



FAIR WORK  
AUSTRALIA

20 December 2012

Mr Russ Collison  
Secretary, Greater New South Wales Branch  
The Australian Workers' Union  
PO Box 20  
GRANVILLE NSW 2142

Dear Mr Collison,

**Re: Lodgement of Financial Statements and Accounts – The Australian Workers' Union,  
Greater New South Wales Branch – for year ending 30 June 2012 (FR2012/375)**

I refer to the abovementioned financial statements and accounts which were received by Fair Work Australia on 4 December 2012.

The documents have been filed. I must draw your attention however to the following.

- (1) Sub-section 254(2)(a) requires an Operating Report to contain a review of the principal activities, the results of those activities and any significant changes to the nature of these activities. Your Operating Report clearly described the principal activities and stated that there had been no significant changes to the nature of the activities, but did not include any information that could be properly said to fit the category of “results of those activities”.

The net surplus declared under the heading “Operating Results” is, a result of sorts, but properly speaking it is a financial result and advice I have received is that what the Act envisages, properly interpreted, is a non-financial result of the activities the Branch has nominated as its principal activities, such as “negotiating enterprise bargaining agreements, representing members before industrial tribunals” and so on. The Branch should therefore consider how it might, however concisely, describe any results of these kinds of activities in future.

- (2) Section 268 requires the report to be lodged within 14 days after the meeting held in accordance with section 266. In this case, since the report was presented to the annual general meeting on 22 October 2012, it should have been lodged with FWA by 6 November 2012.

The Branch should take steps to ensure it lodged future reports within the prescribed period or formally request an extension of time under section 268 where it anticipates an unavoidable delay between presentation and lodgment.

Yours sincerely

Stephen Kellett  
Regulatory Compliance Branch



22<sup>nd</sup> November, 2012

The Industrial Registrar  
Fair Work Australia  
Level 8 Terrace Tower  
80 William Street  
EAST SYDNEY NSW 2011

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REGISTERED OFFICE  
GREATER NEW SOUTH  
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RUSS COLLISON  
State Secretary  
Branch Secretary

Dear Sir/Madam,

**RE: THE AUSTRALIAN WORKERS' UNION, GREATER NEW SOUTH WALES  
BRANCH FINANCIAL STATEMENT FOR YEAR ENDING 30<sup>TH</sup> JUNE, 2012**

I certify that the enclosed copies of the general purpose financial report, Committee of Management statement, operating report, auditor's report, secretary's certificate of The Australian Workers' Union (AWU), Greater New South Wales Branch are copies of the documents were circulated by way of post and made available to members from 11<sup>th</sup> September, 2012. A copy of the financial audit was also published on the AWU website.

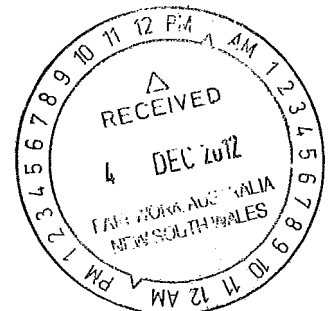
The enclosed documents were subsequently brought to an Annual General Meeting of members held on 22<sup>nd</sup> October, 2012.

I wish to confirm that The Australian Workers' Union, Greater New South Wales Branch did not make any donation or grant which exceeds the sum of \$1,000 for the 2011/2012 financial year.

Yours Sincerely,

Russ Collison  
**BRANCH SECRETARY**

Enc.



**The Australian Workers' Union  
Greater NSW Branch**

**Certificate of Secretary**

I, Russell Kerry Collison being the Secretary of the Australian Workers Union Greater NSW Branch certify:

- that the documents lodged herewith are copies of the full report pursuant to Section 253(2)(a) of the *Fair Work (Registered Organisations) Act 2009*, and
- that the full report was provided to members from 11<sup>th</sup> September, 2012; and
- that the full report was presented to a meeting of the committee of management of the Australian Workers Union Greater NSW Branch on 10<sup>th</sup> September, 2012; and further presented to an annual general meeting of members on 22<sup>nd</sup> October, 2012 in accordance with *Fair Work (Registered Organisations) Act 2009*.



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Russell Kerry Collison  
Secretary

Date: 22<sup>nd</sup> October, 2012

**The Australian Workers' Union  
Greater New South Wales Branch - ABN 70 662 384 762**

**Operating Report July 2011 - June 2012**

**Principal Activities and Changes**

The principal activities of the organisation continued to be those of a registered trade union working for the benefit of its members through negotiating enterprise bargaining agreements, varying Awards, representing members before industrial tribunals, training of delegates and members in Occupational Health and Safety, workplace organising, recruitment and public promotion of the interests of members. There were no significant changes to the activities of the organisation during the financial year.

**Operating Results**

The net surplus for the financial year amounted \$482,097.

**Significant Change in State of Financial Affairs**

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

**Right of Members to Resign**

AWU Rule 14 – Resigning as a member – provides for resignation of members in accordance with s174 of the *Fair Work (Registered Organisations) Act 2009*.

**Membership of Superannuation Scheme**

Secretary R K Collison is a trustee of FTC (First State Superannuation Trustees Corporation) and Assistant Secretary S L Bali is a trustee of Chifley Financial Services Limited.

**Number of Members**

Number of persons in register of members: 16,222

**Number of Employees**

Number of employees (equivalent full time): 30 including officials and staff.

**Names of members of management committee:**

Bali, S	Mason, C
Buhler, J	Meyer, J - ceased 7/3/12
Brown, K	Mitchell, E - ceased 14/9/11
Collison, R	Murray, P - commenced 17/10/11
Dawson, G	Morley, I
Fairless, L	O'Connor, T
Falconer, V	O'Neill, R
Farrow, P	Quirk, P
Fraser, R	Rumph, S
Freudenreich, J	Ryan, C
Fryer, H	Ryan, S
Garay, A	Scott, J
Goring, H	Seton, G
Hambridge, P	Thomas, I
Hillary, R	Thomas, R
Kelly, P	Toner, G

**Other Information**

There is no other information that the Union considers relevant.

Signed:   
Russell Kerry Collison

Date: 10<sup>th</sup> September, 2012

**The Australian Workers' Union (Greater NSW Branch)**  
**Committee of Management Statement**

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On 10<sup>th</sup> September, 2012 the Committee of Management of the Australian Workers Union (Greater NSW Branch) passed the following resolution in relation to the general purpose financial report (GPFR) of this reporting unit for the financial year ended 30 June 2012:

The Committee of Management declares in relation to the General Purpose Financial Report that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar; and
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the General Purpose Financial Report relates and since the end of that year:
  - (i) meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of the branch concerned; and
  - (ii) the financial affairs of the reporting unit have been managed in accordance with 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 Schedule and the Fair Work (Registered Organisations) Act 2009 Regulations;
  - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
  - (v) there have been no requests for information sought by members of the reporting unit or a Registrar duly made under Section 272 of the Fair Work (Registered Organisations) Act 2009.
  - (vi) there have been no compliance orders for inspection of financial records made by the Commissioner under Section 273 of the Fair Work (Registered Organisations) Act 2009.

For and on behalf of the Committee of Management:



Russell Kerry Collison

Dated: 10<sup>th</sup> September, 2012

**Australian Workers Union Greater NSW Branch**  
**Detailed Profit and Loss Statement**  
**For the year ended 30 June 2012**

	2012 \$	2011 \$
<b>Income</b>		
Membership contributions	5,217,502	4,994,291
Interest received	461,925	533,449
Commissions received	14,657	25,434
Donations received	24,500	26,373
Profit on sale of fixed assets	11,888	12,728
Rents received - Granville Trade Centre	20,601	15,167
Rent received - Canberra	129,263	146,998
Rent received - Dubbo	59,534	26,934
Rent received - Griffith	15,421	14,040
Rent received - Orange	9,750	2,100
OH & S Training course income	92,046	88,011
Sundry income	73,625	30,227
<b>Total income</b>	<b>6,130,711</b>	<b>5,915,752</b>
<b>Expenses</b>		
Accountancy and audit expenses	16,771	15,375
Accrued annual leave	80,535	12,822
Advertising and promotion	1,670	6,697
Affiliation fees	101,607	97,710
Ambulance services	3,349	3,668
Bank Fees	8,759	8,614
Branch executive expenses	15,520	17,985
Commissions paid	0	298
Conferences and meeting expenses	102,842	79,153
Consulting and employment agency fees	18,353	5,644
Court filing fees	1,245	2,145
Delegate expenses	17,291	14,792
Depreciation - plant & motor vehicle	134,963	105,191
Depreciation - buildings	7,304	5,046
Donations	25,079	65,491
Fines & penalties	179	0
Functions	26,684	27,818
General expenses	20,687	3,311
Industrial relation expenses	71,059	49,585
Legal and professional fees	0	3,902

The accompanying notes form part of these financial statements.

## Australian Workers Union Greater NSW Branch

### Detailed Profit and Loss Statement

For the year ended 30 June 2012

	2012	2011
	\$	\$
Mortality expenses	1,800	1,920
M/V car - Insurance	19,588	18,590
M/V car - Miscellaneous	40,799	20,603
M/V car - Petrol	141,295	125,796
M/V car - Registration/CTP	33,621	21,724
M/V car - Tolls	10,462	10,916
M/V car - Services	13,919	18,934
National office - subsidy	727,841	696,704
Organiser expenses - general	19,949	16,306
Organiser expenses - overnights	14,403	18,958
Parking expenses	8,728	8,195
Postage and couriers	31,218	31,561
Printing expenses	18,599	14,283
Property expenses - Granville	140,760	130,943
Property expenses - Canberra	68,806	65,480
Property expenses - Orange	7,746	3,626
Property expenses - Griffith	12,724	15,689
Property expenses - Dubbo	20,704	12,394
Property expenses - Grafton	1,757	0
Property expenses - Wagga Wagga	2,238	2,420
Provision for long service leave	42,486	157,622
Rent paid - Orange	23,971	6,764
Rent paid - Tamworth	6,911	6,730
Rent paid - Wagga Wagga	9,274	9,268
Rent paid - Grafton	4,160	4,160
Repairs & maintenance - computer	19,178	12,105
Repairs & maintenance - office equipmen	38,829	58,020
Sponsorship	2,210	10,455
Staff amenities	12,657	10,678
Stationery	34,269	31,221
Subscriptions	15,054	13,257
Telephone - general phone costs	48,272	55,205
Telephone - mobile phone costs	38,004	32,963
Training & seminars	16,582	24,999
Travel & fare expenses	4,769	4,174
Wage & Salaries - Officials	1,775,966	1,535,610
Wages & Salaries - Industrial staff	347,485	223,525
Wages & Salaries - Clerical/other	472,405	529,368
Payrol, expenses - Fringe benefits tax	13,200	13,520

The accompanying notes form part of these financial statements.

**Australian Workers Union Greater NSW Branch**  
**Detailed Profit and Loss Statement**  
**For the year ended 30 June 2012**

	2012	2011
	\$	\$
Payroll expenses - Payroll tax	159,314	105,844
Payroll exp - Industrial special risk	15,278	10,394
Employee's benefit exp- salary sacrifice	220,501	206,592
Superannuation	311,505	286,797
Workers compensation	25,480	21,657
Total expenses	<u>5,648,614</u>	<u>5,131,215</u>
<b>Profit from Ordinary Activities before income tax</b>	<u><b>482,097</b></u>	<u><b>784,537</b></u>

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The accompanying notes form part of these financial statements.



**Australian Workers Union Greater NSW Branch**

Balance Sheet As At 30 June 2012

	Note	2012 \$	2011 \$
<b>Current Assets</b>			
Cash assets	3	7,147,276	7,148,218
Receivables	4	512,017	681,108
<b>Total Current Assets</b>		<b>7,659,292</b>	<b>7,829,326</b>
<b>Non-Current Assets</b>			
Other financial assets	5	830,133	304,800
Property, plant and equipment	6	4,336,854	4,032,478
<b>Total Non-Current Assets</b>		<b>5,166,987</b>	<b>4,337,278</b>
<b>Total Assets</b>		<b>12,826,280</b>	<b>12,166,604</b>
<b>Current Liabilities</b>			
Payables	7	583,524	356,352
Current tax liabilities	8	79,456	74,856
Employee Entitlements	9	265,205	238,158
<b>Total Current Liabilities</b>		<b>928,185</b>	<b>669,367</b>
<b>Non-Current Liabilities</b>			
Employee Entitlements	9	857,426	938,666
<b>Total Non-Current Liabilities</b>		<b>857,426</b>	<b>938,666</b>
<b>Total Liabilities</b>		<b>1,785,611</b>	<b>1,608,032</b>
<b>Net Assets</b>		<b>11,040,669</b>	<b>10,558,572</b>
<b>Equity</b>			
Reserves		831,300	831,300
General Funds		10,209,369	9,727,272
<b>Total Equity</b>		<b>11,040,669</b>	<b>10,558,572</b>

The accompanying notes form part of these financial statements.

**Australian Workers Union Greater NSW Branch**  
**Statement of Changes in Equity for the year ended 30 June 2012**

	Note	2012 \$	2011 \$
Total equity at the beginning of the year		10,558,572	9,774,034
Operating surplus for the year		<u>482,097</u>	<u>784,538</u>
<b>Total Equity</b>		<b><u>11,040,669</u></b>	<b><u>10,558,572</u></b>

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The accompanying notes form part of these financial statements.

## **Australian Workers Union Greater NSW Branch**

Notes to the Financial Statements

For the year ended 30 June 2012

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### **Note 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

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

The financial report of the Greater NSW Branch for the year ended 30 June 2012 was authorised for issue in accordance with a resolution of the Greater NSW Branch Executive on 10 September 2012.

#### **Note 1.1: BASIS OF PREPARATION**

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

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

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

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

#### **Note 1.2: ACCOUNTING POLICIES**

(a) Income Tax

No provision for income tax is necessary as the Union is exempt from income tax under Section 23 (f) of the Income Tax Assessment Act.

(b) Property, Plant and Equipment

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

Depreciation

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## Australian Workers Union Greater NSW Branch

### Notes to the Financial Statements

For the year ended 30 June 2012

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

The depreciation rates used for each class of asset are:

Building 2.5%

Office Equipment and Furniture 10% - 33.33%

Motor Vehicles 20%

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

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

#### (c) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, which are transferred to the Union are classified as financial leases. Financial leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

#### (d) Financial Instruments

##### Initial Recognition and Measurement

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

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

##### Classification and Subsequent Measurement

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

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

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## Australian Workers Union Greater NSW Branch

Notes to the Financial Statements

For the year ended 30 June 2012

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

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

### (i) Financial Assets at Fair Value through Profit and Loss

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

### (ii) Loans and Receivables

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

### (iii) Held to Maturity Investments

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

### (iv) Available-for-sale Financial Assets

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

### (v) Financial Liabilities

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

#### Fair Value

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

#### Impairment

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

#### Derecognition

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## Australian Workers Union Greater NSW Branch

### Notes to the Financial Statements

For the year ended 30 June 2012

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

(e) Employee Benefits

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. These cashflows are discounted using market yields or national government bonds with terms to maturity that match the expected timing of cash flows.

Accrued Annual Leave

The accrual for employee entitlements to annual leave represents the amount which the Union has a present obligation to pay resulting from employee's services provided up to the balance date. The accrual has been calculated at nominal amounts based on current wage and salary rates plus leave loading.

Provision for Long-Service Leave

The liability for long-service leave of branch officials has only been accumulated in the books of account up to 31 December 2001. In accordance with the decision of the National Executive, the branch is now required to bring to account the annual indebtedness to long service leave of its officials.

(f) Provisions

Provisions are recognised when the branch has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at balance date.

(g) Cash and Cash Equivalents

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

(h) Revenue and Other Income

(i) Revenue from sustenance income by the branch is recognised on a receipt basis and in turn recognised upon the monthly returns submitted, on an accruals basis by National Office.

(ii) Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

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

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

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, where applicable, except where the amount of GST 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, where applicable.

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## Australian Workers Union Greater NSW Branch

Notes to the Financial Statements

For the year ended 30 June 2012

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

(j) Trade and Other Payables

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

(k) Comparative Figures

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

(l) Accounting Standards Issued but not yet Effective

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

(m) Estimation Uncertainty

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

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

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

**Impairment**

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

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

**Useful Lives of Depreciable Assets**

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

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## Australian Workers Union Greater NSW Branch

### Notes to the Financial Statements

For the year ended 30 June 2012

2012

2011

#### Note 2: Auditor's Remuneration

Remuneration of the auditor of the Union for:

Auditing or reviewing the financial report	16,771	15,375
	<u>16,771</u>	<u>15,375</u>

#### Note 3: Cash assets

Bank accounts:

Cash at bank - Account No 1	133,890	214,421
Cash at bank - Account No 2	1,091,652	935,682
Cash at bank - Greater Union Centre	19,797	95,153
Cash at bank - Workcover Grant Account	11,609	11,577
Cash at bank - GTUC Income Protection	142,195	301,999
Cash at bank - Annual Leave Account	1,137,399	1,211,723

Other cash items:

Cash at bank - Colonial First State Acc	79,095	224,191
Cash at bank - Training Fund Account	427,832	414,636
Cash at bank - Long Service Leave Acc	402,732	299,051
Members Equity Bank	2,248,586	2,038,509
Chifley Investment Fund	1,442,890	1,391,677
Petty Cash Account	9,600	9,600
	<u>7,147,276</u>	<u>7,148,218</u>

#### Note 4: Receivables

Current

Members Contribution accrual	241,341	192,100
AWU - NSW State Union	211,218	211,218
Sundry	59,458	277,790
	<u>512,017</u>	<u>681,108</u>

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



## Australian Workers Union Greater NSW Branch

### Notes to the Financial Statements

For the year ended 30 June 2012

2012

2011

#### Note 5 Other Financial Assets

##### Non-Current

Shares in other companies - at cost

- Chifley Financial Services Limited	830,133	304,800
	<u>830,133</u>	<u>304,800</u>
	<u>830,133</u>	<u>304,800</u>

#### Note 6 Property, Plant and Equipment

Freehold land and buildings:

- Granville Property - At independent valuation	3,391,033	3,209,215
- Griffith Property - At independent valuation	393,319	393,319
	<u>3,784,352</u>	<u>3,602,534</u>

Buildings:

- Less: Accumulated depreciation	(12,350)	(5,046)
	<u>(12,350)</u>	<u>(5,046)</u>

Office, Plant and Furniture and Fittings:

- At cost	574,364	466,647
- Less: Accumulated depreciation	(311,541)	(278,747)
	<u>262,823</u>	<u>187,900</u>

Motor vehicles:

- At cost	835,758	743,966
- Less: Accumulated depreciation	(533,729)	(496,876)
	<u>302,029</u>	<u>247,090</u>
	<u>4,336,854</u>	<u>4,032,478</u>

**Australian Workers Union Greater NSW Branch**  
Notes to the Financial Statements  
For the year ended 30 June 2012

**Note 6: Property, Plant and Equipment (continued)**

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

<b>At Cost:</b>	<b>Motor Vehicles</b>	<b>Office, Plant and Furniture and Fittings</b>	<b>Land and Buildings</b>	<b>Total</b>
Balance as at 1 July 2010	240,065	173,795	3,365,000	3,778,860
Additions	92,022	34,299	237,534	363,855
Disposals	(12,728)	-	-	(12,728)
Write back	12,728	-	-	12,728
Depreciation expense	<u>(84,997)</u>	<u>(20,194)</u>	<u>(5,046)</u>	<u>(110,237)</u>
Balance as at 30 June 2011	247,090	<u>187,900</u>	<u>3,597,488</u>	<u>4,032,478</u>
Additions	174,038	107,717	181,818	463,573
Disposals	(21,170)	-	-	(21,170)
Write back	4,240	-	-	4,240
Depreciation expense	<u>(102,169)</u>	<u>(32,794)</u>	<u>(7,304)</u>	<u>(142,267)</u>
Balance as at 30 June 2012	<u>302,029</u>	<u>262,823</u>	<u>3,772,002</u>	<u>4,336,854</u>

The real-estate properties included in the Greater NSW Branch Financial Statements are:

	2012	2011
	\$	\$
16-20 Good Street, Granville	3,379,909	3,204,687
103 Banna Avenue, Griffith	<u>392,093</u>	<u>392,801</u>
Balance as at 30 June 2012	<u>3,772,002</u>	<u>3,597,488</u>

The properties are primarily used as offices of the Greater NSW Branch. The Branch Executive is of the opinion that no impairment provisions are necessary, as the carrying value of the properties (written down value) are below their current market values.

## Australian Workers Union Greater NSW Branch

### Notes to the Financial Statements

For the year ended 30 June 2012

	2012	2011
<b>Note 7: Payables</b>		
Unsecured:		
- Sundry creditors and accruals	<u>583,524</u>	<u>356,352</u>
	<u>583,524</u>	<u>356,352</u>
	<u><b>583,524</b></u>	<u><b>356,352</b></u>
<b>Note 8: Tax Liabilities</b>		
<b>Current</b>		
GST payable control account	<u>79,456</u>	<u>74,856</u>
	<u><b>79,456</b></u>	<u><b>74,856</b></u>
<b>Note 9: Employee Entitlements</b>		
<b>Current</b>		
Provision for Annual Leave*	<u>265,205</u>	<u>238,158</u>
	<u><b>265,205</b></u>	<u><b>238,158</b></u>
<b>Non Current</b>		
Provision for Long Service Leave*	<u>857,426</u>	<u>938,666</u>
	<u><b>857,426</b></u>	<u><b>938,666</b></u>
* Aggregate employee entitlements liability	1,122,631	1,176,824

## Australian Workers Union Greater NSW Branch

Notes to the Financial Statements  
For the year ended 30 June 2012

### Note 10 Salary and Wages

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

	2012	2011
	\$	\$
Elected Representatives	347,485	223,525
Employees	<u>2,248,371</u>	<u>2,064,978</u>
	<u>2,595,856</u>	<u>2,288,503</u>

- (b) Key Management Personnel Compensation

	Short Term Benefit	Post Employment Benefit	Total
	\$	\$	\$
<b>2012</b>			
Total compensation	<u>347,485</u>	<u>33,969</u>	<u>381,454</u>
<b>2011</b>			
Total compensation	<u>223,525</u>	<u>34,630</u>	<u>258,155</u>

- (c) Disclosure of Remuneration of Elected Officials

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

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

### Note 11 Information to be provided to Members or General Manager of Fair Work Australia

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

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

### Note 12 Matters Subsequent to the End of the Financial Year

The Branch Executive is not aware of any post-balance date events or contingent liability which may materially affect the operating results or financial position of the Branch for the year under review or in future years. The financial statements were signed by the Branch Executive committee on 10 September 2012.

### Note 13 Contingent Liabilities

The Branch Executive is not aware of any contingent liability which may materially affect the operating results or financial position of the Branch for the year under review or in future years.

### Note 14 Union Information

The Australian Workers Union – Greater NSW Branch; Level 2, 16-20 Good Street; Granville NSW 2142

**Australian Workers Union Greater NSW Branch**  
**Statement of Cash Flows**  
For the year ended 30 June 2012

	2012	2011
	\$	\$
<hr/>		
<b>Cash Flow From Operating Activities</b>		
Receipts from members	5,217,502	4,986,084
Payments to Suppliers and employees	(4,694,140)	(4,742,924)
Interest received	461,925	533,449
Interest and other costs of finance	(40,799)	
Proceeds from sale of assets		
Other income	14,658	255,361
Net cash provided by (used in) operating activities (note 2)	959,146	1,031,970
 <b>Cash Flow From Investing Activities</b>		
Payment for:		
Shares in other companies	(525,333)	
Payments for property, plant and equipment	(446,643)	(363,855)
Proceeds from disposal of:		
Proceeds from sale of property	11,888	12,728
Net cash provided by (used in) investing activities	(960,088)	(351,127)
Net increase (decrease) in cash held	(942)	680,843
Cash at the beginning of the year	7,148,218	6,467,375
Cash at the end of the year (note 1)	7,147,276	7,148,218

The accompanying notes form part of these financial statements.

## Australian Workers Union Greater NSW Branch

### Statement of Cash Flows

For the year ended 30 June 2010

2012

2011

#### Note 1. Reconciliation Of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

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

Cash at bank - Account No 1	133,890	214,421
Cash at bank - Account No 2	1,091,652	935,682
Cash at bank - Greater Union Centre	19,767	95,153
Cash at bank - Workcover Grant Account	11,609	11,577
Cash at bank - GTUC Income Protection	142,195	301,999
Cash at bank - Annual Leave Account	1,137,399	1,211,723
Cash at bank - Colonial First State Acc	79,095	224,191
Cash at bank - Training Fund Account	427,832	414,636
Cash at bank - Long Service Leave Acc	402,732	299,051
Members Equity Bank	2,248,586	2,038,509
Chifley Investment Fund	1,442,890	1,391,677
Petty Cash Account	9,600	9,600
	<u>7,147,276</u>	<u>7,148,218</u>

#### Note 2. Reconciliation Of Net Cash Provided By/Used In Operating Activities To Surplus/Deficit

Operating surplus for the year	482,097	784,537
Depreciation	142,267	110,237
(Profit)/Loss on sale of property, plant and equipment	(11,888)	(12,728)
Changes in assets and liabilities		
(Increase) decrease in receivables and others	169,091	(107,527)
Increase (decrease) in other creditors	227,172	88,744
Increase (decrease) in provisions	(49,593)	168,707
Net cash provided by operating activities	<u>959,146</u>	<u>1,031,970</u>

The accompanying notes form part of these financial statements.

## **Australian Workers Union Greater NSW Branch**

Independent Auditor Report to the members of the Australian Workers Union (Greater NSW Branch)

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### **Scope**

I have audited the Financial Statements of the Australian Workers Union (Greater NSW Branch) for the year ended 30 June 2012 consisting of the Statement of Financial Position (Balance Sheet), Statement of Financial Performance (Profit and Loss Statement), Statement of Cash Flows and accompanying notes. The Branch Executive is responsible for the preparation and presentation of the Financial Statements and the information they contain. I have conducted an independent audit of these Financial Statements in order to express an opinion on them to the members of the Australian Workers Union (Greater NSW Branch).

My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free from material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Standards and statutory requirements so as to present a view which is consistent with my understanding of Organisation's its financial position and the results of its operations.

In accordance with the Act, I conducted a review of recovery of wages activity.

I received all the information and explanations that officers and employees of the branch were able to provide..

The audit opinion expressed in this report has been formed on the above basis.

### **Independence**

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

### **Audit opinion**

In my opinion, the Financial Statements of Australian Workers Union (Greater NSW Branch) is in accordance with:

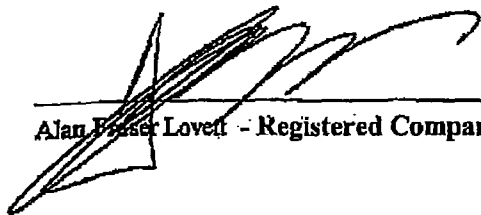
1. The organisation has kept satisfactory accounting records including:
  - (a) records of the sources and nature of the income of the Branch; and
  - (b) records of the nature and purposes of expenditure of the Organisation.
2. As required under Section 257 of the Registration and Accountability of Organisations Schedule (being Schedule 1B of the Fair Work (Registered Organisations) Act 2009) I am able to state that in my opinion: -
  - (i) The General Purpose Financial Report is presented fairly in accordance with:
    - (a) The requirements of the RAO Schedule;
    - (b) Applicable Australian Accounting Standards;
    - (c) Other mandatory professional reporting requirements;
  - (ii) I have complied with the independence requirements of the major Accounting Bodies.

**Australian Workers Union Greater NSW Branch**

Independent Auditor Report to the members of the Australian Workers Union (Greater NSW Branch)

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Signed on 29 August, 2012:



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Alan Fraser Lovett - Registered Company Auditor





FAIR WORK  
AUSTRALIA

16 July 2012

Mr Russ Collison  
Secretary, Greater New South Wales Branch  
AWU  
PO Box 20  
GRANVILLE NSW 2142

Dear Mr Collison

**Lodgement of Financial Documents for year ended 30 June 2012 - Fair Work (Registered Organisations) Act 2009 (“the FW(RO) Act”) - The Australian Worker’s Union, Greater New South Wales Branch (FR2012/375)**

The financial year of the Greater New South Wales Branch of The Australian Workers’ Union (the “reporting unit”) has recently ended. This is a courtesy letter to remind you of the obligation to prepare and process the reporting unit’s financial documents. The full financial report must be lodged with Fair Work Australia within the prescribed time period of 6 months and 14 days of the end of the financial year.

The FW(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. The attached *Timeline/Planner* summarises these requirements.

In addition, financial reporting fact sheets and sample documents can be found on the Fair Work Australia website. The information can be viewed at [FWA Registered Organisations Fact Sheets](#). This site also contains the General Manager’s Reporting Guidelines which set out mandatory financial disclosures.

I draw your particular attention to section 237 of the FW(RO) Act which provides that where the reporting unit makes individual loans, grants or donations exceeding \$1,000, a separate statement containing prescribed particulars must be lodged within 90 days of the end of the financial year, i.e. by 30 September.

If you need any further information or if you believe you will be unable to lodge the full financial report within the period mentioned above please contact me on (02) 6723 7097 or by email at [stephen.kellett@fwa.gov.au](mailto:stephen.kellett@fwa.gov.au)

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Yours sincerely,

Stephen Kellett  
Organisations, Research & Advice  
Fair Work Australia

Fair Work Australia  
80 William Street  
EAST SYDNEY NSW 2011

Telephone: (02) 8374 6666  
Facsimile : (02) 9380 6990  
Internet : [www.fwa.gov.au](http://www.fwa.gov.au)

**TIMELINE/ PLANNER**

Financial reporting period ending:	30/ 06 /2012
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1. Prepare financial statements and Operating Report.

1(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.	/ /
1(b) A #designated officer must sign the Committee of Management Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).	/ /

*As soon as practicable after end of financial year*

*This step must be completed and the Statement signed at a first meeting*

2. Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /
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*Within a reasonable time of having received the GPFR  
(NB: Auditor's report **must** be dated on or after date of Committee of Management Statement*

3. Provide full report free of charge to members – s265  The full report must include: <ul style="list-style-type: none"> <li>• the General Purpose Financial Report (which includes the Committee of Management Statement);</li> <li>• the Auditor's Report; and</li> <li>• the Operating Report.</li> </ul>	/ /
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*(a) if the report is to be presented to a General Meeting the report must be provided to members 21 days before the General Meeting,  
  
or  
(b) if the report is presented to a Committee of Management meeting\*, the report must be provided to members within 5 months of end of financial year.*

4. Present full report to second meeting:  (a) General Meeting of Members - s266 (1),(2);  OR  (b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /  / /
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*Presentation occurs at a 'second' Meeting*

*A second meeting which is a General Meeting must take place within 6 months of end of financial year*

*A second meeting which is a meeting of the Committee must take place within 6 months of end of financial year*

5. Lodge full report with Fair Work Australia, together with the #Designated Officer's certificate** – s268	/ /
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*Within 14 days of presentation at second meeting*

\* the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

# The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.

++ The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.

