

4 January 2017

Mr Daniel Walton,
National Secretary
The Australian Workers Union

By email: debra.bushell@nat.awu.net.au



Dear Mr Walton

Re: Lodgement of Financial Statements and Accounts – The Australian Workers Union, National Office - for year ended 30 June 2016 (FR2016/260)

I refer to the financial report for the National Office of the Australian Workers Union. The report was lodged with the Fair Work Commission on 20 December 2016.

The financial report has been filed based on a primary review. This involved confirming whether the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and Reporting Guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2017 may be subject to an advanced compliance review.¹

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Should you require further information on the financial reporting requirements of the Act, I may be contacted on [REDACTED] or [REDACTED] or by email at stephen.kellett@fwc.gov.au

Yours sincerely

A handwritten signature in black ink that reads 'Stephen Kellett'. The signature is written in a cursive style with a long horizontal stroke extending to the right.

Stephen Kellett
Senior Adviser
Regulatory Compliance Branch

¹ The full range of disclosure requirements that may apply can be found itemised on the advanced assessment form available at <https://www.fwc.gov.au/documents/documents/organisations/factsheets/org-financial-report-checklist-advanced.pdf>

**STRONGER
TOGETHER**

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



ABN 28 853 022 982

20 December 2016

Mr Stephen Kellett
Senior Advisor
Regulatory Compliance Branch
Fair Work Commission
Level 8
Terrace Towers
80 William Street
EAST SYDNEY NSW 2011

Via Email: orgs@fwc.gov.au

Dear Mr Kellett

**Re: s. 268 *Fair Work Act (Registered Organisations) Act 2009*
Certificate for period ended 30 June 2016**

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

- The 2015/2016 The Australian Workers' Union National Office, full report for year ended 30 of June 2016, including the National Secretary's Certificate on page 3.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'D. Walton', is positioned above the printed name of the signatory.

Daniel Walton
NATIONAL SECRETARY

THE AUSTRALIAN WORKERS' UNION

(NATIONAL OFFICE)

ABN 28 853 022 982

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2016



RSM Australia Pty Ltd

Level 13, 60 Castlereagh Street Sydney NSW 2000
GPO Box 5138 Sydney NSW 2001

T +61 (0) 2 8226 4500

F +61 (0) 2 8226 4501

www.rsm.com.au

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

THE AUSTRALIAN WORKERS' UNION (NATIONAL OFFICE)

Report on the Financial Report

We have audited the accompanying financial report of The Australian Workers' Union (the "National Office"), which comprises the statement of financial position as at 30 June 2016, 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, and 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 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 and National Secretary 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 independence requirements of the Australian Professional and Ethical Standard Board.

THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Pty Ltd ACN 009 321 377 at Birdanco Practice Trust ABN 65 319 382 479 trading as RSM

Liability limited by a scheme approved under Professional Standards Legislation

Opinion

In our opinion:

- (a) the financial report presents fairly, in all material respects, the financial position of The Australian Workers' Union (National Office) as at 30 June 2016 and its financial performance and cash flows for the year then ended;
- (b) complies with Australian Accounting Standards and the relevant legislation;
- (c) 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; and
- (d) as part of the audit of the financial statement, we have concluded that the management's use of the going concern basis of accounting in the preparation of the Union financial statement is appropriate.

Report on the recovery of wages activity

The Committee of Management are responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with section 253(2)(c) of the Fair Work Act 2009 (Registered Organisations). Our responsibility is to express an opinion on the recovery of wages activity financial report, based on our audit conducted in accordance with Australian Auditing Standards. We have been advised that no recovery of wages activity has been undertaken in the current financial year. Accordingly we have not been instructed by the Committee of Management to include in the scope of the audit required under subsection 257(1) of the RO Act all recovery of wages activity by the reporting unit from which revenues had been derived for the financial year in respect of such activity.

Auditor's opinion on the recovery of wages activity financial report

Based upon the management statements referred to above, in our opinion in relation to the recovery of wages activity, the financial report presents fairly all reporting guidelines of the General Manager, including:

- (a) any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
- (b) any donations or other contributions deducted from recovered money.

Other matter

The signor is an Approved Auditor (who holds a current Public Practice Certificate) with Chartered Accountants Australia and New Zealand.



RSM AUSTRALIA PTY LTD


Wayne Beauman
Director

Sydney NSW
Dated: 17 November 2016

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE, 2016

<u>CONTENTS</u>	<u>PAGES</u>
Independent Auditor's Report	1-2
Prescribed Designated Officer Certificate	3
Operating Report	3-4
National Executive's Statement	5-9
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Recovery of Wages Activity	10
Notes to the Financial Statements	11-30

THE AUSTRALIAN WORKERS' UNION

CERTIFICATE FOR PERIOD ENDED 30 JUNE 2013

s. 268 Fair Work (Registered Organisations) Act 2009

I, Daniel Walton, being the National Secretary of The Australian Workers' Union, hereby certify:

- that the documents lodged herewith are copies of the full report of The Australian Workers' Union (National Office) Statutory Statements and Audit Report for year ended 30 June 2016, referred to in s.268 of the *Fair Work (Registered Organisation) Act 2009*, and
- the full report was provided and made available on the Union's National Office Website from 25 November 2016, and
- the full report was presented and approved by AWU National Executive members via a Postal Ballot of the National Executive members declared on 20 December 2016, in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Date: 20 December 2016



Daniel Walton
THE AUSTRALIAN WORKERS' UNION
NATIONAL SECRETARY

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE, 2016

Your National Executive present this report on the Australian Workers' Union National Office for the financial year ended 30 June 2016.

Review of Principal Activities, the results of those activities and any significant changes in the nature of those activities during the year

Principal Activities

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 principal activities of the organisation during the financial year.

Review of Operations

During the financial year the National Office was affected by a general decrease in membership. This was quarantined by revenues from other sources including its investments. Substantial costs were incurred relating to *The Royal Commission into Trade Union Governance and Corruption* and operating costs were higher because of this.

Operating Results

	2016	2015
Total Comprehensive (Loss) / Income for the financial year amounted to	(773,830)	(592,928)

Significant Changes in State of Financial Affairs

The organisation's Financial Affairs were significantly impacted by the following events during the course of the financial year;

- Incurring considerable legal and other costs relating to The Royal Commission into Trade Union Governance and Corruption which was established on 13 March 2014,
- A reduction in subsidy income received from Branches resulting from a decline in their membership, and
- lower than expected Interest and Investment Income

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 as a Director of a trustee company of superannuation schemes as stated below:

Members	Name	Appointed	Resigned
Bali, Stephen	Chifley Financial Services	Jun-10	
Ballin, Keith	Austsafe Super Fund	Jul-09	Dec-15
Collison Russ	Prime Super	Aug-13	Apr-16
Crofts, Brad	Australian Super	Aug-14	
Davis, Ben	CBUS (Alternate Director)	May-13	

Each officer holds the position by reason of the criterion that a representative of an Employee organisation be appointed.

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

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE, 2016 (Cont'd)

			2016	2015
Membership of Superannuation Scheme (cont'd)				
Hanson, Justin	Statewide Superannuation		Dec-14	
Hilton Martin	Australian Super Steel Division Sub Board		Jul-11	
Kensett-Smith Warren	Australian Super - ACRMC		Feb-16	
Kensett-Smith Warren	Australian Super (Alternate Director)		Feb-16	
McDine, Scott	Australian Super		Jul-14	
Mullen Charis	Austsafe Super Fund		Oct-13	
O'Brien, Liam	Australian Super - ACRMC		Jan-10	Feb-16
O'Brien, Liam	Australian Super (Alternate Director)		Jan-10	Feb-16
O'Brien, Liam	Prime Super		Apr-16	
Price Stephen	Australian Super - Wescheme Advisory Board		Aug-11	Mar-16
Sell, Craig	Austsafe Super Fund		Dec-15	
Sharpe, Tracey	Austsafe Super Fund		Feb-14	
Spence, Troy	Australian Super Qld Advisory Board		Jul-14	
Swan, Ben	Chifley Financial Services		Jun-12	
Swan, Ben	Sunsuper Pty Ltd		Aug-13	
Walton Daniel	Australian Super Steel Division Sub Board		Jul-14	
Walton Daniel	Chifley Financial Services		Sep-15	
Zelinsky Misha	CBUS		Jul-14	
Zoetbrood, Michael	Australian Super - Wescheme Advisory Board		Mar-16	

Each officer holds the position by reason of the criterion that a representative of an Employee organisation be appointed.

Number of Members

Number of persons in registers of members:	87,412	92,789
--	--------	--------

Number of Employees

Number of employees (equivalent full time):	19	18
---	----	----

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:

Baker, S			Mastrandonakis J		
Bali, S			McDine, S		
Ballin, K			Noack, P		
Brown, K	Resigned	1-Sep-16	O'Brien, L		
Callinan A	Appointed	1-Sep-16	Penn G	Appointed	29-Sep-15
Chambers, M (formerley Williams)			Phillips, W		
Collison, R			Price S		
Davis, B			Sharpe, T		
Downie, R	Resigned	1-Sep-16	Spence T	Appointed	29-Apr-16
Farrow P	Appointed	1-Sep-16	Stockham, R	Resigned	31-Mar-16
Gunsberger, P			Swan, B		
Hacking, A			Wakefield, I		
Hanson, W			Walton, D		
Lamps, P			Zelinsky, M		
Ludwig, B			Zoetbrood, M		

THE AUSTRALIAN WORKERS UNION (NATIONAL OFFICE)

ABN 28 853 022 982


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:  Date 15-11-2016
Scott McDine (National Secretary)

Signed:  Date 15/11/2016
William P Ludwig (President)

STATUTORY STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2016
NATIONAL EXECUTIVE'S STATEMENT

On 15 November 2016

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 30 June, 2016:

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;
- b. the financial statements and notes comply with the reporting guidelines of the General Manager of Fair Work Commission;
- 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 2016;
- 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 GPFR 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 the RO Act;
 - (iv) 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) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

STATUTORY STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2016
NATIONAL EXECUTIVE'S STATEMENT

f. in relation to recovery of wages activity:

(i). the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the General Manager; and


(ii). the National Executive instructed the auditor to include in the scope of the audit required under subsection 257(1) of the RO Act all recovery of wages activity by the reporting unit from which revenues had been derived for the financial year in respect of such activity; and

(iii). no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and

(iv). that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and

(v). no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

For and on behalf of the National Executive in a accordance with a resolution of the National Executive

Signed:  Date 15-11-2016
Scott McDine (National Secretary)

Signed:  Date 15 / 11 / 2016
William P Ludwig (President)

Signed at Sydney this _____ day of, _____ 2016

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE, 2016

<u>REVENUE</u>	<u>NOTES</u>	<u>2016</u>	<u>2015</u>
		<u>\$</u>	<u>\$</u>
MEMBERSHIP INCOME		-	-
CAPITATION / SUBSIDY INCOME	3A	3,296,600	3,612,595
LEVIES	3B	-	125,002
INTEREST –BANK	3C	54,053	100,372
RENTAL INCOME	3D	61,150	67,200
OTHER REVENUE	3G	448,592	647,194
TOTAL REVENUE		<u>3,860,395</u>	<u>4,552,363</u>
GRANTS AND/OR DONATIONS	3E	-	20,455
NET (LOSSES) FROM SALE OF ASSETS	3F	(2,768)	(1,818)
TOTAL OTHER INCOME		<u>(2,768)</u>	<u>18,637</u>
TOTAL INCOME		<u>3,857,627</u>	<u>4,571,000</u>
<u>EXPENSES</u>			
EMPLOYEE EXPENSES	4A	1,828,878	1,831,932
CAPITATION FEES	4B	-	-
AFFILIATION FEES	4C	535,869	615,641
ADMINISTRATION FEES	4D	1,713,787	2,338,803
GRANTS OR DONATIONS	4E	87,382	23,911
DEPRECIATION OR AMORTISATION	4F	293,780	278,445
FINANCE COSTS	4G	13,391	7,642
LEGAL COSTS	13	131,840	47,454
AUDIT FEES	4H	26,530	20,100
WRITE-DOWN AND IMPAIRMENT OF ASSETS	4J	-	-
NET LOSSES FROM TRANSFER OF ASSETS	4K	-	-
OTHER EXPENSES		-	-
TOTAL EXPENSES		<u>4,631,457</u>	<u>5,163,928</u>
(LOSS) / PROFIT FOR THE YEAR		<u>(773,830)</u>	<u>(592,928)</u>
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR		<u>(773,830)</u>	<u>(592,928)</u>

The above statement should be read in conjunction with the notes

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

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE, 2016

<u>ASSETS</u>	<u>NOTES</u>	<u>2016</u>	<u>2015</u>
		\$	\$
CURRENT ASSETS			
CASH AND CASH EQUIVALENTS	5A	738,306	270,285
TRADE AND OTHER RECEIVABLES	5B	369,663	819,776
OTHER CURRENT ASSETS	5C	1,891,987	2,540,032
TOTAL CURRENT ASSETS		<u>2,999,956</u>	<u>3,630,093</u>
NON-CURRENT ASSETS			
LAND AND BUILDINGS	6A	7,424,850	7,360,681
PLANT AND EQUIPMENT	6B	223,210	353,697
OTHER INVESTMENTS	6C	310,885	309,416
OTHER NON CURRENT ASSETS		-	-
TOTAL NON-FINANCIAL ASSETS		<u>7,958,945</u>	<u>8,023,794</u>
TOTAL ASSETS		<u>10,958,901</u>	<u>11,653,887</u>
<u>LIABILITIES</u>			
CURRENT LIABILITIES			
TRADE PAYABLES	7A	675,374	539,054
OTHER PAYABLES	7B	105,229	240,062
EMPLOYEE PROVISIONS	7C	966,555	877,179
OTHER CURRENT LIABILITIES	8	3,286,099	3,286,099
TOTAL CURRENT LIABILITIES		<u>5,033,257</u>	<u>4,942,394</u>
NON CURRENT LIABILITIES			
EMPLOYEE PROVISIONS	7C	6,606	18,628
TOTAL NON - CURRENT LIABILITIES		<u>6,606</u>	<u>18,628</u>
TOTAL LIABILITIES		<u>5,039,863</u>	<u>4,961,022</u>
NET ASSETS		<u>5,919,038</u>	<u>6,692,865</u>
<u>EQUITY</u>			
GENERAL FUNDS		-	-
RETAINED EARNINGS		5,919,035	6,692,866
TOTAL EQUITY		<u>5,919,035</u>	<u>6,692,866</u>

The above statement should be read in conjunction with the notes

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE, 2016

	GENERAL FUNDS	RETAINED EARNINGS	TOTAL EQUITY
	\$	\$	\$
BALANCE AS AT 30 JUNE 2014	-	7,285,794	7,285,794
Adjustment for Errors	-	-	-
Adjustment for changes in accounting policies	-	-	-
(Loss) for the Year	-	(592,928)	(592,928)
Other Comprehensive income for the year	-	-	-
Transfer to/from	-	-	-
Transfer from Retained Earnings	-	-	-
BALANCE AS AT 30 JUNE 2015	<u>-</u>	<u>6,692,866</u>	<u>6,692,866</u>
Adjustment for Errors	-	-	-
Adjustment for changes in accounting policies	-	-	-
(Loss) for the Year	-	(773,830)	(773,830)
Other Comprehensive income for the year	-	-	-
Transfer to/from	-	-	-
Transfer from Retained Earnings	-	-	-
BALANCE AS AT 30 JUNE 2016	<u>-</u>	<u>5,919,035</u>	<u>5,919,035</u>

The above statement should be read in conjunction with the notes

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE, 2016

	<u>NOTE</u>	<u>2016</u>	<u>2015</u>
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
CASH RECEIVED			
SUBSIDIES RECEIVED FROM BRANCHES		3,717,995	3,428,825
INTEREST RECEIVED		58,838	116,647
OTHER INCOME		658,909	488,483
		<u>4,435,742</u>	<u>4,033,955</u>
CASH USED			
EMPLOYEES & SUPPLIERS		(3,435,926)	(4,567,553)
PAYMENTS TO BRANCHES		(162,431)	(164,514)
		<u>(3,598,357)</u>	<u>(4,732,067)</u>
NET CASH (USED IN) / PROVIDED BY OPERATING ACTIVITIES	9	<u>837,385</u>	<u>(698,112)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
CASH RECEIVED			
PROCEEDS FROM SALE OF PLANT AND EQUIPMENT		20,000	-
PROCEEDS FROM SALE OF LAND AND BUILDINGS		-	-
OTHER		-	-
		<u>20,000</u>	<u>-</u>
CASH USED			
PURCHASE OF PLANT AND EQUIPMENT		(14,388)	(143,986)
PURCHASE OF LAND AND BUILDINGS		(230,985)	-
OTHER		(143,991)	(740)
		<u>(389,364)</u>	<u>(144,726)</u>
NET CASH (USED IN) INVESTING ACTIVITIES		<u>(369,364)</u>	<u>(144,726)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
CASH RECEIVED			
CONTRIBUTED EQUITY		-	-
OTHER		-	-
		<u>-</u>	<u>-</u>
CASH USED			
REPAYMENT OF LOANS TO BRANCHES		-	-
OTHER		-	-
		<u>-</u>	<u>-</u>
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES		<u>-</u>	<u>-</u>
NET (DECREASE)/INCREASE IN CASH HELD		<u>468,021</u>	<u>(842,838)</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE REPORTING PERIOD		270,285	1,113,123
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	5A	<u>738,306</u>	<u>270,285</u>

The above statement should be read in conjunction with the notes

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

RECOVERY OF WAGES ACTIVITY
FOR THE YEAR ENDED 30 JUNE, 2016

	<u>2016</u>	<u>2015</u>
	\$	\$
CASH ASSETS IN RESPECT OF RECOVERED MONEY AT BEGINNING OF YEAR	-	-
Receipts		
Amounts recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
Total receipts	-	-
Payments		
Deductions of amounts due in respect of membership for:		
12 months or less	-	-
Greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:		
The reporting unit:		
name of account	-	-
name of fund	-	-
Name of other reporting unit of the organisation:		
name of account	-	-
name of fund	-	-
Name of other entity:		
name of account	-	-
name of fund	-	-
Deductions of fees or reimbursement of expenses	-	-
Payments to workers in respect of recovered money	-	-
Total payments	-	-
CASH ASSETS IN RESPECT OF RECOVERED MONEY AT END OF YEAR	-	-
Number of workers to which the monies recovered relates		
Aggregate payables to workers attributable to recovered monies but not yet distributed		
Payable balance	-	-
Number of workers the payable relates to	-	-
Fund or account operated for recovery of wages		
None	<u>Nil</u>	<u>Nil</u>

The above statement should be read in conjunction with the notes

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, 2016

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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 National Office is a not-for-profit entity for the purpose of preparing financial statements under Australian Accounting Standards.

NOTE 1A. BASIS OF PREPARATION

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

The reporting guidelines made under section 255 of the Fair Work (Registered Organisations) Act 2009 (the RO Act) require all reporting units to apply the Tier 1 reporting requirements as per Australian Accounting Standard AASB 1053 Application for Tiers of Australian Accounting Standards. As such the National Executive of the Australian Workers' Union (National Office) has prepared a full set of financial statements with all disclosure requirements.

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.

NOTE 1B. GOING CONCERN

The AWU (National Office) is not reliant on continued subsidy income from Branches of the Union. As set out in Note 3A Branches subsidise the National Office through a proportion of member contributions.

NOTE 1C. ACCOUNTING POLICIES

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

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 1997.

b) Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2016

c) Land, Buildings, Plant and Equipment

Asset Recognition Threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

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	2.50%
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 profit or loss 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, are transferred to the Union are classified as finance leases. Finance leases are recognised 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.

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2016

d) Financial Instruments (cont'd)

Classification and Subsequent Measurement

Finance instruments are subsequently measured at 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.

Classification and Subsequent Measurement (cont'd)

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.

(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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2016

d) Financial Instruments (cont'd)

Classification and Subsequent Measurement (cont'd)

(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.

Impairment

At each reporting date, the Union assesses 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 wholly within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on costs.

Other long-term employee benefits

The Group's liabilities for annual leave and long service leave are included in other long term benefits as they are not expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds (2014: government bonds) that have maturity dates that approximate the timing of the estimated future cash outflows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2016

e) Employee Benefits (cont'd)

The Group presents employee benefit obligations as current liabilities in the statement of financial position if the Group does not have an unconditional right to defer settlement for at least twelve (12) months after the reporting period, irrespective of when the actual settlement is expected to take place.

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.

The liability is reviewed each year with movements being recognised through the profit or loss.

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.

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

(i) Revenue from sustentation income from branches is recognised on an accruals basis and is recognised upon the monthly returns submitted to the national office.

(ii) 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.

(iii) Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

(iv) Rental Income relates solely to the property acquired in Western Australia. (Owned by the AWU but used by the WA Branch), on a month to month basis as no fixed term arrangement exists

(v) Board fees are fees received where union officials are appointed to a board of trustees for superannuation funds as union representatives. These fees are recognised on an accruals basis. The fees are remitted to the Branch net of the PAYE obligation on the receiving officer.

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

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, 2016

h) Revenue and Other Income (cont'd)

(vii) Government grants

Government grants are not recognised until there is reasonable assurance that the National Office will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the National Office recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the National Office should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the [reporting unit] with no future related costs are recognised in profit or loss in the period in which they become receivable.

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. Where errors are identified relating to comparative figures the comparative figures are restated and the nature of the error discussed.

l) Accounting Standards Issued But Not Yet Effective

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

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.

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, 2016

m) Estimation Uncertainty (cont'd)

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.

n) Restatement

Where reclassifications or dissection of amounts, or errors are identified in the financial statements of previously presented periods, the reclassifications or dissection of amounts, or errors will be corrected retrospectively in the financial statements for the period during which the errors were detected by.

(i) restating the comparative amounts for the prior period(s) presented to which the error relates; or

(ii) if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities, and equity for the earliest prior period.

o) New and revised standards that are effective for these financial statements

There were a number of new and revised accounting standards effective for annual periods beginning on or after 1 July 2014. The Union has considered all new Australian Accounting Standards issued up to the current reporting date and believe that they have no significant impact on future financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2016

NOTE 2. 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 15th November 2016

NOTE 3. INCOME

	2016	2015
	\$	\$
Note 3A: Subsidy Income from Branches		
Newcastle	202,932	216,669
Greater NSW	498,247	570,051
Port Kembla	120,537	139,611
Queensland	1,086,019	1,177,969
South Australia	267,660	297,733
Tasmania	123,374	136,695
Victoria	640,707	700,592
Western Australia	357,124	373,275
Total Subsidy Income	<u>3,296,600</u>	<u>3,612,595</u>
 Note 3B: Levy		
Australian Council of Trade Unions (ACTU) - for Industrial Relationship Campaign		
- payment	-	251,304
- contributions from branches		
Newcastle	-	(7,832)
Greater NSW	-	(19,238)
Port Kembla	-	(4,892)
Queensland	-	(42,935)
South Australia	-	(9,863)
Tasmania	-	(4,296)
Victoria	-	(24,976)
Western Australia	-	(10,970)
	<u>-</u>	<u>(125,002)</u>
Total Levies	<u>-</u>	<u>126,302</u>
 Note 3C: Interest		
Deposits	54,053	100,372
Total Interest	<u>54,053</u>	<u>100,372</u>
 Note 3D: Rental Revenue		
Properties	61,150	67,200
Total Rental Revenue	<u>61,150</u>	<u>67,200</u>
 Note 3E. Grants or Donations		
Grants	-	20,455
Total Grants or donations	<u>-</u>	<u>20,455</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2016

	2016	2015
	\$	\$
NOTE 3. INCOME (cont'd)		
Note 3F: Net Gains / (Losses) from sales of assets		
Plant and Equipment	(2,768)	(1,818)
Total Net Gains /(Losses) from sales of assets	<u>(2,768)</u>	<u>(1,818)</u>
Note 3G: Other Income (revised)		
Directors Fees	186,246	128,240
Dividends – Investments	239	250,154
Sponsorship & Advertising Income	208,550	241,620
Other Income	53,557	27,180
Total Other Income	<u>448,592</u>	<u>647,194</u>

The following income items as prescribed under the reporting guidelines of the Fair Work (Registered Organisations) Act 2009, have not occurred in the reporting period

a. Other financial support from reporting units

NOTE 4. EXPENSES

Note 4A. Salary and Wages

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

Holders of Office:

Wages and salaries	368,587	369,051
Leave and other entitlements	18,965	43,323
Separation and redundancies	-	-
Superannuation	37,323	34,151
Other employee expenses	18,929	16,073
Total Post-employment benefits	<u>443,804</u>	<u>462,598</u>

Employees other than office holders:

Wages and salaries	1,094,164	1,168,919
Superannuation	130,710	128,797
Leave and other entitlements	77,100	23,118
Separation and redundancies	24,024	-
Other employee expenses	59,076	48,500
Subtotal employee expenses employees other than office holders	<u>1,385,074</u>	<u>1,369,334</u>
Total employee expenses	<u>1,828,878</u>	<u>1,831,932</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2016

	2016	2015
	\$	\$
Note 4A: Salary and Wages (cont'd)		
(a) Other Expenses		
The following expense items as prescribed under the reporting guidelines of the Fair Work (Registered Organisations) Act 2009, have not occurred in the reporting period		
<i>(a) Fees or Allowances (other than those disclosed above) paid to persons in respect of their attendances as representatives of the Union at conferences or other meetings</i> There have been no substantive changes in the union's exposure to financial instrument risk, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.		
<i>(b) Expenses (other than expenses included in any amounts referred above) incurred in connection with holding meetings of members of the reporting unit and any conferences or meetings of council, committee panels or other bodies for the holding of which the reporting unit was wholly or partly responsible</i>		
Note 4B: Capitation fees		
Capitation Fees	-	-
Total capitation fees	<u>-</u>	<u>-</u>
Note 4C: Affiliation fees		
Australian Council of Trade Unions	376,364	455,113
APHEDA	1,691	1,691
International Transport Workers Federation	3,179	2,991
McKell Foundation	25,000	24,998
International Union of Food & Agriculture	17,125	23,016
IndustriALL	112,510	107,832
Total affiliation fees/subscriptions	<u>535,869</u>	<u>615,641</u>
Note 4D: Administration expenses		
Consideration to employers for payroll deductions		-
Campaign levies - ACTU - Industrial Relationship Campaign	86,911	251,304
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	424,153	855,036
Contractors/consultants	-	15,730
Property expenses	228,555	204,937
Office expenses	40,367	38,135
Information communications technology	660,917	726,944
Bereavement Payments	78,000	98,673
Other	166,672	124,556
Subtotal administration expense	<u>1,685,575</u>	<u>2,315,315</u>
Operating lease rentals:		
Minimum lease payments	28,212	23,488
Total administration expenses	<u>1,713,787</u>	<u>2,338,803</u>
Note 4E: Grants or donations		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	2,783	775
Total paid that exceeded \$1,000	84,599	23,136
Total grants or donations	<u>87,382</u>	<u>23,911</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2016

	2016	2015
	\$	\$
Note 4F: Depreciation or Amortisation		
Depreciation		
Land & buildings	166,815	163,928
Property, plant and equipment	126,965	114,517
Total depreciation	<u>293,780</u>	<u>278,445</u>
Amortisation		
Intangibles	-	-
Total amortisation	<u>-</u>	<u>-</u>
Total depreciation and amortisation	<u>293,780</u>	<u>278,445</u>
Note 4G: Finance costs		
Finance leases	-	-
Overdrafts/loans	7,198	7,642
Foreign Exchange (Gain)/Loss	6,193	-
Unwinding of discount	-	-
Total finance costs	<u>13,391</u>	<u>7,642</u>
Note 4H: Legal costs		
Litigation	-	-
Other legal matters	131,840	47,454
Total legal costs	<u>131,840</u>	<u>47,454</u>
Note 4I. Auditor's Remuneration		
Remuneration of the auditor of the Union for:		
Financial Statement audit services	26,530	20,100
Contract Accounting services	-	-
Compliance & Internal Controls Review	-	-
	<u>26,530</u>	<u>20,100</u>
Note 4J: Write-down and impairment of assets		
Asset write-downs and impairments of:		
Land and buildings	-	-
Plant and equipment	-	-
Intangible assets	-	-
Other	-	-
Total write-down and impairment of assets	<u>-</u>	<u>-</u>
Note 4K: Net Loss from Transfer of Assets		
Land and buildings	-	-
Plant and equipment	-	-
Intangibles	-	-
Total net losses from asset sales	<u>-</u>	<u>-</u>
Note 4L: Other expenses		
Penalties - via RO Act or RO Regulations	-	-
Total other expenses	<u>-</u>	<u>-</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2016

	2016	2015
	\$	\$
NOTE 5. CURRENT ASSETS		
Note 5A: Cash and cash equivalents		
Cash at bank	737,306	230,792
Cash on hand	1,000	1,000
Short term deposits	0	38,493
Other	-	-
Total cash and cash equivalents	<u>738,306</u>	<u>270,285</u>
Note 5B: Trade and other receivables		
Receivables from other reporting units		
Greater NSW	21,161	27,340
Newcastle	11,476	6,745
Port Kembla	6,219	4,980
Queensland	150,299	653,776
South Australia	4,892	5,315
Tasmania	15,875	14,779
Victoria	37,054	13,146
Western Australia	100,192	42,482
Total receivables from other reporting units	<u>347,168</u>	<u>768,563</u>
Less provision for doubtful debts		
Provision for Doubtful Debts - AWU Branches	-	-
Total provision for doubtful debts	<u>-</u>	<u>-</u>
Receivable from other reporting units (net)	<u>347,168</u>	<u>768,563</u>
Other receivables:		
Other trade receivables	22,495	51,213
Provision for Doubtful Debts - Other Receivables	-	-
Total other receivables	<u>22,495</u>	<u>51,213</u>
Total trade and other receivables (net)	<u>369,663</u>	<u>819,776</u>
Note 5C: Other current assets		
Accrued Interest & Other Income	49,419	85,430
Term Deposits	1,700,000	2,272,504
Prepayments	142,568	182,098
Total other current assets	<u>1,891,987</u>	<u>2,540,032</u>
NOTE 6. NON CURRENT ASSETS		
Note 6A: Land and buildings		
Land and buildings:		
At Cost	9,899,416	9,668,431
Less: accumulated depreciation	<u>(2,474,566)</u>	<u>(2,307,750)</u>
Total land and buildings	<u>7,424,850</u>	<u>7,360,681</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2016

NOTE 6. NON CURRENT ASSETS (cont'd)	2016	2015
	\$	\$
<i>Reconciliation of the opening and closing balances of land and buildings</i>		
As at 1 July		
Gross book value	9,668,431	9,668,431
Accumulated depreciation and impairment	(2,307,750)	(2,143,822)
Net book value 1 July	<u>7,360,681</u>	<u>7,524,609</u>
Additions		
Disposals	230,985	-
Write Back	-	-
Depreciation expense	(166,815)	(163,928)
Other	-	-
Net book value 30 June	<u>7,424,851</u>	<u>7,360,681</u>
Net book value as of 30 June represented by:		
Gross book value	9,899,416	9,668,431
Accumulated depreciation and impairment	(2,474,566)	(2,307,750)
Net book value 30 June	<u>7,424,850</u>	<u>7,360,681</u>
Note 6B: Plant and equipment		
Plant and equipment:		
At cost	523,469	1,166,410
Less: accumulated depreciation	(300,259)	(812,713)
Total plant and equipment	<u>223,210</u>	<u>353,697</u>
<i>Reconciliation of the opening and closing balances of plant and equipment</i>		
As at 1 July		
Gross book value	1,166,410	1,055,094
Accumulated depreciation and impairment	(812,713)	(709,349)
Net book value 1 July	<u>353,697</u>	<u>345,745</u>
Additions		
Disposals	(21,517)	(21,517)
Write Back	-	-
Depreciation expense	(126,965)	(114,517)
Other	-	-
Net book value 30 June	<u>219,603</u>	<u>353,697</u>
Net book value as of 30 June represented by:		
Gross book value	523,469	1,166,410
Accumulated depreciation and impairment	(300,259)	(812,713)
Net book value 30 June	<u>223,210</u>	<u>353,697</u>
Note 6C: Other Investments		
Non Controlling Interests in:		
Chifley Financial Services	304,818	304,818
ACTU Financial Services	13,462	13,462
Newcrest Mining	1,437	1,437
Bluescope Steel	804	804
Rio Tinto	5,051	5,051
Provisions for diminution	(14,687)	(16,156)
	<u>310,885</u>	<u>309,416</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2016

	2016	2015
	\$	\$
NOTE 7. CURRENT LIABILITIES		
Note 7A: Trade Payables		
Trade Creditors and accruals	662,613	312,716
Trade Creditors	<u>662,613</u>	<u>312,716</u>
Payable to other reporting entities		
Greater NSW	528	548
Tasmania	5,746	5,746
Victoria	-	-
Western Australia	44	44
Total trade payable to Branches	<u>6,318</u>	<u>6,338</u>
Total Trade Creditors and accruals	<u><u>675,374</u></u>	<u><u>539,054</u></u>
Note 7B: Other Payables		
Wages and salaries	-	-
Superannuation	16,196	31,225
Consideration to employers for payroll deductions		
Legal Costs		
Litigation	***	-
Other Legal Matters	***	220,000
Prepayments Received / unearned revenue	82,590	-
GST payable / receivable - net	0	(11,163)
Other		
Total Other Payables	<u><u>105,229</u></u>	<u><u>240,062</u></u>
*** During the financial years being reported the predominant legal fees expended and expected to be expended by the Union relate to <i>The Royal Commission into Trade Union Governance and Corruption</i> which was established on 13 March 2014. The nature of this Royal Commission is that certain actions may be considered to be litigation under normal definitions and others may not. As the legal fees and charges paid, and expected to be expended, are not specifically segregated within the requirements of Reporting Guideline 20(b) the decision was made to report this figure as one item.		
Note 7C: Provisions		
Elected Representatives (Holders of Office)		
Annual Leave	55,571	55,571
Long Service Leave	716,482	664,299
Separation and Redundancies	-	-
Other	-	-
	<u>772,053</u>	<u>719,870</u>
Employees (Other than Holders of Office)		
Annual leave	141,906	116,735
Long service leave	59,202	59,202
Separation and Redundancies	-	-
Other	-	-
	<u>201,108</u>	<u>175,937</u>
Total Provisions	<u><u>973,161</u></u>	<u><u>895,807</u></u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2016

	2016	2015
	\$	\$
Note 7C: Provisions (cond't)		
CURRENT - Provision for employee benefits		
Elected Representatives	772,053	719,870
Employees	194,502	157,309
	<u>966,555</u>	<u>877,179</u>
NON-CURRENT - Provision for employee benefits		
Elected Representatives	-	-
Employees	6,606	18,628
	<u>6,606</u>	<u>18,628</u>
Total Provision for employee benefits	<u>973,161</u>	<u>895,807</u>

NOTE 8. LOANS FROM BRANCHES - CURRENT BORROWINGS

AWU New South Wales State Union	1,905,669	1,905,669
AWU Victorian Branch	1,231,180	1,231,180
	<u>3,136,849</u>	<u>3,136,849</u>

The loans are free of interest, with no fixed repayments terms, and are unsecured. Borrowings from branches are classified as current liabilities as the National Office does not have an unconditional right to defer the repayment of these amounts, should a call for this be made by a branch.

AWU Tasmania Branch	149,250	149,250
- has no fixed repayments terms, is unsecured and interest is payable at 0.25% on the first \$3,000 and 6.25% on the balance		
	<u>149,250</u>	<u>149,250</u>
	<u>3,286,099</u>	<u>3,286,099</u>

NOTE 9. CASH FLOW INFORMATION

Reconciliation of cash flow from operations with total comprehensive income for the year

Total Comprehensive (loss) / income for the year	(773,830)	(592,928)
Non-cash flow items in operating surplus		
Depreciation	293,780	278,445
Net transfer of costs to branches	1,366	-
Net (loss) / gain on disposal of property, plant and equipment	2,768	1,818
Net Loss on revaluation of available for sale financial assets	-	-
Write back of Loan from NSW branch	-	-
Provisions in diminution in assets	1,469	12,810
Changes in assets and liabilities		
(Increase) / Decrease in Subsidiaries Receivable	421,395	(577,866)
(Increase) / Decrease in Other assets	676,763	(7,658)
(Decrease) / Increase in Payables	136,320	165,065
Increase / (decrease) in Provisions	77,354	22,202
Cash from operations	<u>837,385</u>	<u>(698,112)</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2016

	2016	2015
	\$	\$
NOTE 9. CASH FLOW INFORMATION (cont'd)		
Receipts from Branches		
Newcastle	209,110	611,508
Greater NSW	493,516	567,351
Port Kembla	119,299	135,831
Queensland	1,589,496	606,392
South Australia	268,083	294,016
Tasmania	122,278	136,488
Victoria	616,800	704,190
Western Australia	299,414	373,048
	<u>3,717,996</u>	<u>3,428,825</u>
Payments to Branches		
Newcastle	-	231
Greater NSW	65,451	57,156
Port Kembla	-	4,603
Queensland	-	25,000
South Australia	25,847	7,398
Tasmania	5,746	9,148
Victoria	64,815	59,794
Western Australia	572	1,184
	<u>162,431</u>	<u>164,514</u>

NOTE 10. CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

Note 10A: Capital and Leasing commitments

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	27,264	23,760
between 12 months and 5 years	72,704	69,300
	<u>99,968</u>	<u>93,060</u>

All operating lease obligations are in relation to equipment. The equipment lease is a non-cancellable lease with rent payable monthly in advance. The lease expires on 29 May 2018.

Note 10B: Contingent Liabilities

Bereavement payments during the financial year totalled

	<u>78,000</u>	<u>98,673</u>
--	---------------	---------------

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.

Note 10C: Contingent Assets

The AWU National Office may be able to recover a portion of estimated legal fees from Branches.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2016

		2016	2015
		\$	\$
NOTE 11. RELATED PARTY TRANSACTIONS			
<i>Transactions between related parties are as follows:-</i>			
Revenue	NOTES		
Subsidy Income from branches	3A	3,296,600	3,612,595
Special Levies contributed by branches	****	-	125,002
Rental Income from a branch		61,150	67,200
Other income contributed by branches		53,795	27,182
Income received from Chifley		22,507	336,827
Utilisation/adjustment of Long Service Leave balances with branches		-	-
Legal Expenses - shared with Branches		267,568	93,264
Expenses			
Interest on Loan from a Branch		(7,642)	(7,642)
Utilisation/adjustment of Long Service Leave balances with branches		(57,180)	-
Donations		(36,500)	-
		<u>3,600,298</u>	<u>4,254,428</u>

**** Levies incorporated in Affiliation Fees

Receivables and payables:-

Receivables from Branches	5B	347,168	768,563
Sundry Receivables from Branches		-	5,904
		<u>347,168</u>	<u>774,467</u>
Loans payable to Branches		(3,286,099)	(3,286,099)
Liability for long service leave of Branches staff		(353,365)	(410,545)
		<u>(3,639,464)</u>	<u>(3,696,644)</u>

(i) The aggregate amount of remuneration paid to office holders during the financial year is disclosed below and at Note 4A.

(ii) The aggregate amount paid during the financial year to a superannuation plan in respect of office holders was

	<u>37,323</u>	<u>34,151</u>
--	---------------	---------------

(iii) There have been no other transactions between the office holders and the union that 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2016

	2016	2015
Key Management Personnel Remuneration for the Reporting Period	\$	\$
 Key Management of the National Office are the Holders of Office. Key Management Personnel remuneration includes the following expenses		
 Transaction with Key Management Personnel		
Short Term Employee Benefits		
Wages and salaries	368,587	369,051
Leave and other entitlements	18,965	43,323
Separation and redundancies	-	-
Other employee expenses	18,929	16,073
Total Short term Benefits	406,481	428,447
Post-employment benefits		
Superannuation	37,323	34,151
Total Post-employment benefits	37,323	34,151
Total Remuneration	443,804	462,598

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2016, the Union has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2015: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

NOTE 12. FINANCIAL RISK MANAGEMENT

a. General objectives, policies and processes

The union is exposed to risks that arise from its use of financial instruments. This note describes the union's objectives, policies and processes for managing those risks and the methods used to measure them.

There have been no substantive changes in the union's exposure to financial instrument risk, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The union's financial instruments consist mainly of deposits with banks, borrowings, investments and payables. The main risks the union is exposed to through its financial instruments are interest rate risk (see section (e) below), liquidity risk and credit risk.

The National Executive has overall responsibility for the determination of the union's risk management objectives and policies and whilst retaining ultimate responsibility for them, the National Executive makes investment decisions after considering appropriate advice.

b. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Union.

The Union has no significant concentration of credit risk with any single counterparty or group of counterparties. Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 5B.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2016

NOTE 14. FINANCIAL RISK MANAGEMENT (cont'd)

c. Liquidity risk

Liquidity risk arises from the possibility that the Union might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Union manages this risk through the following mechanisms:-

- preparing forward looking cash flow, budget analysis in relation to its operational, investing and financing activities
- maintaining a reputable credit profile
- managing credit risk related to financial assets
- investing only in surplus cash with major financial institutions
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets

	2016	2015
	\$	\$
The union is not significantly exposed to this risk, as at 30 June 2016 it had;		
Cash and Term deposits < 3 months to meet these obligations as they fall due.	738,306	270,285
Total Current Liabilities < 12 Months	5,033,257	4,942,394

d. Market Risk

Market risk arises from the use of interest bearing, tradable financial instruments. It is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or other market factors (other price risk).

e. Interest rate risk

The Union's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and liabilities are summarised below:

	Floating Interest Rate	Non interest Bearing	Total
	\$	\$	\$
30-June-2016			
Financial Assets			
Cash	737,306	1,000	738,306
Investments	-	310,885	310,885
Trade and Other Receivables	-	2,261,650	2,261,650
	737,306	2,573,535	3,310,841
Weighted average interest rate	2.89%		
Financial Liabilities			
Payables	-	5,033,257	5,033,257
	-	5,033,257	5,033,257
Net Financial Assets/(Liabilities)	737,306	(2,459,722)	(1,722,416)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2016

NOTE 14. FINANCIAL RISK MANAGEMENT (cont'd)

30-June-2015

Financial Assets

Cash	269,285	1,000	270,285
Investments	-	309,416	309,416
Trade and Other Receivables	-	3,359,808	3,359,808
	<u>269,285</u>	<u>3,670,224</u>	<u>3,939,509</u>

Weighted average interest rate 3.13%

Financial Liabilities

Payables	-	4,942,394	4,942,394
	<u>-</u>	<u>4,942,394</u>	<u>4,942,394</u>
Net Financial Assets/(Liabilities)	<u>269,285</u>	<u>(1,272,170)</u>	<u>(1,002,885)</u>

Sensitivity Analysis

	Carrying Amount	+1% (100 Basis Points) Profit	-1% (100 Basis Points) Loss
	\$	\$	\$
2016			
Cash and cash equivalents	<u>737,306</u>	<u>7,373</u>	<u>(7,373)</u>
2015			
Cash and cash equivalents	<u>269,285</u>	<u>2,693</u>	<u>(2,693)</u>

f. Other Price Risks

The Union has minor investments in Rio Tinto Newcrest Mining and Blue Scope Steel where the net carrying value is \$6,065 (2015: \$4,596) and therefore has limited exposure to the fluctuations in price that are inherent in such a market. These investments are primarily held to keep track of these companies in the interest of the members and not for profit making purposes.

The Union has investments in unlisted entities; Chifley Financial Services and ACTU Financial Services where the net carrying value is \$304,820 (2015: \$304,820) and has limited exposure to the fluctuations in price that are inherent in such a market. These investments are primarily held in the interest of the members.

g. Foreign Exchange Risk

The union is not directly exposed to foreign exchange rate risk.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2016

NOTE 15. OTHER FAIR WORK (REGISTERED ORGANISATION) ACTS 2009 DISCLOSURE

In accordance with the requirements of S253 of the Fair Work (Registered Organisations) Act 2009 and the Reporting Guideline, the Union makes the following disclosures for the year ended 30 June 2016:

- a. the Union has prepared the financial statements on a going concern basis and is not reliant on financial support of another reporting unit,
- b. the Union did not provide financial support to ensure another reporting unit has the ability to continue as a going concern
- c. the Union did not acquire an asset or a liability during the financial year as a result of amalgamation, a restructure of the branches, a determination by the General Manager under subsection 245(1) of the RO Act of an alternative reporting structure for the Union or, a revocation by the General Manager under subsection 249(1) of the RO Act of a certificate issued to the Union under subsection 245(1),
- d. no other funds or reserves other than that disclosed in the Statement of Changes in Equity have been set up,
- e. The Union did not engage another entity to administer its financial affairs

NOTE 16. DISCLOSURES IN RESPECT OF STATEMENT OF CHANGES IN EQUITY

The following equity items as prescribed under the reporting guidelines of the Fair Work (Registered Organisations) Act 2009 have not occurred in the reporting period

- (a) No separate fund or account operated in respect of compulsory levies raised by the Union or voluntary contributions collected from members of the Union
- (b) No Monies in respect of compulsory levies raised or voluntary contributions collected from members of the Union have been invested in any assets
- (c) No separate fund or account which is required by the Rules of the Union or Rules of a Branch of the Union Monies in respect of compulsory levies raised or voluntary contributions collected from members of the Union have been invested in any assets
- (d) No transfer(s) and/or withdrawal(s) to a fund, account or controlled entity when any of these are kept for a specific purpose(s) by the Union

NOTE 17. UNION INFORMATION

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

NOTE 18 Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or General Manager:

- (1) A member of a reporting unit, or the General Manager, 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).