



20 December 2017

Mr Michael Zelinsky  
Acting National Secretary  
The Australian Workers' Union

Sent via email

Dear Mr Zelinsky

**Re: – The Australian Workers' Union, National Office - financial report for year ending 30 June 2017 (FR2017/290)**

I refer to the financial report of the National Office of The Australian Workers' Union. The documents were lodged with the Registered Organisations Commission ('the ROC') on 8 December 2017. An amended Designated Officer's certificate was lodged today.

The financial report has been filed. The financial report was 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.

You are not required to take any further action in respect of the report lodged. However I make the following comments to assist you when preparing the next report. Please note the financial report for the period ending 30 June 2018 may be subject to an advanced compliance review.

Statements must be signed before full report provided to members

The original Designated Officer's Certificate stated that the full report was provided to members on 31 October 2017 and "approved" by the National Executive on the same day. However the Auditor's Statement, the Operating Report and the Committee of Management statement were not signed until 6 December 2017.

Providing unsigned statements does not satisfy the requirement to provide a copy of the full report in accordance with sub-section 265(1). The Committee of Management statement, the operating report and auditor's report should have been signed and dated at, or following, the National Executive meeting on 31 October, before publishing the documents.

The amended Designated Officer's Certificate confirmed that the signed full report was provided to the members today. However, as a consequence of not signing the documents until the second meeting on 6 December, the reporting unit did not comply with the time frame prescribed by subsection 265(5) that the full report must be provided to members within the 5 months following the end of the financial year.

Reporting Requirements

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

Please note that new Reporting Guidelines will apply to organisations and branches with financial years *commencing* on or after 1 July 2017. Updates and information on the new guidelines will be provided through the ROC website and the [subscription service](#).

Yours faithfully

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  
Financial Reporting  
Registered Organisations Commission

**STRONGER  
TOGETHER**

NATIONAL OFFICE  
Level 10, 377-383 Sussex Street Sydney NSW 2000  
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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

8 December 2017

Mr Stephen Kellett  
Financial Reporting  
The Registered Organisations Commission  
Level 13  
175 Liverpool Street  
SYDNEY NSW 2000

Via Email: [stephen.kellett@roc.gov.au](mailto:stephen.kellett@roc.gov.au)

Dear Mr Kellett

**Re: s. 268 Fair Work Act (Registered Organisations) Act 2009  
Certificate for period ended 30 June 2017**

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

- The 2016/2017 The Australian Workers' Union National Office, full report for year ended 30 of June 2017, including the National Secretary's Certificate on page 3.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'D. Walton', written over a white background.

Daniel Walton  
**NATIONAL SECRETARY**

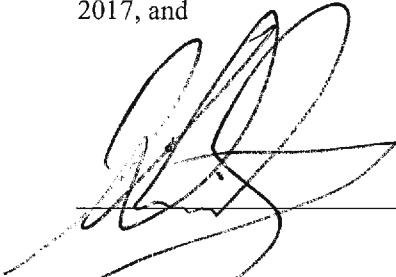
THE AUSTRALIAN WORKERS' UNION  
**PRESCRIBED DESIGNATED OFFICER CERTIFICATE**  
**FOR THE YEAR ENDED 30 JUNE, 2017**  
**s268 Fair Work (Registered Organisations) Act 2009**

I, Michael Zelinsky, being the Acting 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 2017, referred to in s.268 of the Fair Work (Registered Organisation) Act 2009, and

the full report was presented and approved by AWU National Executive members on December 6 2017, in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009

the full report was made available on the Union's National Office Website from December 20 2017, and



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**MICHAEL ZELINSKY**

**ACTING NATIONAL SECRETARY - THE AUSTRALIAN WORKERS UNION**

DATED: 20-12-17 2017

**THE AUSTRALIAN WORKERS' UNION**

**(NATIONAL OFFICE)**

**ABN 28 853 022 982**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2017**

**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE, 2017**

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**RSM Australia Pty Ltd**

**INDEPENDENT AUDITOR'S REPORT  
To the Members of The Australian Workers' Union  
(National Office)**

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

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**Report on the Audit of the Financial Report**

**Opinion**

We have audited the financial report of The Australian Workers' Union (National Office) ('the Reporting Unit'), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and National Executive's Statement.

In our opinion the accompanying financial report presents fairly, in all material aspects, the financial position of The Australian Workers' Union (National Office) as at 30 June 2017, and its financial performance and its cash flows for the year then ended in accordance with:

- (a) the Australian Accounting Standards; and
- (b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act).

We declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

**Information Other than the Financial Report and Auditor's Report Thereon**

The National Executive and National Secretary are responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the National Executive and National Secretary for the Financial Report**

The National Executive and National Secretary of the Reporting Unit are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the National Executive and National Secretary determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

**THE POWER OF BEING UNDERSTOOD  
AUDIT | TAX | CONSULTING**

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

Liability limited by a scheme approved under Professional Standards Legislation

In preparing the financial report, the National Executive and National Secretary are responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the National Executive and National Secretary either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

We communicate with the National Executive and National Secretary regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

I declare that I am an approved auditor, a member of the Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

#### **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



**RSM AUSTRALIA PTY LTD**



**Wayne Beuman**  
Director

Sydney NSW

Dated: 6 December 2017



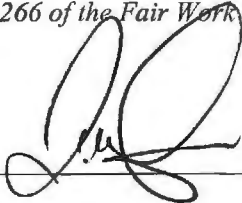
**THE AUSTRALIAN WORKERS' UNION**  
**PRESCRIBED DESIGNATED OFFICER CERTIFICATE**  
**FOR THE YEAR ENDED 30 JUNE, 2017**  
**s268 Fair Work (Registered Organisations) Act 2009**

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 2017, referred to in *s.268 of the Fair Work (Registered Organisation) Act 2009*, and

the full report was made available on the Union's National Office Website from 31 October 2017, and

the full report was presented and approved by AWU National Executive members via a Postal Ballot of the National Executive members declared on October 31 2017, in accordance with *s.266 of the Fair Work (Registered Organisations) Act 2009*



**DANIEL WALTON**

**NATIONAL SECRETARY - THE AUSTRALIAN WORKERS UNION**

DATED: \_\_\_\_\_

5<sup>TH</sup> DECEMBER

2017

**OPERATING REPORT FOR THE YEAR ENDED 30 JUNE, 2017**

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 revenues were affected by a general decrease in branch membership. This was quarantined by revenues from other sources including its investments. Substantial costs incurred relating to *The Royal Commission into Trade Union Governance and Corruption* were no longer incurred and this resulted a better performance than the previous year. Operating Costs also include the biennial National Conference

***Operating Results***

	2017	2016
Total Comprehensive (Loss) / Income for the financial year amounted to	(44,737)	(773,828)

**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;

- Revenues and costs relating to the biennial National Conference.
- Considerable legal and other costs relating to *The Royal Commission into Trade Union Governance and Corruption* no longer being incurred,
- A reduction in subsidy income received from Branches resulting from a decline in their membership

**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.

**OPERATING REPORT FOR THE YEAR ENDED 30 JUNE, 2017 (Cont'd)**

**Officers or members who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee**  
**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:

<b>Members</b>	<b>Name</b>	<b>Appointed</b>	<b>Resigned</b>
Bali, Stephen	Chifley Financial Services	Jun-10	
Ballin, Keith	Austsafe Super Fund	Jul-09	
Crofts, Brad	Australian Super	Aug-14	
Davis, Ben	CBUS (Alternate Director)	May-13	
Fagan, Mark	Australian Super Steel Division Sub Board	Jan-17	
Hanson, Justin	Statewide Superannuation	Dec-14	Feb-17
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	Nov-16
Mullen Charis	Austsafe Super Fund	Oct-13	
O'Brien, Liam	Prime Super	Apr-16	
Overly Alex	Statewide Superannuation	Feb-17	
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	
Turner, Lance	Australian Super Steel Division Sub Board	Aug-17	
Walton Daniel	Australian Super Steel Division Sub Board	Jul-14	Jan-17
Walton Daniel	Chifley Financial Services	Sep-15	
Walton Daniel	Australian Super	Nov-16	
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.

<b>Number of Members</b>	<b>2017</b>	<b>2016</b>
Number of persons in registers of members:	84,984	87,412
<b>Number of Employees</b>		
Number of employees (equivalent full time):	16	19

**OPERATING REPORT FOR THE YEAR ENDED 30 JUNE, 2017 (Cont'd)**

**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			Lamps, P		
Bali, S	Term Expired	30-Jun-17	Ludwig, B	Term Expired	30-Jun-17
Ballin, K			Mastrandonakis J		
Brown, K	Resigned	1-Sep-16	McDine, S	Resigned	17-Nov-16
Callinan A	Appointed	1-Sep-16	Noack, P		
Chambers, M (formerly Williams)			O'Brien, L		
Collison, R	Resigned	30-Jun-17	Penn G	Term Expired	30-Jun-17
Davis, B			Phillips, W		
Downie, R	Resigned	1-Sep-16	Sharpe, T		
Farrow P	Appointed	1-Sep-16	Spence T	Term Expired	30-Jun-17
	Term Expired	30-Jun-17	Swan, B		
Gandy B	Appointed	1-Jul-17	Wakefield, I		
Gunsberger, P	Term Expired	30-Jun-17	Walton, D		
Hacking, A	Term Expired	30-Jun-17	Zelinsky, M		
Hanson, W			Zoetbrood, M		

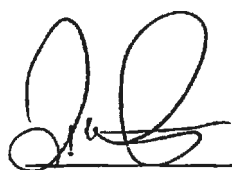
**Indemnifying Officers or Auditor**

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:   
Daniel Walton (National Secretary)

Date

6TH DECEMBER 2017

Signed:   
Marina Chambers (President)

Date

6TH DECEMBER 2017

**STATUTORY STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2017**  
**NATIONAL EXECUTIVE'S STATEMENT**

On October 31 2017


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, 2017:

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 any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations Act 2009 (the RO Act))*;
- c. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- d. there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; 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; and
  - (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 Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
  - (vi) where any order for inspection of financial records has been made by the Registered Organisations Commission under section 273 of the RO Act, there has been compliance.

f. no revenue has been derived from undertaking recovery of wages activity during the reporting period

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

Signed:  \_\_\_\_\_ Date 6TH DECEMBER 2017  
Daniel Walton (National Secretary)

Signed:  \_\_\_\_\_ Date 6TH DECEMBER 2017  
Marina Chambers (President)

Signed at Sydney this 6TH day of, DECEMBER 2017

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE, 2017**

<b><u>REVENUE</u></b>	<b><u>NOTES</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
		<b>\$</b>	<b>\$</b>
MEMBERSHIP SUBSCRIPTIONS		-	-
CAPITATION / SUBSIDY INCOME	3A	3,202,355	3,296,600
LEVIES	3B	-	-
INTEREST –BANK	3C	50,167	54,053
RENTAL INCOME	3D	41,131	61,150
OTHER REVENUE	3E	587,594	448,592
<b>TOTAL REVENUE</b>		<b><u>3,881,247</u></b>	<b><u>3,860,395</u></b>
GRANTS AND/OR DONATIONS	3F	-	-
NET (LOSSES) FROM SALE OF ASSETS	3G	(12,160)	(2,768)
<b>TOTAL OTHER INCOME</b>		<b><u>(12,160)</u></b>	<b><u>(2,768)</u></b>
<b>TOTAL INCOME</b>		<b><u>3,869,087</u></b>	<b><u>3,857,627</u></b>
 <b><u>EXPENSES</u></b>			
EMPLOYEE EXPENSES	4A	1,640,751	1,828,878
CAPITATION FEES	4B	-	-
AFFILIATION FEES	4C	445,343	535,869
ADMINISTRATION FEES	4D	1,381,539	1,713,786
GRANTS OR DONATIONS	4E	15,184	87,382
DEPRECIATION OR AMORTISATION	4F	292,119	293,779
FINANCE COSTS	4G	10,376	13,391
LEGAL COSTS	4H	108,625	131,840
AUDIT FEES	4I	19,887	26,530
OTHER EXPENSES	4J	-	-
<b>TOTAL EXPENSES</b>		<b><u>3,913,824</u></b>	<b><u>4,631,455</u></b>
<b>DEFICIT FOR THE YEAR</b>		<b><u>(44,737)</u></b>	<b><u>(773,828)</u></b>
<b>OTHER COMPREHENSIVE INCOME</b>		<b><u>-</u></b>	<b><u>-</u></b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<b><u>(44,737)</u></b>	<b><u>(773,828)</u></b>

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, 2017**

<b><u>ASSETS</u></b>	<b><u>NOTES</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
		<b>\$</b>	<b>\$</b>
<b>CURRENT ASSETS</b>			
CASH AND CASH EQUIVALENTS	5A	919,900	738,306
TRADE AND OTHER RECEIVABLES	5B	442,043	369,663
OTHER CURRENT ASSETS	5C	1,374,962	1,891,987
<b>TOTAL CURRENT ASSETS</b>		<b><u>2,736,905</u></b>	<b><u>2,999,956</u></b>
<b>NON-CURRENT ASSETS</b>			
LAND AND BUILDINGS	6A	7,255,140	7,424,850
PLANT AND EQUIPMENT	6B	134,657	140,569
INTANGIBLE ASSETS	6C	27,765	82,641
OTHER INVESTMENTS	6D	312,112	310,885
OTHER NON CURRENT ASSETS		-	-
<b>TOTAL NON-FINANCIAL ASSETS</b>		<b><u>7,729,674</u></b>	<b><u>7,958,945</u></b>
<b>TOTAL ASSETS</b>		<b><u>10,466,579</u></b>	<b><u>10,958,901</u></b>
<b><u>LIABILITIES</u></b>			
<b>CURRENT LIABILITIES</b>			
TRADE PAYABLES	7A	400,836	675,374
OTHER PAYABLES	7B	124,359	105,229
EMPLOYEE PROVISIONS	7C	684,435	966,555
OTHER CURRENT LIABILITIES	8	3,286,099	3,286,099
<b>TOTAL CURRENT LIABILITIES</b>		<b><u>4,495,729</u></b>	<b><u>5,033,257</u></b>
<b>NON CURRENT LIABILITIES</b>			
EMPLOYEE PROVISIONS	7C	96,549	6,606
<b>TOTAL NON - CURRENT LIABILITIES</b>		<b><u>96,549</u></b>	<b><u>6,606</u></b>
<b>TOTAL LIABILITIES</b>		<b><u>4,592,278</u></b>	<b><u>5,039,863</u></b>
<b>NET ASSETS</b>		<b><u>5,874,301</u></b>	<b><u>5,919,038</u></b>
<b><u>EQUITY</u></b>			
GENERAL FUNDS		-	-
RETAINED EARNINGS		5,874,301	5,919,038
<b>TOTAL EQUITY</b>		<b><u>5,874,301</u></b>	<b><u>5,919,038</u></b>

The above statement should be read in conjunction with the notes

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE, 2017**

	<b>GENERAL FUNDS</b>	<b>RETAINED EARNINGS</b>	<b>TOTAL EQUITY</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>BALANCE AS AT 30 JUNE 2015</b>	-	6,692,866	<b>6,692,866</b>
Adjustment for Errors	-	-	-
Adjustment for changes in accounting policies	-	-	-
(Loss) for the Year	-	<b>(773,828)</b>	<b>(773,828)</b>
Other Comprehensive income for the year	-	-	-
Transfer to/from	-	-	-
Transfer from Retained Earnings	-	-	-
<b>BALANCE AS AT 30 JUNE 2016</b>	<b>-</b>	<b>5,919,038</b>	<b>5,919,038</b>
Adjustment for Errors	-	-	-
Adjustment for changes in accounting policies	-	-	-
(Loss) for the Year	-	<b>(44,737)</b>	<b>(44,737)</b>
Other Comprehensive income for the year	-	-	-
Transfer to/from	-	-	-
Transfer from Retained Earnings	-	-	-
<b>BALANCE AS AT 30 JUNE 2017</b>	<b>-</b>	<b>5,874,301</b>	<b>5,874,301</b>

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, 2017**

	<u>NOTE</u>	<u>2017</u>	<u>2016</u>
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>CASH RECEIVED</b>			
SUBSIDIES RECEIVED FROM BRANCHES		3,147,731	3,717,996
INTEREST RECEIVED		52,105	58,838
OTHER INCOME		623,788	538,459
		3,823,624	4,315,293
<b>CASH USED</b>			
EMPLOYEES & SUPPLIERS		(3,416,970)	(3,315,476)
PAYMENTS TO BRANCHES		(144,634)	(162,431)
		(3,561,604)	(3,477,907)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>9</b>	<b>262,020</b>	<b>837,386</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>CASH RECEIVED</b>			
PROCEEDS FROM SALE OF PLANT AND EQUIPMENT		17,250	20,000
PROCEEDS FROM SALE OF LAND AND BUILDINGS		-	-
OTHER		-	-
		17,250	20,000
<b>CASH USED</b>			
PURCHASE OF PLANT AND EQUIPMENT		(97,676)	(20,611)
PURCHASE OF LAND AND BUILDINGS		-	(230,985)
OTHER		-	(137,768)
		(97,676)	(389,364)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(80,426)</b>	<b>(369,364)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>CASH RECEIVED</b>			
CONTRIBUTED EQUITY		-	-
OTHER		-	-
		-	-
<b>CASH USED</b>			
REPAYMENT OF LOANS TO BRANCHES		-	-
OTHER		-	-
		-	-
<b>NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES</b>		-	-
<b>NET INCREASE IN CASH HELD</b>		<b>181,594</b>	<b>468,022</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE REPORTING PERIOD</b>			
		738,306	270,284
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD</b>			
	<b>5A</b>	<b>919,900</b>	<b>738,306</b>

The above statement should be read in conjunction with the notes

**RECOVERY OF WAGES ACTIVITY**  
**FOR THE YEAR ENDED 30 JUNE, 2017**

	<u>2017</u>	<u>2016</u>
	\$	\$
<b>CASH ASSETS IN RESPECT OF RECOVERED MONEY AT BEGINNING OF YEAR</b>	-	-
<b>Receipts</b>		
Amounts recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
<b>Total receipts</b>	-	-
<b>Payments</b>		
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	-	-
<b>Total payments</b>	-	-
<b>CASH ASSETS IN RESPECT OF RECOVERED MONEY AT END OF YEAR</b>	-	-
Number of workers to which the monies recovered relates		
<b>Aggregate payables to workers attributable to recovered monies but not yet distributed</b>		
Payable balance	-	-
Number of workers the payable relates to	-	-
<b>Fund or account operated for recovery of wages</b>		
None	<u>Nil</u>	<u>Nil</u>

The above statement should be read in conjunction with the notes

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2017**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1.1 Basis of preparation of the financial statements**

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, the AWU (National Office) is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

**1.2 Comparative Amounts**

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.

**1.3 Significant accounting judgements and estimates**

No accounting assumptions or estimates have been identified that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next reporting period

**1.4 New Australian Accounting Standards**

***Adoption of New Australian Accounting Standard requirements***

No accounting standard has been adopted earlier than the application date stated in the standard.

***Future Australian Accounting Standard requirements***

There were no new standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the next reporting period that are expected to have a future financial impact on AWU (National Office)

**1.5 Investment in associates and joint arrangements**

The AWU (National Office) does not hold an interest in any entity over which it has significant influence, which is a subsidiary or which it holds in a joint venture.

**1.6 Acquisition of assets and or liabilities that do not constitute a business combination**

The AWU (National Office) has not acquired any assets or liabilities as the result of an amalgamation

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2017**

**1.7 Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Donation income is recognised when it is received.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. Allowances are made when the collectability of the debt is no longer probable

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.

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

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.

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

**1.8 Government grants**

Government grants are not recognised until there is reasonable assurance that the AWU (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 AWU (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 AWU (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.

**1.9 Gains**

***Sale of Assets***

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2017**

**1.10 Sustentation fees and levies**

Revenue from sustentation income from branches is recognised on an accruals basis and is recognised upon the monthly returns submitted to the AWU (National Office).

**1.11 Employee Benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 Employee Benefits) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

Provision is made for separation and redundancy benefit payments. The reporting unit recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

**1.12 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

**1.13 Borrowing Costs**

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2017**

**1.14 Cash and Cash Equivalents**

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

**1.15 Financial Instruments**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**1.16 Financial Assets**

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

***Fair value through profit or loss***

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2017**

**1.16 Financial Assets (cont)**

***Fair value through profit or loss (cont)***

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income

***Held-to-maturity investments***

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

***Available-for-sale***

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

***Loans and receivables***

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

***Effective interest method***

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2017

**1.16 Financial Assets (cont)**

*Impairment of financial assets*

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2017**

**1.16 Financial Assets (cont)**

***Derecognition of financial assets***

The reporting unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

**1.17 Financial Liabilities**

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'

***Fair value through profit or loss***

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

***Other financial liabilities***

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis

***Derecognition of financial liabilities***

The reporting unit derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2017**

**1.18 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.

**1.19 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.

***Revaluations—Land and Buildings***

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount

***Depreciation***

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

The depreciation rates used for each class of asset are:

Building	2.50%
Office Furniture and Equipment	10% - 33%
Website Development Costs	20%
Motor Vehicles	20%

***Derecognition***

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2017**

**1.20 Investment property**

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise

**1.21 Intangibles**

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit and loss when the asset is derecognised.

**1.22 Impairment of non-financial assets**

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the AWU (National Office) were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

**1.23 Non-current assets held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2017**

**1.24 Taxation**

AWU (National Office) is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

**1.25 Fair value measurement**

The AWU (National Office) measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 14.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the AWU (National Office). The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The AWU (National Office) uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2017**

**1.25 Fair value measurement (cont'd)**

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the AWU (National Office) determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the [reporting unit] has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

**1.26 Going concern**

The AWU (National Office) is not reliant on any agreed financial support of a Branch of the Union.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2017**

**NOTE 2. EVENTS AFTER THE REPORTING PERIOD**

Subsequent to the reporting date of 30 June 2017 the Registered Organisations Commission ("ROC") requested information in connection certain compliance matters related to donations made in a previous year by the National Office and the Union. The National Office responded to this request. ROC initiated further action to seize additional information and records held by the National Office as well as State Branch offices of the Union. The National Executive is considering whether there has been an abuse of process and powers by the ROC and what, if any, remedies are available to the Union.

In the opinion of the National Executive there is no significant effect on the entity's operations, the results of those operations, or the entity's state of affairs in future financial years.

No other matter or circumstance has arisen since 30 June 2017.

The financial statements were signed by the National Executive committee on December 6 2017

**NOTE 3. INCOME**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Note 3A: Subsidy Income from Branches</b>		
Newcastle (i)	-	202,932
Greater NSW (i)	-	498,247
Port Kembla (i)	-	120,537
New South Wales (i)	829,004	-
Queensland	1,033,336	1,086,019
South Australia	249,051	267,660
Tasmania	122,510	123,374
Victoria	611,354	640,707
Western Australia	357,100	357,124
<b>Total Subsidy Income</b>	<b><u>3,202,355</u></b>	<b><u>3,296,600</u></b>
(i) the Greater NSW, Newcastle and Port Kembla Branches merged to form the New South Wales Branch effective 1 September 2016		
<b>Note 3B: Levy</b>		
Australian Council of Trade Unions (ACTU) - for Industrial Relationship Campaign		
- payment	-	-
- contributions from branches	-	-
<b>Total Levies</b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Note 3C: Interest</b>		
Deposits	50,167	54,053
<b>Total Interest</b>	<b><u>50,167</u></b>	<b><u>54,053</u></b>
<b>Note 3D: Rental Revenue</b>		
Properties	41,131	61,150
<b>Total Rental Revenue</b>	<b><u>41,131</u></b>	<b><u>61,150</u></b>
<b>Note 3E: Other Income</b>		
Directors Fees	218,901	186,246
Dividends – Investments	151	239
Sponsorship & Advertising Income	365,901	208,550
Other Income	2,641	53,557
<b>Total Other Income</b>	<b><u>587,594</u></b>	<b><u>448,592</u></b>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2017**

**NOTE 3. INCOME (cont'd)**

**Note 3F: Grants or Donations**

Grants	-	-
Donations	-	-
<b>Total Grants or donations</b>	-	-

**Note 3G: Net Gains / (Losses) from sales of assets**

Plant and Equipment	(12,160)	(2,768)
<b>Total Net Gains /(Losses) from sales of assets</b>	(12,160)	(2,768)

**NOTE 4. EXPENSES**

**Note 4A. Salary and Wages**

	2017	2016
	\$	\$
<b>Holders of Office:</b>		
Wages and salaries	306,728	368,587
Leave and other entitlements	63,479	18,965
Separation and redundancies	95,973	-
Superannuation	48,113	37,323
Other employee expenses	21,249	18,929
<b>Total Post-employment benefits</b>	<b>535,542</b>	<b>443,804</b>
<b>Employees other than office holders:</b>		
Wages and salaries	987,142	1,094,164
Superannuation	114,733	130,710
Leave and other entitlements	(50,186)	77,100
Separation and redundancies	-	24,024
Other employee expenses	53,520	59,076
<b>Subtotal employee expenses employees other than office holders</b>	<b>1,105,209</b>	<b>1,385,074</b>
<b>Total employee expenses</b>	<b>1,640,751</b>	<b>1,828,878</b>

**Note 4B: Capitation fees**

Capitation Fees	-	-
<b>Total capitation fees</b>	-	-

**Note 4C: Affiliation fees**

Australian Council of Trade Unions	325,364	376,364
APHEDA	4,213	1,691
International Transport Workers Federation	3,014	3,179
McKell Foundation	-	25,000
International Union of Food & Agriculture	10,994	17,125
IndustriALL	101,758	112,510
<b>Total affiliation fees/subscriptions</b>	<b>445,343</b>	<b>535,869</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2017**

	2017	2016
	\$	\$
<b>NOTE 4. EXPENSES (contd)</b>		
<b>Note 4D: Administration expenses</b>		
Consideration to employers for payroll deductions	-	-
Campaign levies - ACTU - Industrial Relationship Campaign	-	86,911
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	737,309	424,154
Contractors/consultants	-	-
Property expenses	186,123	228,554
Office expenses	65,676	40,367
Information communications technology	181,082	660,916
Bereavement Payments	54,000	78,000
Other	117,835	166,672
<b>Subtotal administration expense</b>	<b><u>1,342,025</u></b>	<b><u>1,685,574</u></b>
Operating lease rentals:		
Minimum lease payments	39,514	28,212
<b>Total administration expenses</b>	<b><u>1,381,539</u></b>	<b><u>1,713,786</u></b>
<b>Note 4E: Grants or donations</b>		
<b>Grants:</b>		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
<b>Donations:</b>		
Total paid that were \$1,000 or less	4,593	2,783
Total paid that exceeded \$1,000	10,591	84,599
<b>Total grants or donations</b>	<b><u>15,184</u></b>	<b><u>87,382</u></b>
<b>Note 4F: Depreciation or Amortisation</b>		
<b>Depreciation</b>		
Land & buildings	169,710	166,815
Property, plant and equipment	67,533	72,099
<b>Total depreciation</b>	<b><u>237,243</u></b>	<b><u>238,914</u></b>
<b>Amortisation</b>		
Intangibles	54,876	54,865
<b>Total amortisation</b>	<b><u>54,876</u></b>	<b><u>54,865</u></b>
<b>Total depreciation and amortisation</b>	<b><u>292,119</u></b>	<b><u>293,779</u></b>
<b>Note 4G: Finance costs</b>		
Finance leases	-	-
Overdrafts/loans	9,118	7,198
Foreign Exchange (Gain)/Loss	1,258	6,193
<b>Total finance costs</b>	<b><u>10,376</u></b>	<b><u>13,391</u></b>
<b>Note 4H: Legal costs</b>		
Litigation	-	-
Other legal matters	108,625	131,840
<b>Total legal costs</b>	<b><u>108,625</u></b>	<b><u>131,840</u></b>



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2017**

	2017	2016
	\$	\$
<b>Note 4I. Auditor's Remuneration</b>		
Remuneration of the auditor of the Union for:		
Financial Statement audit services	19,887	26,530
	<u>19,887</u>	<u>26,530</u>
<b>Note 4J: Other expenses</b>		
Penalties - via RO Act or RO Regulations	-	-
<b>Total other expenses</b>	<u>-</u>	<u>-</u>
<b>NOTE 5. CURRENT ASSETS</b>		
<b>Note 5A: Cash and cash equivalents</b>		
Cash at bank	919,649	737,306
Cash on hand	251	1,000
Short term deposits	-	-
<b>Total cash and cash equivalents</b>	<u>919,900</u>	<u>738,306</u>
<b>Note 5B: Trade and other receivables</b>		
<b>Receivables from other reporting units</b>		
Greater NSW	-	21,161
Newcastle	-	11,476
Port Kembla	-	6,219
New South Wales	28,952	-
Queensland	43,806	150,299
South Australia	13,273	4,892
Tasmania	14,750	15,875
Victoria	37,801	37,054
Western Australia	263,209	100,192
<b>Total receivables from other reporting units</b>	<u>401,791</u>	<u>347,168</u>
<b>Less provision for doubtful debts</b>		
Provision for Doubtful Debts - AWU Branches	-	-
<b>Total provision for doubtful debts</b>	<u>-</u>	<u>-</u>
Receivable from other reporting units (net)	<u>401,791</u>	<u>347,168</u>
<b>Other receivables:</b>		
Other trade receivables	40,252	22,495
Provision for Doubtful Debts - Other Receivables	-	-
<b>Total other receivables</b>	<u>40,252</u>	<u>22,495</u>
<b>Total trade and other receivables (net)</b>	<u>442,043</u>	<u>369,663</u>
<b>Note 5C: Other current assets</b>		
Accrued Interest & Other Income	12,130	49,419
Term Deposits	1,235,351	1,700,000
Prepayments	127,481	142,568
<b>Total other current assets</b>	<u>1,374,962</u>	<u>1,891,987</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2017**

	2017	2016
	\$	\$
<b>NOTE 6. NON CURRENT ASSETS</b>		
<b>Note 6A: Land and buildings</b>		
Land and buildings:		
At Cost	9,899,416	9,899,416
Less: accumulated depreciation	<u>(2,644,276)</u>	<u>(2,474,566)</u>
<b>Total land and buildings</b>	<b><u>7,255,140</u></b>	<b><u>7,424,850</u></b>

***Reconciliation of the opening and closing balances of land and buildings***

<b>As at 1 July</b>		
Gross book value	9,899,416	9,668,431
Accumulated depreciation and impairment	<u>(2,474,566)</u>	<u>(2,307,750)</u>
<b>Net book value 1 July</b>	<b><u>7,424,850</u></b>	<b><u>7,360,681</u></b>
Additions	-	-
Disposals	-	230,984
Write Back	-	-
Depreciation expense	(169,710)	(166,815)
Other	-	-
<b>Net book value 30 June</b>	<b><u>7,255,140</u></b>	<b><u>7,424,850</u></b>

**Net book value as of 30 June represented by:**

Gross book value	9,899,416	9,899,416
Accumulated depreciation and impairment	<u>(2,644,276)</u>	<u>(2,474,566)</u>
<b>Net book value 30 June</b>	<b><u>7,255,140</u></b>	<b><u>7,424,850</u></b>

**Note 6B: Plant and equipment**

Plant and equipment:		
At cost	249,852	249,145
Less: accumulated depreciation	<u>(115,195)</u>	<u>(108,576)</u>
<b>Total plant and equipment</b>	<b><u>134,657</u></b>	<b><u>140,569</u></b>

***Reconciliation of the opening and closing balances of plant and equipment***

<b>As at 1 July</b>		
Gross book value	249,145	694,300
Accumulated depreciation and impairment	<u>(108,576)</u>	<u>(481,632)</u>
<b>Net book value 1 July</b>	<b><u>140,569</u></b>	<b><u>212,668</u></b>
Additions	97,676	-
Disposals	(21,517)	-
Write Back	-	-
Depreciation expense	(67,533)	(72,099)
Other	-	-
<b>Net book value 30 June</b>	<b><u>149,195</u></b>	<b><u>140,569</u></b>
<b>Net book value as of 30 June represented by:</b>		
Gross book value	249,852	249,145
Accumulated depreciation and impairment	<u>(115,195)</u>	<u>(108,576)</u>
<b>Net book value 30 June</b>	<b><u>134,657</u></b>	<b><u>140,569</u></b>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Note 6C: Intangible Assets</b>		
Website Expenses		
At cost	274,323	274,324
Less: accumulated depreciation	(246,558)	(191,683)
<b>Total Intangible Assets</b>	<b><u>27,765</u></b>	<b><u>82,641</u></b>

***Reconciliation of the opening and closing balances of Intangible Assets***

<b>As at 1 July</b>		
Gross book value	274,324	465,404
Accumulated depreciation and impairment	(191,683)	(327,898)
<b>Net book value 1 July</b>	<b><u>82,641</u></b>	<b><u>137,506</u></b>
Additions	-	-
Disposals	-	-
Write Back	-	-
Depreciation expense	(54,876)	(54,865)
Other	-	-
<b>Net book value 30 June</b>	<b><u>27,765</u></b>	<b><u>82,641</u></b>
<b>Net book value as of 30 June represented by:</b>		
Gross book value	274,323	274,324
Accumulated depreciation and impairment	(246,558)	(191,683)
<b>Net book value 30 June</b>	<b><u>27,765</u></b>	<b><u>82,641</u></b>

**Note 6D: 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	(13,460)	(14,687)
	<b><u>312,112</u></b>	<b><u>310,885</u></b>

**NOTE 7. CURRENT LIABILITIES**

**Note 7A: Trade Payables**

Trade Creditors and accruals	289,876	662,613
<b>Trade Creditors</b>	<b><u>289,876</u></b>	<b><u>662,613</u></b>
Payable to other reporting entities		
Greater NSW	-	528
NewSouth Wales	500	
South Australia	14,600	-
Tasmania	5,730	5,746
Western Australia	-	44
Total trade payable to Branches	<b><u>20,830</u></b>	<b><u>6,318</u></b>
<b>Total Trade Creditors and accruals</b>	<b><u>400,836</u></b>	<b><u>675,374</u></b>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2017**

	2017	2016
	\$	\$
<b>Note 7B: Other Payables</b>		
Wages and salaries	67,075	-
Superannuation	-	16,196
Consideration to employers for payroll deductions	-	-
Legal Costs		
Litigation	-	-
Other Legal Matters	23,055	6,443
Prepayments Received / unearned revenue	23,867	82,590
GST payable / receivable - net	10,362	-
Other	38,636	-
<b>Total Other Payables</b>	<b><u>124,359</u></b>	<b><u>105,229</u></b>
<b>Note 7C: Provisions</b>		
<b>Elected Representatives (Holders of Office)</b>		
Annual Leave	58,354	55,571
Long Service Leave	436,054	716,482
Separation and Redundancies	-	-
Other	-	-
	<b><u>494,408</u></b>	<b><u>772,053</u></b>
<b>Employees (Other than Holders of Office)</b>		
Annual leave	104,090	141,906
Long service leave	182,486	59,202
Separation and Redundancies	-	-
Other	-	-
	<b><u>286,576</u></b>	<b><u>201,108</u></b>
<b>Total Provisions</b>	<b><u>780,984</u></b>	<b><u>973,161</u></b>
<b>CURRENT - Provision for employee benefits</b>		
Elected Representatives	494,408	772,053
Employees	190,027	194,502
	<b><u>684,435</u></b>	<b><u>966,555</u></b>
<b>NON-CURRENT - Provision for employee benefits</b>		
Elected Representatives	-	-
Employees	96,549	6,606
	<b><u>96,549</u></b>	<b><u>6,606</u></b>
<b>Total Provision for employee benefits</b>	<b><u>780,984</u></b>	<b><u>973,161</u></b>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 8. LOANS FROM BRANCHES - CURRENT BORROWINGS</b>		
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.

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>

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.

**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	(44,737)	(773,828)
Non-cash flow items in operating surplus		
Depreciation	292,119	293,779
Net transfer of costs to branches	24,548	1,366
Net (loss) / gain on disposal of property, plant and equipment	12,160	2,768
Net Loss on revaluation of available for sale financial assets	-	-
Write back of Loan from NSW branch	-	-
Provisions in diminution in assets	-	1,469
Changes in assets and liabilities		
(Increase) / Decrease in Subsidies Receivable	(54,623)	421,395
(Increase) / Decrease in Other assets	499,268	676,763
(Decrease) / Increase in Payables	(274,538)	136,320
Increase / (decrease) in Provisions	(192,177)	77,354
<b>Cash from operations</b>	<u>262,020</u>	<u>837,386</u>

**Receipts from Branches**

New South Wales	838,909	821,925
Queensland	1,139,828	1,589,496
South Australia	240,670	268,083
Tasmania	123,635	122,278
Victoria	610,606	616,800
Western Australia	194,083	299,414
	<u>3,147,731</u>	<u>3,717,996</u>

**Payments to Branches**

New South Wales	3,947	65,451
Queensland	-	-
South Australia	14,929	25,847
Tasmania	5,746	5,746
Victoria	119,748	64,815
Western Australia	264	572
	<u>144,634</u>	<u>162,431</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2017**

	2017	2016
	\$	\$
<b>NOTE 10. CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS</b>		
<b>Note 10A: Capital and Leasing commitments</b>		
<b>Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable — minimum lease payments		
not later than 12 months	35,760	27,264
between 12 months and 5 years	59,600	72,704
	95,360	99,968

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 in February 2020

**Note 10B: Contingent Liabilities**

Bereavement payments during the financial year totalled	54,000	78,000
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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 has no Contingent Assets

**NOTE 11. RELATED PARTY TRANSACTIONS**

**Note 11A. Related Party Transactions for the Reporting Period**

*Transactions between related parties are as follows:-*

	NOTES	2017	2016
		\$	\$
<b>Revenue</b>			
Subsidy Income from branches	3A	3,202,355	3,296,600
Rental Income from Western Australia branch		41,131	61,150
Other income contributed by branches			
New South Wales (i)		-	16,403
Queensland		-	24,268
South Australia		-	(8,840)
Tasmania		-	2,269
Victoria		-	14,097
Western Australia		-	5,599
Income received from Chifley Financial Services		78,827	22,507
Legal Expenses - shared with Branches			
New South Wales (i)		5,269	67,693
Queensland		7,425	93,297
South Australia		1,672	21,023
Tasmania		780	9,793
Victoria		17,064	51,652
Western Australia		1,918	24,109
Expenses - shared with Branches			
New South Wales (i)		127,447	65,280
Queensland		152,296	44,849
South Australia		49,070	21,513
Tasmania		31,043	17,602
Victoria		93,690	31,839
Western Australia		55,271	23,407

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2017**

**NOTE 11. RELATED PARTY TRANSACTIONS (cont)**

**Note 11A. Related Party Transactions for the Reporting Period (contd)**

**Expenses**

**Interest on Loan**

Tasmania		(7,642)	(7,642)
<b>Contribution to Long Service Leave</b>			
New South Wales	(i)	-	(57,180)
<b>Donations</b>			
New South Wales	(i)	-	(13,000)
Queensland		-	(6,000)
South Australia		-	(1,000)
Tasmania		-	(3,500)
Victoria		-	(6,000)
Western Australia		-	(7,000)
		<b>3,857,617</b>	<b>3,841,290</b>

(i) the Greater NSW, Newcastle and Port Kembla Branches merged to form the New South Wales Branch effective 1 September 2016

***Receivables and payables:-***

Receivables from Branches	<b>5B</b>	401,791	347,168
Sundry Receivables from Branches		-	5,904
		<b>401,791</b>	<b>353,072</b>
Loans payable to Branches	<b>8</b>	(3,286,099)	(3,286,099)
<b>Liability for long service leave of Branches staff</b>			
New South Wales		(99,113)	(112,863)
Queensland		(158,973)	(241,703)
		<b>(3,544,185)</b>	<b>(3,640,665)</b>

(i) 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 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 2017, the Union has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2016: \$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.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2017**

**NOTE 11. RELATED PARTY TRANSACTIONS (cont)**

**NOTE 11B. 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

	2017	2016
	\$	\$
<b>Transaction with Key Management Personnel</b>		
<b>Short Term Employee Benefits</b>		
Wages and salaries	306,728	368,587
Leave and other entitlements	63,479	18,965
Separation and redundancies	95,973	-
Other employee expenses	21,249	18,929
<b>Total Short term Benefits</b>	<b>487,429</b>	<b>406,481</b>
<b>Post-employment benefits</b>		
Superannuation	48,113	37,323
Long Service Leave	124,137	117,276
<b>Total Post-employment benefits</b>	<b>172,250</b>	<b>154,599</b>
<b>Total Remuneration</b>	<b>659,679</b>	<b>561,080</b>

**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, 2017**

**NOTE 12. 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

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
The union is not significantly exposed to this risk, as at 30 June 2017 it had;		
Cash and Term deposits < 3 months to meet these obligations as they fall due.	919,900	738,306
Total Current Liabilities < 12 Months	4,495,729	5,033,257

*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:

	<b>Floating Interest Rate</b>	<b>Non interest Bearing</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>30-June-2017</b>			
<b>Financial Assets</b>			
Cash	919,649	251	919,900
Investments	-	312,112	312,112
Trade and Other Receivables	-	1,817,005	1,817,005
	<b>919,649</b>	<b>2,129,368</b>	<b>3,049,017</b>
Weighted average interest rate	2.78%		
<b>Financial Liabilities</b>			
Payables	-	3,811,294	3,811,294
	<b>-</b>	<b>3,811,294</b>	<b>3,811,294</b>
<b>Net Financial Assets/(Liabilities)</b>	<b>919,649</b>	<b>(1,681,926)</b>	<b>(762,277)</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2017**

**NOTE 12. FINANCIAL RISK MANAGEMENT (cont'd)**

*e. Interest rate risk (cont)*

**30-June-2016**

**Financial Assets**

Cash	737,306	251	737,557
Investments	-	310,885	310,885
Trade and Other Receivables	-	2,261,650	2,261,650
	<u>737,306</u>	<u>2,572,786</u>	<u>3,310,092</u>

Weighted average interest rate 2.89%

**Financial Liabilities**

Payables	-	4,066,702	4,066,702
	<u>-</u>	<u>4,066,702</u>	<u>4,066,702</u>
<b>Net Financial Assets/(Liabilities)</b>	<u><b>737,306</b></u>	<u><b>(1,493,916)</b></u>	<u><b>(756,610)</b></u>

**Sensitivity Analysis**

	<b>Carrying Amount</b>	<b>+1% (100 Basis Points) Profit</b>	<b>-1% (100 Basis Points) Loss</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2017</b>			
Cash and cash equivalents	<u>919,649</u>	<u>9,196</u>	<u>(9,196)</u>
<b>2016</b>			
Cash and cash equivalents	<u>737,306</u>	<u>7,373</u>	<u>(7,373)</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 (2016: \$6,065) 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 (2016: \$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, 2017**

**NOTE 13. UNION INFORMATION**

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

**NOTE 14. 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).