

19 December 2012

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

Dear Mr Howes,

**Re: Lodgement of Financial Statements and Accounts – The Australian Workers' Union,
National Office – for year ending 30 June 2012 (FR2012/373)**

I refer to the abovementioned financial statements and accounts which were received by Fair Work Australia on 27 November 2012.

The report showed a balance of \$42,436 for Donations. If this figure included any individual donation for an amount exceeding \$1,000, then a separate statement pursuant to section 237 of the Fair Work (Registered Organisations) Act 2009 must be lodged. Otherwise there is no action required.

The documents meet the legislative requirements and have been filed.

Yours sincerely,

Stephen Kellett
Regulatory Compliance Branch
Fair Work Australia

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@nat.awu.net.au
Members Hotline 1300 885 653
PAUL HOWES National Secretary



23 November 2012

Mr Stephen Kellett
Organisations, Research & Advice
Fair Work Australia
Level 8
Terrace Towers
80 William Street
EAST SYDNEY NSW 2011



Dear Mr Kellett

**Re: Fair Work Act (Registered Organisations) Act 2009
Annual Financial Returns**

In relation to the annual financial returns to be lodged with Fair Work Australia, please find enclosed the following:

1. The National Secretary's Certificate;
2. The 2011/2012 National Office Annual Financial Report, Operating Report, Statutory Statement and Auditor's Report for year ending 30 of June 2012.

Yours faithfully,

A handwritten signature in black ink, appearing to be "Paul Howes".

Paul Howes
NATIONAL SECRETARY

(encl x 2)

TOGETHER

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Sydney NSW 2000
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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 2011/2012 National Office Annual Financial Report, Operating Report, Statutory Statement and Auditor's Report for year ending 30th of June 2012, that were:

1. At a National Executive meeting held 19-20 September 2012, the National Executive carried the following resolution:

"This meeting of the National Executive resolves to receive the National Office Statutory Statements and Auditor's Report for year ended 30 June 2012."

"This meeting of the National Executive resolves that the accounts are approved for audit, and the National Executive's Statement be dated and signed."

2. The 2011/2012 National Office Annual Financial Report, Operating Report, Statutory Statement and Auditor's Report for the year ending 30 June 2012 were signed and dated by the National Secretary, National President and the Auditors.
3. The signed and dated 2011/2012 National Office Annual Financial Report, Operating Report, Statutory Statement and Auditor's Report for year ending 30 June 2012, were made available to the membership in the week commencing 1 October 2012.
4. On 8 November 2012, a Postal Ballot was conducted of the National Executive members to adopt the 2011/2012 National Office Financial Statements and Auditor's Report.
5. The Postal Ballot closed on 19 November 2012. All National Executive members voted in favour to adopt the 2011/2012 National Office Financial Statement and Auditor's Report.

Date: 23 November 2012

A handwritten signature in black ink, appearing to be "Paul Howes". The signature is written in a cursive style with a large initial "P".

Paul Howes
NATIONAL SECRETARY

THE AUSTRALIAN WORKERS' UNION
(NATIONAL OFFICE)

ABN 28 853 022 982

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2012

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

ANNUAL FINANCIAL REPORT- FOR THE YEAR ENDED 30 JUNE, 2012

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

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE, 2012

Your National Executive present this report on the Australian Workers' Union National Office for the financial year ended 30 June 2012.

Members of the National Executive:

The names of each person who has been a member of the National Executive during the year and up to the date of this report are:

Bali, S	Hanson, W
Boscacci, B	Howes, P
Phillips, W (appointed 4/02/2012)	Melhem, C
Collison, R	Lamps, P
Ludwig, B	Wood, S
Price S	Leo, F
Gillespie, A (retired 4/02/2012)	Swan, B
Brown, K	McBride, N
Ryan, G	Wakefield, I
Downie, R	Williams, M
Davis, B	Jeffers, T
McDine, S	

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 during the financial year.

Operating Results

Total Comprehensive Income for the financial year amounted to \$1,079,619 (2011 - \$2,361,570).

Significant Changes in State of Financial Affairs

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

Review of Operations

A review of operations of the organisation during the financial year indicated a healthy increase in subsidy income resulted from both marginal increase in membership numbers and fee increase effective from 1 July 2011. The net positive impact of not having the biennial National Conference this year is partly offset by staff increase. Adding to the significant surplus is the write back of LSL provisions of \$342,000 (2011: \$2,000,000) which management considered excessive. Significant activities during the year included those related to the State Election and the National Workplace Education Program.

Events after the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the organisation, the results of those operations, or the state of affairs of the organisation in future financial years.

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

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE, 2012

Right of Members to Resign:

The Australian Workers' Union Rule 14 – Resigning as a member – provides for resignation of members in accordance with section 174(1) of the Fair Work (Registered Organisations) Act 2009. In accordance with section 174(1) of the Fair Work (Registered Organisations) Act 2009 a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation. There was no change to this rule during the year.

Membership of Superannuation Scheme

Pursuant to section 254 (2)(d) of the Fair Work (Registered Organisations) Act 2009 , the following members hold office of superannuation schemes as stated below:

Howes, P	Australian Super
McDine, S	Australian Super Steel Sub Board
Collison, R	First State Super
Melhem, C	CBUS
McDine, S	CBUS (Alternate Director)
O'Brien, L	Australian Super (Alternate Director)
Ludwig, B	Sunsuper Pty Ltd
Boscacci, B	Austsafe Super Fund
Ballin, K	Austsafe Super Fund
Ryan, G	Austsafe Super Fund
Mateos, F	Local Super
Crofts, B	Prime Super
Li, S	Chifley Financial Services
Bali, S	Chifley Financial Services

Number of Members

Number of persons in registers of members: 139,329. (2011 - 132,956)

Number of Employees

Number of employees (equivalent full time): 18 (2011 - 17)

Indemnifying Officers or Auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the organisation.

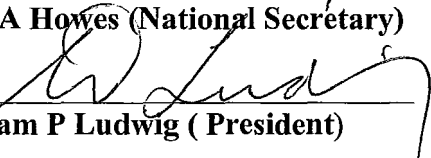
Proceedings on Behalf of the Organisation

No person has applied for leave of Court to bring proceedings on behalf of the organisation or intervene in any proceedings to which the organisation is a party for the purpose of taking responsibility on behalf of the organisation for all or any part of those proceedings. The organisation was not a party to any such proceedings during the year.

Signed in accordance with a resolution of the National Executive.

Signed: 
Paul A Howes (National Secretary)

Date: 20/9/2012

Signed: 
William P Ludwig (President)

Date: 20/9/2012

**THE AUSTRALIAN WORKERS' UNION
(NATIONAL OFFICE)
ABN 28 853 022 982
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2012**

OPERATING REPORT JULY2011 - JUNE 2012

Amendment to Number of Members (Page2)

The Number of Members reported in this Financial Year was as follows;

Number of Members

Number of persons in register of members: 139,329. (2011-132,956)

As a result of a review conducted at the request of The Fair Work Commission the following amendment is made:

Amended Number of Members

Number of persons in register of members: 134,174. (2011-131,347)

This section of the Operating Report currently contained within the Annual Financial Report for the Year Ended 30 June 2012 should be read to include this amendment.

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

STATUTORY STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2012

NATIONAL EXECUTIVE'S STATEMENT

On 20th September, 2012, the National Executive passed the following resolution in relation to the general purpose financial report (GPFR) of this reporting unit (i.e. The Australian Workers' Union National Office, or the organisation) for the financial year ended 30th June, 2012: -

The National Executive declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards – Reduced Disclosure Requirements;
- (b) the financial statements and notes comply with the reporting guidelines of the General manager of Fair Work Australia;
- (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 ended 30 June 2012;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the General Purpose Financial Report relates and since the end of that year:
 - (i) meetings of the National 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 Fair Work (Registered Organisation) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009;
 - (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 the General Manager of Fair Work Australia under section 272 of the Fair Work (Registered Organisations) Act 2009; and

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

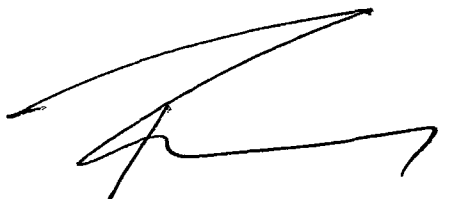
STATUTORY STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2012

NATIONAL EXECUTIVE'S STATEMENT (Cont'd)

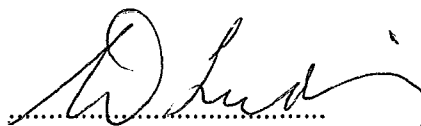
- (vi) there have been no compliance orders for inspection of financial records made by Fair Work Australia under section 273 of the Fair Work (Registered Organisations) Act 2009.

- (f) during the year ended 30 June 2012 the organisation did not participate in any recovery of wages activity.

For and on behalf of the National Executive



.....
Paul A Howes



.....
William P Ludwig

SIGNED at Canberra this 20th day of September, 2012.

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE, 2012

<u>REVENUE</u>	<u>NOTES</u>	<u>2012</u> \$	<u>2011</u> \$
SUBSIDY INCOME	1.2 (h)	4,798,018	4,328,712
NATIONAL CONFERENCE – SPONSORSHIP		-	162,045
ADVERTISING INCOME		111,375	105,750
RENTAL INCOME		67,200	56,000
DIRECTORS' FEES		46,687	78,953
MAILING INCOME AWU JOURNALS		106,903	105,798
ELECTION CAMPAIGN LEVY		-	64,999
SUBTOTAL		<u>5,130,183</u>	<u>4,902,257</u>
OTHER INCOME	18	305,670	365,404
INTEREST –BANK		146,944	148,557
LONG SERVICE LEAVE PROVISION WRITTEN BACK		<u>342,000</u>	<u>2,000,000</u>
<u>TOTAL INCOME</u>		<u>5,924,797</u>	<u>7,416,218</u>
<u>EXPENSES</u>			
DIRECT MEMBERSHIP EXPENSES			
ADVERTISING AND SUBSCRIPTIONS		5,900	3,889
AFFILIATION FEES		541,999	477,764
BEREAVEMENT PAYMENTS		111,000	108,900
RESEARCH EXPENSE		78,275	22,050
DEPRECIATION OF COMPUTERS	5	40,552	38,204
DONATIONS		42,436	109,210
LEGAL FEES		23,751	27,838
CAMPAIGN		-	125,000
"THE AUSTRALIAN WORKER" PUBLISHING COSTS		179,256	181,602
"THE AUSTRALIAN WORKER" PRINT AND PRODUCTION		147,350	160,029
"THE AUSTRALIAN WORKER" MAIL MANAGEMENT		213,805	212,156
WEB SITE EXPENSE		6,043	7,238
MEDIA EXPENSE		50,829	14,348
SPONSORSHIP EXPENSE		5,000	-
AWU FUNCTIONS		39,257	12,057
OTHER DIRECT EXPENSE		<u>26,665</u>	<u>93,662</u>
		<u>1,512,118</u>	<u>1,593,947</u>
MEETING EXPENSES			
NATIONAL CONFERENCE EXPENSE		-	522,971
NATIONAL EXECUTIVE MEETINGS		39,606	34,614
MEETING EXPENSE – DELEGATES		<u>25,807</u>	<u>10,179</u>
		<u>65,413</u>	<u>567,764</u>

The accompanying notes form part of these financial statements.

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE, 2012 (Cont'd)

	<u>NOTES</u>	<u>2012</u>	<u>2011</u>
		\$	\$
PAYROLL EXPENSES			
SALARIES & WAGES	10	1,513,321	1,209,661
WAGES CHARGE OUT		(22,400)	-
SUPERANNUATION - EMPLOYER CONTRIBUTION		164,375	140,078
WORKCOVER EXPENSE		13,755	14,292
PAYROLL TAX		57,219	43,656
FRINGE BENEFITS TAX		26,284	17,393
ACCRUED ANNUAL LEAVE		24,602	27,864
CASUAL WORKERS		490	-
LONG SERVICE LEAVE PROVISION		1,707	43,860
RECRUITING EXPENSE		258	216
CONTRACTORS		129,736	180,418
		<u>1,909,347</u>	<u>1,677,438</u>
 TRAINING & TUITION			
FAIR WORK INFORMATION & EDUCATION PROGRAM (FWEIP)		49,099	-
SEMINAR AND CONFERENCE COSTS		7,770	22,692
OTHER TRAINING EXPENSES		21,199	11,545
		<u>78,068</u>	<u>34,237</u>
 TRAVEL EXPENSES			
TRAVEL AND ACCOMMODATION		109,244	110,614
AIR FARES		175,978	173,305
OVERSEAS TRAVELLING EXPENSES		133,618	103,615
TAXIS AND PARKING		52,747	49,845
OTHER ALLOWANCES		4,577	31,743
		<u>476,164</u>	<u>469,122</u>
 MOTOR VEHICLE EXPENSES			
RUNNING EXPENSES		53,171	59,017
(GAIN) / LOSS ON DISPOSAL		(1,857)	423
DEPRECIATION OF MOTOR VEHICLES	5	37,153	39,651
		<u>88,467</u>	<u>99,091</u>
 TELEPHONE EXPENSES			
LAND LINES		14,115	17,255
MOBILE PHONES		56,650	28,868
HOME PHONES		5,372	6,930
OTHER TELEPHONE EXPENSES		6,197	7,635
		<u>82,334</u>	<u>60,688</u>

The accompanying notes form part of these financial statements.

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE, 2012 (Cont'd)

	<u>NOTES</u>	<u>2012</u>	<u>2011</u>
		\$	\$
PROPERTY EXPENSES			
RENTAL		156,342	149,697
INSURANCE		6,312	6,575
DEPRECIATION OF BUILDINGS	5	184,743	183,337
OTHER PROPERTY EXPENSES		<u>9,915</u>	<u>(975)</u>
		<u>357,312</u>	<u>338,634</u>
GENERAL EXPENSES			
AUDIT FEES	2	16,000	12,000
BANK FEES AND CHARGES		2,550	2,557
ELECTRICITY EXPENSES		9,996	8,181
MISCELLANEOUS. EXPENSES		<u>14,316</u>	<u>28,280</u>
		<u>42,862</u>	<u>51,018</u>
OFFICE EXPENSES			
STATIONERY		7,469	6,887
COURIER CHARGES AND FREIGHT		5,253	4,559
PRINTING		55,977	23,302
LEASE AND RENTAL OF EQUIPMENT		15,795	16,824
DEPRECIATION OF FURNITURE AND EQUIPMENT	5	50,714	48,645
LOSS ON DISPOSAL OF FURNITURE AND EQUIPMENT		6,201	-
REPAIRS AND MAINTENANCE OF EQUIPMENT		4,000	3,198
MERCHANDISE EXPENSE		30,770	5,109
INTERNET EXPENSES		3,725	4,527
INTEREST CHARGES		9,169	45,098
MISCELLANEOUS OFFICE EXPENSES		<u>17,410</u>	<u>4,560</u>
		<u>206,483</u>	<u>162,709</u>
<u>TOTAL EXPENSES</u>		<u>4,818,568</u>	<u>5,054,648</u>
<u>NET SURPLUS FOR THE YEAR</u>		<u>1,106,229</u>	<u>2,361,570</u>
OTHER COMPREHENSIVE INCOME			
NET (LOSS) ON REVALUATION OF FINANCIAL ASSETS		(1,610)	-
PROVISION FOR DIMINISHING VALUE OF INVESTMENTS		<u>(25,000)</u>	<u>-</u>
OTHER COMPREHENSIVE LOSS FOR THE YEAR		<u>(26,610)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,079,619</u>	<u>2,361,570</u>

The accompanying notes form part of these financial statements.

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

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE, 2012

	<u>NOTES</u>	<u>2012</u>	<u>2011</u>
		\$	\$
ASSETS:			
CURRENT ASSETS			
Cash and cash equivalents	1(g)		
PETTY CASH		1,000	1,000
CASH AT BANK		585,008	16,130
SECURITY DEPOSIT		37,821	37,046
TERM DEPOSITS		2,500,000	2,000,000
		3,123,829	2,054,176
Other financial assets			
SHARES IN LISTED COMPANIES	4	5,682	7,292
Trade and Other Receivable			
ACCOUNTS RECEIVABLE	3	291,779	302,503
SUNDRY DEBTORS AND PREPAYMENTS		42,766	50,391
		340,227	360,186
<u>TOTAL CURRENT ASSETS</u>		3,464,056	2,414,362
NON-CURRENT ASSETS			
INVESTMENT IN NON LISTED COMPANIES	4	304,818	329,818
FINANCIAL SERVICES TRUST	6	2	2
		304,820	329,820
Property, plant & equipment			
PROPERTIES	5	9,883,859	10,068,602
OFFICE FURNITURE AND EQUIPMENT	5	71,216	106,489
WEBSITE DEVELOPMENT	5	116,321	63,201
MOTOR VEHICLES	5	93,819	121,059
TOTAL PROPERTY, PLANT AND EQUIPMENT		10,165,215	10,359,351
<u>TOTAL NON CURRENT ASSETS</u>		10,470,035	10,689,171
<u>TOTAL ASSETS</u>		13,934,091	13,103,533
LIABILITIES:			
CURRENT LIABILITIES			
Accounts Payables			
TRADE CREDITORS	7	332,902	289,687
SUNDRY CREDITORS & ACCRUALS	7	137,028	39,693
ACCRUED ANNUAL LEAVE	7	141,902	117,300
Provisions		611,832	446,680
PROVISION FOR LONG SERVICE LEAVE	8	196,347	194,640
<u>TOTAL CURRENT LIABILITIES</u>		808,179	641,320
NON CURRENT LIABILITIES			
Borrowings			
LOANS FROM BRANCHES	9	3,249,252	3,323,172
Provisions		801,695	1,143,695
PROVISION FOR LONG-SERVICE LEAVE	8	4,050,947	4,466,867
<u>TOTAL LIABILITIES</u>		4,859,126	5,108,187
<u>NET ASSETS</u>		9,074,965	7,995,346
<u>ACCUMULATED FUNDS AT END OF THE YEAR</u>		9,074,965	7,995,346

The accompanying notes form part of these financial statements.

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE, 2012

	NOTE	2012	2011
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
SUBSIDIES RECEIVED FROM BRANCHES		4,808,531	4,194,810
INTEREST RECEIVED		147,155	138,583
OTHER INCOME		645,460	934,372
LESS PAYMENTS TO SUPPLIERS AND EMPLOYEES		<u>(4,334,203)</u>	<u>(4,943,973)</u>
NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES	16	<u>1,266,943</u>	<u>323,792</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
INVESTMENT IN OTHER COMPANIES		-	33,981
PROCEEDS FROM SALE OF PLANT & EQUIPMENT		11,818	13,637
PURCHASE OF PROPERTY, PLANT & EQUIPMENT		<u>(135,188)</u>	<u>(687,055)</u>
NET CASH FLOW USED IN INVESTING ACTIVITIES		<u>(123,370)</u>	<u>(639,437)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
LOAN PROCEEDS FROM BRANCHES		-	96,323
LOAN REPAYMENTS FROM BRANCHES		-	58,333
LOAN REPAYMENTS TO BRANCHES		<u>(73,920)</u>	<u>-</u>
NET CASH FLOW (USED IN) PROVIDED BY FINANCING ACTIVITIES		<u>(73,920)</u>	<u>154,656</u>
NET INCREASE / (DECREASE) IN CASH HELD		1,069,653	(160,989)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		<u>2,054,176</u>	<u>2,215,165</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR		<u>3,123,829</u>	<u>2,054,176</u>

The accompanying notes form part of these financial statements.

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE, 2012

	ACCUMULATED FUNDS
	\$
BALANCE AT 1 JULY 2012	5,633,776
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>2,361,570</u>
BALANCE AT 30 JUNE 2011	<u>7,995,346</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,079,619
BALANCE AT 30 JUNE 2012	<u><u>9,074,965</u></u>

The accompanying notes form part of these financial statements.

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, 2012

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is for the entity The Australian Workers' Union (National Office), as an individual entity. The National Office is an organisation of employees registered under the Fair Work (Registered Organisations) Act 2009. In accordance with the Act the National Office is a body corporate and has perpetual succession. By virtue of this method of incorporation, the National Office is not subject to the Corporations Act 2001.

The financial report of the National Office for the year ended 30 June 2012 was authorised for issue in accordance with a resolution of the National Executive on 20 September 2012.

1.1 BASIS OF PREPARATION

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009.

The National Executive has determined that The Australian Workers' Union (National Office) is permitted to apply the Tier 2 reporting requirements (Australian Accounting Standards – Reduced Disclosure Requirements) as set out in AASB 1053 Application of Tiers of Australian Accounting Standards because it is a not-for-profit private sector entity that does not have public accountability. As such, the National Executive has early adopted AASB 2010-2 Amendments to Australian Accounting Standards Arising from Reduced Disclosure Requirements from 1 July 2010. AASB 2010-2 only mandatorily applies to annual reporting periods commencing on or after 1 July 2013. The early adoption of AASB 2010-2 has had no impact on amounts recognised in the financial report and related notes because it merely requires less disclosures for this general purpose financial report, which has been prepared using Australian Accounting Standards - Reduced Disclosure Requirements, than if these financial statements were prepared using Australian Accounting Standards.

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

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

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, 2012

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

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the Union commencing from the time the asset is ready for use.

The depreciation rates used for each class of asset are:

Building	2.5%
Office Furniture and Equipment	10% - 20%
Website Development Costs	20%
Motor Vehicles	20%

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

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

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, which are transferred to the Union 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.

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, 2012

1.2 ACCOUNTING POLICIES (Cont'd)

d) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Union commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Finance instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as (i) the amount at which the financial asset or financial liability is measured at initial recognition (ii) less principal repayments (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Union does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2012

1.2 ACCOUNTING POLICIES (Cont'd)

(i) Financial assets at fair value through profit and loss

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss. The Union has not held any financial assets at fair value through profit or loss in the current or comparative financial year.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Union's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method. The Union has not held any held-to-maturity investments in the current or comparative financial year.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

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.

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, 2012

1.2 ACCOUNTING POLICIES (Cont'd)

(v) Financial liabilities (Cont'd)

Impairment

At each reporting date, the Union 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.

Derecognition

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

e) Employee Benefits

Provision is made for the Union'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. These cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

Accrued Annual Leave

The accrual 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 accrual 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 (LSL) 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.

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. Provisions are measured using the best estimate of the amounts required to settle the obligation at balance date.

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, 2012

1.2 ACCOUNTING POLICIES (Cont'd)

g) Cash and Cash Equivalents

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

h) Revenue and Other Income

1. Revenue from sustentation income from branches is recognised on a receipt basis by the branches and in turn recognised upon the monthly returns submitted, on an accruals basis by the national office.
2. Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.
3. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.
4. 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 statement of financial position are shown inclusive of GST, where applicable.

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

j) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Union during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

k) Comparative Figures

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

l) Accounting Standards Issued But Not Yet Effective

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

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, 2012

1.2 ACCOUNTING POLICIES (Cont'd)

m) Estimation Uncertainty

When preparing the financial statements management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

Impairment

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Union within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors. No impairment losses have been made this financial year.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Union. The carrying amounts are analysed in note 5. Actual results, however, may vary due to technical obsolescence, particularly relating to software and IT equipment.

Provisions

The Union currently provides for a portion of the Branches Long Services Leave balance based on their past experience of the other branches performances and their future expectations of their performances.

2. AUDITOR'S REMUNERATION

	2012	2011
	\$	\$
Remuneration of the auditor of the Union for:		
Auditing the Financial Report – Grant Thornton	16,000	-
Other Auditors	-	12,000

3. TRADE AND OTHER RECEIVABLES

CURRENT

Subsidies Receivable from Branches	273,626	284,139
Accrued Interest	28,153	28,364
Total current trade and other receivables	301,779	312,503
Provision for doubtful debts	(10,000)	(10,000)
	291,779	302,503

Current trade receivables are non-interest bearing and generally are receivable within 30 days. A provision for impairment is recognised against subscriptions where there is objective evidence that an individual trade receivable is impaired. No impairment was required at 30 June 2012 (2011: Nil)

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, 2012

4 FINANCIAL ASSETS

	Note	2012 \$	2011 \$
CURRENT			
Investments in listed companies available for sale.	1.2(d)	5,682	7,292
		<u>5,682</u>	<u>7,292</u>
NON-CURRENT			
Other Investments in companies and trusts available for sale.	1.2(d)	304,818	329,818
		<u>304,818</u>	<u>329,818</u>
a) Available-for-sale financial assets comprise:			
CURRENT			
Listed investments, at fair value			
— shares in listed corporations at market value		5,682	8,871
Total available-for-sale financial assets		<u>5,682</u>	<u>8,871</u>
NON-CURRENT			
— shares in unlisted corporations at cost		339,818	339,818
Less: Provision for diminishing value of investment		(35,000)	(10,000)
Total non-current available for sale financial assets		<u>304,818</u>	<u>329,818</u>

5. PROPERTY, PLANT & EQUIPMENT

Land and Buildings (at cost)		12,011,022	12,011,022
Less Accumulated Depreciation		(2,127,163)	(1,942,420)
		<u>9,883,859</u>	<u>10,068,602</u>
Motor Vehicles -			
At Cost		185,200	192,464
Less Accumulated Depreciation		(91,381)	(71,405)
		<u>93,819</u>	<u>121,059</u>
Office Furniture and Equipment			
At Cost		374,191	369,693
Less Accumulated Depreciation		(302,975)	(263,204)
		<u>71,216</u>	<u>106,489</u>
Website Development Costs			
At Cost		273,353	191,080
Less Accumulated Depreciation		(157,032)	(127,879)
		<u>116,321</u>	<u>63,201</u>
TOTAL PROPERTY, PLANT & EQUIPMENT		<u>10,165,215</u>	<u>10,359,351</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, 2012

5. PROPERTY, PLANT & EQUIPMENT (Cont'd)

Movements in Carrying Amounts

Movement in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

At Cost:	Properties	Motor Vehicles	Office Furniture and Equipment	Website Development Costs	Total
Balance at 1 July 2010	9,577,048	173,920	152,020	92,353	9,995,341
Additions	674,890	-	12,165	-	687,055
Disposals	-	(60,528)	-	-	(60,528)
Write Back	-	47,320	-	-	47,320
Depreciation expense	(183,336)	(39,653)	(57,696)	(29,152)	(309,837)
Balance at the 30 June 2011	10,068,602	121,059	106,489	63,201	10,359,351
Additions	-	19,874	33,041	82,273	135,188
Disposals	-	(27,138)	(28,544)	-	(55,682)
Write Back	-	17,177	22,343	-	39,520
Depreciation expense	(184,743)	(37,153)	(62,113)	(29,153)	(313,162)
Carrying amount at 30 June 2012	9,883,859	93,819	71,216	116,321	10,165,215

The real-estate properties included in the National Office Financial Statements are: (at written down value)

	2012	2011
	\$	\$
157 – 161 Maitland Road, Mayfield	1,252,300	1,284,800
685 Spencer St, West Melbourne	2,199,145	2,263,522
34 Church St, Dubbo	629,380	634,555
2 Napier St, Deakin, ACT	1,359,370	1,373,745
8 – 10 Creedy St, Cairns	73,015	73,536
Mulgrave Rd, Cairns	1,249,351	1,259,326
Sturt St, Townsville	484,229	491,598
Macquarie St, Taree	224,800	227,750
9 Murn Crescent, Whyalla Norrie	83,042	85,167
18 Belmore St, Woolongong	873,115	887,831
1/332-334 Main St, Glenorchy	408,887	414,480
4/72 Gheringhap St, Geelong	404,674	412,868
4D Caporn Place, Millars Well, Karratha,	642,551	659,424
	9,883,859	10,068,602

The properties owned by the National Office are used by the respective Branches primarily as offices.

The property situated at 685 Spencer St, West Melbourne has been independently market valued at \$ 4.6 Million.

The National Executive is of the opinion that no impairment provisions are necessary, as the carrying value of the properties (written down value) are below their current market values.

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, 2012

6. INVESTMENT IN FINANCIAL SERVICES TRUST

	2012	2011
	\$	\$
Financial services trust-At Cost	13,462	13,462
Less: Provision for impairment	<u>(13,460)</u>	<u>(13,460)</u>
	<u>2</u>	<u>2</u>

7. TRADE AND OTHER PAYABLES

CURRENT

Unsecured liabilities

Trade payables	332,902	289,687
Sundry payables and accruals	137,028	39,693
Annual Leave Accrued	<u>141,902</u>	<u>117,300</u>
	<u>611,832</u>	<u>446,680</u>

8. PROVISIONS

CURRENT -LSL

Elected Representatives

Employees

	71,720	61,930
	<u>124,627</u>	<u>132,710</u>
	<u>196,347</u>	<u>194,640</u>

NON-CURRENT -- LSL

Elected Representatives

Employees

	576,617	736,225
	<u>225,078</u>	<u>407,470</u>
	<u>801,695</u>	<u>1,143,695</u>

9. LOANS FROM BRANCHES (NON CURRENT BORROWINGS)

AWU New South Wales State Union	1,995,669	1,995,669
AWU Victorian Branch	1,231,180	1,231,180
AWU Western Australia Branch	<u>22,403</u>	<u>96,323</u>
	<u>3,249,252</u>	<u>3,323,172</u>

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

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, 2012

10. SALARY AND WAGES

a) In accordance with Sub-regulations 107 (a) (XIV) and (XV) of the Fair Work (Registered Organisations) Act 2009, we report that the figure Salaries and Wages in the Income Statement is made up of the following:-

	2012	2011
	\$	\$
Elected Representatives	249,686	237,212
Employees	1,263,635	972,449
	1,513,321	1,209,661

b) Key Management Personnel Compensation

	Short Term Benefit	Post Employment Benefit	Total
	\$	\$	\$
2012			
Total compensation	249,686	71,720	321,406
2011			
Total compensation	237,212	61,930	299,142

c) Disclosure of Remuneration of Elected Officials

As at 1 July 2012, the following rates of pay apply to full-time elected officials of the Union:

National Secretary	\$146,000
Assistance National Secretary	\$101,900
Branch Secretary	\$101,900
Assistance Branch Secretary	\$86,500
Branch President	\$86,500
Branch Organiser	\$77,100

11. INFORMATION TO BE PROVIDED TO MEMBERS OR GENERAL MANAGER OF FAIR WORK AUSTRALIA

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of Sub-Sections (1), (2) and (3) of Section 272 of the Fair Work (Registered Organisations) Act 2009 which read as follows:

- (1) A member of a reporting unit, or the General Manager of Fair Work Australia, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

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, 2012

12. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

The National Executive is not aware of any post-balance date events 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 National Executive committee on 20 September 2012.

13. CAPITAL AND LEASING COMMITMENTS

	2012	2011
	\$	\$
Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable — minimum lease payments		
— not later than 12 months	150,816	165,549
— between 12 months and five years	-	166,852
	150,816	322,401

The property lease is a non-cancellable lease with rent payable monthly in advance. The lease expires on 31 March 2013.

14. CONTINGENT LIABILITIES

Bereavement payments during the financial year totaled \$110,000 (2011: 108,900). The union has not made an estimate or set a provision aside for future bereavement payments as it cannot reliably or practically estimate the amount of the future financial commitment of this to the union.

15. RELATED PARTY TRANSACTIONS

Transactions between related parties as agreed with the branches are as follows:-

	2012	2011
	\$	\$
Income from branches:-		
Subsidy Income	4,798,018	4,328,712
Special Levies	-	64,999
Rental Income	67,200	56,000
Mailing income AWU Journal	106,903	105,798
	4,972,121	4,555,509
Receivables and payables:-		
Loans payable to Branches	3,249,252	3,323,172
Liability for long service leave of Branches staff (1.2e)	801,695	1,143,695

- (i) The aggregate amount of remuneration paid to office holders during the financial year is disclosed at note 10 to the accounts.
- (ii) The aggregate amount paid during the financial year to a superannuation plan in respect of office holders was \$24,395 (2011:\$ 23,454)
- (iii) There have been no other transactions between the office holders and the union other than those relating to their membership of the union and reimbursement by the union in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.

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, 2012

16. CASH FLOW INFORMATION

	2012	2011
	\$	\$
Reconciliation of cash flow from operations		
with total comprehensive income for the year		
Total Comprehensive income for the year	1,079,619	2,361,570
Non-cash flow items in operating surplus		
Depreciation	313,162	309,837
Net loss / (gain) on disposal of property, plant and equipment	4,344	(429)
Net Loss on revaluation of available for sale financial assets	1,610	-
Provisions in diminution in value of Investments	25,000	-
Changes in assets and liabilities		
Decrease (increase) in Receivables	10,724	(143,876)
Decrease (increase) in Other assets	7,625	(4,577)
Increase/(decrease) in Payables	140,550	(138,733)
(decrease) in Provisions	(315,691)	(2,060,000)
Cash from operations	<u>1,266,943</u>	<u>323,792</u>

17. OTHER INCOME

Other income

Tuition & Training Courses	-	3,140
Sponsorship Income	60,000	60,000
Training Project Grant	25,567	36,364
Dividend Received from Investment in Chifley	100,000	-
Sundry income	120,103	265,900
Total other income	<u>305,670</u>	<u>365,404</u>

18. UNION INFORMATION

The Australian Workers' Union – National Office
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SYDNEY NSW 2000

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Independent Auditor's Report To the Members of The Australian Workers' Union National Office

We have audited the accompanying financial report of The Australian Workers' Union National Office (the "National Office"), which comprises the statement of financial position as at 30 June 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information to the financial report and the National Executive's statement.

Responsibility of the National Executive and National Secretary for the financial report

The National Executive and National Secretary are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Fair Work (Registered Organisations) Regulations 2009 and all requirements of Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009. This responsibility includes such internal controls as the National Executive determine are necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the National Office's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the National Office's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the National Executive and National Secretary, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

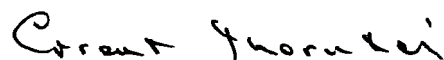
Independence

In conducting our audit, we have complied with the applicable independence requirements of the Accounting Professional and Ethical Standards Board.

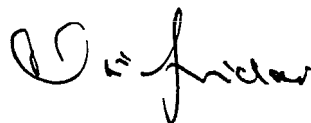
Auditor's Opinion

In our opinion,

- a the financial report of 'The Australian Workers' Union National Office'
 - i presents fairly, in all material respects, the National Office's financial position as at 30 June 2012 and of its performance and cash flows for the year then ended ; and
 - ii complies with Australian Accounting Standards - Reduced Disclosure Requirements and the relevant legislation; and
 - iii complies with the requirements of Fair Work (Registered Organisations) Regulations 2009 and Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



Neville Sinclair
Director - Audit & Assurance

Sydney, 20 September 2012