



FAIR WORK
AUSTRALIA

15 February 2010

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



Dear Mr Gillespie

**Lodgment of Financial Statements and Accounts – The Australian Workers' Union, Port
Kembla, South Coast and Southern Highlands Branch - for year ended 30 June 2009
(FR2009/10133)**

Thank you for lodging the abovementioned financial statements and accounts which were received by Fair Work Australia on 28 January 2010.

The documents have been filed but I take this opportunity to draw your attention to the following details.

Note 1 on page 6 refers to the report having been prepared as a "*special purpose financial report*." Though there appears to be no material difference in the documents lodged you should advise your auditor that section 253 of the Act requires reports to be prepared as general purpose financial reports.

The item "Donations and sponsorships" disclosed on page 23 shows a total of \$16, 597. If this amount included any individual donation exceeding \$1,000, then a separate statement under s237 of the Act must be lodged, showing the relevant particulars.

Yours sincerely,

Stephen Kellett
Statutory Services Branch
Fair Work Australia

Port Kembla, South Coast and Southern Highlands Branch

P O Box 1506, Wollongong NSW 2500
18 Belmore Street, Wollongong 2500

Phone: 4229 3611 Fax: 4229 8096
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27 January 2010

Mr Stephen Kellett
Statutory Services Branch
Fair Work Australia
Level 8, 80 William Street
East Sydney NSW 2011



Dear Sir

Lodgement of Financial Statements and Accounts – Port Kembla, South Coast and Southern Highlands Branch – for year ending 30 June 2009

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 June 2009.

The Accounts were mailed to the Committee of Management on 23 October 2009, provided to the membership via the AWU website on 19 November 2009, and again presented to the Committee of Management on 17 November 2009.

A copy of the Audit Report 2009 is available at the office of the Australian Workers' Union for the information of the members.

Yours faithfully

A handwritten signature in cursive script, appearing to read 'A Gillespie'.

A. GILLESPIE
Branch Secretary

**The Australian Workers Union
Port Kembla South Coast and Southern Highlands Branch
ABN: 18 717 674 551**

Financial Report for the year ended 30 June 2009

**The Australian Workers Union
Port Kembla South Coast and Southern Highlands Branch
ABN 18 717 674 551**

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009**

	Note	2009	2008
		\$	\$
Revenue	3	1,690,036	1,657,784
Member Representation Costs		(326,288)	(376,564)
Depreciation expenses		(43,404)	(34,800)
Labour & Employment expenses		(722,604)	(659,674)
Marketing expenses		(6,500)	(9,491)
Occupancy expenses		(10,295)	(8,312)
Finance costs		(1,876)	(1,768)
Bad debts and provision for doubtful debts		-	-
Other expenses		(180,882)	(169,120)
Net Profit		398,187	398,055
Accumulated funds at 1 July		1,398,818	1,000,763
General funds at 30 June		1,797,005	1,398,818

The accompanying notes form part of these financial statements.

**The Australian Workers Union
Port Kembla South Coast and Southern Highlands Branch
ABN 18 717 674 551**

**BALANCE SHEET
AS AT 30 JUNE 2009**

	Note	2009 \$	2008 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	2,125,244	1,618,532
Trade and other receivables	7	-	-
Other current assets	8	-	70,457
TOTAL CURRENT ASSETS		<u>2,125,244</u>	<u>1,688,989</u>
NON-CURRENT ASSETS			
Financial assets	9	681	673
Property, plant and equipment	10	202,170	187,825
TOTAL NON-CURRENT ASSETS		<u>202,851</u>	<u>188,498</u>
TOTAL ASSETS		<u>2,328,095</u>	<u>1,877,487</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	43,925	19,398
Provisions	12	486,660	458,774
TOTAL CURRENT LIABILITIES		<u>530,585</u>	<u>478,172</u>
TOTAL LIABILITIES		<u>530,585</u>	<u>478,172</u>
NET ASSETS		<u>1,797,510</u>	<u>1,399,315</u>
MEMBERS EQUITY			
Reserves	13	505	497
General fund		1,797,005	1,398,818
TOTAL ACCUMULATED FUNDS		<u>1,797,510</u>	<u>1,399,315</u>

The accompanying notes form part of these financial statements.

**The Australian Workers Union
Port Kembla South Coast and Southern Highlands Branch
ABN 18 717 674 551**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009**

Note	Retained Earnings \$	Asset Revaluation Reserve \$	Total \$
Balance at 1 July 2007	1,081,187	497	1,081,684
Profit attributable to members	398,055	-	398,055
Revaluation (decrement) in relation to prior year*	(80,424)	-	(80,424)
Balance at 30 June 2008	1,398,818	497	1,399,315
Shares issued during the year			
Capital Revaluation reserve	-	8	8
Profit attributable to members	398,187		398,187
Balance at 30 June 2009	1,797,005	505	1,797,510

* Denotes:

- Adjustment to the final purchase price paid for motor vehicles purchased in the year ended 30 June 2007.
- Depreciation on motor vehicles under accrued in the year ended 30 June 2007.

The accompanying notes form part of these financial statements.

**The Australian Workers Union
Port Kembla South Coast and Southern Highlands Branch
ABN 18 717 674 551**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009**

	Note	2009	2008
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Members		1,568,299	1,619,835
Payments to suppliers and employees		(890,817)	(1,264,824)
Dividends received		22	52
AWU National Office: Administrative Contributions paid		(212,083)	(214,850)
Interest Received		99,042	95,562
Net cash provided by operating activities	21	564,463	235,775
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of motor vehicles		130,844	-
Purchase of leasehold improvements, plant & equipment		(188,595)	(39,037)
Prior year adjustment to cost of purchase of motor vehicles		-	30,202
GST movement		-	-
Net cash used in investing activities		(57,751)	(8,835)
Net increase in cash held		506,712	226,940
Cash at beginning of financial year		1,618,532	1,391,592
Cash at end of financial year	6	2,125,244	1,618,532

The accompanying notes form part of these financial statements.

**The Australian Workers Union
Port Kembla South Coast and Southern Highlands Branch
ABN 18 717 674 551**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report covers The Australian Workers Union Port Kembla South Coast and Southern Highlands Branch as an individual entity. The Australian Workers Union Port Kembla South Coast and Southern Highlands Branch is a registered trade union branch of the Australian Workers Union (AWU) and domiciled in Australia.

Basis of Preparation

The financial report is a special purpose financial report that has been prepared in accordance with 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.

The financial report has been prepared on a cash basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

a. Income Tax

The entity is currently exempt from income tax. No income tax expense has been calculated or charged to the Income Statement.

b. 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 the Committee of Management 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.

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.

c. Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a diminishing value basis over the asset's useful life 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:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Plant and equipment, Motor Vehicles, Leasehold Improvement	4% to 30% Diminishing Value

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 revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**The Australian Workers Union
Port Kembla South Coast and Southern Highlands Branch
ABN 18 717 674 551**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

Note 1: Statement of Significant Accounting Policies (continued)

d. Financial Instruments

Recognition and Initial Measurement

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

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

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

Classification and Subsequent Measurement

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(ii) *Loans and receivables*

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

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(v) *Financial Liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

**The Australian Workers Union
Port Kembla South Coast and Southern Highlands Branch
ABN 18 717 674 551**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

Note 1: Statement of Significant Accounting Policies (continued)

e. 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.

f. 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. 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.

g. 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.

h. Cash and Cash Equivalents

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

i. Revenue and Other Income

Membership subscription revenue is recognised when it is received.

Interest revenue is recognised on a proportional basis taking into account the interest rates appropriate to the financial asset. Dividend revenue is recognised when the right to receive a dividend has been established.

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

j. 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 Tax 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 gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

k. Comparative Figures

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

**The Australian Workers Union
Port Kembla South Coast and Southern Highlands Branch
ABN 18 717 674 551**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

Note 1: Statement of Significant Accounting Policies (continued)

I. Critical accounting estimates and judgments

The Committee of Management 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.

The financial report was authorised for issue on 8 October 2009 by the Committee of Management.

**The Australian Workers Union
Port Kembla South Coast and Southern Highlands Branch
ABN 18 717 674 551**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

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 members' 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.

s(272(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 under subsection.

NOTE 3: REVENUE

	2009	2008
	\$	\$
Sales revenue		
— Membership subscriptions	1,554,791	1,548,180
— Dividends received	22	52
— Interest received	99,042	95,562
— Other revenue	36,181	13,990
Total Revenue	1,690,036	1,657,784

NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION

Branch officials are provided with a motor vehicle and up to \$100 per month in home phone reimbursement. The branch secretary has all home phone bills paid. Superannuation is provided to branch officials and staff at 14% per annum. Officials accrue approximately 1.9 weeks per annum and staff (excluding the cleaner) accrue approximately 1.08 weeks per annum in long service leave. Branch officials also accrue interest on the long service leave balance greater than 10 years at 7.5% per annum.

Officials LSL at year end \$261,889, a decrease of \$898.

Officials Annual leave at year end \$98,406, an increase of \$13,767

Staff LSL at year end \$95,790, a increase of \$4,861

Staff annual leave at year end \$30,575, an increase of \$10,156

**The Australian Workers Union
Port Kembla South Coast and Southern Highlands Branch
ABN 18 717 674 551**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

NOTE 5: AUDITORS' REMUNERATION

	2009	2008
	\$	\$
Remuneration of the auditor		
— auditing or reviewing the financial report	9,394	10,000
— taxation services	-	-
	9,394	10,000

NOTE 6: CASH AND CASH EQUIVALENTS

Cash on hand	900	900
Term deposit	1,000,000	900,000
Cheque account	177,522	121,352
Credit union building account	361,180	76,951
Credit union leave entitlement account	558,291	519,329
Credit Union Wage account	27,351	-
Cash and cash equivalents	2,125,244	1,618,532

The effective interest rate on term bank deposits was 4.45% (2008: 8.25%) and 4.00% (2008: 5.48%) for the remaining accounts. Deposits have an average maturity of 90 days.

Reconciliation of cash

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

Cash and cash equivalents	2,125,244	1,618,532
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NOTE 7: TRADE AND OTHER RECEIVABLES

Membership contributions receivable	-	-
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NOTE 8: OTHER ASSETS

Prepayments	-	70,457
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**The Australian Workers Union
Port Kembla South Coast and Southern Highlands Branch
ABN 18 717 674 551**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

NOTE 9: FINANCIAL ASSETS

		2009	2008
		\$	\$
Available for sale financial assets	Note 9a	681	673
a. Available-for-sale financial assets comprise:			
Listed investments			
— shares in listed corporations, at fair value		646	638
Unlisted investments, at cost		35	35
Total available-for-sale financial assets		681	673

Available-for-sale financial assets comprise investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity date attached to these investments.

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

LAND AND BUILDINGS

Leasehold Improvements:

At cost	22,023	22,023
Accumulated depreciation	(551)	-
Total land and buildings	21,472	22,023

PLANT AND EQUIPMENT

Computers and office equipment:

At cost	113,412	100,499
Accumulated depreciation	(77,867)	(67,559)
Total Computers and office equipment	35,545	32,940

Motor Vehicles:

At cost	175,677	177,411
Accumulated depreciation	(30,524)	(44,549)
Total Motor Vehicles	145,153	132,862

Total Plant and Equipment

Total Property, Plant and Equipment	202,170	187,825
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**The Australian Workers Union
Port Kembla South Coast and Southern Highlands Branch
ABN 18 717 674 551**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

Note 10: Property, Plant and Equipment (continued)

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

	Buildings	Plant and Equipment	Total
	\$	\$	\$
Balance at 1 July 2007	-	267,561	267,561
Additions	22,023	13,465	35,488
Disposals	-	-	-
Revaluation increments/(decrements)	-	(80,424)	(80,424)
Depreciation expense	-	(34,800)	(34,800)
Balance at 30 June 2008	22,023	165,802	187,825
Additions	-	188,593	188,593
Disposals	-	(130,844)	(130,844)
Depreciation expense	(551)	(42,853)	(43,404)
Carrying amount at 30 June 2009	21,472	180,698	202,170

NOTE 11: TRADE AND OTHER PAYABLES

	2009	2008
	\$	\$
CURRENT		
Unsecured liabilities		
Tax Payable	18,885	-
Payroll Liabilities	15,040	-
Trade payables	-	-
Sundry payables and accrued expenses	10,000	18,608
Employee benefits	-	790
	43,925	19,398

**The Australian Workers Union
Port Kembla South Coast and Southern Highlands Branch
ABN 18 717 674 551**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

NOTE 12: CURRENT PROVISIONS

	2009	2008
	\$	\$
Annual leave and long service leave - staff	126,365	111,348
Annual leave and long service leave - officials	360,295	347,426
Current employee provisions	486,660	458,774
	Employee Benefits	
	\$	
Opening balance at 1 July 2008	458,774	
Net Movement in Provision	27,886	
Balance at 30 June 2009	486,660	

Provision for Long-term Employee Benefits

Officials and staff (excluding the cleaner) accrue 4 weeks annual leave per annum.

Officials accrue approximately 1.9 weeks per annum (Support staff accrue 1.083 weeks per annum) in long service leave. Branch officials also accrue interest on the long service leave balance greater than 10 years at 7.5% per annum.

NOTE 13: RESERVES

Asset Revaluation Reserve

The asset revaluation reserve records revaluations of non-current assets

	505	497
	505	497

NOTE 14: CAPITAL AND LEASING COMMITMENTS

The entity had no capital or leasing commitments at year end.

NOTE 15: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities or contingent assets at year end.

Note 16: Related Party Transactions

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

The National Office of the Australian Workers Union (AWU) owns the premises from which the entity, the Port Kembla South Coast & Southern Highlands Branch of the AWU runs its operations.

These premises are provided with rent being paid in the form of all property outgoings by the entity.

**The Australian Workers Union
Port Kembla South Coast and Southern Highlands Branch
ABN 18 717 674 551**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

NOTE 17: EVENTS AFTER THE BALANCE SHEET DATE

Since the end of the financial year there are no known events, financial or otherwise that would impact materially on the financial statements of the entity at 30 June 2009.

NOTE 18: SEGMENT REPORTING

The entity operates in one business and geographical segment being provision of worker representation services in the Port Kembla, South Coast and Southern Highlands Regions of Australia.

Note 19: ECONOMIC DEPENDENCE

No economic dependence situations have been identified.

Note 20: ENTITY DETAILS

The principal place of business and registered office of the entity is 18 Belmore St., Wollongong.

NOTE 21: CASH FLOW INFORMATION

	2009	2008
	\$	\$
Reconciliation of Cash Flow from Operations with Net Profit		
Net Profit	398,187	398,055
Non-cash flows in profit		
Depreciation	43,404	34,800
Prior year adjustment	-	(80,424)
Unrealised gains on holding of investments	-	(176)
Changes in assets and liabilities,		
Increase in trade and other receivables	-	71,655
Increase in prepayments	70,457	(70,457)
Increase/(decrease) in trade and other payables	24,529	(98,579)
Increase/(decrease) in Annual & Long Service Leave Provisions	27,886	(19,099)
	564,463	235,775

**The Australian Workers Union
Port Kembla South Coast and Southern Highlands Branch
ABN 18 717 674 551**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

NOTE 22: FINANCIAL RISK MANAGEMENT

a. Financial Risk Management

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

The Committee of Management's overall risk management strategy seeks to assist the entity in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Committee of Management on a regular basis. These include the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for entity operations.

The entity does not have any derivative instruments at 30 June 2009.

Financial Risk exposures and management

The main risks the entity is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

i. Interest rate risk

All term investments are lodged for periods of 12 months or less at fixed rates of return.

ii. Foreign currency risk

The entity is not exposed to fluctuations in foreign currencies.

iii. Liquidity risk

The entity manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash reserves are maintained.

iv. Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

There are no material amounts of collateral held as security at 30 June 2009.

The entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the entity.

Credit risk is managed reviewed regularly by the Committee of Management. It arises from exposures to customers as well as through deposits with financial institutions.

The Committee of Management monitors credit risk by actively assessing the rating quality and liquidity of counter parties:

- only banks and financial institutions with an 'A' rating are utilised;
- All new member subscription dues are collected through employer payroll systems.

The trade receivables balances at 30 June 2009 and 30 June 2008 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

v. Price risk

The entity is not exposed to any material commodity price risk.

**The Australian Workers Union
Port Kembla South Coast and Southern Highlands Branch
ABN 18 717 674 551**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

NOTE 22: FINANCIAL RISK MANAGEMENT (CONTINUED)

b. Financial Instrument Composition and Maturity analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

	Weighted Average Effective Interest Rate		Within-Year		1 to 5 Years	
	2009	2008	2009	2008	2009	2008
	%	%	\$	\$	\$	\$
Financial Assets:						
Cash and cash equivalents	4	5.48	566,953	199,202	-	-
Short term deposits	4.45	8.25	1,558,291	1,419,330	-	-
Investments	-	-	-	-	681	673
Loans and receivables	-	-	-	-	-	-
Total Financial Assets:			2,125,244	1,618,532	681	673

NOTE 23: FINANCIAL INSTRUMENTS

	Non Interest Bearing	
	2009	2008
	\$	\$
Financial Liabilities		
Trade and other payables	43,925	19,398
Total Financial Liabilities:	43,925	19,398

Trade and sundry payables are expected to be paid as followed:

Less than 6 months	43,925	19,398
6 months to 1 year	-	-
1-5 years	-	-
Over 5 years	-	-
	43,925	19,398

**The Australian Workers Union
Port Kembla South Coast and Southern Highlands Branch
ABN 18 717 674 551**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

NOTE 23: FINANCIAL INSTRUMENTS (CONTINUED)

Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the entity intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

	2009		2008	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	\$	\$	\$	\$
Financial Assets				
Investments	681	681	673	673
Loans and receivables	-	-	-	-
	681	681	673	673

	2009		2008	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	\$	\$	\$	\$
Financial Liabilities				
Trade and other payables	43,925	43,925	19,398	19,398
	43,925	43,925	19,398	19,398

Fair values are materially in line with carrying values. A discount rate of 0% (2008: 0% has been applied to all non-current borrowings to determine fair value.

Sensitivity Analysis

Interest Rate Risk

The entity has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

**The Australian Workers Union
Port Kembla South Coast and Southern Highlands Branch
ABN 18 717 674 551**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

NOTE 23: FINANCIAL INSTRUMENTS (CONTINUED)

Interest Rate Sensitivity Analysis:

At 30 June 2009, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2009	2008
	\$	\$
Change in profit		
— Increase in interest rate by 2%	-	32,371
— Decrease in interest rate by 2%	-	(32,371)
Change in Equity		
— Increase in interest rate by 2%	-	-
— Decrease in interest rate by 2%	-	-

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

The entity has no exposure to fluctuations in foreign currency.

**The Australian Workers Union
Port Kembla South Coast and Southern Highlands Branch
ABN 18 717 674 551**

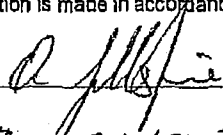
COMMITTEE OF MANAGEMENT STATEMENT

The Committee of Management have considered and have passed the following resolution with respect to the financial report of The Australian Workers Union Port Kembla South Coast and Southern Highlands Branch (the entity), which comprises the balance sheet as at 30 June 2009 and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and this Committee of Management Statement:

1. The financial report comprising of the balance sheet as at 30 June 2009 and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and this Committee of Management Statement comply with Australian Accounting Standards (referred to as the financial statements);
2. The financial statements comply with the reporting guidelines of the Industrial Registrar;
3. The financial statements and notes, as set out on pages 1 to 19 present fairly the entity's financial position as at 30 June 2009 and its performance for the year ended on that date in accordance with Accounting Standards and other mandatory professional reporting requirements; and
4. The financial statements and notes, as set out on pages 1 to 19 present fairly the entity's financial position as at 30 June 2009 and its performance for the year ended on that date in accordance with Accounting Standards and other mandatory professional reporting requirements; and
5. There are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.
6. During the financial year ended 30 June 2009 and since the end of the financial year:
 - 6(i) Meetings of the Committee of Management were held in accordance with the rules of the AWU including the rules of the Port Kembla South Coast and Southern Highlands Branch; and
 - 6(ii) The financial affairs of the entity have been managed in accord with the rules of the AWU including the rules of the Port Kembla South Coast and Southern Highlands Branch; and
 - 6(iii) The financial records of the entity have been kept and maintained in accord with the RAO Schedule and the RAO Regulations; and
 - 6(iv) The financial records of the entity have been kept as far as practicable, in a consistent manner to each of the other reporting units of the AWU;
 - 6(v) No requests have been sought by any member of the entity or a Registrar duly made under Section 272 of the RAO Schedule; and
 - 6(vi) No orders have been made by the Commission under Section 273 of the RAO Schedule during the financial year ended 30 June 2009.
7. In relation to wages activity – no recovery action was undertaken in the year.

This declaration is made in accordance with a resolution of the Committee of Management

Branch
Secretary



A. Gillespie

Dated this 8th day of October 2009.

**The Australian Workers Union
Port Kembla South Coast and Southern Highlands Branch
ABN 18 717 674 551**

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

SCOPE

The financial report is 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 June 2009.

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.

INDEPENDENCE

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

**The Australian Workers Union
Port Kembla South Coast and Southern Highlands Branch
ABN 18 717 674 551**

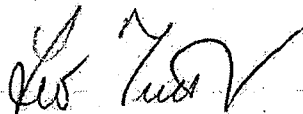
AUDIT OPINION

In our opinion, the financial report of AWU PORT KEMBLA SOUTH COAST AND 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 June 2009 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;

William Buck

Chartered Accountants



L.E. Tutt

Partner

Sydney, 8 October, 2009.

**The Australian Workers Union
Port Kembla South Coast and Southern Highlands Branch
ABN 18 717 674 551**

**PRIVATE INFORMATION FOR THE COMMITTEE OF MANAGEMENT
ON THE 2009 FINANCIAL ACCOUNTS**

1. Trading and Profit and Loss Account
2. Statement of Membership Representation Costs

**TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2009**

SALES		
Union Membership Dues	1,554,791	1,548,180
Less: Member Representation Costs	326,288	376,564
GROSS PROFIT	1,228,503	1,171,616
Less: EXPENSES		
Advertising	6,500	9,491
Auditors' remuneration	9,394	10,000
Bad debts and provision for doubtful debts	-	-
Bank charges	1,876	1,768
Committee of Management Expenses	-	-
Donations & Sponsorships	16,597	970
Depreciation	43,404	34,800
Fringe benefits tax	3,210	3,140
Funeral Benefit	-	131
Insurances	4,346	9,250
Motor Vehicle Expenses	34,263	32,607
Office Supplies	12,441	18,632
Postage	14,582	13,311
Parking costs	1,848	2,588
Payroll Tax	41,148	33,417
Payroll Tax Dispute: Shared Costs	-	21,222
Property Expenses	10,292	8,312
Provision for Employees Leave	27,886	(19,099)
Rentals - Hall & Venue Hire	4,478	7,586
Repairs & Maintenance	(151)	8,254
Salaries - Officials	265,287	258,808
Salaries - Staff	276,054	227,956
Staff Amenities & Uniforms	9,083	3,751
Subscriptions	-	730
Sundry Expenses	43,453	39,177
Superannuation	99,938	102,460
Travel Expenses	17,155	20,788
Technology Maintenance Costs	2,125	13,880
Telephone	20,375	19,235
Total Expenses	965,584	883,165
TRADING PROFIT	262,919	288,451
Other Operating Income		
Interest received	99,042	95,562
Dividends received	22	52
Sundry Income	14,149	13,814
Unrealised gains on shareholdings	-	176
Gain on sale of motor vehicles	22,055	-
Other Operating Income	135,268	109,604
NET PROFIT	398,187	398,055

**The Australian Workers Union
Port Kembla South Coast and Southern Highlands Branch
ABN 18 717 674 551**

**STATEMENT OF MEMBER REPRESENTATION COSTS
FOR THE YEAR ENDED 30 JUNE 2009**

	2009	2008
	\$	\$
AWU Affiliation Fees	11,141	53,017
AWU National Office Administrative Expenses Contribution	212,083	214,850
Member Representation Costs: Arbitration Legals & Fines	32,313	67,518
Conference & AWU Convention Costs	34,183	27,111
Delegates Commissions	-	-
Union Delegate Expenses	12,813	11,660
ACTU Cost	21,050	-
Retired Delegates Luncheon	2,705	2,408
Total Member Representation Costs	<u>326,288</u>	<u>376,564</u>

**The Australian Workers Union
Port Kembla South Coast and Southern Highlands Branch
ABN 18 717 674 551**

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2009**

	2009	2008
	\$	\$

REVIEW OF PRINCIPAL ACTIVITIES

The entity carried on the normal business of acting as a union and representing its members.

REVIEW OF PRINCIPAL ACTIVITIES

The net operating profit of the entity for the year ended 30 June 2009

	398,187	398,055
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NUMBER OF MEMBERS

At the end of the financial year, financial ordinary members were:

	4,472
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EMPLOYEES

At 30 June 2009, the entity employed

Branch Officials – full-time

	5	5
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Office Staff – full-time

	2	2
--	---	---

Cleaner – part-time

	1	1
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	8	8
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**The Australian Workers Union
Port Kembla South Coast and Southern Highlands Branch
ABN 18 717 674 551**

MEMBERSHIP OF COMMITTEE OF MANAGEMENT

There were 19 honorary members of the Committee of Management excluding the Branch Officials. The Committee of Management met 9 times (2008, 11 times) during the financial year ended 30 June 2009 (once per month excluding March, April and June 2009).

Attendance of the honorary members at the Committee of Management meetings was as follows:

A Gillespie	8/9	9/11
W Phillips	8/9	11/11
A Gorman	9/9	5/11
B Gorgievski	9/9	9/11
D Hancock	9/9	10/11
B Baraldi	6/9	8/11
W Beaumont	4/9	6/11
D Bogoevski	5/9	3/11
S Burke	4/9	9/11
M Burns	0/9	4/11
P Cassidy	0/9	0/11
P Dulevski	2/9	3/11
J Karasu	5/9	5/11
M Kuczwall	0/9	2/11
S Markovski	8/9	11/11
W Martin	8/9	9/11
L Millar	7/9	7/11
P Murphy	0	0/11
C Newbold	0	6/11
I Sukoski	5/9	6/11
R Tancevski	8/9	8/11
R Turford	9/9	10/11
J Kyriazopoulos	3/9	0/11
B Withers	7/9	10/11

SIGNIFICANT CHANGES

No significant changes in the operations of the entity occurred during the financial year ended 30 June 2009.

RIGHTS OF MEMBERS

A member may resign by giving notice (personally or by mail) to any Branch Official pursuant to Section 174 of the Act and Rule 17 of the AWU.

OFFICIALS ACTING AS TRUSTEE OF A SUPERANNUATION FUND

No Branch Officials have acted in the capacity of trustee of a public superannuation fund.

**The Australian Workers Union
Port Kembla South Coast and Southern Highlands Branch
ABN 18 717 674 551**

**COMPILATION REPORT TO THE AUSTRALIAN WORKERS UNION
PORT KEMBLA SOUTH COAST AND SOUTHERN HIGHLANDS BRANCH**

Scope

On the basis of information provided by the Committee of Management of The Australian Workers Union, Port Kembla South Coast & Southern Highlands Branch, we have compiled in accordance with APS 9: Statement on Compilation of Financial Reports the following special purpose financial report The Australian Workers Union, Port Kembla South Coast & Southern Highlands Branch comprising Trading, Profit and Loss Account and Statement of Manufacturing Costs for the year ended 30 June 2009.

The specific purpose for which the special purpose financial report has been prepared is for the use of the Committee of Management and members. Accounting Standards and other mandatory professional reporting requirements have not been adopted in the preparation of the special purpose financial report.

The Committee of Management are solely responsible for the information contained in the special purpose financial report and have determined that the accounting policies used are consistent with the financial reporting requirements of The Australian Workers Union, Port Kembla South Coast & Southern Highlands Branch's constitution and are appropriate to meet the needs of the Committee of Management and members of the entity.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Committee of Management provided into a financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

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

The special purpose financial report was prepared for the benefit of the directors and members of the entity and the purpose identified above. We do not accept responsibility to any other person for the contents of the special purpose financial report.

Address: Level 3, 67-69 Market St Wollongong

Name of Firm: Tarrants, Accountants & Business
Advisors

Dated: 8 October 2009

Signed by: _____



Fair Work Australia

11 August 2009

Mr Darryl Anderson
Assistant Secretary
The Australian Workers' Union
Port Kembla, South Coast and Southern Highlands Branch
PO Box 1506
WOLLONGONG NSW 2500

Dear Mr Anderson,

**Lodgement of Financial Documents for year ended 30 June 2009 [FR2009/10133]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of The Australian Workers' Union - Port Kembla, South Coast and Southern Highlands Branch (the "reporting unit") has recently ended. This is a courtesy letter to remind you of the obligation to prepare and process the reporting unit's financial documents. The full financial report must be lodged with Fair Work Australia within a period of 5 months and 14 days or 6 months and 14 days, depending on your rules, of the end of the financial year.

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

In addition, financial reporting fact sheets and sample documents can be found on our new Fair Work Australia website. You will find that the legislative requirements remain largely unchanged to that of the former requirements under Schedule 1 of the Workplace Relations Act 1996. The information can be viewed at [FWA Registered Organisations Fact Sheets](#).

This office encourages you to lodge all financial reports electronically (e.g. as pdf files) at RIASydney@fwa.gov.au. Alternatively, you can forward the documents by fax to (02) 9380 6990.

If you need any further information or if you believe you will be unable to lodge the full financial report within the period mentioned above please contact me on (02) 8374 6615 or by email at RIASydney@fwa.gov.au.

Yours sincerely,

Steve Teece
Research Information and Advice Team
Fair Work Australia

TIMELINE/ PLANNER

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

As soon as practicable after end of financial year

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

Provide full report free of charge to members – s265 The full report includes: <ul style="list-style-type: none"> • the General Purpose Financial Report (which includes the Committee of Management Statement); • the Auditor's Report; and • the Operating Report. 	/ /
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(a) if the report is to be presented to 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.

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

Within 6 months of end of financial year

Within 6 months of end of financial year

Lodge full report in the Industrial Registry, together with the #Designated Officer's certificate ⁺⁺ – s268	/ /
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Within 14 days of meeting

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

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

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