



Australian Government
Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
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Ref: FR2007/230-[002N-PKEM]

Mr Andrew Gillespie
Branch Secretary
The Australian Workers' Union - Port Kembla,
South Coast and Southern Highlands Branch
PO Box 1506
WOLLONGONG NSW 2500

Dear Mr Gillespie

Financial Return - year ending 30 June, 2007

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".

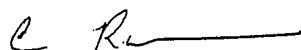
Extensions of Time

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 6618 or by e-mail at belinda.penna@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



For Deputy Industrial Registrar...
18 July, 2007

TIMELINE/ PLANNER

Financial reporting period ending:	/ /	
FIRST MEETING: Prepare General Purpose Financial Report (including Committee of Management Statement in accordance with C of M resolution) and Operating Report - s253(1), s254(1)	/ /	as soon as practicable after end of financial year
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	within a reasonable time of having received the GPFR
Provide full report free of charge to members. (a) if the report is to be presented before a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting, or (b) in any other case including where 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. <i>(obligation to provide full report may be discharged by provision of a concise report s265(1))</i>	/ /	
SECOND MEETING: Present full report to: (a) General Meeting of Members - s266 (1),(2), or (b) where rules of organisation allow, a Committee of Management meeting - s266 (3)	/ /	within 6 months of end of financial year within 6 months of end of financial year
Lodge full report (including any concise report) in the Industrial Registry together with secretary's certificate (or other officer authorised by the rules of the organisation) - s268	/ /	within 14 days of meeting

Note: The legislation makes limited provision for extensions of time concerning the provision of the full report to members and the presentation of the full report to a general meeting etc however the maximum extra time allowed can be no more than one month.

Documents Checklist

You can use this checklist as soon as possible after the financial year ends to ensure you have all the necessary documents prepared and that those documents contain all information required by RAO.

You can also use this checklist to ensure all documents in your financial return are complete before lodging them in the Registry.

No	Document	✓
1	General Purpose Financial Report	
	Does the report contain a Profit and Loss Statement?	
	Does the report contain a Balance Sheet?	
	Does the report contain a Statement of Cash Flows?	
	Does the report contain notes to the financial statements as required by AAS and the reporting guidelines?	
	Does the report contain all other information required by the reporting guidelines?	
2	Committee of Management Statement	
	Is the statement signed by the officer responsible for undertaking functions necessary to enable the reporting unit to comply with RAO?	
	Is the statement dated?	
	Is the statement in accordance with a resolution of the committee?	
	Does the statement specify the date of the resolution?	
	Does the statement contain declarations required by the reporting guidelines?	
	Does the statement contain declarations relating to any recovery of wages activity?	
3	Auditor's Report	
	Is the Report dated and signed by the auditor?	
	Is the name of the auditor clear?	
	Are the qualifications of the auditor on the report?	
	Has the auditor expressed an opinion on all matters required?	
4	Operating Report	
	Is the report signed and dated?	
	Does the report provide the number of members?	
	Does the report provide the number of employees?	
	Does the report contain a review of principal activities?	
	Does the report give details of significant changes?	
	Does the report give details of right of members to resign?	
	Does the report give details of superannuation trustees?	
	Does the report give details of membership of the committee of management?	
5	Concise report*	
6	Certificate of Secretary or other Authorised Officer	
	Is the certificate signed and dated?	
	Is the signatory the secretary or another officer authorised to sign the certificate?	
	Is the date that the report was provided to members stated?	
	Is the date of the Second Meeting at which the report was presented stated?	
	Does the certificate state that the documents are copies of those provided to members?	
	Does the certificate state that the documents are copies of those presented to the Second Meeting?	

* This is an optional way of providing documents to members (see RAO s265(3) and RAO Reg. 161).

Committee Of Management Statement

On ____/____/____ [date of meeting] the Committee of Management of _____ [name of reporting unit] passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended ____/____/____ [date]:

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 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 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 organisation 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) where the organisation consists of 2 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) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been* furnished to the member or Registrar; and
 - #(vi) there has been* compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

[Add the following if any recovery of wages activity has been undertaken during the financial year]

- (f) in relation to recovery of wages activity:
 - (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the Industrial Registrar; and
 - (ii) the committee of management caused the auditor to include in the scope of the audit required under subsection 257(1) of the RAO Schedule all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and
 - (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
 - (iv) that prior to engaging in any recovery of wages activity, the organization has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and

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

For Committee of Management: _____ [*name of designated officer per section 243 of the RAO Schedule*]

Title of Office held:

Signature:

Date:

* *Where compliance or full compliance has not been attained - set out details of non compliance instead.*

Where not relevant these may be modified accordingly (e.g. in (vi) "No orders have been made by the Commission under section 273 of the RAO Schedule during the period."

Certificate of Secretary or other Authorised Officer¹

s268 of Schedule 1B *Workplace Relations Act 1996*

I *[name]* being the *[title of office]* of the *[name of the organisation]* certify:

- that the documents lodged herewith are copies of the full report, *[and the concise report]²*, referred to in s268 of the RAO Schedule; and
- that the *[full report **OR** concise report]³*, was provided to members on *[insert date]*; and
- that the full report was presented to *[a general meeting of members **OR** the last of a series of general meetings of members **OR** a meeting of the committee of management]³* of the reporting unit on *[insert date]*; in accordance with section 266 of the RAO Schedule.

Signature

Date:

¹RAO regulation 162 prescribes the designated officer for the purpose of RAO schedule s268 as:

(a) the secretary; or

(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

²Only applicable where a concise report is provided to members

³Insert whichever is applicable

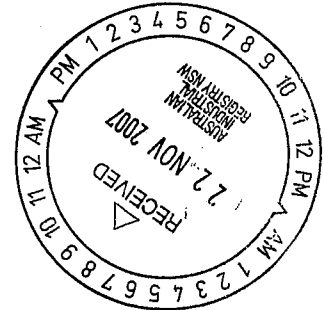
PORT KEMBLA, SOUTH COAST AND
SOUTHERN HIGHLANDS BRANCH

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



21 November 2007

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 2007.

The Accounts were presented to the Committee of Management on 11 September 2007, provided to the membership via the AWU website 9 October 2007 and again presented to the Committee of Management on 13 November 2007.

A copy of the Audit Report 2007 is available at the office of the Australian Workers' Union for the information of members.

Yours faithfully

A handwritten signature in black ink, appearing to read 'A. Gillespie'.

A. GILLESPIE
Branch Secretary

The Australian Worker's Union

Port Kembla South Coast & Southern Highlands Branch

Balance Sheet as at 30/6/2007

	note	2007	2006
CURRENT ASSETS			
Cash on Hand		900	2,400
Cheque account		168,090	531,407
Reserve account		21	21
Credit Union Building account		60,392	103,168
Credit Union Leave Entitlement a/c		484,791	455,479
Term Deposits		677,398	0
Receivables & Loans	15	0	0
Prepayments	15	0	0
Membership Contributions Receivable		71,655	49,710
<i>total current assets</i>		<u>1,463,247</u>	<u>1,142,185</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>-61,626</u>	<u>-54,332</u>
net WDV		25,408	32,702
Motor Vehicles at cost	1(e)	207,613	209,065
less provision for depreciation	17	<u>-15,682</u>	<u>-22,777</u>
net WDV		<u>191,931</u>	<u>186,288</u>
<i>total non current assets</i>		<u>217,836</u>	<u>219,487</u>
<i>total assets</i>		<u>1,681,083</u>	<u>1,361,672</u>
LESS			
CURRENT LIABILITIES			
Accounts Payable - super		0	6,107
- wages		652	1,099
- other		120,763	124,642
Provision for Annual Leave & LSL - staff		159,303	186,896
Provision for Annual Leave & LSL - officials		318,570	291,592
GST		111	-7,696
Contributions Paid in Advance		0	5,945
<i>total liabilities</i>		<u>599,399</u>	<u>608,585</u>
NET ASSETS/-LIABILITIES		<u>1,081,684</u>	<u>753,087</u>
<i>represented by</i>			
ACCUMULATED FUNDS			
Asset Revaluation Reserve		497	497
General Fund		1,081,187	752,590
<i>total accumulated funds</i>		<u>1,081,684</u>	<u>753,087</u>

The Australian Worker's Union

Port Kembla South Coast & Southern Highlands Branch

Statement of Cash Flows

for the year ended 30th June 2007



	year ended 2007	year ended 2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Members/branches	1554874	1658456
Grants/Donations Received	0	0
Payments to suppliers & employees	1046286	1351109
Administrative Contributions paid	214820	220355
Interest/Dividends Received	67562	45873
<i>net cash provided by operating activities</i>	361330	132865
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Motor Vehicles/Equipment	-207613	-209065
GST movement	7218	-7107
Sale of Motor Vehicles	138182	122272
<i>net cash provided by investing activities</i>	-62213	-93900
NET INCREASE/-DECREASE IN CASH	299117	38965
add		
Opening Cash Balance	1092475	1053510
CASH AT END OF YEAR	1391592	1092475
<i>comprising</i>		
Cash at Banks	1390692	1090075
Cash on Hand	900	2400
total cash	1391592	1092475
<u>RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT/-LOSS AFTER ABNORMAL ITEMS</u>		
PROFIT/-LOSS AFTER ABNORMAL ITEMS	328597	60749
add back non cash flows		
depreciation	71082	65307
decrease in annual leave provision	-2363	19542
Decrease/-Increase in receivables	589	0
Increase/-decrease in Accounts Payable	-10433	-29230
Decrease/-Increase in payable	-5945	5945
Increase/-decrease in contributions in advance	-21945	1977
Increase in LSL provision	1748	8575
CASH FLOWS FROM OPERATIONS	361330	132865

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 30/6/2007

<u>Income</u>	note	2007	2006
Membership Subscriptions		1,573,304	1,633,271
Interest		67,562	45,873
Sundry		6,918	289
Wages recovery action		0	0
Donations/Grants received		0	0
<i>total income</i>		0	0
<u>less Expenditure</u>	1(e)	1,647,784	1,679,433
Advertisement/Promotions		9,338	31,901
Affiliation fees		40,660	47,431
Arbitration, Legal & Fines		168,992	241,462
Audit Fees		10,380	9,980
Bank Fees	13	2,650	2,529
Committee of Management expenses		2,005	2,639
Conferences/Conventions		4,478	30,454
Delegates Commission		1,072	0
Delegates Expenses		11,727	10,165
Depreciation		71,082	65,307
Donations/Sponsorships		1,770	591
Electricity/Gas	5	2,921	4,105
Fines/Penalties imposed under the Act		0	0
Fringe Benefits Tax		7,630	6,135
Funeral Benefits		0	80
Industrial announcements/shared costs		3,000	35,041
Insurance		8,262	12,152
Interest		0	0
Motor Vehicle Expenses		37,467	38,221
National Office administrative expense contribution		214,820	220,355
Payroll tax		34,655	39,812
Postage		9,154	11,314
Rates		4,412	4,255
Rent, Hall & Venue Hire		1,686	1,919
Repairs/Replacements		12,082	4,465
Software & IT Support		3,733	8,878
Salaries - Officials	10	329,645	398,343
Salaries - Staff	10	166,674	195,373
Stationary/Petty Cash		10,685	13,930
Strike Pay		0	0
Subscriptions/Memberships/Journals		378	0
Sundry		4,112	10,993
Superannuation		102,388	123,798
Telephone		13,886	30,098
Travel Cost		27,443	16,958
<i>total expenditure</i>		1,319,187	1,618,684
<u>Profit/-Loss from normal activities</u>		328,597	60,749
less abnormal item	12		
<u>Profit/-Loss after abnormal items</u>		328,597	60,749
add accumulated funds 1/7/2006		752,590	691,841
= general fund accumulated funds 30/6/2007		1,081,187	752,590

The notes form part of these accounts.

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2007

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.

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

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.

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 AASB139: 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.

(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.

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 \$233346 an increase of \$14772 & Annual leave \$85224 an increase of \$12206

Staff LSL @ year end \$120987 an decrease of \$17135 & Annual Leave \$38316 a decrease of \$10458

NOTE 11 Loan & Finance covenants

Not applicable

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

Remuneration of the auditor for:

	\$ 2007	\$ 2006
—auditing or reviewing the financial report	10380	9,980
—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% (2006: [4.5]%) these deposits have an average maturity of 91 days.

NOTE 15 Trade and Other Receivables

	\$ 2007	\$ 2006
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	nil	218990	218990
Additions	-	-	207613	207613
Disposals	-	-	138182	138182
Additions through coy acquisition				
Revaluation increments/(decrements)				
Depreciation expense	-	-	71082	71082
Capitalised borrowing cost & depreciation				
Carrying amount at the end of year	-	-	217339	217339

(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 11/9/2007 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 2007.

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

No changes resulting from adoption of accounting standards have occurred.

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

Committee Of Management Statement

On the 11/9/2007 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 30/6/07.

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 30/6/07;
- (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; 11/9/07

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

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2007

Review of principal activities:

Normal activity occurred during the year.

Result of principal activities:

The net operating profit was \$328,597.

Number of members:

As at year end there was 189 retired members and 4210 ordinary members recorded in the register, calculated by reference to income received tallies 4062 ordinary members.

Employees:

As at balance date there was 3 office staff, 1 cleaner and 5 officials

Membership of Committee of Management:

There were 18 honorary COM members as well as the full time officials of the branch, The COM met 10 times during the year.

<u>COM member name</u>	<u>Meeting attended</u>	<u>Branch Officials</u>	<u>Meeting attended</u>
Baraldi Boris	8/10		
Beaumont William	7/10	Gillespie Andy	9/10
Bogoevski Dragija	2/10	Gorgievski Branko	10/10
Burke Sean	6/10	Gorman Andrew	10/10
Burns Matthew	7/10	Hancock David	9/10
Cassidy Peter	0/10	Phillips Wayne	8/10
Dulevski Peco	5/10		
Karasu John	7/10		
Kuczwall Marek	4/10		
Markovski Stavre	8/10		
Martin Wayne	9/10		
Millar Les	5/10		
Murphy Peter	3/10		
Newbold Christopher	4/10		
Sukoski Ilija	6/10		
Tancevski Risto	9/10		
Turford Robert	8/10		
Withers. B	9/10		

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.

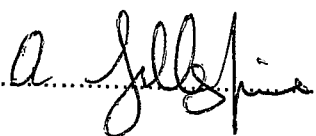
Officers acting as trustee of super funds:

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 11/9/2007

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 30/6/2007.

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

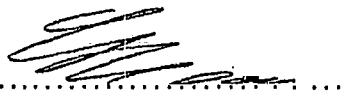
In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Workplace Relations Act.

AUDIT OPINION

In our opinion, 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 11/9/2007
CA & DA Neaves
c/- David Neaves Pty Ltd
1/29 Princes Highway
Fairy Meadow NSW 2519

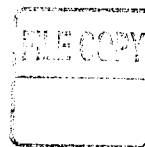

.....
Clarence A. Neaves - FCPA, ACIS - Reg'd Company Auditor



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 2007 (FR2007/230)

I refer to the abovementioned financial statements and accounts which were lodged in the Registry on 22 November 2007.

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', written over a horizontal line.

Stephen Kellett
Statutory Services Branch

1 February 2008