE AUSTRALIAN WORKERS' UNION**  
**(NATIONAL OFFICE)**

**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 30TH JUNE, 2007**

| <b><u>INCOME</u></b>                     | <b><u>2006</u></b>      | <b><u>2007</u></b>      |
|--|-------------------------|-------------------------|
|  | <b>\$</b>               | <b>\$</b>               |
| SUBSIDY INCOME                           | 4,067,692               | 3,798,911               |
| ACTU SPECIAL LEVY                        | 714,653                 | 613,263                 |
| NATIONAL CONFERENCE - SPONSORSHIP        | -                       | 188,727                 |
| ADVERTISING INCOME                       | 196,230                 | 103,727                 |
| DIRECTORS FEES                           | 87,952                  | 68,539                  |
| MAILING INCOME AWU JOURNALS              | 125,466                 | 107,628                 |
| RENTAL INCOME                            | 10,909                  | 10,909                  |
| INTEREST                                 | 17,335                  | 34,876                  |
| FEDERAL ELECTION CAMPAIGN LEVY           | -                       | 33,788                  |
| OTHER INCOME                             | 56,777                  | 45,914                  |
| <b><u>TOTAL INCOME</u></b>               | <b><u>5,277,015</u></b> | <b><u>5,006,281</u></b> |
| <br><b><u>EXPENSES</u></b>               |                         |                         |
| <b><u>DIRECT MEMBERSHIP EXPENSES</u></b> |                         |                         |
| NORTHERN AND WESTERN AUSTRALIA PROMOTION | 31,289                  | -                       |
| ADVERTISING AND SUBSCRIPTIONS            | 8,295                   | 12,197                  |
| AFFILIATION FEES                         | 372,547                 | 384,977                 |
| BEREAVEMENT PAYMENTS                     | 148,200                 | 121,800                 |
| RESEARCH EXPENSES                        | 15,867                  | 47,259                  |
| COMPUTER MAINTENANCE AND TRAINING        | 9,882                   | 15,575                  |
| DEPRECIATION OF COMPUTERS                | 18,184                  | 18,945                  |
| DONATIONS                                | 94,538                  | 42,355                  |
| LEGAL FEES                               | 147,410                 | 129,536                 |
| GROWTH CAMPAIGN                          | 45                      | 1,800                   |
| IR CAMPAIGN                              | 863,751                 | 662,304                 |
| MEMBERSHIP MAIL OUTS                     | 11,111                  | 11,461                  |
| "AUSTRALIAN WORKER" PUBLISHING COSTS     | 227,399                 | 166,952                 |
| "AUSTRALIAN WORKER" PRINT AND PRODUCTION | 266,847                 | 171,797                 |
| "AUSTRALIAN WORKER" MAIL MANAGEMENT      | 251,451                 | 233,870                 |
| WEB SITE EXPENSES                        | 18,059                  | 24,461                  |
| MEDIA EXPENSES                           | 11,479                  | 11,833                  |
| SPONSORSHIP EXPENSE                      | 8,000                   | 4,000                   |
| AWU FUNCTIONS (120 YEAR CELEBRATION)     | 34,276                  | 52,371                  |
| CORONIAL INQUIRY-BEACONSFIELD MINE       | -                       | 19,375                  |
| PROMOTIONAL VIDEOS                       | -                       | 50,251                  |
| <b><u>TOTAL</u></b>                      | <b><u>2,538,631</u></b> | <b><u>2,183,117</u></b> |
| <br><b><u>MEETING EXPENSES</u></b>       |                         |                         |
| NATIONAL CONFERENCE EXPENSES             | 1,981                   | 200,939                 |
| NATIONAL EXECUTIVE MEETINGS              | 4,540                   | 3,001                   |
| NATIONAL MEETINGS                        | 3,518                   | -                       |
| MEETING EXPENSES - DELEGATES             | 5,734                   | 16,725                  |
| <b><u>TOTAL</u></b>                      | <b><u>15,773</u></b>    | <b><u>220,665</u></b>   |
| <br><b><u>OH&amp;S EXPENSES</u></b>      |                         |                         |
| OH&S                                     | 5,719                   | 19,077                  |
|  | <b><u>5,719</u></b>     | <b><u>19,077</u></b>    |

**THE AUSTRALIAN WORKERS' UNION**  
**(NATIONAL OFFICE)**

**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 30TH JUNE, 2007**

|                                 | <u>2006</u>      | <u>2007</u>      |
|---------------------------------|------------------|------------------|
|                                 | \$               | \$               |
| <b>PAYROLL EXPENSES</b>         |                  |                  |
| SALARIES & WAGES                | 932,314          | 896,354          |
| SUPERANNUATION - EMPLOYER CONT. | 124,395          | 133,527          |
| WORKCOVER EXPENSES              | 16,524           | 14,701           |
| PAYROLL TAX                     | 32,039           | 42,237           |
| ACCRUED ANNUAL LEAVE            | 11,014           | 13,566           |
| LONG SERVICE LEAVE PROVISION    | 29,395           | 74,327           |
| CONSULTANTS                     | 37,800           | 34,623           |
| CONTRACTORS                     | 149,250          | 151,303          |
| <b>TOTAL</b>                    | <u>1,332,730</u> | <u>1,360,638</u> |
| <b>TRAINING &amp; TUITION</b>   |                  |                  |
| UNIVERSITY FEES                 | -                | 1,450            |
| SEMINAR AND CONFERENCE COSTS    | 13,393           | 1,595            |
| TRAINING EXPENSES               | 300              | 6,378            |
| <b>TOTAL</b>                    | <u>13,693</u>    | <u>9,423</u>     |
| <b>TRAVEL EXPENSES</b>          |                  |                  |
| TRAVEL AND ACCOMMODATION        | 105,492          | 66,445           |
| AIR FARES                       | 234,172          | 191,906          |
| TAXIS AND PARKING               | 40,513           | 40,332           |
| INDUSTRIAL OFFICERS EXPENSES    | -                | 5,161            |
| <b>TOTAL</b>                    | <u>380,178</u>   | <u>303,844</u>   |
| <b>MOTOR VEHICLE EXPENSES</b>   |                  |                  |
| RUNNING EXPENSES                | 59,623           | 64,800           |
| LOSS ON REALISATION             | 16,356           | 2,810            |
| DEPRECIATION OF MOTOR VEHICLES  | 54,588           | 65,125           |
| FRINGE BENEFITS TAX             | 31,519           | 39,987           |
| <b>TOTAL</b>                    | <u>162,085</u>   | <u>172,722</u>   |
| <b>TELEPHONE EXPENSES</b>       |                  |                  |
| LAND LINES                      | 22,515           | 18,222           |
| MOBILE PHONES                   | 26,026           | 28,193           |
| HOME PHONES                     | 5,551            | 4,902            |
| OTHER TELEPHONE EXPENSES        | 6,499            | 3,962            |
| <b>TOTAL</b>                    | <u>60,590</u>    | <u>55,279</u>    |

**THE AUSTRALIAN WORKERS' UNION**  
**(NATIONAL OFFICE)**

**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 30TH JUNE, 2007**

|   | <u>2006</u>       | <u>2007</u>      |
|---|-------------------|------------------|
|   | \$                | \$               |
| <b>PROPERTY EXPENSES</b>                    |                   |                  |
| RENTAL                                      | 67,207            | 62,933           |
| INSURANCE                                   | 14,948            | 20,578           |
| DEPRECIATION OF BUILDINGS                   | 158,499           | 164,423          |
| OTHER PROPERTY EXPENSES                     | 10,755            | 17,993           |
| <b>TOTAL</b>                                | <u>251,409</u>    | <u>265,927</u>   |
| <b>GENERAL EXPENSES</b>                     |                   |                  |
| AUDITING & ACCOUNTING                       | 17,070            | 9,025            |
| BANK FEES AND CHARGES                       | 2,411             | 2,441            |
| CLEANING                                    | 8,049             | 8,214            |
| ELECTRICITY EXPENSES                        | 6,819             | 7,813            |
| MISC. EXPENSES                              | 4,489             | 11,076           |
| <b>TOTAL</b>                                | <u>38,838</u>     | <u>38,569</u>    |
| <b>OFFICE EXPENSES</b>                      |                   |                  |
| STATIONERY                                  | 5,548             | 4,291            |
| COURIER CHARGES AND FREIGHT                 | 4,259             | 3,984            |
| PRINTING                                    | 41,522            | 38,309           |
| LEASE AND RENTAL OF EQUIPMENT               | 17,591            | 20,735           |
| DEPRECIATION OF FURNITURE AND EQUIP.        | 7,523             | 5,517            |
| REPAIRS AND MAINTENANCE OF EQUIP.           | 2,912             | 318              |
| MERCHANDISE EXPENSE                         | 3,689             | 3,904            |
| INTERNET EXPENSES                           | 4,451             | 3,365            |
| INTEREST CHARGES                            | 3,660             | 25               |
| AWU AWARDS                                  | 2,000             | 1,900            |
| <b>TOTAL</b>                                | <u>93,156</u>     | <u>82,347</u>    |
| <b><u>TOTAL EXPENSES</u></b>                | <u>4,892,803</u>  | <u>4,711,608</u> |
| <b><u>NET OPERATING PROFIT</u></b>          | <u>384,212</u>    | <u>294,671</u>   |
| <b><u>ADD: ABNORMAL ITEMS:</u></b>          |                   |                  |
| GAIN ON SALE OF PROPERTY                    | 6. <u>464,713</u> | <u>-</u>         |
| <b><u>NET PROFIT FOR YEAR</u></b>           | <u>848,926</u>    | <u>294,671</u>   |
| <b>ADD: ACCUMULATED FUNDS AT BEGINNING</b>  | 3,475,618         | 4,324,544        |
| <b><u>ACCUMULATED FUNDS AT YEAR END</u></b> | <u>4,324,544</u>  | <u>4,619,215</u> |

**THE AUSTRALIAN WORKERS' UNION**  
**(NATIONAL OFFICE)**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30TH JUNE, 2007**

|   | <u>NOTES</u> | <u>2006</u>       | <u>2007</u>       |
|---|--------------|-------------------|-------------------|
| <b>ACCUMULATED FUNDS</b>                        |              | \$                | \$                |
| BALANCE @ YEAR END                              |              | <u>4,324,543</u>  | <u>4,619,215</u>  |
| <br>THESE FUNDS ARE REPRESENTED BY:-            |              |                   |                   |
| <b>CURRENT ASSETS</b>                           |              |                   |                   |
| PETTY CASH                                      |              | 1,000             | 1,000             |
| CASH AT BANK                                    |              | 1,840,004         | 1,555,483         |
| SHARES IN PUBLIC COMPANIES                      |              | 3,091             | 3,091             |
| ACCOUNTS RECEIVABLE                             |              | 629,956           | 723,256           |
| PROVISION FOR DOUBTFUL DEBTS                    |              | <u>( 50,000 )</u> | <u>( 50,000 )</u> |
|   |              | 2,424,050         | 2,232,829         |
| <br><b>NON-CURRENT ASSETS</b>                   |              |                   |                   |
| <b>INVESTMENTS</b>                              |              |                   |                   |
| INVESTMENT IN FILM                              |              | -                 | 10,000            |
| LOANS TO BRANCHES                               | 4.           | 35,000            | 35,000            |
| TERM DEPOSIT                                    |              | 14,362            | 14,362            |
| FINANCIAL SERVICES TRUST                        |              | 13,462            | 13,462            |
| LESS: PROVISION FOR DIMINUTION IN VALUE         |              | <u>( 13,460 )</u> | <u>( 13,460 )</u> |
|   |              | 49,364            | 59,364            |
| <br><b>FIXED ASSETS (At Written Down Value)</b> |              |                   |                   |
| PROPERTIES                                      | 3.           | 9,352,240         | 10,080,658        |
| OFFICE FURNITURE AND EQUIPMENT                  |              | 33,703            | 38,465            |
| WEBSITE DEVELOPMENT                             |              | 15,862            | 6,798             |
| MOTOR VEHICLES                                  |              | <u>200,484</u>    | <u>235,190</u>    |
|   |              | 9,602,289         | 10,361,111        |
| <b><u>TOTAL ASSETS</u></b>                      |              | <u>12,075,703</u> | <u>12,653,305</u> |
| <br><b>LESS: CURRENT LIABILITIES</b>            |              |                   |                   |
| <b>Payables</b>                                 |              |                   |                   |
| CREDITORS                                       |              | 995,786           | 1,119,964         |
| <br><b>Provisions</b>                           |              |                   |                   |
| PROVISION FOR ANNUAL LEAVE                      |              | 131,837           | 111,963           |
| PROVISION FOR LONG SERVICE LEAVE                |              | <u>548,051</u>    | <u>313,744</u>    |
|   |              | 679,888           | 425,707           |
| <b>TOTAL CURRENT LIABILITIES</b>                |              | <u>1,675,675</u>  | <u>1,545,671</u>  |
| <br><b>NON CURRENT LIABILITIES</b>              |              |                   |                   |
| <b>Payables</b>                                 |              |                   |                   |
| LOANS FROM BRANCHES                             | 5.           | 2,931,791         | 3,344,724         |
| <br><b>Provisions</b>                           |              |                   |                   |
| PROVISION FOR LONG SERVICE LEAVE                |              | 3,143,695         | 3,143,695         |
| <b><u>TOTAL LIABILITIES</u></b>                 |              | <u>6,075,486</u>  | <u>6,488,419</u>  |
|   |              | <u>7,751,160</u>  | <u>8,034,090</u>  |
|   |              | <u>4,324,543</u>  | <u>4,619,215</u>  |

**AUSTRALIAN WORKERS' UNION**  
**NATIONAL OFFICE**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30TH JUNE, 2007**

|   | <u>2006</u>         | <u>2007</u>         |
|---|---------------------|---------------------|
|   | \$                  | \$                  |
| <b><u>CASH FUNDS AT COMMENCEMENT</u></b>              | <b>\$ 971,791</b>   | <b>\$ 1,840,004</b> |
| <b>CASH INFLOW</b>                                    |                     |                     |
| <b><u>ADD: PROCEEDS FROM OPERATING ACTIVITIES</u></b> |                     |                     |
| SUBSIDIES FROM BRANCHES                               | 4,318,339           | 4,101,267           |
| INTEREST RECEIVED                                     | 17,824              | 34,871              |
| OTHER INCOME  | 569,879             | 1,507,825           |
| LESS PAYMENTS TO SUPPLIERS AND EMPLOYEES              | (4,124,707)         | (5,349,906)         |
|   | 781,335             | 294,057             |
| <b><u>ADD: PROCEEDS FROM INVESTING ACTIVITIES</u></b> |                     |                     |
| DISPOSAL OF FIXED ASSETS                              | (134,792)           | (578,699)           |
| LESS PURCHASES OF FIXED ASSETS                        | 910,596             | 121                 |
|   | 775,804             | (578,578)           |
| <b><u>TOTAL INFLOW</u></b>                            | <b>1,557,139</b>    | <b>(284,521)</b>    |
| <b>CASH OUTFLOW</b>                                   |                     |                     |
| <b><u>LESS: OUTFLOW FROM FINANCING ACTIVITIES</u></b> |                     |                     |
| NET REPAYMENT OF HIRE PURCHASE DEBTS                  | -                   | -                   |
| NET LOANS FROM BRANCHES                               | 648,920             | -                   |
| NET LOANS TO BRANCHES                                 | (84,197)            | -                   |
| OTHER LOANS   | -                   | -                   |
| REPAYMENT OF OTHER LOANS                              | (1,253,650)         | -                   |
|   | (688,927)           | -                   |
| <b><u>TOTAL OUTFLOW</u></b>                           | <b>(688,927)</b>    | <b>-</b>            |
| <b><u>CASH FUNDS AT YEAR END</u></b>                  | <b>\$ 1,840,004</b> | <b>\$ 1,555,483</b> |

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.

**THE AUSTRALIAN WORKERS' UNION**

**(NATIONAL OFFICE)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE, 2007**

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.

**THE AUSTRALIAN WORKERS' UNION**

**(NATIONAL OFFICE)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE, 2007**

|                                       | 2006                       | 2007                        |
|---------------------------------------|----------------------------|-----------------------------|
|                                       | \$                         | \$                          |
| <b>3. FIXED ASSETS</b>                |                            |                             |
| <b>Properties -</b>                   |                            |                             |
| Land and Buildings (at cost)          | 10,443,290                 | 11,336,132                  |
| Less Accumulated Depreciation         | <u>(1,091,050)</u>         | <u>(1,255,474)</u>          |
|                                       | <u>9,352,240</u>           | <u>10,080,658</u>           |
| <b>Motor Vehicles -</b>               |                            |                             |
| At Cost                               | 273,589                    | 373,420                     |
| Less Accumulated Depreciation         | <u>(73,105)</u>            | <u>(138,230)</u>            |
|                                       | <u>200,484</u>             | <u>235,190</u>              |
| <b>Office Furniture and Equipment</b> |                            |                             |
| At Cost                               | 115,778                    | 133,767                     |
| Less Accumulated Depreciation         | <u>(82,075)</u>            | <u>(95,302)</u>             |
|                                       | <u>33,703</u>              | <u>38,465</u>               |
| <b>Website Development Costs</b>      |                            |                             |
| At Cost                               | 45,320                     | 45,320                      |
| Less Accumulated Depreciation         | <u>(29,458)</u>            | <u>(38,522)</u>             |
|                                       | <u>15,862</u>              | <u>6,798</u>                |
| <b>TOTAL FIXED ASSETS</b>             | <b><u>\$ 9,602,289</u></b> | <b><u>\$ 10,361,111</u></b> |

**THE AUSTRALIAN WORKERS' UNION**

**(NATIONAL OFFICE)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE, 2007**

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

|                                   | <b>2006</b>             | <b>2007</b>              |
|-----------------------------------|-------------------------|--------------------------|
|                                   | \$                      | \$                       |
| 157 – 161 Maitland Road, Mayfield | 1,447,300               | 1,414,800                |
| 685 Spencer St, West Melbourne    | 2,585,405               | 2,521,029                |
| 34 Church St, Dubbo               | 660,430                 | 655,255                  |
| 2 Napier St, Deakin, ACT          | 1,445,620               | 1,431,245                |
| 8 – 10 Creedy St, Cairns          | 76,137                  | 75,617                   |
| 211 Mulgrave Rd, Cairns           | 1,309,201               | 1,299,226                |
| Sturt St, Townsville              | 528,445                 | 521,075                  |
| Macquarie St, Taree               | 242,500                 | 239,550                  |
| 9 Murn Crescent, Whyalla Norrie   | 95,792                  | 93,667                   |
| 18 Belmore St, Woolongong         | 961,410                 | 946,694                  |
| 1/332-334 Main St, Glenorchy      | -                       | 436,852                  |
| 4/72 Gheringhap St, Geelong       | -                       | 445,648                  |
|                                   | <u><b>9,352,240</b></u> | <u><b>10,080,658</b></u> |

**4. LOANS TO BRANCHES  
(NON CURRENT)**

|                 |                      |                      |
|-----------------|----------------------|----------------------|
| AWU – WA Branch | 35,000               | 35,000               |
|                 | <u><b>42,857</b></u> | <u><b>35,000</b></u> |

**5. LOANS FROM BRANCHES  
(NON CURRENT)**

|                                 |                         |                         |
|---------------------------------|-------------------------|-------------------------|
| AWU West Australia Branch       | 146,500                 | 117,875                 |
| AWU New South Wales State Union | 2,005,905               | 1,995,669               |
| AWU Victorian Branch            | 779,386                 | 1,231,180               |
|                                 | <u><b>2,931,791</b></u> | <u><b>3,344,724</b></u> |

**6. ABNORMAL ITEMS**

|                                      |                       |                   |
|--------------------------------------|-----------------------|-------------------|
| Capital Gain on the sale of property | 464,713               | -                 |
| Less:                                |                       |                   |
| Expenses incurred in prior years     | -                     | -                 |
|                                      | <u><b>464,713</b></u> | <u><b>NIL</b></u> |

**THE AUSTRALIAN WORKERS' UNION**

**(NATIONAL OFFICE)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE, 2007**

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:-

|                         | 2006                     | 2007                     |
|-------------------------|--------------------------|--------------------------|
|                         | \$                       | \$                       |
| Elected Representatives | 244,745                  | 228,475                  |
| Employees               | <u>687,569</u>           | <u>667,879</u>           |
|                         | <b><u>\$ 932,314</u></b> | <b><u>\$ 896,354</u></b> |

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."