



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 2008 (FR2008/456)

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

In view of this advice, the 2008 financial return has now been filed.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Stephen Kellett".

Stephen Kellett
for Deputy Industrial Registrar

7 January 2009

**STRONGER
TOGETHER**

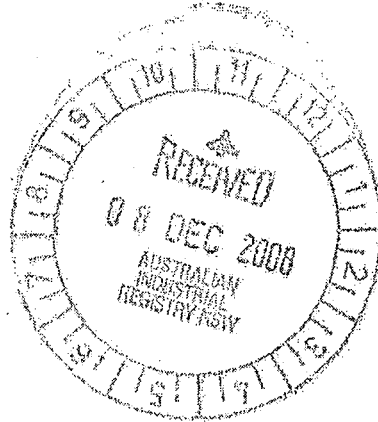
NATIONAL OFFICE
Level 10, 377-383 Sussex Street
Sydney NSW 2000
T: (02) 8005 3333 F: (02) 8005 3300
W: www.awu.net.au E: members@awu.net.au
Members Hotline 1300 885 653
PAUL HOWES National Secretary



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
6.1.2009

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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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 2008 (FR2008/456)**

I refer to the abovementioned financial statements and accounts which were lodged on 15 December 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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Sydney NSW 2000
T: (02) 8005 3333 F: (02) 8005 3300
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Members Hotline 1300 885 653
PAUL HOWES National Secretary



11 December 2008

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



Dear Mr Jenkins,

Re: Workplace Relations Act 1996 – Annual Financial Returns

In relation to the annual financial returns to be lodged with the Industrial Registry, please find enclosed the following:

1. The National Secretary Certificate;
2. A copy of the 2007/2008 National Office Operating Report, Financial Accounts, Statements and Auditor's Report for year ending 30 June 2008.

Yours faithfully

Paul Howes
NATIONAL SECRETARY

(encl x 2)

**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 the 2007/2008 National Office Operating Report, Financial Accounts, Statements and Auditor's Report for year ending 30 June 2008, that were:

1. Made available to the membership in the week commencing 11 November, 2008.
2. Presented to and adopted by the AWU National Executive on 3 December 2008.

Date 11 December 2008

Paul Howes
NATIONAL SECRETARY

THE AUSTRALIAN WORKERS' UNION

(NATIONAL OFFICE)

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2008

THE AUSTRALIAN WORKERS' UNION

(NATIONAL OFFICE) ABN 28 853 022 982

OPERATING REPORT JULY 2007 – JUNE 2008

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 \$505,911 (2007 - \$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

Pursuant to s.254 (2)(d) of Schedule of 1B of the Workplace Relations Act 1996, the following members holder office of superannuation schemes as stated below:

Howes, P	Australian Super
Swan, B	Australian Super Steel Sub Board
Collison, R	First State Super
Melhem, C	CBUS
Borowick, M	Australian Super (Alternate Director)
Ludwig, B	Sunsuper Pty Ltd
Boscacci, B	Austsafe Super Fund
Brischke, T	Austsafe Super Fund
Ryan, G	Austsafe Super Fund
Daly, T (resigned 4/7/08)	Industry Superannuation Fund

Number of Members

Number of persons in register of members: 107,043.

Number of Employees

Number of employees (equivalent full time): 13

Names of members of management committee:

Brischke, T	Hanson, W
Borowick, M	Heath, C (resigned 31/12/07)
Boscacci, B	Howes, P
Chambers, F	Melhem, C

Collison, R
Daly, T (resigned 4/7/08)
Eagles, M (resigned 17/7/07)
Gillespie, A
Hall, G
Roberts, G
Ryan, G
Shorten, B (resigned 26/11/07)
Leo, F (appointed 23/8/07)
Swan, B (appointed 26/11/07)

Lamps, P
Ludwig, B
Madden, M
Maher, K
McBride, N
Thompson, A (resigned 29/2/08)
Wakefield, I
Williams, M
Allen, N (appointed 20/8/08)
Price S (appointed 20/8/08)

Unless otherwise stated 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: _____

Paul Howes

Date: _____

3/12/2008

THE AUSTRALIAN WORKERS' UNION

(NATIONAL OFFICE) ABN 28 853 022 982

STATUTORY STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2008

COMMITTEE OF MANAGEMENT'S CERTIFICATE

On 31/2/2008, 2008, the Executive passed the following resolution in relation to the general purpose financial report of this reporting unit for the financial year ended 30th June, 2008: -

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

THE AUSTRALIAN WORKERS' UNION

(NATIONAL OFFICE) ABN 28 853 022 982

STATUTORY STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2008

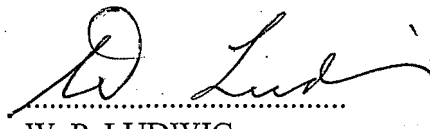
COMMITTEE OF MANAGEMENT'S CERTIFICATE

- (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



.....
P. A. HOWES



.....
W. P. LUDWIG

SIGNED at Sydney this *3rd* day of *December*, 2008.

THE AUSTRALIAN WORKERS' UNION

(NATIONAL OFFICE) ABN 28 853 022 982

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE COMMITTEE OF MANAGEMENT**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2008 there have been:

- (i) no contraventions of the statutory auditor independence requirements in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

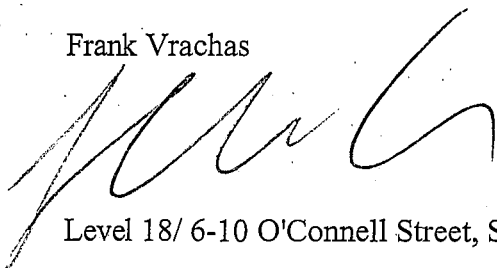
Name of Firm Rothsay Chartered Accountants

Name of

Partner

Frank Vrachas

Date

 5/12/08

Address

Level 18/ 6-10 O'Connell Street, Sydney NSW 2000

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

THE AUSTRALIAN WORKERS UNION

(NATIONAL OFFICE) ABN 28 853 022 982

Scope

We have audited the attached Financial Report of the Australian Workers Union National Office for the year ended 30 June 2008 consisting of the Balance Sheet, Income Statement, Cash Flow Statement 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

THE AUSTRALIAN WORKERS UNION

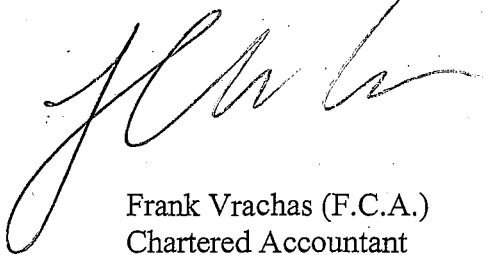
(NATIONAL OFFICE) ABN 28 853 022 982

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

ROTHSAY CHARTERED ACCOUNTANTS



Frank Vrachas (F.C.A.)
Chartered Accountant
Registered Company Auditor

Dated this 5th day of _____, 2008.

December

THE AUSTRALIAN WORKERS UNION

(NATIONAL OFFICE) ABN 28 853 022 982

INCOME STATEMENT
FOR THE YEAR ENDED 30TH JUNE, 2008

	<u>2008</u>	<u>2007</u>
<u>INCOME</u>	\$	\$
SUBSIDY INCOME	4,039,927	3,798,911
ACTU SPECIAL LEVY	891,536	613,263
NATIONAL CONFERENCE – SPONSORSHIP	-	188,727
ADVERTISING INCOME	83,000	103,727
DIRECTORS FEES	22,730	68,539
MAILING INCOME AWU JOURNALS	72,213	107,628
RENTAL INCOME	11,273	10,909
INTEREST	82,125	34,876
FEDERAL ELECTION CAMPAIGN LEVY	147,153	33,788
OTHER INCOME	109,933	45,914
TOTAL INCOME	5,459,890	5,006,282
	<u>EXPENSES</u>	
DIRECT MEMBERSHIP EXPENSES		
ADVERTISING AND SUBSCRIPTIONS	3,367	12,197
AFFILIATION FEES	400,909	384,977
BEREAVEMENT PAYMENTS	112,350	121,800
RESEARCH EXPENSES	41,165	47,259
COMPUTER MAINTENANCE AND TRAINING	9,940	15,575
DEPRECIATION OF COMPUTERS	18,002	18,945
DONATIONS	147,026	42,355
LEGAL FEES	135,727	129,536
GROWTH CAMPAIGN	1,391	1,800
IR CAMPAIGN	917,275	662,304
MEMBERSHIP MAIL OUTS	8,123	11,461
"AUSTRALIAN WORKER" PUBLISHING COSTS	161,066	166,952
"AUSTRALIAN WORKER" PRINT AND PRODUCTION	173,220	171,797
"AUSTRALIAN WORKER" MAIL MANAGEMENT	222,414	233,870
WEB SITE EXPENSES	7,791	24,461
MEDIA EXPENSES	37,069	11,833
SPONSORSHIP EXPENSE	4,818	4,000
AWU FUNCTIONS	2,189	52,371
CORONIAL INQUIRY-BEACONSFIELD MINE	-	19,375
PROMOTIONAL VIDEOS	9,551	50,251
TOTAL	2,413,393	2,183,119
MEETING EXPENSES		
NATIONAL CONFERENCE EXPENSES	53,972	200,939
NATIONAL EXECUTIVE MEETINGS	4,382	3,001
NATIONAL MEETINGS	6,485	-
MEETING EXPENSES – DELEGATES	16,424	16,725
TOTAL	81,263	220,665
OH&S EXPENSES		
OH&S	11,715	19,077
TOTAL	11,715	19,077

THE AUSTRALIAN WORKERS UNION

(NATIONAL OFFICE) ABN 28 853 022 982

INCOME STATEMENT
FOR THE YEAR ENDED 30TH JUNE, 2008

	<u>2008</u>	<u>2007</u>
	\$	\$
PAYROLL EXPENSES		
SALARIES & WAGES	1,068,734	896,354
SUPERANNUATION - EMPLOYER CONT.	115,768	133,527
WORKCOVER EXPENSES	20,324	14,701
PAYROLL TAX	41,955	42,237
ACCRUED ANNUAL LEAVE/LONG SERVICE LEAVE	11,240	87,893
CONSULTANTS	15,734	34,623
CONTRACTORS	142,750	151,303
TOTAL	<u>1,416,505</u>	<u>1,360,638</u>
TRAINING & TUITION		
UNIVERSITY FEES	3,010	1,450
SEMINAR AND CONFERENCE COSTS	8,513	1,595
TRAINING EXPENSES	30	6,378
TOTAL	<u>11,553</u>	<u>9,423</u>
TRAVEL EXPENSES		
TRAVEL AND ACCOMMODATION	76,013	66,445
AIR FARES	239,627	191,906
TAXIS AND PARKING	41,727	40,332
INDUSTRIAL OFFICERS EXPENSES	-	5,161
TOTAL	<u>357,367</u>	<u>303,844</u>
MOTOR VEHICLE EXPENSES		
RUNNING EXPENSES	72,280	64,800
LOSS ON REALISATION	7,422	2,810
DEPRECIATION OF MOTOR VEHICLES	64,436	65,125
FRINGE BENEFITS TAX	33,419	39,987
TOTAL	<u>177,557</u>	<u>172,722</u>
TELEPHONE EXPENSES		
LAND LINES	13,878	18,222
MOBILE PHONES	26,700	28,193
HOME PHONES	4,900	4,902
OTHER TELEPHONE EXPENSES	5,638	3,962
TOTAL	<u>51,116</u>	<u>55,279</u>

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

INCOME STATEMENT
FOR THE YEAR ENDED 30TH JUNE, 2008

	<u>2008</u>	<u>2007</u>
	\$	\$
PROPERTY EXPENSES		
RENTAL	120,349	62,933
INSURANCE	1,854	20,578
DEPRECIATION OF BUILDINGS	165,327	164,423
OTHER PROPERTY EXPENSES	12,589	17,993
TOTAL	<u>300,119</u>	<u>265,927</u>
GENERAL EXPENSES		
AUDITING & ACCOUNTING	10,001	9,025
BANK FEES AND CHARGES	1,597	2,441
CLEANING	3,745	8,214
ELECTRICITY EXPENSES	5,333	7,813
MISC. EXPENSES	16,560	11,076
TOTAL	<u>37,236</u>	<u>38,569</u>
OFFICE EXPENSES		
STATIONERY	7,095	4,291
COURIER CHARGES AND FREIGHT	2,806	3,984
PRINTING	32,439	38,309
LEASE AND RENTAL OF EQUIPMENT	15,519	20,735
DEPRECIATION OF FURNITURE AND EQUIP.	26,452	5,517
REPAIRS AND MAINTENANCE OF EQUIP.	5,009	318
MERCHANDISE EXPENSE	1,913	3,904
INTERNET EXPENSES	4,159	3,365
INTEREST CHARGES	308	25
AWU AWARDS	455	1,900
TOTAL	<u>96,155</u>	<u>82,348</u>
<u>TOTAL EXPENSES</u>	<u>4,953,979</u>	<u>4,711,611</u>
<u>NET PROFIT FOR YEAR</u>	<u>505,911</u>	<u>294,671</u>
ADD: ACCUMULATED FUNDS AT BEGINNING	4,619,215	4,324,544
<u>ACCUMULATED FUNDS AT YEAR END</u>	<u>5,125,126</u>	<u>4,619,215</u>

THE AUSTRALIAN WORKERS' UNION
(NATIONAL OFFICE) ABN 28 853 022 982
BALANCE SHEET
AS AT 30TH JUNE, 2008

	<u>NOTES</u>	<u>2008</u>	<u>2007</u>
		\$	\$
ACCUMULATED FUNDS			
BALANCE AT YEAR END		<u>5,125,126</u>	<u>4,619,215</u>
 THESE FUNDS ARE REPRESENTED BY:-			
CURRENT ASSETS			
PETTY CASH		1,000	1,000
CASH AT BANK		842,146	1,555,483
TERM DEPOSIT		814,362	14,362
SHARES IN PUBLIC COMPANIES		3,091	3,091
ACCOUNTS RECEIVABLE		844,817	723,256
PROVISION FOR DOUBTFUL DEBTS		(50,000)	(50,000)
SUNDRY DEBTORS & PREPAYMENTS		<u>44,044</u>	<u>-</u>
		2,499,460	2,247,192
 NON-CURRENT ASSETS			
INVESTMENTS			
INVESTMENT IN NON LISTED COMPANIES		65,000	10,000
LOANS TO BRANCHES	4.	-	35,000
FINANCIAL SERVICES TRUST		13,462	13,462
LESS: PROVISION FOR DIMINUTION IN VALUE		<u>(13,460)</u>	<u>(13,460)</u>
		65,002	45,002
FIXED ASSETS (At Written Down Value)	3.		
PROPERTIES		9,912,788	10,080,658
OFFICE FURNITURE AND EQUIPMENT		223,555	38,465
WEBSITE DEVELOPMENT		114,127	6,798
MOTOR VEHICLES		<u>140,637</u>	<u>235,190</u>
TOTAL FIXED ASSETS		<u>10,391,107</u>	<u>10,361,111</u>
 TOTAL ASSETS		 <u>12,955,569</u>	 <u>12,653,305</u>
 LESS: CURRENT LIABILITIES			
Payables			
TRADE CREDITORS		890,510	667,826
SUNDRY CREDITORS & ACCRUALS		258,676	452,138
Provisions			
PROVISION FOR ANNUAL LEAVE		83,034	111,963
PROVISION FOR LONG SERVICE LEAVE		<u>227,679</u>	<u>313,744</u>
		310,713	425,707
TOTAL CURRENT LIABILITIES		<u>1,459,899</u>	<u>1,545,671</u>
 NON CURRENT LIABILITIES			
Payables			
LOANS FROM BRANCHES	5.	3,226,849	3,344,724
Provisions			
PROVISION FOR LONG SERVICE LEAVE		3,143,695	3,143,695
		<u>6,370,544</u>	<u>6,488,419</u>
 TOTAL LIABILITIES		 <u>7,830,443</u>	 <u>8,034,090</u>

NET ASSETS

5,125,126

4,619,215

THE AUSTRALIAN WORKERS' UNION
(NATIONAL OFFICE) ABN 28 853 022 982
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE, 2008

	<u>2008</u>	<u>2007</u>
	\$	\$
<u>CASH FUNDS AT COMMENCEMENT</u>	<u>\$ 1,570,845</u>	<u>\$ 1,840,004</u>
CASH INFLOW		
<u>ADD: PROCEEDS FROM OPERATING ACTIVITIES</u>		
SUBSIDIES FROM BRANCHES	4,443,920	4,101,267
INTEREST RECEIVED	82,125	34,871
OTHER INCOME	1,471,622	1,507,825
LESS PAYMENTS TO SUPPLIERS AND EMPLOYEES	<u>(5,458,709)</u>	<u>(5,334,544)</u>
	<u>538,958</u>	<u>309,419</u>
<u>ADD: PROCEEDS FROM INVESTING ACTIVITIES</u>		
INVESTMENT IN OTHER COMPANIES	(55,000)	-
DISPOSAL OF FIXED ASSETS	119,761	121
LESS PURCHASES OF FIXED ASSETS	<u>(434,181)</u>	<u>(578,699)</u>
	<u>(369,420)</u>	<u>(578,578)</u>
<u>TOTAL INFLOW</u>	<u>169,538</u>	<u>(269,159)</u>
CASH OUTFLOW		
<u>LESS: OUTFLOW FROM FINANCING ACTIVITIES</u>		
NET LOANS FROM BRANCHES	<u>(82,875)</u>	-
<u>TOTAL OUTFLOW</u>	<u>(82,875)</u>	-
<u>CASH FUNDS AT YEAR END</u>	<u>\$ 1,657,508</u>	<u>\$ 1,570,845</u>

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) ABN 28 853 022 982

STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 30TH JUNE, 2008

	Accumulated
	Funds
	\$
Parent Entity	
Balance at 1 July 2006	4,324,544
Profit attributable	294,671
Balance at 30 June 2007	<u>4,619,215</u>
Profit attributable	505,911
Balance at 30 June 2008	<u>5,125,126</u>

THE AUSTRALIAN WORKERS' UNION

(NATIONAL OFFICE) ABN 28 853 022 982

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2008

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 Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), the Workplace Relations Act 1996 and other requirements of law. Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

2. ACCOUNTING POLICIES

a) 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.

b) Property, Plant and Equipment

Each class of plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arms length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of

the asset.

THE AUSTRALIAN WORKERS' UNION

(NATIONAL OFFICE) ABN 28 853 022 982

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2008

Plant and equipment

Plant and equipment are measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Buildings	2.5%
Plant and equipment	10-20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimate.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

c) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the economic entity 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 their estimated useful lives. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are

incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

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d) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments.

Loans and receivables Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted.

Held-to-maturity investments

These investments have fixed maturities, and it is the group's intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Available-for-sale financial assets

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is no longer has any significant continuing involvement in the risks and benefits associated wi

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arms length transactions, reference to similar instruments and option pricing models.

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Impairment

At each reporting date, the group assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

Impairment of Assets

At each reporting date, the Union reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

e) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are 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. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

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.

Provision for Long-service Leave

The liability for Long-Service Leave of Branch officials has only been accumulated in the books of account up to 31st December 2001.

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.

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FOR THE YEAR ENDED 30 JUNE, 2008

f) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

h) Revenue

Revenue from the substantiation income from branches is recognised upon the monthly returns submitted. Interest revenue is recognised on an accrual basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, where applicable, 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 in the balance sheet are shown inclusive of GST, where applicable.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

j) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

k) Critical accounting estimates and judgments

The members of the management committee evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Union.

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FOR THE YEAR ENDED 30 JUNE, 2008

Key estimates — Impairment

The members of the management committee assess impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recognised in respect of property plant and equipment for the year ended 30 June 2008, as the net fair value of these assets are in excess of the book values.

	2008	2007
	\$	\$
3. FIXED ASSETS		
Properties –		
Land and Buildings (at cost)	11,336,132	11,336,132
Less Accumulated Depreciation	<u>(1,423,344)</u>	<u>(1,255,474)</u>
	<u>9,912,788</u>	<u>10,080,658</u>
Motor Vehicles -		
At Cost	250,842	373,420
Less Accumulated Depreciation	<u>(110,205)</u>	<u>(138,230)</u>
	<u>140,637</u>	<u>235,190</u>
Office Furniture and Equipment		
At Cost	354,195	133,767
Less Accumulated Depreciation	<u>(130,640)</u>	<u>(95,302)</u>
	<u>223,555</u>	<u>38,465</u>
Website Development Costs		
At Cost	161,381	45,320
Less Accumulated Depreciation	<u>(47,254)</u>	<u>(38,522)</u>
	<u>114,127</u>	<u>6,798</u>
TOTAL FIXED ASSETS	<u>\$ 10,391,107</u>	<u>\$ 10,361,111</u>

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

	2008	2007
	\$	\$
157 – 161 Maitland Road, Mayfield	1,382,300	1,414,800
685 Spencer St, West Melbourne	2,456,652	2,521,029
34 Church St, Dubbo	650,080	655,255
2 Napier St, Deakin, ACT	1,416,870	1,431,245
8 – 10 Creedy St, Cairns	75,097	75,617
211 Mulgrave Rd, Cairns	1,289,251	1,299,226
Sturt St, Townsville	513,706	521,075
Macquarie St, Taree	236,600	239,550
9 Murn Crescent, Whyalla Norrie	91,542	93,667
18 Belmore St, Woolongong	931,978	946,694
1/332-334 Main St, Glenorchy	431,259	436,852
4/72 Gheringhap St, Geelong	437,453	445,648
	<u>9,912,788</u>	<u>10,080,658</u>

The properties owned by the National Office are used by the respective Branches as offices and/or to generate rental income for them.

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

	2008	2007
	\$	\$
AWU – WA Branch	-	35,000
	<u>-</u>	<u>35,000</u>

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

	2008	2007
	\$	\$
AWU West Australia Branch	-	117,875
AWU New South Wales State Union	1,995,669	1,995,669
AWU Victorian Branch	1,231,180	1,231,180
	<u>3,226,849</u>	<u>3,344,724</u>

The loans are free of interest and with no fixed repayments terms.

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6. **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 Income Statement is made up of the following:-

	2008	2007
	\$	\$
Elected Representatives	365,957	228,475
Employees	<u>702,777</u>	<u>667,879</u>
	<u>\$ 1,068,734</u>	<u>\$ 896,354</u>

7. **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. The financial statements were signed by the executive committee on2008.

8. **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."

9. **CAPITAL COMMITMENTS**

The amount of Capital Commitment still to be paid at 30th June 2008 on capital commitments entered into in prior financial periods is \$0.00

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FOR THE YEAR ENDED 30 JUNE, 2008

10. CONTINGENT LIABILITIES

There were no contingent liabilities at 30th June 2008.

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