



Australian Government
Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
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Ref: FR2006/479-[002N-PKEM]

Mr Andrew Gillespie
Branch Secretary
AWU - Port Kembla, South Coast and
Southern Highlands Branch
PO Box 1506
WOLLONGONG NSW 2500

Dear Mr Gillespie

Financial Return - year ending 30 June, 2006

Our records show the organisation's financial year ended recently. This letter outlines some of the things you must do to meet your financial reporting obligations and when you have to do them. For simplicity, we will call the documents you have to lodge with us your *financial return*.

This letter is intended as guide to the law applicable on the date of this letter, and should not be used as a substitute for legal or accounting advice. We only summarise some of the reporting requirements in this letter. More detailed information is at the end of this letter.

Information on AIRC Website

We recommend you and your accountant/auditor also refer to the following documents on the Commission's website at www.airc.gov.au:

- [RAO Schedule](#)
- [RAO Regulations](#)
- [Registrar's Reporting Guidelines](#) - All GPFR's must comply with these Guidelines. Please note that the Guidelines set out requirements that are *in addition* to those required by the Australian Accounting Standards.
- [RAO Fact Sheets](#) - These Fact Sheets explain the requirements of the RAO Schedule - many of them deal with financial reporting matters.

Reporting Unit

Under the provisions of the Registration and Accountability of Organisations Schedule (RAO), Schedule 1 of the *Workplace Relations Act 1996*, reporting entities are known as "*reporting units*". Where an organisation is **not** divided into branches the reporting unit is the whole of the organisation. Where an organisation **is** divided into branches each branch will be a reporting unit unless the Industrial Registrar has determined a division of the organisation into reporting units on an alternative basis. We can discuss this with you if you need more information.

For simplicity, we will use the term "reporting unit" in this letter.

Industrial Registrar's Guidelines

The Industrial Registrar's reporting guidelines set out certain disclosure requirements in addition to those prescribed by Australian Accounting Standards having in mind the nature of organisations registered under the Workplace Relations Act.

The disclosure requirements prescribed by the reporting guidelines are directed towards providing members of the reporting unit with information to enable them to gauge the performance of the committee of management and other holders of office in relation to the financial management of the reporting unit. In addition, the reporting guidelines seek to improve the quality of information available to users of the financial report about the reporting unit's economic support of, or economic dependency on, other reporting units of the organisation.

Timeline Planner and Checklist

We have attached a Timeline/Planner (*Attachment A*) to help you **plan** your financial return and carry out all the necessary steps. We have also attached a Document Checklist (*Attachment B*) to **check** your documents before lodging them in the Registry. Both documents are abbreviated summaries of the relevant provisions of the RAO Schedule, RAO Regulations and the Industrial Registrar's Reporting Guidelines.

In the following section we describe some of the documents your reporting unit must prepare and the sequence of their preparation and completion.

Three Reports

Your reporting unit must prepare two reports as soon as practicable after its financial year, which, together with the Auditor's Report, comprise the reporting unit's financial return.

1. **General Purpose Financial Report** - this must comply with the Australian Accounting Standards and the Industrial Registrar's Reporting Guidelines. The GPFR consists of:

(a) Financial Statements containing:

- a profit and loss statement, or other operating statement; and
- a balance sheet; and
- a statement of cash flows; and
- any other statements required by the Australian Accounting Standards; and

(b) Notes to the Financial Statements containing:

- notes required by the Australian Accounting Standards; and
- information required by the Industrial Registrar's *Reporting Guidelines* under section 255 including disclosures related to any recovery of wages activity ; and

(c) Committee of Management Statement as required by the Registrar's Reporting Guidelines (a sample certificate for illustrative purposes is at Attachment C) including declarations related to the recovery of wages activity.

2. **Operating Report** - this report includes a review of your reporting unit's principal activities for the year and other specified information.

Your reporting unit must appoint an auditor to audit the GPFR and to provide:

3. an **Auditor's Report**.

First Meeting (Committee of Management)

For simplicity, we will call the meeting at which the committee of management first considers the GPFR the first meeting. At the first meeting your committee, if satisfied that all is in order, will resolve to express its opinion on the GPFR and complete a Committee of Management Statement.

The Auditor

After the first meeting, the auditor takes the GPFR and the Committee of Management Statement and prepares a report on the GPFR. In practice, your auditor may have already completed most of his or her examination of your accounts. The auditor may only be waiting on the Committee to pass the required resolution and make the Statement before signing the report the same day.

Informing Your Members

Your reporting unit must provide free of charge to the general membership, copies of the GPFR, the Operating Report and the Auditor's Report. RAO calls these the "full report". Under certain circumstances, your reporting unit can provide a more limited *concise report*.

The reporting unit can meet its obligation to provide copies of the full or concise report to members by publishing the report in a journal that is available to the members free of charge.

A reporting unit may meet this obligation in whole or in part by publication of the report in a journal published on a web site on the Internet dependent on:

- a. the extent of the accessibility of the members of the reporting unit to the Internet; and
- b. that the members are notified by the reporting unit in the usual manner in which it communicates with its members that the report has been so published at a specified Internet address.

The report must be provided within 5 or 6 months from the end of the financial year, depending on the internal arrangements of the organisation for the presentation of its financial reports.

The Second Meeting - if it is a General Meeting of Members

After providing the full report to members it must be presented to a general meeting of members. For simplicity this is referred to as the *second meeting*.

Your reporting unit must always allow a minimum of 21 days for members to receive the full report before presenting it to a general meeting of members (s265(5)). The purpose of the interval is to enable the members to have time to consider the report and, if they wish, to attend the second meeting to discuss it.

If the rules of the organisation permit a general meeting to be a series of meetings held at different locations, the full report may be presented to such a series of meetings. In this case the 'date' of the general meeting is taken to be the date of the last meeting in the series (see s266(2)).

The Second Meeting - if it is a Committee of Management Meeting

If the rules of your organisation contain a provision that allows up to 5% of members to demand a general meeting to be held consider the report (see s266(3)), it is permissible to present the report directly to a Committee of Management meeting.

Lodge full report within 14 days of meeting

You must lodge a copy of the full report and any concise report in the Industrial Registry within 14 days of the second meeting. For your convenience you are encouraged to lodge the material electronically (see eFiling Tab at www.airc.gov.au).

The Secretary (or another officer appropriately authorised under the rules of the organisation) must *certify* that the full report is a copy of the one provided to members and presented to the second meeting and provide the date of the meeting (a sample certification for illustrative purposes is at *Attachment D*).

When we receive your return we will check that it includes the information you must provide your members and that you have provided it to them correctly.

Complying with time limits

This letter has outlined some of the steps in preparing and lodging your return. Many of the steps must be completed within fixed time limits.

Failure to complete them in time could make your reporting unit or its officers liable to financial or "civil penalties".

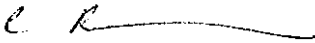
Extensions of Time

We appreciate that sometimes circumstances beyond your reporting unit's control may delay completion of a financial return. If you believe your reporting unit is going to be unable to meet a time limit tell us as soon as you know. We can advise you if the step is one for which you may apply under RAO to the Industrial Registrar for extra time to complete. The maximum extra time allowed can be no more than one month.

Contact the Registry

We encourage you to contact the Registry on (02) 8374 6666 or by e-mail at riasydney@air.gov.au as early as possible if you believe preparation or lodgment of your return will be delayed or if you have any queries. We can offer you advice on procedures but we cannot give you legal or accounting advice.

Yours sincerely

A handwritten signature in black ink, appearing to be 'C. R.' followed by a long horizontal flourish.

For Deputy Industrial Registrar...
1 August, 2006

PORT KEMBLA, SOUTH COAST AND
SOUTHERN HIGHLANDS BRANCH

18 Belmore Street, Wollongong, NSW 2500
PO Box 1506, Wollongong, NSW 2500
Telephone (02) 4229 3611 Facsimile (02) 4229 8096
Email: members@portkembla.awu.net.au



24 November 2005

The Industrial Registrar
Australian Industrial Registry
Level 8, Terrace Towers
80 William Street
EAST SYDNEY NSW 2011


Dear Sir

Please find enclosed a copy of the Income and Expenditure Accounts, Balance Sheet, Statement of Cash Flow, Secretary's Certificate, Accounting Certificate, Committee of Management Certificate and Auditor's Report for the year ending 30 June 2006.

The Accounts were presented to the Committee of Management on 12 September 2006, provided to the membership via the AWU website 17 October 2006 and again presented to the Committee of Management on 14 November 2006.

A copy of the Audit Report 2006 is available at the office of the Australian Workers' Union for the information of members.

Yours faithfully


A. GILLESPIE
Branch Secretary



The Australian Worker's Union
Port Kembla South Coast & Southern Highlands Branch

Statement of Cash Flows
for the year ended 30th June 2006

	note	year ended	year ended
		2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Members/branches		1658456	1556061
Grants/Donations Received		0	0
Payments to suppliers & employees		1351109	1239649
Administrative Contributions paid		220355	209720
Interest/Dividends Received		45873	46053
<i>net cash provided by operating activities</i>	6	132865	152745
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Motor Vehicles/Equipment		-209065	-199645
Sale of Motor Vehicles		122272	101445
Deposit on Building		0	0
Refund DepositSPaid		0	22981
GST net movement		-7107	-3873
<i>net cash provided by investing activities</i>		-93900	-79092
NET INCREASE/-DECREASE IN CASH		38965	73653
add			
Opening Cash Balance		1053510	979857
=			
CASH AT END OF YEAR	1(0)	1092475	1053510
<i>comprising</i>			
Cash at Banks		1090075	1051110
Cash on Hand		2400	2400
total cash		1092475	1053510
<u>RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT/-LOSS AFTER ABNORMAL ITEMS</u>			
PROFIT/-LOSS AFTER ABNORMAL ITEMS		60749	152638
add back non cash flows			
depreciation		65307	74351
decrease in annual leave provision		19542	-108074
Increase in receivables		0	0
Increase/-decrease in Accounts Payable		-29230	37030
Decrease/-Increase in payable		5945	0
Increase/-decrease in contributions in advance		1977	21980
Increase in LSL provision		8575	-25180
CASH FLOWS FROM OPERATIONS		132865	152745

The notes form part of the accounts.

The Australian Worker's Union

Port Kembla South Coast & Southern Highlands Branch

Profit & Loss Account for the year ended 30/6/2006

<u>Income</u>	note	2006	2005
Membership Subscriptions		1,633,271	1,527,564
Interest		45,873	46,053
Sundry		289	2,815
Wages recovery action		0	0
Donations/Grants received		0	0
<i>total income</i>	1(e)	1,679,433	1,576,432
<u>less Expenditure</u>			
Advertisement/Promotions		31,901	9,018
Affiliation fees		47,431	31,751
Arbitration, Legal & Fines		241,462	270,501
Audit Fees	13	9,500	10,080
Bank Fees		2,529	2,232
Committee of Management expenses		2,639	187
Conferences, Conventions & Travel costs		30,454	37,898
Delegates Commission		0	0
Delegates Expenses		10,165	12,845
Depreciation		65,307	74,351
Donations/Sponsorships	5	591	0
Electricity/Gas		4,105	2,844
Fines/Penalties imposed under the Act		0	0
Fringe Benefits Tax		6,135	6,985
Funeral Benefits		80	40
Industrial announcements		35,041	203
Insurance		12,152	13,425
Interest		0	0
Motor Vehicle Expenses		38,221	34,520
National Office administrative expense contribution		220,355	208,020
Payroll tax		39,812	47,536
Postage		11,314	19,691
Rates		4,255	3,052
Rent, Hall & Venue Hire		1,919	24,596
Repairs/Replacements		4,465	21,171
Software & IT Support		8,878	18,020
Salaries – Officials	10	398,343	188,695
Salaries – Staff	10	195,373	197,216
Stationary/Petty Cash		13,930	17,367
Strike Pay		0	0
Subscriptions/Memberships/Journals		0	411
Sundry		11,473	23,395
Superannuation		123,798	99,734
Telephone		30,098	27,261
Travel Cost Airfares		16,958	20,749
<i>total expenditure</i>		1,618,684	1,423,794
<u>Profit/-Loss from normal activities</u>	12	60,749	152,638
less abnormal item			
Profit/-Loss after abnormal items		60,749	152,638
add accumulated funds 1/7/2005		691,841	539,203
= general fund accumulated funds 30/6/2006		752,590	691,841

The notes form part of these accounts.

The Australian Worker's Union

Port Kembla South Coast & Southern Highlands Branch

Balance Sheet as at 30/6/2006

	note	2006	2005
CURRENT ASSETS			
Cash on Hand		2,400	2,400
Cheque account		531,407	443,665
Reserve account		21	21
Credit Union Building account		103,168	176,742
Credit Union Leave Entitlement a/c		455,479	430,682
Receivables & Loans	15	0	0
Prepayments	15	0	0
Membership Contributions Receivable		49,710	51,687
<i>total current assets</i>		<u>1,142,185</u>	<u>1,105,197</u>
NON CURRENT ASSETS			
Shares IAG at issue value		497	497
Plant/Equipment at cost & valuation	1(e)	87,034	87,034
less provision for depreciation	17	<u>-54,332</u>	<u>-44,061</u>
net WDV		32,702	32,892
Motor Vehicles at cost	1(e)	209,065	166,124
less provision for depreciation	17	<u>-22,777</u>	<u>-11,593</u>
net WDV		<u>186,288</u>	<u>154,531</u>
<i>total non current assets</i>		<u>219,487</u>	<u>198,001</u>
<i>total assets</i>		<u>1,361,672</u>	<u>1,303,198</u>
LESS			
CURRENT LIABILITIES			
Accounts Payable - super		6,107	0
- wages		1,099	1,143
- other		124,642	159,346
Provision for Annual Leave & LSL - staff		186,896	177,964
Provision for Annual Leave & LSL - officials		291,592	272,407
GST		-7,696	0
Contributions Paid in Advance		5,945	0
<i>total liabilities</i>		<u>608,585</u>	<u>610,860</u>
NET ASSETS/-LIABILITIES		<u><u>753,087</u></u>	<u><u>692,338</u></u>
<i>represented by</i>			
ACCUMULATED FUNDS			
Asset Revaluation Reserve		497	497
General Fund		752,590	691,841
<i>total accumulated funds</i>		<u><u>753,087</u></u>	<u><u>692,338</u></u>

The notes form part of the accounts.

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.

(g) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

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 stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the entity's intention to hold these investments to maturity. Any held-to-maturity investments held by the entity are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Derivative instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes value are taken to the income statement unless they are designated as hedges.

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 arm's length transactions, reference to similar instruments and option pricing models.

Impairment

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

(h) Impairment of Assets

At each reporting date, the entity reviews the carrying values of its tangible and intangible 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 the 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 to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(i) Investments in Associates

None are applicable.

(j) Interests in Joint Ventures

None are applicable.

The interests in joint venture entities are brought to account using the cost method.

(k) Intangibles

None are applicable

(l) Foreign Currency Transactions and Balances

None are applicable

(m) Employee Benefits

Provision is made for the entity'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. The calculation of Branch Officials long service leave entitlements is open to interpretation; a general consensus of the calculation method provided by National Office has been used to determine the branch liability.

(n) Provisions

Provisions are recognised when the entity 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.

(o) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(p) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods/services to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

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

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

(q) Borrowing Costs

None are applicable.

The Australian Worker's Union (AWU) – Port Kembla, South Coast & Southern Highlands Branch

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2006

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers AWU PORT KEMBLA SOUTH COAST & SOUTHERN HIGHLANDS BRANCH as an individual entity. AWU PORT KEMBLA SOUTH COAST & SOUTHERN HIGHLANDS BRANCH is a registered trade union branch of the Australian Workers union (AWU) and domiciled in Australia.

The financial report of AWU PORT KEMBLA SOUTH COAST & SOUTHERN HIGHLANDS BRANCH complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

First-time Adoption of Australian Equivalents to International Financial Reporting Standards

AWU PORT KEMBLA SOUTH COAST & SOUTHERN HIGHLANDS BRANCH has prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS) from 1 July 2005.

In accordance with the requirements of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments to the accounts resulting from the introduction of IFRS have been applied retrospectively to 2005 comparative figures excluding cases where optional exemptions available under AASB 1 have been applied. These accounts are the first financial statements of AWU PORT KEMBLA SOUTH COAST & SOUTHERN HIGHLANDS BRANCH to be prepared in accordance with AIFRS.

The accounting policies set out below have been consistently applied to all years presented. The entity has however elected to adopt the exemptions available under AASB 1 relating to AASB 132: Financial Instruments: Disclosure and Presentation, and AASB 139: Financial Instruments: Recognition and Measurement. Refer Note 34 for further details. Reconciliations of the transition from previous Australian GAAP to AIFRS have been included in Note 2 to this report.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

(a) Income Tax

the entity is currently exempt from income tax, this status could change at any time and may result in the imposition of tax for prior years that have previously been taken as non liable.

(b) Inventories

Inventories are measured at the lower of cost and net realisable value. None are currently held.

(c) Land for Sale

Land held is valued at the lower of cost and net realisable value. None are currently held.

(d) Construction Contracts and Work in Progress

No project have been undertaken during the year.

(e) Property, Plant and Equipment

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

Property is not recorded on the branch's balance sheet as the asset vests with the National Office.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by committee members 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 entity 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.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity.

Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation rates used for each class of depreciable assets are:

Buildings:- depreciation rates 2.5 to 4.0% Plant and equipment (incl leased):- depreciation rates 5.0 to 26.5%

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

An asset's 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 or losses are included in the income statement. When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(f) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the entity are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

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

(s) Comparative Figures

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

Critical accounting estimates and judgments

The committee members evaluate 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 entity.

Key estimates — Impairment

The entity assesses impairment at each reporting date by evaluating conditions specific to the entity 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.

No impairment has been recognised during the year.

Key judgments — Doubtful debts provision

no provision is necessary

NOTE 2 Information to be Provided to Members or Registrar

Workplace Relations Act (1996) section 272. In accordance with the provisions of section 272 (5) the member's attention is drawn to sections 272 (1), (2) and (3) which provide as follows:

s272(1) A member of a reporting unit, or a Registrar, 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.

s272(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.

s272(3) A reporting unit must comply with an application made under subsection

NOTE 3 Assets

It is possible that the assets of the branch may become liable to meet the debts of the National Office or other branches as a result of unknown actions.

NOTE 4 Related Party Disclosures

No Officials or Committee of Management holders are related to or have an interest in entities that contract with the branch, other than disclosed as remuneration.

NOTE 5 Donations/ Sponsorships.

The branch has not made any individual donations/grants of more than \$1000 in the year, the branch does advertise/sponsor a local community radio program "sunrise" for \$1200 pa, although this has not been paid or finalized for the 06 year.

NOTE 6 Administrative Contributions

The branch did not receive any administrative contribution as a proportion of entrance/membership subscriptions of another reporting unit.

NOTE 7 Levies & Appeals

No compulsory or voluntary levies or appeals were raised during the year

NOTE 8 Commissions

No employers have received any consideration for making payroll deductions of membership subscriptions. No liability exists for same as at balance date.

NOTE 9 Compulsory Levies

No compulsory levies have been imposed on the branch during the year.

NOTE 10 Employee benefits – Key Management Personnel

Apart from wages disclosed on the Profit & Loss account, branch officials are provided with a motor vehicle and up to \$100 per month in home phone reimbursement, branch secretary has all home phone bill paid. Superannuation is provided to branch officials & staff at 15%. Officials and staff (excluding cleaner) accrue approx 2.3 weeks pa in Long Service, officials also accrue interest on the LSL balance greater than 10 years @ 7.5%.

Officials LSL @ year end \$218574 an increase of \$14005 & Annual leave \$73018 an increase of \$13748

Staff LSL @ year end \$138122 an increase of \$5437 & Annual Leave \$48774 a decrease of \$5173

NOTE 11 First-Time Adoption Of Australian Equivalents To International Financial Reporting Standards

Reconciliation of Equity as at 1/7/04 – no changes have arisen

Recognition of Equity as at 30/6/05 – no changes have arisen

Reconciliation of Profit or Loss for 2005 – non changes have arisen

NOTE 12 Profit from Ordinary Activities

Significant Revenue and Expenses – The following significant revenue and expense items are relevant in explaining the financial performance: Not applicable

NOTE 13 Auditors' Remuneration	\$ 2006	\$ 2005
Remuneration of the auditor for:		
—auditing or reviewing the financial report	9,980	9,600
—taxation services	-	-
—due diligence services	-	-
—taxation services provided by related practice of auditor	-	-

NOTE 14 Cash and Cash Equivalents

The effective interest rate on short-term bank deposits was 5% (2005: [4.5]%), these deposits have an average maturity of 91 days.

NOTE 15 Trade and Other Receivables	\$ 2006	\$ 2005
Trade receivables	-	-
Provision for impairment of receivables	-	-
Amounts due from customers for construction contracts	-	-
Other receivables	-	-
Loans to committee members	-	-
Other related parties	-	-

NOTE 16 Financial Assets

Nil are held

NOTE 17 Property, Plant and Equipment

(a) Movements in Carrying Amounts

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

	Freehold Land, Buildings	Plant & Equipment	Total	
Balance at the beginning of year	nil	253158	253158	
Additions	-	209085	209085	
Disposals	-	166124	166124	
Additions through coy acquisition				
Revaluation increments/(decrements)				
Depreciation expense	-	65307	65307	
Capitalised borrowing cost & depreciation				
Carrying amount at the end of year	-	218990	218990	(b)
Impairment Losses				

The total impairment loss recognised in the income statement during the prior period amounted to nil and is separately presented in the income statement as impairment of property plant and equipment.

NOTE 18 Intangible Assets

Not applicable

NOTE 19 Capital and Leasing Commitments

Not applicable

NOTE 20 Segment Reporting

The entity operates predominately in one business and geographical segment being the supply of facilities and services by a registered union

NOTE 21 Cash Flow Information

(a) Non-cash Financing and Investing Activities

Property, plant and equipment:

During the financial year, the entity acquired plant and equipment with an aggregate fair value of nil (2005: nil) by means of hire purchase agreements. These acquisitions are not reflected in the cash flow statement

(b) Credit Stand by Arrangement and Loan Facilities; The entity does not have any

NOTE 22 Events After the Balance Sheet Date

(a) No after balance date events are known of

(b) The financial report was authorised for issue on 8/8/2006 by the committee of management

NOTE 23 Related Party Transactions

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

NOTE 24 Economic Dependence

no economic dependence situations have been identified.

NOTE 25 Financial Instruments

(a) Financial Risk Management

The entity's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, bills and leases.

The main purpose of non-derivative financial instruments is to raise finance for the entity's operations. The entity does not have any derivative or non derivative instruments at 30 June 2006.

Financial Risks

The main risks the entity is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk. All term investments are lodged for periods of 12 months or less at fixed rates of return.

NOTE 26 Change In Accounting Policy

The entity has adopted the following Accounting Standards for application on or after 1 January 2005:

AASB 132: Financial Instruments: Disclosure and Presentation

AASB 139: Financial Instruments: Recognition and Measurement

The changes resulting from the adoption of AASB 132 relate primarily to increased disclosures required under the standard and do not affect the value of amounts reported in the financial statements.

The adoption of AASB 139 has resulted in material differences in the recognition and measurement of the entity's financial instruments. The entity has elected not to adjust comparative information resulting from the introduction of AASB 139 as permitted under the transitional provisions of this standard. As such, previous Australian Accounting Standards have been applied to comparative information. A summary of the main adjustments that would have resulted were AASB 139 to have been applied retrospectively is included below.

Available-for-sale financial assets Under AASB 139, available-for-sale financial assets are revalued to fair value at reporting date. All adjustments resulting from changes in fair value are taken directly to equity. Were AASB 139 to have been applied retrospectively, a number of financial assets reflected at cost in the comparative year would have been adjusted to fair value at 2005. This would have resulted in an increased carrying value attributable to financial assets at 2006, and a corresponding increase in reserves at that date.

The aggregate effect of the change in accounting policy on the annual financial statements for the year ended 30 June 2006 is as follows: Nil

Australian Accounting Standards issued or amended but are not yet effective and which are applicable to the entity have not been adopted in preparation of the financial statements at reporting date.

AASB amendment	AASB Standard Affected	Nature of Change in Accounting Policy and Impact	Application Date of the Standard	Application Date
2005-5	AASB 1: 1 st time adoption of AIFRS AASB 139: Financial Instruments: Recognition and Measurement	No change, no impact	1 January 2006	1 July 2006
2005-06 2005-9	AASB 3: Business Combinations AASB 132: Financial Instruments: Recognition and Measurement	No change, no impact	1 January 2006	1 July 2006
	AASB 139: Financial Instruments: Disclosure and Presentation	Relates to financial guarantee contracts which the entity has to to recognise a liability in relation to any guarantees provided. the entity is in the process of evaluating the effect of these changes of which the impact is not reasonably estimable at the date of this financial report.	1 January 2006	1 July 2006
2005-10	AASB 139: Financial Instruments: Recognition and Measurement AASB 101: Presentation of Financial Statements AASB 114: Segment Reporting AASB 117: Leases AASB 1: First-time adoption of AIFRS AASB 4: Insurance Contracts AASB 1023: General Insurance Contracts AASB 1038: Life Insurance Contracts	No change, no impact	1 January 2007	1 July 2007
New Standard	AASB 7: Financial Instruments: Disclosure	No change, no impact	1 January 2007	1 July 2007
All other pending standards issued between the previous financial report and the current reporting dates have no application to the entity.				
AASB Amendment 2004-3	AASB Standard Affected AASB 1: First-time adoption of AIFRS AASB 101: Presentation of Financial Statements AASB 124: Related Party Disclosures AASB 139: Financial Instruments: Recognition and Measurement AASB 1023: General Insurance Contracts			
2005-4	AASB 139: Financial Instruments: Recognition and Measurement AASB 132: Financial Instruments: Disclosure and Presentation			
2005-9	AASB 4: Insurance Contracts AASB 1023: General Insurance Contracts			
2006-1 New Standard	AASB 121: The Effects of Changes in Foreign Exchange Rates AASB 119: Employee Benefits: December 2004			

NOTE 27 Penalties

No penalties or fines are known to have been imposed under the act or regulations during the year.

NOTE 28 Entity Details

The registered office & Principal Place of Business of the entity is:

AWU PORT KEMBLA SOUTH COAST & SOUTHERN HIGHLANDS BRANCH, 18 Belmore Street, Wollongong NSW 2500

The Australian Worker's Union (AWU) – Port Kembla South Coast & Southern Highlands Branch

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2006

Review of principal activities:

Normal activity occurred during the year. Changes to the Act preclude the inclusion of union contribution collection from awards & agreements, the branch is endeavouring to overcome the downside of an employer not remitting union dues by electronic funds transfer.

Result of principal activities:

The net operating profit was \$60,749, a contingent liability for \$70,000 noted in last years accounts was paid during the year.

Number of members:

As at year end there was 200 retired members and 4611 ordinary members recorded in the register, calculated by reference to income received tallies 4790 ordinary members.

Employees:

As at balance date there was 4 office staff, 1 cleaner and 5 officials

Membership of Committee of Management:

There were 21 honorary COM members as well as the full time officials of the branch, The COM met 12 times during the year.

<u>COM member name</u>	<u>Meeting attended</u>	<u>Branch Officials</u>	<u>Meeting attended</u>
Baraldi Boris	12/12	Anderson Darryl	6/6
Beaumont William	6/12	Gillespie Andy	10/12
Bogoevski Dragija	1/12	Gorgievski Branko	10/12
Burke Sean	6/12	Gorman Andrew	11/12
Burns Matthew	3/12	Hancock David	11/12
Cassidy Peter	0/12	Phillips Wayne	6/12
Dulevski Peco	1/12		
Karasu John	9/12		
Lelli Nando	12/12		
Markovski Stavre	8/12		
Martin Wayne	7/12		
McGrath John	7/12		
Sukoski Ilija	2/12		
Tancevski Risto	9/12		
Turford Robert	9/12		
Williams Paul	0/12		
Williams Peter	0/12		
Kuczwall Marek	1/12		
Millar Les	9/12		
Murphy Peter	4/12		
Newbold Christopher	7/12		

Significant changes:

No significant changes occurred, branch officials were reduced by one during the year.

Rights of members to resign Sec 174:

A member may resign by giving notice in writing (personally or by mail) to any branch official as per Sec 174 of the Act and rule 17 of the union.

Officers acting as trustee of super funds:

No branch officials have acted directly or indirectly as a trustee of a superannuation fund.

Name of COM member; Andrew Gillespie

Title of Office held; Branch Secretary

Dated 8/8/2006

Signed.....

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF AWU PORT KEMBLA SOUTH COAST & SOUTHERN HIGHLANDS BRANCH

SCOPE

The financial report and the committee of management's responsibility. The financial report comprises the committee of managements' declaration, profit & loss account, balance sheet, statement of cash flows and notes to the financial statements for the year ended 30/6/2006.

The committee of management of the branch are responsible for the preparation and true and fair presentation of the financial report in accordance with the Workplace Relations Act (RAO Schedule) and the Workplace Relations (Regulations and Accountability of Organisations) Regulations 2003 (RAO Regulations) and the reporting guidelines of the Industrial Registrar determined under section 255 of the RAO schedule. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent on the financial report.

AUDIT APPROACH

We conducted an independent audit in order to express an opinion to the members of the branch. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects, the financial report presents fairly in accordance with the Workplace Relations Act and the Workplace Relations (Regulations and Accountability of Organisations) Regulations 2003 and the reporting guidelines of the Industrial Registrar determined under section 255 of the Act, including compliance with accounting standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the branch's financial position and of their performance as represented by the results of their operations and their cash flows.

We formed our audit opinion on the basis of these procedures, which included examining on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and, assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the committee of management.

While we considered the effectiveness of managements' internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

INDEPENDANCE

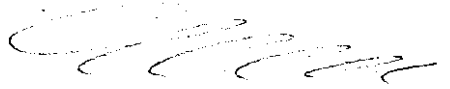
In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Workplace Relations Act.

AUDIT OPINION

In our apinian, the financial report of AWU PORT KEMBLA SOUTH COAST & SOUTHERN HIGHLANDS BRANCH is in accordance with:

- (a) The Workplace Relations Act, the Workplace Relations (Regulations and Accountability of Organisations) Regulations 2003 and the reporting guidelines of the Industrial Registrar determined under section 255 of the Act, including:
 - (i) giving a true and fair view of the branch's financial position as at 30/6/2006 and of their performance for the year ended on that date;
 - (ii) complying with Accounting Standards in Australia and the Workplace Relations Act; and
- (b) other mandatory professional reporting requirement statements;

Dated 10/8/2006
David Neaves Pty Ltd
Inc CA & DA Neaves
27 Princes Highway
Fairy Meadow NSW 2519


.....
Clarence A. Neaves - FCPA, ACIS - Reg'd Compony Auditor

The AWU - Port Kembla South Coast & Southern Highlands Branch

Committee Of Management Statement

On the 24/11/06 the Committee of Management of AWU Port Kembla South Coast & Southern Highlands Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30/6/06.

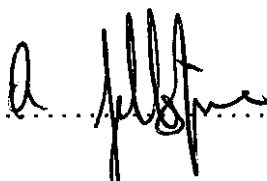
The Committee of Management declares in relation to the GPFR that in its opinion:

- (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 Industrial Registrar;
- (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 year ended 30/6/06;
- (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 GPFR 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 a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organization including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - (iv) the financial records of the reporting unit have been kept as far as practicable, in a consistent manner to each other reporting units of the organisation; and
 - (v) no requests have been sought by any member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule; and
 - (vi) no orders have been made by the Commission under section 273 of the RAO Schedule during the period.
- (f) In relation to recovery of wages activity – no recovery action was undertaken in the year.

Name – Andrew Gillespie

Title of Office held: Branch Secretary

Signature:



Dated: 24 November 2006

The Australian Worker's Union (AWU) – Port Kembla South Coast & Southern Highlands Branch

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2006



Australian Government
Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990
Email: sydney@air.gov.au

Mr Andrew Gillespie
Secretary, Port Kembla, South Coast and Southern Highlands Branch
AWU
PO Box 1506
WOLLONGONG NSW 2500

Dear Mr Gillespie

Re: Lodgement of Financial Statements and Accounts – Port Kembla, South Coast and Southern Highlands Branch – for year ending 30 June 2006 (FR2006/479)

I refer to the abovementioned financial statements and accounts which were lodged in the Registry on 29 November 2006.

The legislative requirements appear to have been met and accordingly the documents have been filed.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Stephen Kellett', with a long horizontal flourish extending to the right.

Stephen Kellett
Statutory Services Branch

4 December 2006