

3 January 2017

The Secretary,
New South Wales Branch
The Australian Workers Union

By email: wchen@awu-nsw.asn.au

Dear Sir,

Re: Lodgement of Financial Statements and Accounts – The Australian Workers Union, Newcastle, Central Coast and Northern Regions Branch - for year ended 30 June 2016 (FR2016/141)

I refer to the financial report for the Newcastle, Central Coast and Northern Regions Branch of the Australian Workers Union. The report was lodged with the Fair Work Commission on 19 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.

I note that the next report for this Branch will be in respect of the period 1 July 2016 to 31 August 2016, which is the date that the Branch ceased to operate, and accordingly it will be the Branch's final report. The latest timeframes applying to the final report will be those ordinarily prescribed for a 30 June end of year, but the organisation is at liberty to prepare the report, finalise the audit and lodge the full report with FWC earlier if it considers it more convenient to do so.

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 (02) 6746 3283 or 0429 462 979 or by email at stephen.kellett@fwc.gov.au

Yours sincerely



Stephen Kellett
Senior Adviser
Regulatory Compliance Branch



From: KELLETT, Stephen
Sent: Tuesday, 3 January 2017 5:06 PM
To: 'wchen@awu-nsw.asn.au'
Subject: Attention The NSW Branch Secretary - financial reporting - y/e 30 June 2016 - filing

Dear Ms Chen,

Please see attached my letter in relation to the above.

Yours faithfully

STEPHEN KELLETT
Regulatory Compliance Branch
FAIR WORK COMMISSION

80 William Street
EAST SYDNEY NSW 2011

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(email) stephen.kellett@fwc.gov



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141 (primary final).pdf

From: Wendy Chen [<mailto:wchen@awu-nsw.asn.au>]

Sent: Monday, 19 December 2016 3:40 PM

To: Orgs

Cc: Nigel Bubalo (nigel@bgsaccountants.com.au); Stephen Bali; Helen Teo; Russ Collison

Subject: On CMS FR2016/246 FR2016/141 FR2016/254 AWU Financial Reports for year ending 30 June 2016

Dear Sir/Madam

Please find attached financial reports for year ending 30 June 2016 for The Australian Workers' Union:

- Greater New South Wales Branch
- Newcastle, Central Coast & Northern Regions Branch
- Port Kembla, South Coast & Southern Highlands Branch

Wendy Chen

Office Manager/Personal Assistant to The Secretary

The Australian Workers' Union

New South Wales Branch

Level 2, 16-20 Good Street, Granville NSW 2142

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FWC - Greater NSW
YE 30 June 2016.pdf



FWC - Port Kembla
YE 30 June 2016.pdf



FWC - Newcastle YE
30 June 2016.pdf

THE AUSTRALIAN WORKERS' UNION
NEWCASTLE, CENTRAL COAST & NORTHERN REGIONS BRANCH [FEDERAL]
ABN 81 309 714 429
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

THE AUSTRALIAN WORKERS' UNION**NEWCASTLE, CENTRAL COAST & NORTHERN REGIONS BRANCH [FEDERAL]**

ABN 81 309 714 429

STATEMENT BY MEMBERS OF THE COMMITTEE

On 24 October 2016 the Committee of Management of the Australian Workers' Union New South Wales Branch, passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit The Australian Workers' Union Newcastle, Central Coast & Northern Regions Branch for the financial year ended 30 June 2016.

The Committee of Management 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;
- (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 ended 30 June 2016 and since the end of the that year:
 - (i) meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the Reporting Unit have been managed in accordance with the rules of the organisation and the rules of the branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the *Fair Work (Registered Organisations) Act 2009*; 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) any information sought in any request of a Member of the reporting unit or a General Manager duly made under section 272 of the *Fair Work (Registered Organisations) Act 2009* has been furnished to the Member or General Manager; and
 - (vi) no orders have been made by the Commission under section 273 of the *Fair Work (Registered Organisations) Act 2009* during the period.
- (f) the reporting unit has not undertaken recovery of wages activity nor has derived revenues for the financial year in respect to such activity.

For the Committee of Management: Russell Collison

Signature:

Date:

R. K. Collison
24th October, 2016.

THE AUSTRALIAN WORKERS' UNION

NEWCASTLE, CENTRAL COAST & NORTHERN REGIONS BRANCH [FEDERAL]

ABN 81 309 714 429

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2016

The Committee of Management of Australian Workers Union New South Wales Branch presents the Operating Report on The Australian Workers' Union Newcastle, Central Coast & Northern Regions Branch ("Branch") for the year ended 30 June 2016.

PRINCIPAL ACTIVITIES

The principal activity of the Branch was to act on behalf of Members in respect of:

- employment terms and conditions;
- to secure improved conditions of employment for the Members;
- to assist Members in dispute resolution;
- to assist Members who may become injured in the course of their employment;
- to assist dependants of Members through financial benefits; and
- to assist Members in unfair dismissal matters before the relevant tribunals.

RESULTS

The loss for the financial year amounted to \$84,562 (2015: \$112,900 profit).

SIGNIFICANT CHANGES

There were no significant changes in the nature of the Branch's activities during the financial year.

FINANCIAL AFFAIRS

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

MEMBERS RIGHT TO RESIGN

The following extract from the Branch's rules details Members right to resign from the Union.

Union Members may resign from the Union where they cease to hold membership with the AWU in accordance with Rule 14 – Resignation from membership as contained within the Branch's rules.

MEMBERSHIP OF THE BRANCH

There were 4,011 Members of the Branch as at 30 June 2016.

EMPLOYEES OF THE BRANCH

As at 30 June 2016, the Branch employed eleven full time employees.

THE AUSTRALIAN WORKERS' UNION
NEWCASTLE, CENTRAL COAST & NORTHERN REGIONS BRANCH [FEDERAL]

ABN 81 309 714 429

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2016

COMMITTEE OF MANAGEMENT

The following persons were Members of the Committee of Management as at and during the year ended 30 June 2016;

| Name | Period of office | Name | Period of office |
|--------------|---------------------|-------------|---------------------|
| R Downie | 01/09/09 – 30/06/16 | J Boyd | 01/09/09 – 30/06/16 |
| A Callinan | 01/09/09 – 30/06/16 | P Delaney | 09/11/10 – 30/06/16 |
| N Freund | 01/09/09 – 30/06/16 | P O'Brien | 01/09/09 – 30/06/16 |
| T Matherson | 01/09/09 – 30/06/16 | W Pringle | 01/09/09 – 30/06/16 |
| W McGuinness | 01/09/09 – 30/06/16 | M Hughes | 13/09/11 – 30/06/16 |
| J Zycki | 12/03/13 - 30/06/16 | R Osland | 10/02/15 – 30/06/16 |
| L Redman | 12/08/14 – 30/06/16 | R Paczynski | 12/08/14 – 30/06/16 |
| G Sissingh | 08/09/15 – 30/06/16 | B Slavin | 08/09/15 – 30/06/16 |
| E Lawless | 08/09/15 – 30/06/16 | J Hicks | 08/09/15 – 30/06/16 |

OTHER INFORMATION

There is no other information that the Branch considers relevant.





Dated at SYDNEY this 24TH day of OCTOBER 2016.

THE AUSTRALIAN WORKERS' UNION
NEWCASTLE, CENTRAL COAST & NORTHERN REGIONS BRANCH [FEDERAL]
ABN 81 309 714 429
INDEPENDENT AUDIT REPORT TO THE MEMBERS
AUSTRALIAN WORKERS BRANCH
NEWCASTLE, CENTRAL COAST & NORTHERN REGIONS BRANCH – FEDERAL

Report on the Financial Report

We have audited the accompanying Financial Report of The Australian Workers' Union Newcastle, Central Coast & Northern Regions Branch, which comprises the Balance Sheet as at 30 June 2016 and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the statement by Members of the Committee.

Committees' Responsibility for the Financial Report

The Committee of Management of the Branch are responsible for the preparation of the Financial Report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Fair Work (Registered Organisations) Act 2009* and the financial requirements of the Branch's rules. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the Financial Report that is free from material misstatement, whether due to fraud or error, selecting appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances. In Note 1, the Committee also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

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 the Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the Financial Report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Report. The procedures selected depend on the auditor's judgment, 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 Branch'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 Branch's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee, as well as evaluating the overall presentation of the Financial Report.

THE AUSTRALIAN WORKERS' UNION
NEWCASTLE, CENTRAL COAST & NORTHERN REGIONS BRANCH [FEDERAL]

ABN 81 309 714 429

INDEPENDENT AUDIT REPORT TO THE MEMBERS

THE AUSTRALIAN WORKERS' UNION
NEWCASTLE, CENTRAL COAST & NORTHERN REGIONS BRANCH [FEDERAL]

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 Australian professional ethical pronouncements.

Auditor's Opinion

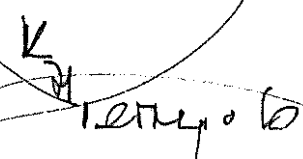
In our opinion:

- A. the Financial Report of The Australian Workers' Union Newcastle, Central Coast & Northern Regions Branch is in accordance with the Branch's rules, including:
 - a. giving a true and fair view of the Branch's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
 - b. complying with Australian Accounting Standards (Including the Australian Accounting Interpretations) and the Branch's rules;
- B. The Financial Report also complies with International Financial Reporting Standards as disclosed in Note 1.
- C. In accordance with section 257(5) of the *Fair Work (Registered Organisations) Act 2009* in our opinion the general purpose financial report is presented fairly in accordance with Australian Accounting Standards, and the following:
 - a. In relation to any recovery of wages activity;
 - a. that the scope of the audit encompassed recovery of wages activity;
 - b. that the Financial Statements and notes and recovery of wages activity Financial Report properly and fairly report all information required by the reporting guidelines of the Industry Registrar, including:
 - i. any fees charged to or reimbursements of expenses claimed from Members and others for recovery of wages activity; and
 - ii. any donations or other contributions deducted from recovered money; and

THE AUSTRALIAN WORKERS' UNION
NEWCASTLE, CENTRAL COAST & NORTHERN REGIONS BRANCH [FEDERAL]
ABN 81 309 714 429
INDEPENDENT AUDIT REPORT TO THE MEMBERS
THE AUSTRALIAN WORKERS' UNION
NEWCASTLE, CENTRAL COAST & NORTHERN REGIONS BRANCH [FEDERAL]

b. any other requirements imposed by these Reporting Guidelines or the *Fair Work (Registered Organisations) Act 2009*.

I have concluded that the Committees use of the going concern basis of accounting in the preparation of the Branch's financial statements is appropriate.


K H PERRY & CO (MAYFIELD)
CHARTERED ACCOUNTANTS


TREVOR J RAMSAY

An approved Auditor, Member of Institute of Chartered Accountants in Australia, Public Practice Certificate holder

Dated at MAYFIELD this 24 day of October 2016.

THE AUSTRALIAN WORKERS' UNION
NEWCASTLE, CENTRAL COAST & NORTHERN REGIONS BRANCH [FEDERAL]

ABN 81 309 714 429

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

| | NOTE | 2016 \$ | 2015 \$ |
|--|------|-------------|-------------|
| Revenue | 2 | 2,276,628 | 2,368,040 |
| | | ----- | ----- |
| Depreciation and amortisation expenses | 11 | (188,205) | (134,322) |
| Employee benefits expense | | (1,149,396) | (1,121,993) |
| Finance costs | 3 | (56,013) | (64,136) |
| Legal fees | 3 | (23,920) | (19,614) |
| Capitation fees | 3 | (213,192) | (213,458) |
| Other expenses | | (730,464) | (701,617) |
| | | ----- | ----- |
| | | (2,361,190) | (2,255,140) |
| | | ----- | ----- |
| Profit before income tax | | (84,562) | 112,900 |
| Income tax expense | 4 | - | - |
| | | ----- | ----- |
| Profit attributable to the Members of the Branch | | (84,562) | 112,900 |
| | | ===== | ===== |

The accompanying notes form part of these financial statements

THE AUSTRALIAN WORKERS' UNION

NEWCASTLE, CENTRAL COAST & NORTHERN REGIONS BRANCH [FEDERAL]

ABN 81 309 714 429

BALANCE SHEET

AS AT 30 JUNE 2016

| | NOTE | 2016 \$ | 2015 \$ |
|----------------------------------|------|------------------|------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 6 | 590,045 | 701,200 |
| Trade and other receivables | 7 | 101,790 | 116,455 |
| Inventories | 8 | 13,505 | 13,212 |
| Other current assets | 9 | 11,384 | 29,774 |
| TOTAL CURRENT ASSETS | | 716,724 | 860,641 |
| NON CURRENT ASSETS | | | |
| Financial assets | 10 | 1,612 | 1,612 |
| Property, plant & equipment | 11 | 2,990,682 | 2,674,887 |
| TOTAL NON CURRENT ASSETS | | 2,992,294 | 2,676,499 |
| TOTAL ASSETS | | 3,709,018 | 3,537,140 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 12 | 112,057 | 113,585 |
| Financial liabilities | 13 | 120,000 | 99,132 |
| Short-term provisions | 14 | 116,100 | 105,625 |
| TOTAL CURRENT LIABILITIES | | 348,157 | 318,342 |
| NON CURRENT LIABILITIES | | | |
| Financial liabilities | 13 | 828,455 | 668,805 |
| Long-term provisions | 14 | 205,939 | 138,965 |
| TOTAL NON LIABILITIES | | 1,034,394 | 807,770 |
| TOTAL LIABILITIES | | 1,382,551 | 1,126,112 |
| NET ASSETS | | 2,326,469 | 2,411,028 |
| EQUITY | | | |
| Retained earnings | | 2,418,624 | 2,503,186 |
| Reserves | 15 | (92,155) | (92,155) |
| TOTAL EQUITY | | 2,326,469 | 2,411,028 |

The accompanying notes form part of these financial statements

THE AUSTRALIAN WORKERS' UNION
NEWCASTLE, CENTRAL COAST & NORTHERN REGIONS BRANCH [FEDERAL]

ABN 81 309 714 429

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

| | \$ | \$ |
|--------------------------------|----------------------|------------------|
| | Retained Earnings | Total |
| Balance at 1 July 2015 | 2,503,186 | 2,503,186 |
| Profit attributable to Members | (84,562) | (84,562) |
| Balance at 30 June 2016 | <u>2,418,624</u> | <u>2,418,624</u> |

The accompanying notes form part of these financial statements

THE AUSTRALIAN WORKERS' UNION
NEWCASTLE, CENTRAL COAST & NORTHERN REGIONS BRANCH [FEDERAL]

ABN 81 309 714 429

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

| | NOTE | 2016 \$ | 2015 \$ |
|---|------|--------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from Members | | 1,847,291 | 1,879,427 |
| Payments to suppliers and employees | | (1,851,109) | (1,881,528) |
| Payments to National Office | | (213,192) | (213,458) |
| Interest received | | 8,213 | 13,205 |
| Other investing income received | | 421,123 | 475,407 |
| | | ----- | ----- |
| Net cash provided by operating activities | 5 | 212,326 | 273,053 |
| | | ----- | ----- |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Purchase of property, plant and equipment | | (578,273) | (312,755) |
| Proceeds on disposal of plant and equipment | | 74,273 | 45,469 |
| | | ----- | ----- |
| Net cash (used in) investing activities | | (504,000) | (267,286) |
| | | ----- | ----- |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Repayment of borrowings | | (113,619) | (335,825) |
| Proceeds from borrowings | | 294,138 | - |
| | | ----- | ----- |
| Net cash provided by/(used in) financing activities | | 180,519 | (335,825) |
| | | ----- | ----- |
| Net increase/(decrease) in cash held | | (111,155) | (330,058) |
| Cash at beginning of financial year | 6 | 701,200 | 1,031,258 |
| | | ----- | ----- |
| Cash at end of financial year | 6 | 590,045 | 701,200 |
| | | ===== | ===== |

The accompanying notes form part of these financial statements

THE AUSTRALIAN WORKERS' UNION
NEWCASTLE, CENTRAL COAST & NORTHERN REGIONS BRANCH [FEDERAL]

ABN 81 309 714 429

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

The Financial Report covers The Australian Workers' Union Newcastle, Central Coast & Northern Regions Branch as an individual entity. The Australian Workers' Union Newcastle, Central Coast & Northern Regions Branch is a trade union registered and domiciled in Australia.

Basis of Preparation

The Financial Report is a general purpose Financial Report that has 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 Organisations) Act 2009*. For the purpose of preparing the report the general purpose Financial Statements the reporting Branch is a not-for-profit entity.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a Financial Report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the Financial Statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this Financial Report are present below. They have been consistently applied unless otherwise stated.

The Financial Report has been prepared on an accruals 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. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The Financial Report is presented in Australian dollars.

(a) Revenue

Revenue from Members is recognised according to the period of membership subscription. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Revenue from the rendering of a service is recognised upon the delivery of the service to the Member. Investment property revenue is recognised on a straight line basis over the period of the lease term so as to reflect a constant periodic rate of return on the net investment. All revenue is stated net of the amount of goods and services tax (GST).

(b) Cash and Cash Equivalents

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

THE AUSTRALIAN WORKERS' UNION
NEWCASTLE, CENTRAL COAST & NORTHERN REGIONS BRANCH [FEDERAL]

ABN 81 309 714 429

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

(c) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

(d) 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 19 Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of the 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 at the present value of the estimated future cash outflows to be made by the Branch in respect of services provided by employees up to the reporting date.

Payments to defined contribution retirement benefits plans are recognised as an expense when employees have rendered service entitling them to the contributions.

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

(e) Income tax

No provision for income tax is necessary, as the Branch (being a registered Industry Trade Union) is exempt from tax under s.50-15 of the *Income Tax Assessment Act 1997*.

THE AUSTRALIAN WORKERS' UNION
NEWCASTLE, CENTRAL COAST & NORTHERN REGIONS BRANCH [FEDERAL]

ABN 81 309 714 429

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in-first-out basis.

(g) Financial instruments

Financial assets and financial liabilities are recognised when the Branch becomes party to the contractual provisions of 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.

(h) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Property

Building improvements are shown at the cost basis less depreciation and impairment losses.

Plant & equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. The carrying amount of plant & equipment is reviewed annually by Committee to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

THE AUSTRALIAN WORKERS' UNION
NEWCASTLE, CENTRAL COAST & NORTHERN REGIONS BRANCH [FEDERAL]

ABN 81 309 714 429

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

Depreciation

The depreciable amount of fixed assets excluding building improvements, is depreciated on a diminishing basis over their useful lives to the Branch commencing from the time the asset is held ready for use. Building improvements are depreciated on a straight line basis over the estimated useful lives of the improvements.

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

| Class of Fixed Asset | Depreciation rate |
|--------------------------------|-------------------|
| Buildings | 2.5 % |
| Motor vehicles | 18.75% |
| Fixtures, fittings & equipment | 10%-67% |

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

An assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

(i) Impairment of Assets

At each reporting date, the entity reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed in the Income Statement. Where it is not possible to estimate the recoverable amount of an individual asset, the Branch estimates the recoverable amount of the cash generating unit to which the asset belongs.

(j) Going concern

The Branch is not reliant on agreed financial support to continue on a going concern basis.

(k) Comparative Figures

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

THE AUSTRALIAN WORKERS' UNION
NEWCASTLE, CENTRAL COAST & NORTHERN REGIONS BRANCH [FEDERAL]

ABN 81 309 714 429

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

(l) Critical Accounting Estimates and Judgments

The Committee evaluates estimates and judgments incorporated into the Financial Report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Branch.

Key estimates – Impairment

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

(m) New Australian Accounting Standards

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

The accounting policies adopted are consistent with those of the previous financial year except for the following standards, which have been adopted for the first time this financial year:

- AASB 10 Consolidated Financial Statements redefines the concept of control. AASB 10 replaces the consolidation requirements of SIC-12 Consolidation—Special Purpose Entities and AASB 127 Consolidated and Separate Financial Statements and is effective for not-for-profit entities with annual periods beginning on or after 1 January 2014. This Standard did not have an impact on the Branch.
- AASB 11 Joint Arrangements sets out a new framework for the accounting for joint ventures, including removal of the option to use proportionate consolidation. This Standard did not have an impact on the Branch.
- AASB 12 Disclosures of Interests in Other Entities is a disclosure standard that includes all of the disclosure requirements for subsidiaries, joint arrangements, associates and consolidated and unconsolidated structured entities. This Standard did not have an impact on the Branch.

THE AUSTRALIAN WORKERS' UNION
NEWCASTLE, CENTRAL COAST & NORTHERN REGIONS BRANCH [FEDERAL]

ABN 81 309 714 429

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

| | 2016 | 2015 |
|---|-----------|-----------|
| | \$ | \$ |
| NOTE 2: REVENUE | | |
| Revenue | | |
| - Contributions received | 1,839,797 | 1,858,543 |
| - Rent received | 421,123 | 475,408 |
| - Other income | 7,495 | 20,884 |
| - Interest received | 8,213 | 13,205 |
| - Other financial support from another reporting unit | - | - |
| | ----- | ----- |
| Total Revenue | 2,276,628 | 2,368,040 |
| | ===== | ===== |
| (a) Interest revenue from Other persons | 8,213 | 13,205 |
| | ----- | ----- |
| Total interest revenue | 8,213 | 13,205 |
| | ===== | ===== |
| NOTE 3: PROFIT | | |
| Expenses: | | |
| (a) Finance costs: | | |
| - external | 56,013 | 64,136 |
| | ----- | ----- |
| Total finance costs | 56,013 | 64,136 |
| | ===== | ===== |
| (b) Donations and grants: | | |
| - donations \$1,000 or less | 7,750 | 9,070 |
| - donations exceeding \$1,000 | 16,500 | 11,778 |
| - grants \$1,000 or less | - | - |
| - grants exceeding \$1,000 | - | - |
| | ----- | ----- |
| Total donations and grants | 24,250 | 20,848 |
| | ===== | ===== |
| (c) Capitation fees | | |
| AWU National | 213,192 | 213,458 |
| | ----- | ----- |
| Total capitation fees | 213,192 | 213,458 |
| | ===== | ===== |

THE AUSTRALIAN WORKERS' UNION
NEWCASTLE, CENTRAL COAST & NORTHERN REGIONS BRANCH [FEDERAL]

ABN 81 309 714 429

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

| | 2016 | 2015 |
|--|--------|--------|
| | \$ | \$ |
| NOTE 3: PROFIT (CONT.) | | |
| Expenses: | | |
| (d) Affiliation fees | | |
| Australian Labor Party NSW | 19,609 | 19,651 |
| Unions NSW | 20,217 | 19,991 |
| McKell Institute | 5,000 | 5,000 |
| Newcastle Trades Hall Council | 5,154 | 5,067 |
| Mayfield Business Council | - | - |
| | 49,980 | 49,709 |
| | 49,980 | 49,709 |
| (e) Legal fees | | |
| Litigation | 16,284 | 17,569 |
| Other | 7,636 | 2,045 |
| | 23,920 | 19,614 |
| | 23,920 | 19,614 |
| NOTE 4: INCOME TAX EXPENSE | | |
| No provision for income tax is necessary as "Trade Unions" are exempt from income tax under section 50-15 of the <i>Income Tax Assessment Act 1997</i> | | |
| | - | - |
| | - | - |

THE AUSTRALIAN WORKERS' UNION
NEWCASTLE, CENTRAL COAST & NORTHERN REGIONS BRANCH [FEDERAL]

ABN 81 309 714 429

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

| | 2016 | 2015 |
|---|----------------|----------------|
| | \$ | \$ |
| NOTE 5: CASH FLOW INFORMATION | | |
| Reconciliation of Cash Flow from Operations with Profit after Income Tax | | |
| Profit after income tax | (84,562) | 112,900 |
| | ----- | ----- |
| Non-cash flows in profit | | |
| Depreciation | 188,205 | 134,322 |
| | | |
| Changes in assets and liabilities | | |
| (Increase)/decrease in trade and other receivables | 14,665 | (61,261) |
| (Increase)/decrease in inventories | (293) | 3,412 |
| (Increase)/decrease in other current assets | 18,390 | (19,863) |
| Increase/(decrease) in trade and other payables | (1,528) | 73,346 |
| Increase/(decrease) in provisions | 77,449 | 30,197 |
| | ----- | ----- |
| | <u>212,326</u> | <u>273,053</u> |

NOTE 6: CASH AND CASH EQUIVALENTS

Reconciliation of cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

| | | |
|---------------------------|----------------|----------------|
| Cash and cash equivalents | <u>590,045</u> | <u>701,200</u> |
|---------------------------|----------------|----------------|

NOTE 7: TRADE AND OTHER RECEIVABLES

Receivables from other reporting units:

| | | |
|-------------------|----------------|----------------|
| AWU Greater NSW | 30,910 | 35,551 |
| Other receivables | 70,880 | 80,904 |
| | ----- | ----- |
| | <u>101,790</u> | <u>116,455</u> |

THE AUSTRALIAN WORKERS' UNION
NEWCASTLE, CENTRAL COAST & NORTHERN REGIONS BRANCH [FEDERAL]

ABN 81 309 714 429

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

| | 2016 | 2015 |
|--|---------------|---------------|
| | \$ | \$ |
| NOTE 8: INVENTORIES | | |
| Current | | |
| At cost | | |
| Stock on hand | 13,505 | 13,212 |
| | <u>13,505</u> | <u>13,212</u> |
| NOTE 9: OTHER ASSETS | | |
| Prepayments | 9,853 | 27,682 |
| Pre-paid borrowing costs | 1,531 | 2,092 |
| | <u>11,384</u> | <u>29,774</u> |
| NOTE 10: FINANCIAL ASSETS | | |
| Financial assets | 1,612 | 1,612 |
| | <u>1,612</u> | <u>1,612</u> |
| (a) Available-for-sale financial assets comprise: | | |
| Listed shares | 1,612 | 1,612 |
| | <u>1,612</u> | <u>1,612</u> |
| Total available-for-sale assets | <u>1,612</u> | <u>1,612</u> |

Available-for-sale financial assets comprise investments in the ordinary share capital of various entities.

There are no fixed returns or fixed maturity date attached to these investments.

THE AUSTRALIAN WORKERS' UNION
NEWCASTLE, CENTRAL COAST & NORTHERN REGIONS BRANCH [FEDERAL]

ABN 81 309 714 429

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

| | 2016 | 2015 |
|---|------------|------------|
| | \$ | \$ |
| NOTE 11: PROPERTY, PLANT & EQUIPMENT | | |
| Building | | |
| At cost | 3,321,611 | 3,006,634 |
| Accumulated depreciation | (715,904) | (635,327) |
| Total Building cost | 2,605,707 | 2,371,307 |
| Furniture, fittings and equipment | | |
| At cost | 630,620 | 551,489 |
| Accumulated depreciation | (482,711) | (450,328) |
| Total furniture, fittings and equipment | 147,909 | 101,161 |
| Motor vehicles | | |
| At cost | 557,571 | 551,319 |
| Accumulated depreciation | (320,505) | (348,900) |
| Total Motor vehicles | 237,066 | 202,419 |
| Total Property, Plant & Equipment | 2,990,682 | 2,674,887 |

In accordance with a decision of the National Executive of the Union, the Branch is entitled to the rental income of the freehold property within the Branch's designated area. In return for this, the Branch is responsible for all maintenance and capital costs in relation to the property.

Accordingly, improvements to the property have been capitalised and depreciated over the expected term in which the Branch will receive and economic benefit from the improvements.

THE AUSTRALIAN WORKERS' UNION

NEWCASTLE, CENTRAL COAST & NORTHERN REGIONS BRANCH [FEDERAL]

ABN 81 309 714 429

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

| | | 2016 | 2015 |
|---|------------------|--------------------------------------|-------------------|
| | | \$ | \$ |
| NOTE 11: PROPERTY, PLANT & EQUIPMENT (continued) | | | |
| Movement in the carry amounts for each class of plant and equipment between the beginning and the end of the current financial year | | | |
| | Building | Furniture Fittings & Equipment | Motor Vehicles |
| | \$ | \$ | \$ |
| Balance at 30 June 2014 | 2,243,396 | 117,550 | 180,418 |
| Additions | 198,823 | 10,438 | 103,494 |
| Depreciation expense | (70,912) | (26,827) | (36,583) |
| Disposals | - | - | (44,910) |
| | ----- | ----- | ----- |
| Balance at 30 June 2015 | 2,371,307 | 101,161 | 202,419 |
| | ----- | ----- | ----- |
| Additions | 314,977 | 79,132 | 184,164 |
| Depreciation expense | (80,577) | (32,384) | (75,244) |
| Disposals | - | - | (74,273) |
| | ----- | ----- | ----- |
| Carrying amount at 30 June 2016 | <u>2,605,707</u> | <u>147,909</u> | <u>237,066</u> |
| | ----- | ----- | ----- |
| NOTE 12: TRADE AND OTHER PAYABLES | | | |
| Trade payables | | <u>112,057</u> | <u>113,585</u> |
| NOTE 13: FINANCIAL LIABILITIES | | | |
| CURRENT | | | |
| Bank loan secured | | <u>120,000</u> | <u>99,132</u> |
| | | ----- | ----- |
| | | <u>120,000</u> | <u>99,132</u> |
| NON CURRENT | | | |
| Bank loan secured | | <u>828,455</u> | <u>668,805</u> |
| | | ----- | ----- |
| | | <u>828,455</u> | <u>668,805</u> |

THE AUSTRALIAN WORKERS' UNION
NEWCASTLE, CENTRAL COAST & NORTHERN REGIONS BRANCH [FEDERAL]

ABN 81 309 714 429

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

| | 2016 | 2015 |
|--|----------------|----------------|
| | \$ | \$ |
| NOTE 13: BORROWINGS (continued) | | |
| (a) Total current and non current secured liabilities: | | |
| Bank loan | 948,455 | 767,937 |
| | ----- | ----- |
| | <u>948,455</u> | <u>767,937</u> |
| | | |
| (b) The carrying amounts of the non current asset pledged as security is disclosed in the accounts of the National body of the Union as under Rule 51 the Union's rules, the National Executive has control of all property of the Branch. | | |
| (c) The bank loan is secured by a registered first mortgage over the freehold property controlled by the Branch | | |
| NOTE 14: PROVISIONS | | |
| Office Holders: | | |
| Annual leave | 80,641 | 73,749 |
| Long service leave | 177,831 | 112,261 |
| Separation and redundancies | - | - |
| Other | - | - |
| | ----- | ----- |
| | 258,472 | 186,010 |
| | | |
| Other Employees: | | |
| Annual leave | 35,459 | 31,876 |
| Long service leave | 28,108 | 26,704 |
| Separation and redundancies | - | - |
| Other | - | - |
| | ----- | ----- |
| | 63,567 | 58,580 |
| | | |
| Total employee provisions | <u>322,039</u> | <u>244,590</u> |
| | | |
| Current | 116,100 | 105,625 |
| Non-Current | 205,939 | 138,965 |
| | ----- | ----- |
| | <u>322,039</u> | <u>244,590</u> |

THE AUSTRALIAN WORKERS' UNION
NEWCASTLE, CENTRAL COAST & NORTHERN REGIONS BRANCH [FEDERAL]

ABN 81 309 714 429

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

| | 2016 | 2015 |
|-------------------------------|------------------|------------------|
| | \$ | \$ |
| NOTE 15: GENERAL FUNDS | | |
| CAPITAL LOSS RESERVE | | |
| Balance at start of year | (92,155) | (92,155) |
| Transferred to reserve | - | - |
| Transferred out of reserve | - | - |
| | ----- | ----- |
| Balance as at end of year | <u>(92,155)</u> | <u>(92,155)</u> |

NOTE 16: FINANCIAL INSTRUMENTS

Financial risk management objectives

The Branch's activities do not expose it to many financial risks, with only liquidity risk being needed to be actively managed

Market Risk

Foreign currency risk

The Branch is not exposed to any significant foreign currency risk.

Price Risk

The Branch is not exposed to any significant price risk.

Interest Rate Risk

The Branch is not exposed to any significant interest rate risk

Credit Risk

The Branch is not exposed to any significant credit risk.

Liquidity Risk

Vigilant liquidity risk management requires the Branch to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The Branch manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

THE AUSTRALIAN WORKERS' UNION
NEWCASTLE, CENTRAL COAST & NORTHERN REGIONS BRANCH [FEDERAL]

ABN 81 309 714 429

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 16: FINANCIAL INSTRUMENTS (CONT.)

Remaining Contractual Maturities

The following tables detail the Branch's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principle cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the balance sheet.

| | Weighted average interest rate % | 1 year or less \$ | Between 1 and 2 years \$ | Between 2 and 5 years \$ | Over 5 years \$ | Remaining contractual maturities \$ |
|-----------------------------|--|-------------------------|--------------------------------|--------------------------------|-----------------------|--|
| 2015 | | | | | | |
| Non-derivatives | | | | | | |
| <i>Non-interest bearing</i> | | | | | | |
| Trade payables | - | 104,320 | - | - | - | 104,320 |
| Other payables | - | 9,265 | - | - | - | 9,265 |
| Total non-derivatives | | 113,585 | - | - | - | 113,585 |
| | | | | | | |
| | Weighted average interest rate % | 1 year or less \$ | Between 1 and 2 years \$ | Between 2 and 5 years \$ | Over 5 years \$ | Remaining contractual maturities \$ |
| 2016 | | | | | | |
| Non-derivatives | | | | | | |
| <i>Non-interest bearing</i> | | | | | | |
| Trade payables | - | 84,458 | - | - | - | 84,458 |
| Other payables | - | 27,599 | - | - | - | 27,599 |
| Total non-derivatives | | 112,057 | - | - | - | 112,057 |

The cash flow in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade receivables and trade payables are assumed to be approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments.

THE AUSTRALIAN WORKERS' UNION
NEWCASTLE, CENTRAL COAST & NORTHERN REGIONS BRANCH [FEDERAL]

ABN 81 309 714 429

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

2016 2015
\$ \$

NOTE 17: SALARIES

As at 30 June 2016 the following rates of pay applied to the full- time elected officials of the Branch:

| | |
|----------------------------|-----------|
| Branch Secretary | \$108,665 |
| Assistant Branch Secretary | \$92,185 |
| Branch President | \$92,185 |
| Branch Organiser | \$82,194 |

The following analysis of salaries paid during the year is given in compliance with the requirements of the *Fair Work (Registered Organisations) Act 2009*:

| | | |
|-----------------------------|---------|-----------|
| Officials | | |
| Wages and salaries | 628,401 | 512,430 |
| Superannuation | 96,266 | 78,230 |
| Leave & entitlements | 18,399 | 38,337 |
| Separation and redundancies | - | - |
| Other | - | - |
| Total | 743,066 | 628,997 |
| Employees | | |
| Wages and salaries | 202,878 | 334,124 |
| Superannuation | 24,638 | 39,568 |
| Leave & entitlements | 2,080 | 16,138 |
| Separation and redundancies | 10,744 | - |
| Other | - | - |
| Total | 240,340 | 389,830 |
| | 983,406 | 1,018,827 |

NOTE 18: AUDITORS' REMUNERATION

| | | |
|--|--------|--------|
| Remuneration of the auditor | | |
| - auditing or reviewing the financial report | 14,800 | 14,800 |
| | 14,800 | 14,800 |

THE AUSTRALIAN WORKERS' UNION
NEWCASTLE, CENTRAL COAST & NORTHERN REGIONS BRANCH [FEDERAL]

ABN 81 309 714 429

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

NOTE 19: SEGMENT REPORTING

The Branch operates predominantly in one business and geographical segment being the provision of Trade Union services.

NOTE 20: BRANCH DETAILS

The registered office and principle place of business of the Branch is:

161 Maitland Road
MAYFIELD NSW 2304

NOTE 21: RELATED PARTY INFORMATION

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties

Sustentation fees paid to the Australian Workers Union,
National Office during the year totalled \$213,192 (2015: \$213,458).

Key Management personnel remuneration

Short-term employee benefits

| | | |
|--------------------------|---------|---------|
| - Wages and salaries | 292,120 | 287,501 |
| - Leave and entitlements | 10,854 | 32,708 |
| - Other | - | - |
| | 302,974 | 320,209 |

Post-employment benefits

| | | |
|------------------|--------|--------|
| - Superannuation | 39,886 | 40,004 |
| | 39,886 | 40,004 |

Other long-term benefits

| | | |
|----------------------|---|---|
| - Long service leave | - | - |
| | - | - |

Termination benefits

| | | |
|------------------------|----------------|----------------|
| - Termination benefits | - | - |
| | - | - |
| Total benefits | 342,860 | 360,213 |

THE AUSTRALIAN WORKERS' UNION
NEWCASTLE, CENTRAL COAST & NORTHERN REGIONS BRANCH [FEDERAL]

ABN 81 309 714 429

SECTION 237 OF THE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 22: FINANCIAL SUPPORT

There is no reliance on any other reporting unit in regard to going concern basis of the branch. No other reporting unit provides financial support to, or receives financial support from, the Branch. No business combination has been acquired by the Branch. No other entity administers the Branch's financial affairs. No financial support has been provided or pledged to any other reporting units. No assets or liabilities have been acquired as a result of amalgamations or restructures. No alternate reporting structures for the branch have been given or revoked.

NOTE 23: NOTICE REQUIRED BY s272 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 of Fair Work Australia:

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

In accordance with the requirements of Section 237 *Fair Work (Registered Organisations) Act 2009*, the following necessary disclosures are made:

Single donations made exceeding \$1,000 are:

| | | |
|--|----------|---------|
| ALP Newcastle Federal Election | Donation | \$2,000 |
| Level 9 377-383 Susses Street, SYDNEY NSW 2000 | | |
| ALP Lynne Federal Election | Donation | \$2,000 |
| Level 9 377-383 Susses Street, SYDNEY NSW 2000 | | |

THE AUSTRALIAN WORKERS' UNION

NEWCASTLE, CENTRAL COAST & NORTHERN REGIONS BRANCH [FEDERAL]

ABN 81 309 714 429

SECTION 237 OF THE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009 (CONT.)

FOR THE YEAR ENDED 30 JUNE 2016

| | | |
|--|-------------|---------|
| ALP Hunter Federal Election Level 9 377-383 Susses Street, SYDNEY NSW 2000 | Sponsorship | \$2,000 |
| ALP Grey Federal Election Level 9 377-383 Susses Street, SYDNEY NSW 2000 | Sponsorship | \$2,000 |
| ALP Paterson Federal Election Level 9 377-383 Susses Street, SYDNEY NSW 2000 | Donation | \$5,000 |
| ALP Shortland Federal Election Level 9 377-383 Susses Street, SYDNEY NSW 2000 | Donation | \$2,000 |
| Graham Young The Gibb Challenge 31 James Street, CHARLESTOWN NSW 2290 | Sponsorship | \$1,500 |



RUSSELL COLLISON

Dated at SYDNEY this 24 day of October 2016.

THE AUSTRALIAN WORKERS' UNION

NEWCASTLE, CENTRAL COAST & NORTHERN REGIONS BRANCH [FEDERAL]

ABN 81 309 714 429

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

**NOTE 24: ADDITIONAL DISCLOSURES REQUIRED UNDER THE FAIR WORK
(REGISTERED ORGANISATIONS) ACT 2009**

In accordance with the requirements of Section 255 *Fair Work (Registered Organisations) Act 2009*, the following necessary disclosures are made:

i) INCOME STATEMENT

ITEMS OF REVENUE

Compulsory levies raised from Members or appeals for
voluntary contributions:

| | | |
|----------------------------|---|---|
| Donations or Grants income | - | - |
|----------------------------|---|---|

ITEMS OF EXPENSE

Expenses paid to employers for payroll deduction costs
incurred relating to membership contributions.

| | | |
|---|--------|--------|
| Affiliation fees/subscriptions to organisations with an interest in industrial matters | 49,980 | 49,709 |
|---|--------|--------|

| | | |
|---|---|---|
| Compulsory levies imposed on the Branch | - | - |
|---|---|---|

| | | |
|-----------------------------|--------|--------|
| Donations or Grant expenses | 22,250 | 20,848 |
|-----------------------------|--------|--------|

Employee Benefit Expenses:

| | | |
|-----------------|---------|---------|
| - Officeholders | 646,800 | 550,768 |
|-----------------|---------|---------|

| | | |
|--|---------|---------|
| - Employees (Other than Officeholders) | 202,878 | 306,627 |
|--|---------|---------|

| | | |
|--|---------|---------|
| | ----- | ----- |
| | 849,678 | 857,395 |
| | ----- | ----- |

| | | |
|--|-----|-------|
| Attendance Fees/Allowance – Conferences and Meetings | 276 | 1,072 |
|--|-----|-------|

| | | |
|----------------------------------|-------|-------|
| Legal Costs and Related Expenses | 7,636 | 2,045 |
|----------------------------------|-------|-------|

| | | |
|------------|--------|--------|
| Litigation | 16,284 | 17,569 |
|------------|--------|--------|

Expenses incurred in connection with Meetings of Members,
Councils, Committees, Panels to other bodies for which the
Branch was wholly or partly responsible.

| | | |
|--|---|---|
| Penalties imposed under the Act or Regulations | - | - |
|--|---|---|

ii) BALANCE SHEET

LIABILITIES

| | | |
|-----------------------|---|---|
| Payables to employees | - | - |
|-----------------------|---|---|

| | | |
|-------------|---|---|
| Legal Costs | - | - |
|-------------|---|---|

| | | |
|------------|---|---|
| Litigation | - | - |
|------------|---|---|

THE AUSTRALIAN WORKERS' UNION
NEWCASTLE, CENTRAL COAST & NORTHERN REGIONS BRANCH [FEDERAL]
ABN 81 309 714 429
COMPILATION REPORT
TO THE AUSTRALIAN WORKERS' UNION
NEWCASTLE, CENTRAL COAST & NORTHERN BRANCH [FEDERAL]

Scope

On the basis of the information provided by the Branch, we have compiled, in accordance with APES 315: Compilation of Financial Information, the following special purpose Financial Report comprising the Statement of Income and Expenditure for the year ended 30 June 2016 as set out on pages 6 to 29.

The specific purpose for which the special purpose Financial Report has been prepared is for the confidential use of the Committee of Management and Members. Accounting Standards and other mandatory professional reporting requirements have not been adopted in the preparation of this special purpose Financial Report.

The Committee of Management are solely responsible for the information contained in the special purpose Financial Report and have determined that the accounting policies used are consistent with the Financial Reporting requirements of the Branch's rules and are appropriate to meet the needs of the Committee and Members of the Branch.

Our procedures use accounting expertise to collect, classify and summaries the financial information which the Branch provided into a Financial Report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage which any person other than the Branch, may suffer arising from any negligence on our part. No person should rely on the special purpose Financial Report without having an audit or review conducted.

The special purpose Financial Report was prepared for the benefit of the Committee of Management and the Members of the Branch and the purpose identified above. We do not accept responsibility to any other person for the contents of the special purpose Financial Report.

KH Perry & Co
K H PERRY & CO (MAYFIELD)
CHARTERED ACCOUNTANTS
161 MAITLAND ROAD
MAYFIELD NSW 2304

T Ramsay
TREVOR J RAMSAY

Dated at MAYFIELD this 24 day of October 2016.

THE AUSTRALIAN WORKERS' UNION
NEWCASTLE, CENTRAL COAST & NORTHERN BRANCH [FEDERAL]

ABN 81 309 714 429

STATEMENT OF INCOME & EXPENDITURE

FOR THE YEAR ENDED 30 JUNE 2016

| | 2016 | 2015 |
|---------------------|------------------|------------------|
| | \$ | \$ |
| INCOME | | |
| Contributions | 1,839,797 | 1,858,543 |
| Rent received | 421,123 | 475,408 |
| Other income | 7,495 | 20,884 |
| Interest received | 8,213 | 13,205 |
| | ----- | ----- |
| TOTAL INCOME | 2,276,628 | 2,368,040 |
| | ----- | ----- |

This statement is to be read in conjunction with the
attached Compilation Report of K H Perry & Co

THE AUSTRALIAN WORKERS' UNION
NEWCASTLE, CENTRAL COAST & NORTHERN BRANCH [FEDERAL]

ABN 81 309 714 429

STATEMENT OF INCOME & EXPENDITURE

FOR THE YEAR ENDED 30 JUNE 2016

| | 2016 | 2015 |
|----------------------------------|-----------|-----------|
| | \$ | \$ |
| TOTAL INCOME | 2,276,628 | 2,368,040 |
| | ----- | ----- |
| EXPENDITURE | | |
| Advertising | 15,347 | 28,771 |
| Affiliation fees | 49,980 | 49,709 |
| Audit fees | 14,800 | 14,800 |
| Bank fees and charges | 5,243 | 4,348 |
| Borrowing costs | 561 | 561 |
| Branch executive expenses | 2,820 | 2,649 |
| Caretaker | 53,653 | 52,539 |
| Cleaning expenses | 17,295 | 18,030 |
| Commissions | 3 | 6 |
| Computer expenses | 30,676 | 31,547 |
| Delegates and Members expenses | 15,792 | 29,622 |
| Donations | 24,250 | 20,848 |
| Electricity | 43,664 | 51,812 |
| Fringe benefits tax | 10,955 | 9,659 |
| Functions and entertainment | 36,111 | 35,182 |
| Insurance | 129,296 | 118,649 |
| Interest | 56,013 | 64,136 |
| Internet expenses | 2,566 | 2,448 |
| Land tax | 6,834 | 8,930 |
| Legal fees | 23,920 | 19,614 |
| Meeting expenses | 276 | 1,072 |
| Motor vehicle expenses | 40,128 | 49,025 |
| National office levies | 11,990 | 7,246 |
| Office expenses | 5,959 | 16,233 |
| Payroll tax | 45,762 | 58,325 |
| Printing, postage and stationery | 29,327 | 28,297 |
| Professional fees | 2,866 | 5,562 |
| Rates and strata fees | 35,209 | 30,305 |
| Repairs and maintenance | 58,054 | 62,418 |
| | ----- | ----- |
| | 769,350 | 822,343 |
| | ----- | ----- |

This statement is to be read in conjunction with the
attached Compilation Report of K H Perry & Co

THE AUSTRALIAN WORKERS' UNION
NEWCASTLE, CENTRAL COAST & NORTHERN BRANCH [FEDERAL]

ABN 81 309 714 429

STATEMENT OF INCOME & EXPENDITURE

FOR THE YEAR ENDED 30 JUNE 2016

| | 2016 | 2015 |
|--|-----------|-----------|
| | \$ | \$ |
| Expenditure carried forward from prior page | 769,350 | 822,343 |
| | ----- | ----- |
| Salaries and wages | 886,547 | 848,490 |
| Security service | 14,760 | 8,694 |
| Seminar and conference expenses | 31,134 | 20,788 |
| Staff amenities | 2,372 | 690 |
| Superannuation | 116,367 | 117,798 |
| Sustentation fees | 213,192 | 213,458 |
| Telephone | 24,367 | 25,829 |
| Travel and accommodation | 35,419 | 31,643 |
| Uniforms | 2,028 | 888 |
| | ----- | ----- |
| TOTAL EXPENDITURE | 2,095,536 | 2,090,621 |
| | ----- | ----- |
| NET OPERATING INCOME | 181,092 | 277,419 |
| | ----- | ----- |
| DEDUCT OTHER EXPENSES | | |
| Depreciation | 188,205 | 134,322 |
| Provision for annual leave | 10,475 | 7,416 |
| Provision for long service leave | 66,974 | 22,781 |
| | ----- | ----- |
| | 265,654 | 164,519 |
| | ----- | ----- |
| NET INCOME FOR THE YEAR | (84,562) | 112,900 |
| | ===== | ===== |

This statement is to be read in conjunction with the
attached Compilation Report of K H Perry & Co

The Australian Workers' Union, Newcastle, Central Coast & Northern Regions Branch


s.268 *Fair Work (Registered Organisations) Act 2009*

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER²

Certificate for the period ended 30th June 2016

I, Russell Kerry Collison being the AWU NSW Secretary and the authorised officer of The Australian Workers' Union of the Newcastle, Central Coast & Northern Regions Branch certify:

- that the documents lodged herewith are copies of the full report for The Australian Workers' Union of the Newcastle, Central Coast & Northern Regions Branch for the period ended 30th June 2016 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 7th November 2016; and
- that the full report was presented to the Annual General Meeting of members of the reporting unit on 12th December 2016 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:.....

Name of prescribed designated officer: Russell Kerry Collison

Title of prescribed designated officer: AWU NSW Secretary

Dated: 19th December 2016

¹ Regulation 162 of the Fair Work (Registered Organisations) Regulations 2009 defines a 'prescribed designated officer' of a reporting unit for the purposes of s.268(c) as:
(a) the secretary; or
(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.



7 December 2016

Mr Richard Downie

Secretary

Australian Workers' Union, Newcastle, Central Coast and Northern Regions Branch

Sent via email: richardd@australianworkersunion.com

Dear Mr Downie,

Lodgement of Financial Report - Reminder to lodge

The Fair Work Commission's (the Commission) records disclose that the financial year of the Australian Workers' Union, Newcastle, Central Coast and Northern Regions Branch (the reporting unit) ended on the 30 June 2016.

As you would be aware, the *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires that a reporting unit prepare a financial report in accordance with the RO Act, make it available to the members and then must lodge the financial report within 14 days after the general meeting of members, or if the rules of the reporting unit allow, the Committee of Management meeting (s.268).

The maximum period of time allowed under the RO Act for the full financial report to be presented to a general meeting of members or a committee of management meeting is six months after the expiry date of its financial year (s.253, s254, s265, s.266, s.268). The full report must be lodged with the Commission within 14 days of that meeting.

The Commission encourages your reporting unit to lodge its financial report at the earliest opportunity in order to ensure compliance with its obligations. Failure of a reporting unit to lodge its financial report is a breach of a civil penalty provision of the RO Act. This can result in the General Manager instituting an inquiry or investigation into a reporting unit's non-compliance under Chapter 11, Part 4 of the RO Act. The actions available to the General Manager following an investigation include issuing Federal Court legal proceedings for breach of a civil penalty provision. The orders available to the Federal Court include imposition of a pecuniary penalty on the organisation or individual officer, whose conduct led to the contravention, of up to \$54,000 per contravention on the organisation and up to \$10,800 per contravention on an officer whose conduct led to the contravention.

Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

We encourage you to lodge the full financial report directly to orgs@fwc.gov.au. That is the official email address for electronic lodgements of material related to registered organisations matters.

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Telephone : (03) 8661 7777
Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au

Should you seek any clarification in relation to the above, please contact me on (03) 8656 4699 or via email at Sam.Gallichio@fwc.gov.au.

Yours sincerely,



Sam Gallichio
Adviser
Regulatory Compliance Branch



15 July 2016

Mr Richard Downie
Secretary - Newcastle, CC & Northern Branch
The Australian Workers' Union - Newcastle, Central Coast and Northern Regions Branch
By email: richardd@australianworkersunion.com

Dear Mr Downie,

**Re: Lodgement of Financial Report - [FR2016/141]
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Australian Workers' Union, The - Newcastle, Central Coast and Northern Regions Branch (the reporting unit) ended on 30 June 2016.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date under s.268 of the RO Act, that being within 14 days after the meeting referred to in s.266 of the RO Act.

Timelines

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

Fact sheets, guidance notes and model statements

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. This includes a model set of financial statements which have been developed by the FWC. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. The model statement, Reporting Guidelines and other resources can be accessed through our website under [Financial Reporting](#) in the Compliance and Governance section.

Loans, grants and donations: our focus this year

Also you are reminded of the obligation to prepare and lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 requires this statement to be lodged with the FWC within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2016. A sample statement of loans, grants or donations is available at [sample documents](#).

Over the past year we have noted issues in organisations' financial reports relating to timelines and how loans, grants and donations are reported. We will be focusing closely on these areas this year. Please find attached below fact sheets relating to these requirements or alternatively visit our website for information regarding [financial reporting timelines](#) and [loans, grants and donations](#).

It is requested that the financial report and any Statement of Loans, Grant or Donations be lodged electronically by emailing orgs@fwc.gov.au.

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Telephone : (03) 8661 7777
Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au

Civil penalties may apply

It should be noted that s.268 is a civil penalty provision. Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

Contact

Should you wish to seek any clarification in relation to the above, email orgs@fwc.gov.au.

Yours sincerely,

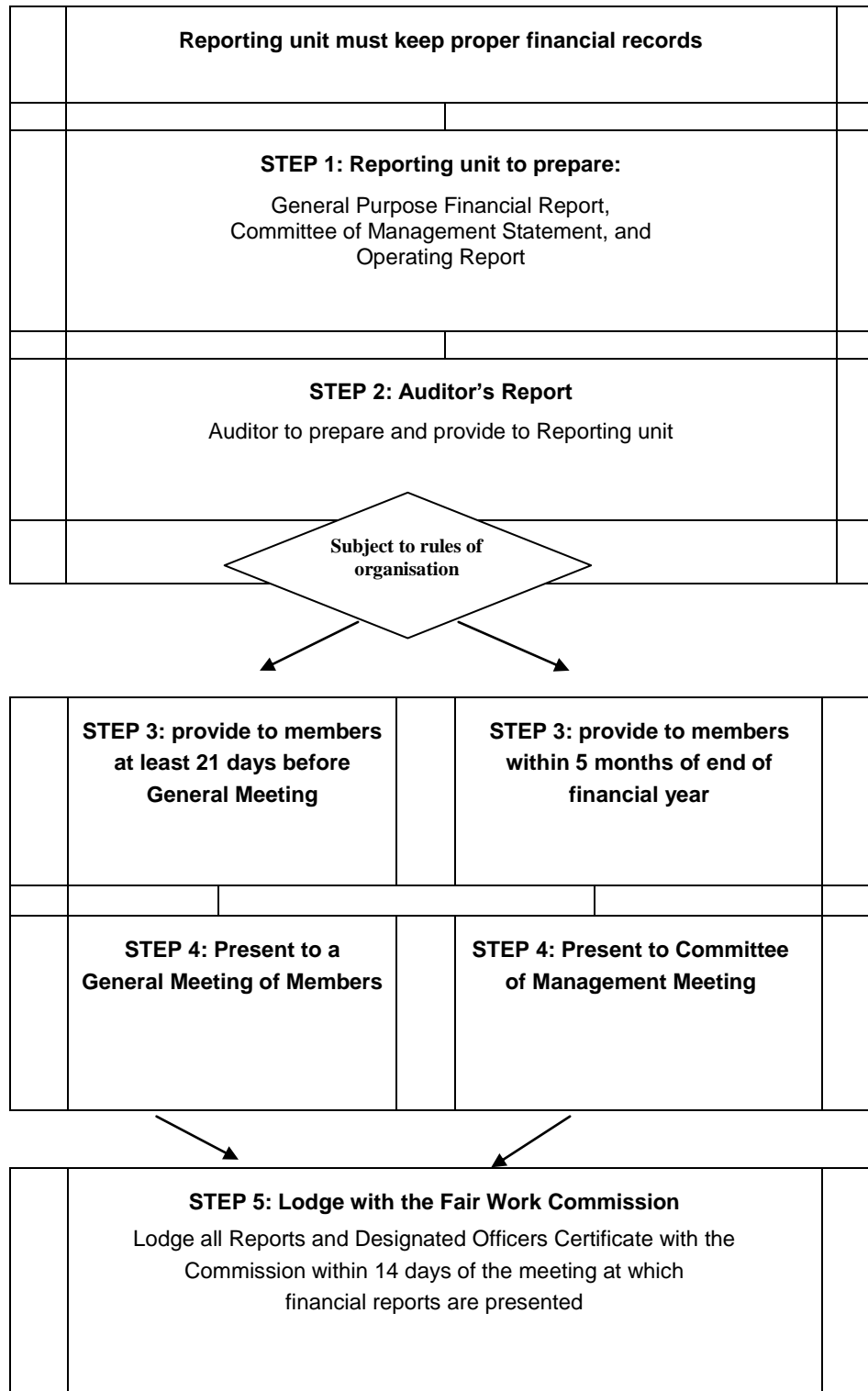


Anastasia Kyriakidis
Adviser
Regulatory Compliance Branch

Financial reporting timelines

Financial reports are to be lodged with the Fair Work Commission (the Commission) within 14 days of the meeting at which the financial reports have been presented, by completing the steps as outlined below.

See Fact sheet—Financial reporting for an explanation of each of these steps.



Fact Sheet - Loans, Grants & Donations

The Loans, Grants & Donations Requirements

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the General Manager's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

The Loans, Grants & Donations Statement

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceed \$1000. The following information must be supplied to the Commission for each relevant loan, grant or donation:

the amount,

the purpose,

the security (if it is a loan),

the name and address of the person to whom it was made,* and







the arrangements for repaying the loan.*

*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the Commission has a [Template Loans, Grants and Donations Statement](#) on its website. The Commission encourages branches and organisations to lodge the statement even if all of the figures are NIL.

Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

| Misconception | Requirement |
|---|--|
|  Only reporting units must lodge the Statement. |  All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches. |
|  Employees can sign the Statement. |  The statement must be signed by an elected officer of the relevant branch. |
|  Statements can be lodged with the financial report. |  The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late. |

Grants & Donations within the Financial Report

Item 16(e) of the [General Manager's Reporting Guidelines](#) requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines.

In the [Commission's Model Statements](#) the note appears as follows:

Note 4E: Grants or donations*

| Grants: | 2016 | 2015 |
|--------------------------------------|----------|----------|
| Total paid that were \$1,000 or less | - | - |
| Total paid that exceeded \$1,000 | - | - |
| Donations: | | |
| Total paid that were \$1,000 or less | - | - |
| Total paid that exceeded \$1,000 | - | - |
| Total grants or donations | - | - |

Item 17 of the General Manager's Reporting Guidelines requires that these line items appear in the financial report even if the figures are NIL.

Implications for filing the Financial Report

During their review of the 2016 financial report staff of the Commission will confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their 2015 financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the [Commission's website](#).

Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the Regulatory Compliance Branch on orgs@fwc.gov.au