



AUSTRALIAN INDUSTRIAL REGISTRY

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990

Ref: FR2003/304-[002N-QLD]

Mr W P Ludwig
Secretary, Queensland Branch
The Australian Workers' Union
GPO Box 88
BRISBANE QLD 4001

Dear Mr Ludwig

**Re: The Australian Workers' Union - Queensland Branch
Financial Reporting Obligations under *Workplace Relations Act 1996***

This is a courtesy letter to remind you of the financial reporting obligations of the abovenamed body under the *Workplace Relations Act 1996* ('the Act') for the financial year ended 30 June, 2003.

The legislative scheme set out in Part IX, Division 11 of the Act is directed at ensuring that a registered organisation or a branch of such an organisation discharges obligations of accountability to its members in relation to its financial affairs through proper and regular disclosure of financial information. The various steps of the financial reporting requirements must be carried out within the time-scales prescribed by the legislation so as to ensure the relevance of the financial information provided to the members.

Now that the financial year has ended, it is timely that you put in train the various steps of the financial reporting requirements. To assist you with this process I have enclosed for your information a notice summarising these requirements including the time-scales prescribed by the legislation.

Please note that a branch of an organisation may be exempted from the obligations arising under Part IX, Division 11 in respect of a financial year by satisfying a Registrar that the branch did not have any financial affairs during the financial year. An application under subsection 271A(1) of the Act must be made within 90 days (unless extended by a Registrar) after the end of the financial year.

Please do not hesitate to contact me on (02) 8374 6618 if you wish to discuss the financial reporting requirements, especially if you anticipate any difficulty in meeting any step in the time-scales prescribed.

Yours sincerely

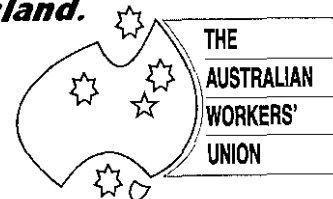
Belinda Penna

Belinda Penna
E-mail: belinda.penna@air.gov.au
15 July, 2003

**The Australian Workers' Union of Employees, Queensland.
The Australian Workers' Union, Queensland Branch.**

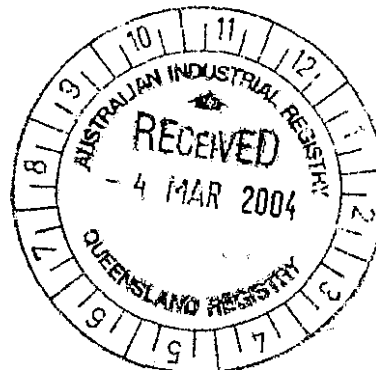
Call: 07 3221 8844
Post: GPO Box 88, BRISBANE Q 4001
Fax : 07 3221 8700
Office: Level 12, 333 Adelaide Street, Brisbane
Email: secretary@awu.org.au

Address all correspondence to the Secretary



3 March, 2004

The Industrial Registrar
Australian Industrial Relations Commission
GPO Box 5795
BRISBANE. 4001



Dear Sir

Re: FINANCIAL ACCOUNTS – THE AUSTRALIAN WORKERS' UNION

In accordance with Section 280 of the Workplace Relations Act 1996, please find enclosed copy of the Financial Accounts of The Australian Workers' Union, Queensland Branch , for the year ended 30 June 2003, which were presented at the Branch Executive Meeting on February 18, 2004.

I hereby certify that these documents lodged are copies of the documents presented to such meeting.

Set out below please find resolution carried at such meeting:-

“Section 279 Copies of report and audited accounts to be provided to members and presented to meetings.”

Moved: T. Jeffers

“That in accordance with the above provisions of the Workplace Relations Act 1996, the Financial Accounts for the year ending June 30, 2003, have been provided to members via The Worker, and having met those requirements this Branch Executive now confirms the Accounts.”

Seconded: D. Watson

CARRIED

Please find enclosed copy of such Worker journal.

Yours faithfully

W.P. Ludwig
W P LUDWIG
BRANCH SECRETARY *prem*

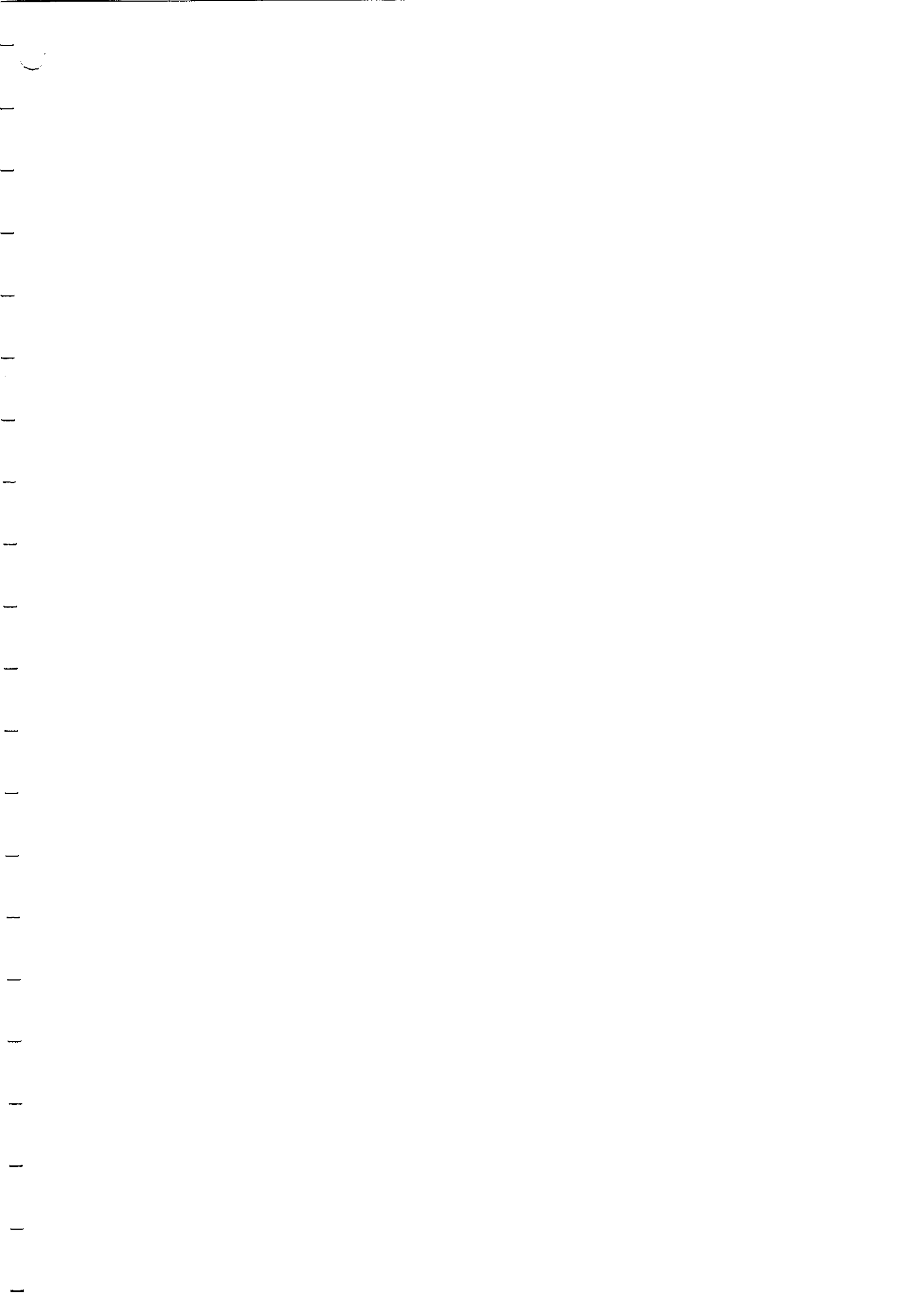
**THE AUSTRALIAN WORKERS' UNION
QUEENSLAND BRANCH**

AND

**AUSTRALIAN WORKERS' UNION OF
EMPLOYEES, QUEENSLAND**

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2003





Alexander Partners

CHARTERED ACCOUNTANTS

OPINION ON CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements presented on the attached pages 2 to 8 are in accordance with the books and records of the Australian Workers' Union, Queensland Branch ("Branch") and the Australian Workers' Union of Employees, Queensland ("State Union") and have been subject to the auditing procedures applied in our statutory audits of both the Branch and the State Union for the year ended 30 June 2003.

The consolidated financial statements which do not represent a legal entity have been prepared in accordance with the basis of accounting described in Notes 1 and 2 to these financial statements. The financial statements have been prepared solely for the information of members and are not intended to comply with the requirements of any particular Act or Accounting Standard.

Accordingly we do not express an opinion on the financial information and no warranty of accuracy or reliability is given.

ALEXANDER PARTNERS
Chartered Accountants

A D FRASER
Partner

Brisbane *12 November, 2003*
Dated:

Please Note: Our new physical address is Level 8, 288 Edward Street, Brisbane Qld 4000

Level 5, 247 Adelaide Street, Brisbane Queensland 4000. G.P.O. Box 992 Brisbane Queensland 4001.

Telephone (07) 3221 2322 Facsimile (07) 3221 2050 Email admin@alexanderpartners.com.au

**CONSOLIDATED FINANCIAL STATEMENTS OF
THE AUSTRALIAN WORKERS' UNION, QUEENSLAND BRANCH
AND
THE AUSTRALIAN WORKERS' UNION OF EMPLOYEES, QUEENSLAND**

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2003**

	2003	2002
	\$	\$
INCOME		
Membership Contributions – General	7,323,652	7,267,869
Membership Contributions – FIME	954,035	966,663
Interest Received	(1,017)	6,637
Sales - Books, Agreements & Goods	32	-
Insurance Recoveries	19,138	15,056
Commissions Received	56	80
Grants	50,000	152,750
Gross Income from Rented Properties:		
• Other Properties	151,938	144,859
• 333 Adelaide Street, Brisbane	696,816	726,476
Sundry Income	1,915	404
Wage Recoveries	-	22
Profit on Sale of Non Current Assets	-	-
	<hr/>	<hr/>
Total Income	9,196,565	9,280,816
EXPENDITURE		
Affiliation Fees	216,243	211,167
Transfer of Membership Contributions to AWU HO for Administration	871,075	815,338
Bereavement Grant Fund	78,642	79,237
Special Payment	175,547	161,714
✓ Donations and Grants	10,790	5,913
Salaries and Allowances - Elected Officials	1,418,913	1,262,445
Salaries and Allowances - Other	1,898,868	2,135,281
Delegate Expenses	25,935	6,309
Reps & Agents Commission and Expenses	6,440	1,458
Professional Service Fees	341,030	217,647
Arbitration Expenses	60,929	64,737
Meeting Expenses	163,768	123,688
Other Administration Expenses		
• Advert, Print & Stationery	160,915	109,156
• Motor Vehicle Expenses	242,806	217,909
• Payroll Tax	204,857	203,872
• Telephone and Facsimile	305,232	292,238
• Fringe Benefits Tax	21,897	26,139
• Other Expenses	540,762	542,493
Long Service Leave Clerical - Further Provision	(9,528)	433
Accrued Sick Leave	4,278	(8,825)
Accrued Annual Leave - Further Provision	(227,138)	104,235
Superannuation Contributions	935,091	893,889
Workers Compensation	11,059	25,310

**CONSOLIDATED FINANCIAL STATEMENTS OF
THE AUSTRALIAN WORKERS' UNION, QUEENSLAND BRANCH
AND
THE AUSTRALIAN WORKERS' UNION OF EMPLOYEES, QUEENSLAND**

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2003**

	2003 \$	2002 \$
EXPENSES (cont.)		
Gross Expenses for Rented Properties:		
• Other Properties	220,214	80,172
• 333 Adelaide Street, Brisbane	423,480	371,915
Interest and Charges on Loans	283,387	346,979
Loss on Sale of Non Current Assets	41,643	11,493
Depreciation Provision	284,853	275,076
Total Expenditure	<u>8,711,988</u>	<u>8,577,418</u>
Operating Surplus – before Abnormal Items	<u>484,577</u>	<u>703,398</u>
Abnormal Items	5 <u>282,885</u>	<u>-</u>
Operating Surplus for Year	<u>201,692</u>	<u>703,398</u>
General Funds at the beginning of the financial year	<u>5,882,028</u>	<u>5,178,630</u>
General Funds at the end of the financial year	<u>6,083,720</u>	<u>5,882,028</u>

The accompanying notes form part of these financial statements.

**CONSOLIDATED FINANCIAL STATEMENTS OF
THE AUSTRALIAN WORKERS' UNION, QUEENSLAND BRANCH
AND
THE AUSTRALIAN WORKERS' UNION OF EMPLOYEES, QUEENSLAND**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2003**

	Note	2003 \$	2002 \$
CURRENT ASSETS			
Cash on Hand and in Transit		7,377	6,247
Cash at Bank		108,827	103,258
Deposits		7,170	7,170
Debtors – General		138,340	78,384
Investments – Funds		165,034	158,104
GST Paid		1,961,771	985,130
TOTAL CURRENT ASSETS		<u>2,388,519</u>	<u>1,338,293</u>
NON CURRENT ASSETS			
FIXED ASSETS			
Real Property		9,925,463	10,122,105
Fixtures and Fittings & Office Equipment		541,438	566,180
Motor Vehicles		637,257	511,572
OTHER NON CURRENT ASSETS			
Investment – Unlisted Companies		<u>100,000</u>	<u>100,000</u>
TOTAL NON CURRENT ASSETS		<u>11,204,158</u>	<u>11,299,857</u>
TOTAL ASSETS		<u>13,592,677</u>	<u>12,638,150</u>
CURRENT LIABILITIES			
Membership Dues in Advance		-	19,046
Bank Loans		2,901,089	3,432,625
Hire Purchase & Leasing		571,177	-
Hire Purchase Charges Prepaid		(53,201)	-
Accrued Expenses and Sundry Creditors		202,626	345,537
Provision for Sick Leave		64,338	60,060
Provision for Accrued Annual Leave		471,508	698,646
Provision for Clerical & Officials Long Service Leave		1,140,840	379,554
Special Funds		165,034	155,019
GST Collected		2,045,546	1,213,687
Member PRD's & P/Pmts Held		<u>0</u>	<u>451,948</u>
TOTAL LIABILITIES		<u>7,508,957</u>	<u>6,756,122</u>
NET ASSETS		<u>6,083,720</u>	<u>5,882,028</u>
ACCUMULATED FUNDS			
General Fund		<u>6,083,720</u>	<u>5,882,028</u>

**CONSOLIDATED FINANCIAL STATEMENTS OF
THE AUSTRALIAN WORKERS' UNION, QUEENSLAND BRANCH
AND
THE AUSTRALIAN WORKERS' UNION OF EMPLOYEES, QUEENSLAND**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2003**

	Note	2003 \$	2002 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Membership Contributions (including GST received on income)		9,109,546	9,122,477
Rent Receipts		848,754	800,655
Interest Received		(1,017)	6,637
Other Receipts		71,141	168,312
Membership – change to cash basis		487,929	-
		<u>10,516,353</u>	<u>10,098,081</u>
Salaries and Wages		(3,317,781)	(3,397,726)
Interest and Costs of Finance Paid		(283,387)	(346,979)
Affiliation Fees		(216,243)	(211,167)
Payments to Head Office		(1,125,264)	(1,045,561)
Rental Property Expenses		(643,694)	(452,087)
Other Expenses (including GST)		(4,671,998)	(3,616,596)
		<u>(10,258,367)</u>	<u>(9,070,116)</u>
Net Cash provided by Operating Activities	3	<u>257,986</u>	<u>1,027,965</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Consideration on Disposal of Fixed Assets		221,726	68,389
Acquisition of Fixed Assets		(452,523)	(159,300)
Net Cash Inflow(Outflow) from Investing Activities		<u>(230,797)</u>	<u>(90,911)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Hire Purchase & Finance Leases		347,033	1,604,015
Loan Advances & Bill Facility		(307,392)	-
Commercial Bill Maturity		-	-
Hire Purchase Charges Prepaid		(53,201)	-
Net Cash Inflow(Outflow) from Financing Activities		<u>(13,560)</u>	<u>1,604,015</u>
Net Increase/(Decrease) in Cash Held		13,629	2,541,069
Cash at the Beginning of the Financial Year		<u>267,609</u>	<u>(2,273,460)</u>
Cash at the End of the Financial Year	4	<u><u>281,238</u></u>	<u><u>267,609</u></u>

The accompanying Notes form part of these financial statements.

**CONSOLIDATED FINANCIAL STATEMENTS OF
THE AUSTRALIAN WORKERS' UNION, QUEENSLAND BRANCH
AND
THE AUSTRALIAN WORKERS' UNION OF EMPLOYEES, QUEENSLAND**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

NOTE 1: STATEMENT OF ACCOUNTING POLICIES AND METHODS

(a) ACCOUNTING POLICIES

These financial statements represent the combined operations and combined financial position of The Australian Workers' Union, Queensland Branch ("Branch") and The Australian Workers' Union of Employees, Queensland ("State Union") registered under the relevant Federal and State Acts. Except as detailed in Note 5, the combined treatment of income and expenditure and assets and liabilities is consistent with the presentation of similar financial statements for prior years and is presented solely for the information of members of the State Union and/or Branch.

These financial statements are regarded as a special purpose financial report. The Union Executive has determined that the Union is not a reporting entity. Accordingly there is no requirement to apply accounting concepts or standards in the preparation and presentation of these financial statements.

(b) ACCOUNTING METHODS

Membership is included on a cash basis. With this exception, the financial statements are prepared on an accruals basis. They are based on historic cost and do not take into account changing money values or, except where specifically stated, current valuations of non current assets.

The following specific accounting policies have been adopted in the preparation of these financial statements. They are consistent with the policies of the prior period, unless otherwise stated:

- (i) The financial statements have not been adjusted to record either changes in the general purchasing power of the dollar or in the prices of specific assets.
- (ii) Depreciation of fixed assets (where applicable) is calculated either on prime cost or on reducing balance basis in order to write the assets off over their useful life.
- (iii) Provision for employee benefits in the form of Accrued Annual Leave has been made for the estimated accrued entitlements of all employees on the basis of their terms of employment.
- (iv) Provision for employee benefits in the form of Long Service Leave has been made for the estimated accrued entitlements of clerical employees and officials. The Australian Workers' Union Head Office previously assumed the liability for the accrued Long Service Leave of Officials. However at the date of these financial statements the Branch Office believes that it will have to meet the LSL obligations as they fall due. Accordingly provision has now been made for this liability to an amount of \$770,814. Further provision will be made for the balance owing (\$257,629 at 30 June 2003) in the 2004 and succeeding financial years.

**CONSOLIDATED FINANCIAL STATEMENTS OF
THE AUSTRALIAN WORKERS' UNION, QUEENSLAND BRANCH
AND
THE AUSTRALIAN WORKERS' UNION OF EMPLOYEES, QUEENSLAND**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

NOTE 1: STATEMENT OF ACCOUNTING POLICIES AND METHODS (cont.)

- (1) No Provision for income tax is necessary as "Trade Unions" are exempt from Income Tax under Section 50-15 of the Income Tax Assessment Act 1997 as amended.
- (2) Apart from memberships (refer Note 5), accrual accounting has been adopted in full for all items of income and expenditure.

NOTE 2: OTHER INFORMATION

These consolidated financial statements do not represent a legal entity. Accordingly the Notes to the financial statements have been abbreviated to reflect the basis of accounting methods adopted only. Further explanations and notes in support of these statements are provided in the accompanying financial statements of the State Union and Branch.

	Note	2003	2002
		\$	\$
NOTE 3: RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO OPERATING DEFICIENCY			
Operating Surplus/(Deficiency)		201,692	703,398
Non Cash Items included in the Operating Surplus:			
Depreciation Expense		284,853	275,076
Loss on Sale of Property, Plant and Equipment		41,643	11,493
		<u>326,496</u>	<u>286,569</u>
Changes in Assets and Liabilities:			
Debtors – Head Office			10,728
Debtors – General		(59,956)	(36,842)
GST Paid		(976,641)	(876,105)
GST Collected		831,859	1,000,109
Grants Received and Unexpended		-	-
Membership in Advance		(19,046)	(1,380)
Property Rental in Advance		-	(33,848)
Creditors		(142,911)	(272,927)
Provision for Sick Leave		4,278	(8,824)
Provision for Annual Leave		(227,138)	104,238
Provision for Long Service Leave		761,286	434
Special Funds		10,015	152,415
Members PRD's & P/Payments		<u>(451,948)</u>	<u>-</u>
Net Cash provided by Operating Activities		<u>257,986</u>	<u>1,027,965</u>

**CONSOLIDATED FINANCIAL STATEMENTS OF
THE AUSTRALIAN WORKERS' UNION, QUEENSLAND BRANCH
AND
THE AUSTRALIAN WORKERS' UNION OF EMPLOYEES, QUEENSLAND**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

	Note	2003 \$	2002 \$
NOTE 4: CASH ON HAND			
For the purposes of the statement of cash flows, cash includes cash on hand and in banks, bank overdraft and short term deposits. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:			
Cash on Hand and In Transit		7,377	6,247
Cash at Bank		<u>108,827</u>	<u>103,258</u>
		116,204	109,585
Term Deposit		<u>165,034</u>	<u>158,104</u>
		<u>281,238</u>	<u>267,609</u>

NOTE 5: ABNORMAL ITEMS

(a) MEMBERSHIP – CHANGE IN ACCOUNTING POLICY

Additional membership income arising out of a change in accounting from accrual to cash basis

487,929

(b) OFFICIALS LONG SERVICE LEAVE

Take up of approximately 75% of Long service Leave owing to officials, which was previously included within the balance sheet of AWU – National Office

(770,814)

Net Abnormal Expense

(282,885)

**THE AUSTRALIAN WORKERS' UNION
QUEENSLAND BRANCH**

FINANCIAL STATEMENTS

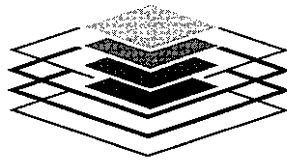
YEAR ENDED 30 JUNE 2003

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THE AUSTRALIAN WORKERS' UNION, QUEENSLAND BRANCH

**OFFICERS 2002/03
AS AT 30 JUNE 2003**

President	G J Ryan
Vice Presidents	R Harris
	K Jeffers
Branch Secretary	W P Ludwig
Central District Secretary, Bundaberg	K L Ballin
Southern District Secretary, Brisbane	G J Ryan
South Western District Secretary, Toowoomba	D Watson
Western District Secretary, Longreach	T Sullivan
Northern District Secretary, Townsville	R H Boscacci
Far Northern District Secretary, Cairns	E J Brischke
Metals and Construction District	F Chambers



Alexander Partners

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE AUSTRALIAN WORKERS' UNION, QUEENSLAND BRANCH

SCOPE

We have audited the accompanying accounts, being a special purpose financial report of the Australian Workers' Union, Queensland Branch ("Branch") for the year ended 30 June 2003 as set out on pages 4 to 14. The Committee of Management ("Committee") is responsible for the financial report and has determined that the accounting policies used and described in Note 1 to the financial statements are appropriate to meet the requirements of the Workplace Relations Act 1996 as amended ("Act") and are appropriate to meet the needs of the members. We have conducted an independent audit of the accounts in order to express an opinion on it to the members of the Branch. No opinion is expressed as to whether the accounting policies used and described in Note 1 are appropriate to meet the needs of the members.

The financial report has been prepared for distribution to the members for the purpose of fulfilling the Committee's financial reporting requirements under the Act and under the Branch's Rules. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the accounts and the evaluation of the accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether in all material respects, the financial report is presented fairly in accordance with the Workplace Relations Act 1996 as amended and the accounting policies described in Note 1 to the financial statements so as to present a view which is consistent with our understanding of the Branch's position, and performance as represented by the results of its operations. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia.

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

****Please Note: Our new physical address is Level 8, 288 Edward Street, Brisbane Qld 4000****

Level 5, 247 Adelaide Street, Brisbane Queensland 4000. G.P.O. Box 992 Brisbane Queensland 4001.

Telephone (07) 3221 2322 Facsimile (07) 3221 3050 Email admin@alexanderpartners.com.au

AUDIT OPINION

In our opinion:

- (i) the accounts of the Branch are drawn up so as to give a true and fair view of:
 - (a) the financial affairs as at 30 June 2003;
 - (b) the income and expenditure and the results for the year ended 30 June 2003 in accordance with Section 273 of the Workplace Relations Act 1996 as amended; and
 - (c) in accordance with Australian Accounting Standards to the extent described in Note 1 to the financial statements;
- (ii) the Branch has kept satisfactory accounting records in relation to the year including:
 - (a) records of the sources and nature of the income of the Branch (including income from members); and
 - (b) records of the nature and purpose of expenditure of the Branch; and
- (iii) all the information and explanations that, under s276 (2) officers or employees of the Branch were required to provide have been provided.

HIGHLIGHT OF MATTERS

Without qualification to the opinion expressed above, attention is drawn to the following matters:

- (a) as explained in Note 1(a) there is an unrecorded Branch liability of \$3,690,465 in respect of the amount which may be owing by the Branch to the State Union which may offset the amount owing by the State Union to the Branch; and
- (b) Note 7 to the financial statements discloses that the Branch has an unrecorded liability for Long Service Leave of \$257,629. This balance amount has been accounted for within the AWU National Office financial statements. However responsibility for its payment resides with the Branch.

ALEXANDER PARTNERS

Chartered Accountants

AD FRASER
Partner

Brisbane
Dated

**THE AUSTRALIAN WORKERS' UNION
QUEENSLAND BRANCH**

COMMITTEE OF MANAGEMENT CERTIFICATE

We, WILLIAM PATRICK LUDWIG and KILIAN THOMAS JEFFERS being two members of the Committee of Management ("Committee") of the Australian Workers' Union Queensland Branch ("Branch") do state on behalf of the Committee and in accordance with a resolution passed by the Committee, that:

- (i) in the opinion of the Committee, the attached accounts show a true and fair view of the financial affairs of the Branch as at 30 June 2003;
- (ii) in the opinion of the Committee, meetings of the Committee were held during the year ended 30 June 2003 in accordance with the rules of the Branch;
- (iii) to the knowledge of any member of the Committee, there have been no instances during the financial year to which the attached accounts relate, where records of the Branch or other documents, (not being documents containing information made available to a member of the Branch under sub-section 274(2) of the Workplace Relations Act 1996 as amended ("Act")), or copies of those records or other documents, or copies of the rules of the Branch have not been made available, to members of the Branch in accordance with the Act, the Regulations thereto, or the rules of the Branch, as the case may be; and
- (iv) in relation to the accounts (including the Auditor's Report) in respect of the year ended 30 June 2002 the Branch has complied with sub-sections 279(1) and 279(6) of the Act, by providing to members and presenting to meetings the accounts of the Branch, to which are attached:
 - (1) The Consolidated Accounts of the Australian Workers' Union, Queensland Branch and The Australian Workers' Union of Employees, Queensland for the year ended 30 June 2002; and
 - (2) The accounts of The Australian Workers' Union of Employees, Queensland, for the year ended 30 June, 2002.

Members who did not attend the meetings were provided with the audited "Summary of the Combined Financial Accounts for the year ended 30 June 2002".

.....
W P LUDWIG

.....
K T JEFFERS

Brisbane
Dated

**THE AUSTRALIAN WORKERS' UNION
QUEENSLAND BRANCH**

ACCOUNTING OFFICER'S CERTIFICATE

I, WILLIAM PATRICK LUDWIG, being the Accounting Officer of The Australian Workers' Union, Queensland Branch ("Branch") hereby state that in my opinion:

- (i) the attached accounts show a true and fair view of the financial affairs of the Branch at 30 June 2003;
- (ii) a record has been kept of all monies paid by, or collected from members of the Branch, and all monies so paid or collected have been credited to the bank account to which those monies are to be credited in accordance with the rules of the Branch;
- (iii) before expenditure was incurred by the Branch approval of the incurring of the expenditure was obtained in accordance with the rules of the Branch;
- (iv) with regard to funds of the Branch raised by compulsory levies or voluntary contributions from members, on any fund other than the General Fund operated in accordance with the rules of the Branch, no payments were made out of any such fund for a purpose other than the purpose for which the fund was operated and if any such payment was so made it was approved in accordance with the rules of the Branch;
- (v) no loans or other financial benefits, other than remuneration in respect of their full-time employment with the Branch, were granted to persons holding office in the Branch; and
- (vi) the register of members of the Branch was maintained in accordance with the Workplace Relations Act 1996 as amended.

.....
W P LUDWIG

Brisbane
Dated

**THE AUSTRALIAN WORKERS' UNION
QUEENSLAND BRANCH**

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2003**

	Note	2003 \$	2002 \$
INCOME			
Membership Contributions – Metals And Construction members	1(a)	954,035	966,663
Membership Contributions – Other members	1(a)	7,323,652	7,267,869
Interest			3,318
Wage Recoveries			22
Total Income		<u> </u>	<u> </u>
EXPENDITURE			
AWU Head Office			
• Administration Contributions		871,075	815,338
• 2% Special Payment		175,547	161,714
• Bereavement Grant Fund		78,642	79,237
Employee Entitlements			
• Long Service Leave - Clerical	1(b)(iv)	(9,528)	433
• Sick Leave	1(b)(iv)	4,278	(8,825)
• Annual Leave	1(b)(iv)	(227,138)	104,235
Fringe Benefits Tax		21,897	26,139
Payroll Tax		204,857	203,872
Salaries & Allowances			
• Elected Officials	8	1,418,913	1,262,445
• Other		1,898,868	2,135,281
Superannuation		935,091	893,889
Workplace Health and Safety Expenses		-	-
Workers Compensation		11,059	25,310
Total Expenditure		<u>5,383,561</u>	<u>5,699,068</u>
Operating Surplus – before Abnormal Items		<u>2,894,126</u>	<u>2,538,804</u>
Abnormal Items			
Significant Items	2	282,885	
	2	<u>2,611,241</u>	<u>2,538,804</u>
Operating Surplus for Year		-	-
General Funds at the beginning of the financial year		3,819,264	3,819,264
Net surplus/(deficit)		-	-
General Funds at the end of the financial year		<u>3,819,264</u>	<u>3,819,264</u>

The accompanying notes form part of these financial statements.

**THE AUSTRALIAN WORKERS' UNION
QUEENSLAND BRANCH**

**BALANCE SHEET
AS AT 30 JUNE 2003**

	Note	2003 \$	2002 \$
NON CURRENT ASSETS			
Receivables	4	<u>5,495,950</u>	<u>5,173,666</u>
TOTAL NON CURRENT ASSETS		<u>5,495,950</u>	<u>5,173,666</u>
TOTAL ASSETS		<u>5,495,950</u>	<u>5,173,666</u>
CURRENT LIABILITIES			
Accrued Expenses		-	216,142
Provisions	5	<u>1,676,686</u>	<u>1,138,260</u>
TOTAL CURRENT LIABILITIES		<u>1,676,686</u>	<u>1,354,402</u>
TOTAL LIABILITIES		<u>1,676,686</u>	<u>1,354,402</u>
NET ASSETS		<u>3,819,264</u>	<u>3,819,264</u>
ACCUMULATED FUNDS			
General Fund		<u>3,819,264</u>	<u>3,819,264</u>

The accompanying notes form part of these financial statements.

**THE AUSTRALIAN WORKERS' UNION
QUEENSLAND BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

NOTE 1: STATEMENT OF ACCOUNTING POLICIES AND METHODS

(a) Accounting Policies

In August 1995, the high court determined certain issues concerning the legal status of the State registered unions in *McJannet and Ors v White and Ors*. It now appears to be beyond doubt that the State Union is a separate legal entity from the Branch and it is not appropriate to continue to allocate fixed assets to each entity on an arbitrary division as has been done in previous years.

Accordingly, investigations were undertaken in light of the legal position explained in *McJannet v White*. As a result fixed assets have been recorded in the accounts of the entity which is determined to be the rightful owner.

As of and including the year ended 30 June 1999 all fixed assets have been recorded in the accounts of the State Union. Based on the advice of Counsel it has been determined that:

- the State Union contributed the funds to acquire the fixed assets; and
- notwithstanding that some title deeds are held in the name of Branch, fixed assets, notably land and buildings, ought not to have been recorded in the name of Branch. That is, the State Union has been determined as the rightful owner of those assets.

Accordingly those assets which at 30 June 1996 had a net written down value of \$1,751,633 were written off as at 30 June 1998. As at 30 June 1996 assets approximating \$4.8m were transferred from Branch to the State Union. The consideration for this transfer was a loan account owed by the State Union to Branch. As disclosed in Note 8 to the accounts there was an (unrecorded) Contingent Liability which offset the then loan from Branch to the State Union of \$2.6m. The loan of \$4,785,970 arising out of the transfer of assets as at 30 June 1996 has been partly written off in the years ended 30 June 1997 and 1998. It is likely that the balance of this loan of \$3,690,465 will be written off. However that decision will be reviewed on an annual basis, by Executives of the Branch and State Unions.

As a consequence of the changes required to the accounting records of the two organisations to achieve separate accounts, the State Union has received in the first instance all membership monies paid (except those received on behalf of Metals and Construction District) to the combined organisations, as all members of the combined organisations in Queensland (apart from Metals and Construction District members) are eligible and are considered to be members of the State Union. However, the State Union has transferred to the Branch the membership dues of all members who are also eligible to be members of the Branch in order that these members may maintain financial membership in both organisations. Since the making of the current Agreement under S.202 of the previous Industrial Relations Act 1988, the transfer has involved all members of the State Union, as all such members are now eligible to be members of the Branch.

**THE AUSTRALIAN WORKERS' UNION
QUEENSLAND BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

NOTE 1: STATEMENT OF ACCOUNTING POLICIES AND METHODS (cont.)

With the exception of salaries and allowances (both for elected officials and other staff) and all expenditure related to salaries and allowances (payroll tax, fringe benefits tax, superannuation, workers' compensation, provisions for long service leave and annual leave etc.), all operating expenditure has been charged to the State Union, although much of the operating expenditure is the responsibility of the Branch in accordance with arrangements between the parties. Salaries and Allowances and all related expenditure are paid by the Branch. Any Surplus or Deficiency of income over expenditure by the Branch after the foregoing transactions is then transferred to the State Union by way of "Contribution to" or "Reimbursement from" the State Union, in acknowledgement of the initial transfer of membership funds, and the payment by the State Union of expenses referred to above.(refer Note 2)

(b) Accounting Methods

These accounts are regarded as a special purpose financial report. The Branch Executive has determined that the Branch is not a reporting entity. Accordingly there is no requirement to apply accounting concepts or standards in the preparation and presentation of these accounts. These accounts have been prepared in order to satisfy the reporting obligations of the Workplace Relations Act 1996 (as amended).

The following Australian Accounting Standards have been applied in the preparation of these accounts:

- AASB1031 – Materiality;
- AASB1001 – Accounting Policies; and
- AASB1002 – Events Occurring After Reporting Date.

No other applicable Accounting Standards, Urgent Issues Group Consensus Views or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The accounts are also prepared on an accruals basis. They are based on historic cost and do not take into account changing money values or, except where specifically stated, current valuations of non current assets.

The following specific accounting policies have been adopted in the preparation of these accounts. They are consistent with the policies of the prior period, unless otherwise stated:

(i) Comparatives

Comparative figures have been reclassified where appropriate in order to comply with the presentation adopted in the 2002 year.

**THE AUSTRALIAN WORKERS' UNION
QUEENSLAND BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

NOTE 1: STATEMENT OF ACCOUNTING POLICIES AND METHODS (cont.)

(ii) Income Tax

The Union is exempt from income tax by virtue of Section 50-15 of the Income Tax Assessment Act 1997.

(iii) Acquisition of Non Current Assets

The cost method of accounting is used for all acquisitions of assets regardless of whether shares or other assets are acquired. Cost is determined as the fair value of the assets given up at the date of acquisition plus costs incidental to the acquisition.

(iv) Employee Entitlements

Provision has been made in the financial statements for employees' annual leave, long service leave and sick leave entitlements on the following basis:

Annual Leave

Annual leave has been provided for as the estimated accrued entitlements of all employees on the basis of each employee's terms of employment.

Long Service Leave

Provision for employee benefits in the form of long service leave has been made for the estimated accrued entitlements of clerical employees and officials. In previous years Long Service Leave for Officials was paid by Head Office. To assist with funding this liability, all branches of the Union paid 2% of membership contributions. During the 1997/98 financial year payments by branches to the Head Office Long Service Leave fund were suspended. Payments of Officials for Long Service Leave are being borne by the respective branch of the union in which the official normally resides. Accordingly provision has now been made for this liability by Branch to an amount of \$770,814. Further provision will be made for the balance owing (\$257,629 at 30 June 2003) in the 2004 and succeeding financial years.

Sick Leave

Sick leave has been provided for as the estimated accrued entitlement vesting to an employee in accordance with the requirements of the terms of employment.

**THE AUSTRALIAN WORKERS' UNION
QUEENSLAND BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

	Note	2003 \$	2002 \$
NOTE 2: SIGNIFICANT AND ABNORMAL ITEMS			
(a) Abnormal Items			
(i) Membership – Change in Accounting Policy Additional membership income arising out of a change in accounting from accrual to cash basis.		487,929	
(ii) Officials Long Service Leave Take up of approximately 75% of Long Service Leave owing to officials, which was previously included within the balance sheet of AWU National Office.		<u>(770,814)</u>	
		<u>282,885</u>	
(b) Significant Items			
(i) Contribution to State Union Administration Costs (note 1(a))		<u>2,611,241</u>	<u>2,538,804</u>

**NOTE 3: WORKPLACE RELATIONS ACT 1996
("ACT") – SECTION 274(4)**

In accordance with the provisions of section 274(4) of the Act, attention is drawn to section 274(1), (2) and (3) which provides as follows:-

Section 274 (1)

A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.

Section 274 (2)

An organisation shall, on application made under sub-section (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such manner, and within such time, as is prescribed.

Section 274 (3)

A Registrar may only make an application under sub-section (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

**THE AUSTRALIAN WORKERS' UNION
QUEENSLAND BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

	Note	2003 \$	2002 \$
NOTE 4: NON CURRENT ASSETS – RECEIVABLES			
Loan Account - the State Union	6	<u>5,495,950</u>	<u>5,173,666</u>

NOTE 5: CURRENT LIABILITIES – PROVISIONS

Provision for Annual Leave	1(b)(iv)	471,508	698,646
Provision for Long Service Leave	2,1(b)(iv)	1,140,840	379,554
Provision for Sick Leave	1(b)(iv)	64,338	60,060
		<u>1,676,686</u>	<u>1,138,260</u>

NOTE 6: LOAN – AUSTRALIAN WORKERS UNION OF EMPLOYEES QUEENSLAND

The amount of the loan owing by the State Union to Branch largely arises from the transfer of assets from Branch to the State Union. It is offset by a contingent amount owing from Branch to the State Union of \$3,690,465. At balance date this contingent liability has not been recognised. The Committee of Management of the Branch will consider writing off and/or offsetting these loans. However there has been no formal resolution as at the date of these accounts to confirm this intention.

<u>5,495,950</u>	<u>5,173,666</u>
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NOTE 7: CAPITAL COMMITMENTS & CONTINGENCIES

(a) Capital Commitments
There were no capital commitments at balance date.

(b) Contingent Liabilities
There were no contingent liabilities apart from:
(i) Loan from State Union

1, 6	<u>3,690,465</u>	<u>3,690,465</u>
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**THE AUSTRALIAN WORKERS' UNION
QUEENSLAND BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

Note	2003 \$	2002 \$
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**NOTE 7: CAPITAL COMMITMENTS &
CONTINGENCIES**

(b) Contingent Liabilities – cont'd

(ii) Long Service Leave – officials

As disclosed in Note 1(b) Long Service Leave entitlements of Industrial Advocates and Officials was administered by the AWU Head Office. However, a decision has been taken at National Executive level requiring Branches to take responsibility for Long Service Leave accruals of their industrial Advocates and Officers. At balance date the amount of this potential liability not brought to account was \$257,629 (2001:\$975,275).

NOTE 8 – OFFICERS' REMUNERATION

The Union's officers were remunerated in the following bands for the year ended 30 June 2003:

	No of Officers	No . of Officers
\$30,001 to \$40,000	1	-
\$40,001 to \$50,000	-	-
\$50,001 to \$60,000	-	-
\$60,001 to \$70,000	21*	12
\$70,000 to \$80,000	3*	7
\$80,000 to \$90,000	1	5
\$100,000 to \$110,000	-	-
\$140,000 to \$150,000	-	-

* Includes an officer who terminated their employment during the year. The above remuneration for these officers includes the termination payment paid upon cessation.

**THE AUSTRALIAN WORKERS' UNION
OF EMPLOYEES, QUEENSLAND**

FINANCIAL STATEMENTS

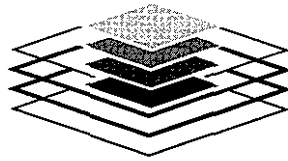
YEAR ENDED 30 JUNE 2003



**THE AUSTRALIAN WORKERS' UNION OF EMPLOYEES
QUEENSLAND**

**OFFICERS 2002/03
AS AT 30 JUNE 2003**

President	G J Ryan
Vice Presidents	R Harris K Jeffers
Branch Secretary	W P Ludwig
Central District Secretary, Bundaberg	K L Ballin
Southern District Secretary, Brisbane	G J Ryan
South Western District Secretary, Toowoomba	D Watson
Western District Secretary, Longreach	T Sullivan
Northern District Secretary, Townsville	R H Boscacci
Far Northern District Secretary, Cairns	E J Brischke



Alexander Partners

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE AUSTRALIAN WORKERS' UNION OF EMPLOYEES, QUEENSLAND

SCOPE

We have audited the accompanying accounts being a special purpose financial report of the Australian Workers' Union of Employees, Queensland ("State Union") for the year ended 30 June 2003 as set out on pages 4 to 14. The Committee of Management ("Committee") is responsible for the financial report and has determined that the accounting policies used and described in Note 1 to the financial statements are appropriate to meet the requirements of the Industrial Relations Act 1999 as amended ("Act") and are appropriate to meet the needs of the members. We have conducted an independent audit of this financial report in order to express an opinion on it to the members. No opinion is expressed as to whether the accounting policies used and described in Note 1 are appropriate to meet the needs of the members.

The financial report has been prepared for distribution to the members for the purpose of fulfilling the Committee's financial reporting requirements under the Act and under the State Union's Constitution. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of the accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether in all material respects, the financial report is presented fairly in accordance with the Act and the accounting policies described in Note 1 to the financial statements so as to present a view which is consistent with our understanding of the State Unions' position, and performance as represented by the results of its operations. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia.

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

AUDIT OPINION

In our opinion:

- (i) the accounts for the year were properly drawn to give a true and fair view of the State Union's:
 - (a) financial affairs as at 30 June 2003; and
 - (b) income and expenditure and surplus for the year ended 30 June 2003;
- (ii) the State Union has kept satisfactory accounting records for the financial year including, records of:
 - (a) the sources and nature of its income, including membership subscriptions and other income from members; and
 - (b) the nature and reasons for the State Union's expenditure;
- (iii) the accounts for the year ended 30 June 2003 were prepared under the Act;
- (iv) all information and explanations required from the officers or employees of the State Union were given; and
- (v) there was no deficiency, failure or shortcoming for a matter mentioned in paragraphs (i) to (iii) above.

LOAN TO THE AUSTRALIAN WORKERS' UNION OF EMPLOYEES, QUEENSLAND

Without qualification to the opinion expressed above, attention is drawn to the following matter.

As explained in Note 1, there is a likely unrecorded asset of \$3,690,465 in respect of the amount which may be owing by the Australian Workers' Union Queensland Branch ("Branch") to the State Union which may offset the amount owing by the State Union to Branch.

ALEXANDER PARTNERS
Chartered Accountants

AD FRASER
Partner

Brisbane
Dated

**THE AUSTRALIAN WORKERS' UNION OF EMPLOYEES
QUEENSLAND**

COMMITTEE OF MANAGEMENT'S CERTIFICATE

We, WILLIAM PATRICK LUDWIG and KILIAN THOMAS JEFFERS being two members of the Committee of Management ("Committee") of the Australian Workers Union of Employees, Queensland ("State Union") do state on behalf of the Committee and in accordance with a resolution passed by the Committee, that:

- (i) in the opinion of the Committee, the attached accounts show a true and fair view of the financial affairs of the State Union as at 30 June 2003;
- (ii) the accounts have been prepared in accordance with the requirements of the Industrial Relations Act 1999 ("Act");
- (iii) in the opinion of the Committee, the State Union was solvent at all times during the financial year ended 30 June 2003;
- (iv) in the opinion of the Committee, meetings of the Committee were held during the year ended the 30 June 2003 in accordance with the rules of the State Union;
- (v) to the knowledge of any member of the Committee, there have been no instances during the financial year to which the attached accounts relate, where records of the State Union or other documents, (not being documents containing information made available to a member of the State Union under sub-section 556(3) of the Act), or copies of those records or other documents, or copies of the rules of the State Union, were not made available to members of the State Union in accordance with the Act, the Regulations thereto, or the rules of the State Union, as the case may be; and
- (vi) in relation to the accounts (including the auditor's report) in respect of the year ended 30 June 2002 the State Union has complied with sections 565 and 566 of the Act, by presenting to an Annual General Meeting ("AGM") and providing to members the financial statements of the State Union, to which are attached:
 - (1) The Consolidated financial statements of the Australian Workers' Union, Queensland Branch and the Australian Workers' Union of Employees, Queensland for the year ended 30 June, 2002; and
 - (2) the financial statements of The Australian Workers' Union Queensland Branch, for the year ended 30 June, 2002.

Members who did not attend the AGM were provided with the audited "Summary of the Combined Financial Accounts for the year ended 30 June 2002".

.....
W P LUDWIG

.....
K T JEFFERS

Brisbane
Dated

**THE AUSTRALIAN WORKERS' UNION OF EMPLOYEES
QUEENSLAND**

**THE AUSTRALIAN WORKERS' UNION OF EMPLOYEES, QUEENSLAND
ACCOUNTING OFFICER'S CERTIFICATE**

I, WILLIAM PATRICK LUDWIG, being the Accounting Officer of The Australian Workers' Union of Employees, Queensland ("State Union") certify that as at 30 June 2003, the number of members of the State Union was 54,181. This figure is comprised of 47,340 financial members and 6,841 un-financial members.

In my opinion:

- (i) the attached accounts show a true and fair view of the financial affairs of the State Union at 30 June 2003;
- (ii) a record has been kept of all monies paid by, or collected from members of the State Union, and all monies so paid or collected have been credited to the bank account to which those monies are to be credited in accordance with the rules of the State Union;
- (iii) before expenditure was incurred by the State Union approval of the incurring of the expenditure was obtained in accordance with the rules of the State Union;
- (iv) with regard to funds of the State Union raised by compulsory levies or voluntary contributions from members, on any fund other than the General Fund operated in accordance with the rules of the State Union, no payments were made out of any such fund for a purpose other than the purpose for which the fund was operated and if any such payment was so made it was approved in accordance with the rules of the State Union;
- (v) no loans or other financial benefits, other than remuneration in respect of their full-time employment with the State Union in accordance with the State Union's rules, were granted to persons holding office in the State Union; and
- (vi) the register of members of the State Union was maintained in accordance with the Industrial Relations Act 1999 as amended.

.....
W P LUDWIG

Brisbane
Dated

**THE AUSTRALIAN WORKERS' UNION OF EMPLOYEES
QUEENSLAND**

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2003**

	Notes	2003 \$	2002 \$
INCOME			
Membership Contributions	1(a)	7,323,652	7,267,869
Less Transfer to AWU QLD Branch of Membership Contributions	1(a)	(7,323,652)	(7,267,869)
Interest Received		(1,017)	3,319
Sales - Books Agreements & Goods		32	-
Insurance Recoveries		19,138	15,056
Commission Received		56	80
Grants		50,000	152,750
Gross Income from Rented Properties:-			
- Other Properties		151,938	144,859
- 333 Adelaide Street		696,816	726,476
Sundry Income		1,915	404
Profit on Sale of Non Current Assets		-	-
Total Income		<u>918,878</u>	<u>1,042,944</u>
EXPENDITURE			
Affiliation Fees		216,243	211,167
Donations and Grants		10,790	5,913
Delegates Expenses		25,935	6,309
Representatives & Agents Commission & Expenses		6,440	1,458
Professional Service Fees	10	341,030	217,647
Arbitration Expenses		60,929	64,737
Meeting Expenses		163,768	123,688
Other Administration Expenses -			
• Advertising, Printing & Stationery		160,915	109,156
• Motor Vehicle Expenses		242,806	217,909
• Telephone and Facsimile		305,232	292,238
• Other Expenses		540,762	542,543
Gross Expenses for Rented Properties			
• Other Properties		220,214	80,172
• 333 Adelaide Street, Brisbane		423,480	371,915
Interest and Charges on Bank Loans		283,387	346,979
Loss on Sale of Fixed Assets		41,643	11,493
Depreciation Provision	1(b) (iii)	284,853	275,076
Total Expenditure		<u>3,328,427</u>	<u>2,878,350</u>
Operating Surplus – before Abnormal Items		<u>(2,409,549)</u>	<u>(1,835,406)</u>
Abnormal Items	2	2,611,241	2,538,804
Operating Surplus for Year		201,692	703,398
General Fund Balance at the Beginning of the Financial Year		2,062,763	1,359,365
GENERAL FUND BALANCE AT THE END OF THE FINANCIAL YEAR		<u><u>2,264,455</u></u>	<u><u>2,062,763</u></u>

The accompanying notes form part of these financial statements.

**THE AUSTRALIAN WORKERS' UNION OF EMPLOYEES
QUEENSLAND**

**BALANCE SHEET
AS AT 30 JUNE 2003**

	Notes	2003 \$	2002 \$
CURRENT ASSETS			
Cash on Hand and in Transit		7,377	6,247
Cash at Bank		108,827	103,258
Deposits		7,170	7,170
GST Paid		1,961,771	985,130
Accounts Receivable - Property Investments		138,340	78,384
Other Investments	3	<u>165,034</u>	<u>158,014</u>
TOTAL CURRENT ASSETS		<u>2,388,519</u>	<u>1,338,293</u>
NON CURRENT ASSETS			
FIXED ASSETS			
Real Property	4, 9	9,925,462	10,122,105
Fixtures Fittings and Office Equipment	4	541,438	566,180
Motor Vehicles	4	637,257	511,572
OTHER NON CURRENT ASSETS			
Shares in Unlisted Company	5	<u>100,000</u>	<u>100,000</u>
TOTAL NON CURRENT ASSETS		<u>11,204,157</u>	<u>11,299,857</u>
TOTAL ASSETS		<u>13,592,676</u>	<u>12,638,150</u>
CURRENT LIABILITIES			
Membership Dues in Advance		-	19,046
Bank Loans & Overdrafts	6	416,716	3,287,538
Hire Purchase & Leases	6	147,171	
Accrued Expenses and Accounts Payable		202,626	147,739
GST Collected		2,045,546	1,213,687
Special Funds		165,034	155,019
Member PRD's P/Payments Held		-	<u>433,605</u>
TOTAL CURRENT LIABILITIES		<u>2,977,093</u>	<u>5,256,634</u>
NON CURRENT LIABILITIES			
Loan Account - AWU Qld Branch	1(a),8	5,495,950	5,173,666
Bank Loans and Overdrafts	6	2,484,373	145,087
Hire Purchase & Leases	6	<u>370,805</u>	
TOTAL NON CURRENT LIABILITIES		<u>8,351,128</u>	<u>5,318,753</u>
TOTAL LIABILITIES		<u>11,328,221</u>	<u>10,575,387</u>
NET ASSETS		<u>2,264,455</u>	<u>2,062,763</u>
ACCUMULATED FUNDS			
General Fund		<u>2,264,455</u>	<u>2,062,763</u>

The accompanying notes form part of these financial statements.

**THE AUSTRALIAN WORKERS' UNION OF EMPLOYEES
QUEENSLAND**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

NOTE 1: STATEMENT OF ACCOUNTING POLICIES AND METHODS

(a) Accounting Policies

In August 1995, the high court determined certain issues concerning the legal status of the State registered unions in *McJannet and Ors v White and Ors*. It now appears to be beyond doubt that the State Union is a separate legal entity from the Branch and it is not appropriate to continue to allocate fixed assets to each entity on an arbitrary division as has been done in previous years.

Accordingly, investigations were undertaken in light of the legal position explained in *McJannet v White*. As a result fixed assets have been recorded in the accounts of the entity which is determined to be the rightful owner.

In respect of the year ended 30 June 2003, all fixed assets have been recorded in the financial report of the State Union. Based on the advice of Counsel it has been determined that:

- the State Union contributed the funds to acquire fixed assets; and
- notwithstanding that some title deeds are held in the name of Branch, fixed assets, notably land and buildings, ought not to have been recorded in the name of the Branch. That is, the State Union has been determined as the rightful owner of those assets.

Accordingly those assets which at 30 June 1996 had a net written down value of \$1,751,633 in Branch have been written off in the Balance Sheet of Branch and are now shown in the Balance Sheet of the State Union at the same "deemed value" as was recorded in the Balance Sheet of Branch. The "windfall gain" arising out of the transfer of these assets (for accounting purposes) was shown in the Income and Expenditure Statement as Extraordinary Income as at 30 June 1997. Correspondingly, those assets as at 30 June 1996 approximating \$4.8m were transferred from Branch to the State Union. The consideration for this transfer was a loan account owed by the State Union to Branch. As disclosed in Note 8 to the financial statements there was a (unrecorded) Contingent Liability which offset the then loan from Branch to State Union at 30 June 1996 of \$2.6m. The loan of \$4,785,970 arising out of the transfer of assets has been partly written off in the years ended 30 June 1997 and 1998. It is likely that the balance of this loan of \$3,690,465 will be written off. However that decision will be reviewed on an annual basis by Executives of the Branch and State Unions.

As a consequence of the changes required to the accounting records of the two organisations to achieve separate financial reports, the State Union has received in the first instance all membership monies paid (except those received on behalf of Metals and Construction District) to the combined organisations, as all members of the combined organisations in Queensland are eligible and are considered to be members of the State Union. However, the State Union has transferred to the Branch the membership dues of all members who are also eligible to be members of the Branch in order that these members may maintain financial membership in both organisations. Since the making of the current Agreement under S.202 of the then Industrial Relations Act 1988, the transfer has involved all members of the State Union, as all such members are now eligible to be members of the Branch.

**THE AUSTRALIAN WORKERS' UNION OF EMPLOYEES
QUEENSLAND**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

NOTE 1: STATEMENT OF ACCOUNTING POLICIES AND METHODS (cont.)

With the exception of salaries and allowances (both for elected officials and other staff) and all expenditure related to salaries and allowances (payroll tax, fringe benefits tax, superannuation, workers' compensation, provisions for long service leave and annual leave etc.), all operating expenditure has been charged to the State Union, although much of the operating expenditure is the responsibility of the Branch in accordance with arrangements between the parties. Salaries and Allowances and all related expenditure are paid by the Branch. Any Surplus or Deficiency of income over expenditure by the Branch after the foregoing transactions is then transferred to the State Union by way of "Contribution to" or "Reimbursement from" the State Union, in acknowledgment of the initial transfer of membership funds, and the payment by the State Union of expenses referred to above. (refer note2)

(b) Accounting Methods

This financial report is regarded as a special purpose financial report. The State Union Executive has determined that the State Union is not a reporting entity. Accordingly there is no requirement to apply accounting concepts or standards in the preparation and presentation of these financial statements. These statements have been prepared in order to satisfy the reporting obligations of the Industrial Relations Act 1999 as amended.

The following Australian Accounting Standards have been applied in the preparation of these financial statements:

- AASB1031 – Materiality;
- AASB1001 - Accounting Policies; and
- AASB1002 - Events Occurring After Reporting Date.

No other applicable Accounting Standards, Urgent Issues Group Consensus View or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The statements are also prepared on an accruals basis. They are based on historic cost and do not take in to account changing money values or, except were specifically stated, current valuations of non current assets.

The following specific accounting policies have been adopted in the preparation of this financial report. They are consistent with the policies of the prior period, unless otherwise stated:

(i) Comparatives

Comparative figures have been reclassified where appropriate in order to comply with the presentation adopted in the 2003 year.

**THE AUSTRALIAN WORKERS' UNION OF EMPLOYEES
QUEENSLAND**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

NOTE 1: STATEMENT OF ACCOUNTING POLICIES AND METHODS (cont.)

(ii) Income Tax

The State Union is exempt from income tax by virtue of Section 50-15 of the Income Tax Assessment Act 1997.

(iii) Depreciation

Depreciation is charged on items of furniture and fittings, plant and equipment and motor vehicles in order to write off the cost of the assets over their estimated useful lives.

Depreciation of buildings has not been provided for. In respect of most properties the cost of the land has not been separately identified from the cost of the improvements thereon. In addition, it is considered that the value of all properties collectively are above cost.

(iv) Revaluations of Non Current Assets

Land and Buildings are revalued at regular intervals. Revaluations reflect an independent assessment of the fair market value of land and buildings on an existing use basis. Revaluations do not result in the carrying value of the land and buildings exceeding the net amount expected to be recovered through the cash inflow arising from their continued use and subsequent disposal.

(v) Acquisition of Non Current Assets

The cost method of accounting is used for all acquisitions of assets regardless of whether shares or other assets are acquired. Cost is determined as the fair value of the assets given up at the date of acquisition plus costs incidental to the acquisition.

**THE AUSTRALIAN WORKERS' UNION OF EMPLOYEES
QUEENSLAND**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

	Notes	2003 \$	2002 \$
NOTE 2: SIGNIFICANT ITEMS			
As explained in Note 1(a) the following item of income has been treated as abnormal:			
Branch Contribution to State Union Administration Costs		<u>2,611,241</u>	<u>2,538,804</u>
		2,611,241	2,538,804
NOTE 3: INVESTMENTS – OTHER INVESTMENTS			
Term Deposits		<u>165,034</u>	<u>158,014</u>
NOTE 4 – NON CURRENT ASSETS – FIXED ASSETS			
Book Value of Real Property	1(b)(v),9	<u>9,952,462</u>	<u>10,122,105</u>
Book Value of Fixtures and Fittings and Office Equipment	1(b)(v)	2,468,333	2,385,816
less Accumulated Depreciation	1(b)(iii)	<u>(1,926,895)</u>	<u>(1,819,636)</u>
		541,438	566,180
Book Value of Motor Vehicles	1(b)(v)	1,366,413	1,435,994
less Accumulated Depreciation	1(b)(iii)	<u>(729,156)</u>	<u>(924,422)</u>
		637,257	511,572
		<u>11,131,157</u>	<u>11,199,857</u>
NOTE 5 – SHARES IN UNLISTED COMPANIES			
Shares in ACN 090 706 942 Pty Ltd (100,000 ordinary shares @ \$1.00 each)		<u>100,000</u>	<u>100,000</u>

**THE AUSTRALIAN WORKERS' UNION OF EMPLOYEES
QUEENSLAND**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

	Notes	2003 \$	2002 \$
NOTE 6 – BANK LOANS AND OVERDRAFTS			
The Commonwealth Bank of Australia has provided finance facilities to:			
(a) Assist in the purchase of 333 Adelaide Street;			
(b) Assist in the Refurbishment of 333 Adelaide Street;			
(c) Assist in the purchase of a new computer and updated programs; and			
(d) Assist in the purchase of units and car parks from the Spring Hill Joint Venture			
(e) Assist with working capital			
These advances have been in the form of a Bill Discount facility of \$2,331,000 (2002: \$2,600,000), overdraft facility and Commonwealth Bank Investment Home Loans. All finance has been secured by a Registered First Mortgage over:			
• Land & Buildings at 333 Adelaide Street, Brisbane;			
• the carparks at Spring Hill Gardens, Brisbane; and			
• the property at 3 Moresby Street, Mt Isa.			
CURRENT			
Commonwealth Bank of Australia -			
Bank Loans (Bill Facility and Investment Home Loan)		416,716	3,208,384
Commonwealth Bank Development Bank Loans			91,438
		<u>416,716</u>	<u>3,299,822</u>
Less Current Hire Purchase Charges on Commonwealth Development Bank Loans			(12,284)
		<u>416,716</u>	<u>3,287,538</u>
NON CURRENT			
Commonwealth Bank Loans		2,484,373	160,322
Less Non Current Hire Purchase Charges on Commonwealth Bank Development Bank Loans			(15,235)
		<u>2,484,373</u>	<u>145,087</u>
TOTAL CURRENT AND NON CURRENT		<u><u>2,901,089</u></u>	<u><u>3,432,625</u></u>

**THE AUSTRALIAN WORKERS' UNION OF EMPLOYEES
QUEENSLAND**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

	Notes	2003 \$	2002 \$
NOTE 6 – HIRE PURCHASE & LEASING			
Future Commitments -			
Not Later than 1 year		162,287	91,438
Later than 1 year but not later than 5 years		408,890	160,322
		<u>571,177</u>	<u>251,760</u>
Unpaid Hire Purchase Charges –			
Current Unpaid Hire Purchase Charges		(15,116)	(12,284)
Non-Current Unpaid Hire Purchase Charges		(38,085)	(15,235)
		<u>(53,201)</u>	<u>(27,519)</u>
		<u>517,976</u>	<u>224,241</u>
Current		147,171	
Non-Current		370,805	
		<u>517,976</u>	

NOTE 7: CONTINGENT LIABILITIES AND COMMITMENTS

The State Union provides assets in support of the bank overdraft of The Theodore Club Inc (at balance date the overdraft is nil) and has contingent liabilities for Autopay and Direct Debit facilities at the Commonwealth Bank.

205,000	205,000
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Other Capital Commitments:
Purchase of Motor Vehicles

<u>-</u>	<u>135,700</u>
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NOTE 8: LOAN FROM AUSTRALIAN WORKERS' UNION QUEENSLAND BRANCH

<u>5,495,950</u>	<u>5,173,666</u>
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As explained in Note 1(a) there is an asset in the books of the Branch and a corresponding liability in the balance sheet of the State Union of \$5,495,950 (2002: 5,173,666). This debt "owing by" the State Union arises from the transfer of assets (previously shown as 50% owned by the Branch) to the State Union in circumstances where no loan was originally reflected in the balance sheet of the State Union. Subject to the decisions of the Executives of the State Union and Branch, the debt may be largely written off in the books of each entity (State and Branch) or offset by the amount contingently owed by Branch to the State Union which has been quantified at \$3,690,465.

**THE AUSTRALIAN WORKERS' UNION OF EMPLOYEES
QUEENSLAND**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

	Notes	2003 \$	2002 \$
NOTE 9: REAL PROPERTY			
The property at 333 Adelaide Street held by the Branch was acquired on 10 January 1992 for \$4,850,000 plus costs of purchase totalling \$230,964. Since that date various floors of the building have been refurbished at a cost of \$1,810,254 (total cost of land and building \$6,891,218.) A valuation conducted by a Registered Valuer at 30 June 1994 valued the property at \$9,000,000.			
NOTE 10: PROFESSIONAL SERVICES			
The following professional services were incurred during the year ended 30 June 2003:			
Legal			
Sciacca and Assoc – Workers Comp		146,582	198,702
Sciacca and Assoc – Indus & Arbitration		63,380	76,972
Sciacca and Assoc – Leases		-	105
Sciacca and Assoc – Other		48,044	6,292
Andrew Herbert – Indus & Arbitration		28,860	(115,620)
Guides & Elliott Solicitors – Indus & Arbitration		-	539
CB Richard Ellis – Leases		865	415
Special IR Services			
A Herbert		7,200	-
M Vining		-	8,036
Accounting and Audit			
Alexander Partners – Current Year		18,182	27,457
– Prior Year		16,902	
K Fourro CPA		-	1,089
TCM		-	4,133
Ham and Partners		-	1,600
Walsh Accounting		-	1,900
Alexander Partners – FBT & Membership		5,000	-
Robinson & Jolly		6,015	3,931
Other Professional Fees			
Gof Developments			2,096
Accounting Adjustments			
Write back of previous year accrual			(130,000)
		341,030	217,647



Australian Government
Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
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Mr W P Ludwig
Branch Secretary
Australian Workers' Union
Queensland Branch
GPO Box 88
BRISBANE Q 4001

Dear Mr Ludwig

**Lodgement of Financial Documents for Australian Workers' Union, Queensland Branch
Year Ending 30 June 2003 (FR2003/304)**

I refer to various financial documents, including those of the Australian Workers' Union, Queensland Branch which were lodged in the Registry on 4 March 2004.

The documents received by the Registry include:

- The Australian Workers' Union Queensland Branch and Australian Workers' Union of Employees, Queensland, Consolidated Financial Statements, Year ended 30 June 2003
- The Australian Workers' Union, Queensland Branch ("the Branch"), Financial Statements, Year ended 30 June 2003 ("the Branch financial documents")
- The Australian Workers' Union of Employees, Queensland, Financial Statements, Year ended 30 June 2003
- Copy of "Worker" newsletter of January 2004 including "summary of the combined financial statements for year ended 30 June 2003" on page 8.

Your covering letter certified that the Branch financial documents were presented to a meeting of the Branch Executive on 18 February 2004 and that the documents lodged in the Registry "are copies of the documents presented" to that meeting.

Before filing the Branch financial documents, I would appreciate your comments on the following matters:

Branch Financial Documents

The auditor's opinion (p.4), the committee of management certificate (p.5) and the accounting officer's certificate (p.6) are undated and unsigned. Although you have certified that the documents lodged are copies of those presented to the Branch Executive meeting of 18 February 2004, it appears the documents lodged may be earlier versions. If so, please arrange to lodge signed and dated copies of these documents as presented to the meeting.

Accounting Officer's Certificate

Regulation 109(1)(a) of the *Workplace Relations Regulations 1996* provides that the accounting officer's certificate state "the number of persons that were, at the end of the financial year to which the accounts relate, members of the organisation".

The certificate omits the number of members of the Branch at 30 June 2003. Please provide this number.

Provision of auditor's report and copies of accounts and statements to members

Subsections 279(1) and (3) of the *Workplace Relations Act 1996* ("the Act") require an organisation to provide copies of these documents within 56 days (or such longer time as the Industrial Registrar allows) after the auditor makes the report to the organisation. Section 279(4) of the Act permits this obligation to be discharged by the organisation publishing the report, accounts and statements in a journal or, in certain circumstances, by publishing a "summary" of these documents in the journal.

I have enclosed the full text of s279 for your information.

I note that the "summary" which appears on page 8 of the Worker newsletter appears to be a summary of the consolidated financial statements of the Branch and of the Australian Workers' Union of Employees, Queensland. It does not appear to be a summary of the auditor's report, accounts or statements of the Branch.

It would therefore appear, from the information you have supplied, that the Branch has not yet discharged its obligations to provide these documents to its members. If so, your organisation should arrange to provide the Branch financial documents (or a summary of them which meets the requirements of sub-section 279(2)) to its members and then present them to a general meeting of members or of the committee of management of your organisation within the times specified in sub-section 279(6) of the Act.

Following presentation of the Branch financial documents to this meeting, copies of the documents presented should be lodged in the Registry with your certificate.

Loans

Section 269 of the Act provides that an organisation must, as soon as practicable after the end of each financial year, lodge in the Registry a statement showing the "relevant particulars" in relation to each loan, grant or donation of an amount exceeding \$1,000 made by the organisation during the financial year. The text of s269 is attached.

Note 6 to the Financial Statements of the Branch (p.13) refers to a loan of \$5,495,950 by the Branch to the Australian Workers' Union of Employees, Queensland. An examination of the records of the Registry indicates the Branch has not provided the statement required under s269 showing the relevant particulars of this loan. These particulars are:

- the amount of the loan;
- the purpose for which the loan was required;
- the security given in relation to the loan; and
- the name and address of the person to whom the loan was made and the arrangements made for the repayment of the loan.

A statement lodged under s269 of the Act is only available for viewing at the Registry by members of your organisation.

If you have any queries about these matters, please contact me on (02) 8374 6666.

Yours sincerely



Peter McKerrow
Assistant Manager, NSW Registry

25 May 2004

WORKPLACE RELATIONS ACT 1996

- SECT 279

Copies of report and audited accounts to be provided to members and presented to meetings

- (1) An organisation shall provide free of charge to its members:
- (a) a copy of the report of the auditor in relation to the inspection and audit of the accounting records kept by the organisation in relation to a financial year; and
 - (b) a copy of the accounts and statements prepared under section 273 to which the report relates.
- (2) If, under the rules of the organisation, the committee of management of the organisation resolves to provide to the members of the organisation a summary of the report, accounts and statements, the organisation may comply with subsection (1) by providing free of charge to its members a copy of the summary if:
- (a) the organisation lodges a copy of the summary in the Industrial Registry;
 - (b) the auditor certifies that the summary is, in the auditor's opinion, a fair and accurate summary of the report, accounts and statements;
 - (c) the summary contains a statement to the effect that the organisation will provide a copy of the report, accounts and statements free of charge to any member who requests; and
 - (d) where particulars of a deficiency, failure or shortcoming in relation to a matter referred to in subsection 276(4) are set out in the report—the summary contains the particulars.
- (3) The copies referred to in subsection (1), or the summary referred to in subsection (2), shall be provided within 56 days (or such longer period as a Registrar allows) after the making to the organisation of the report concerned.
- (4) Where an organisation publishes a journal of the organisation that is available to the members of the organisation free of charge, the organisation may comply with subsection (1):
- (a) by publishing in the journal the report, accounts and statements referred to in that subsection; or
 - (b) by preparing a summary as described in subsection (2), complying with paragraphs (2)(a), (b), (c) and (d) in relation to the summary, and publishing the summary in the journal.
- (5) Where a branch of an organisation publishes a journal of the branch that is available to the members of the branch free of charge, the organisation may comply with subsection (1) in relation to those members:
- (a) by publishing in the journal the report, accounts and statements referred to in that subsection; or
 - (b) by preparing a summary as described in subsection (2), complying with paragraphs (2)(a), (b), (c) and (d) in relation to the summary, and publishing the summary in the journal.
- (6) Subject to subsection (7), an organisation shall cause the report, accounts and statements referred to in subsection (1) to be presented:
- (a) within the period (in this subsection and subsection (7) called the *relevant period*) starting on the eighth day after the report, accounts and statements are, or the summary referred to in subsection (2) is, supplied to the members and ending 28 days (or such longer period as a Registrar allows) after the end of the period referred to in subsection (3)—to a general meeting of the members of the organisation or a meeting of the committee of management of the organisation; or
 - (b) if such a meeting is not due to be held within the relevant period—to the first meeting of the committee of management held after the relevant period.
- (7) If:
- (a) the report sets out particulars of a deficiency, failure or shortcoming in relation to a matter referred to in subsection 276(4); and
 - (b) neither a general meeting of the members of the organisation nor a meeting of the committee of management of the organisation is due to be held within the relevant period; the organisation shall, within the relevant period, cause the report, accounts and statements referred to in subsection (1) to be presented to a meeting of the committee of management convened for the purpose.

WORKPLACE RELATIONS ACT 1996

- SECT 269

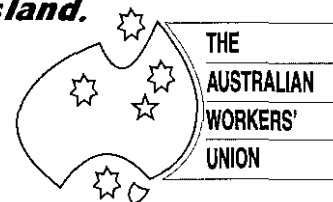
Organisations to notify particulars of loans, grants and donations

- (1) An organisation shall, as soon as practicable after the end of each financial year, lodge in the Industrial Registry a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 made by the organisation during the financial year.
- (2) A statement lodged in the Industrial Registry under subsection (1) shall be signed by an officer of the organisation.
- (3) A statement lodged in the Industrial Registry under subsection (1) may be inspected at any registry, during office hours, by a member of the organisation concerned.
- (4) The relevant particulars, in relation to a loan made by an organisation, are:
 - (a) the amount of the loan;
 - (b) the purpose for which the loan was required;
 - (c) the security given in relation to the loan; and
 - (d) except where the loan was made to relieve a member of the organisation, or a dependant of a member of the organisation, from severe financial hardship—the name and address of the person to whom the loan was made and the arrangements made for the repayment of the loan.
- (5) The relevant particulars, in relation to a grant or donation made by an organisation, are:
 - (a) the amount of the grant or donation;
 - (b) the purpose for which the grant or donation was made; and
 - (c) except where the grant or donation was made to relieve a member of the organisation, or a dependant of a member of the organisation, from severe financial hardship—the name and address of the person to whom the grant or donation was made.
- (6) Where an organisation is divided into branches:
 - (a) this section applies in relation to the organisation as if loans, grants or donations made by a branch of the organisation were not made by the organisation; and
 - (b) this section applies in relation to each of the branches as if the branch were itself an organisation.
- (7) For the purposes of the application of this section in accordance with subsection (6) in relation to a branch of an organisation, the members of the organisation constituting the branch shall be taken to be members of the branch.



**The Australian Workers' Union of Employees, Queensland.
The Australian Workers' Union, Queensland Branch.**

Call: 07 3221 8844
Post: GPO Box 88, BRISBANE Q 4001
Fax : 07 3221 8700
Office: Level 12, 333 Adelaide Street, Brisbane
Email: secretary@awu.org.au
Address all correspondence to the Secretary



EM

18 June 2004

Mr. Peter McKerrow
Assistant Manager
Australian Industrial Registry
Level 8, Terrace Towers
80 William Street
EAST SYDNEY. NSW 2011

Dear Sir

Re: Lodgement of Financial Documents for year ending 30 June, 2003
(FR2003/304)

I wish to acknowledge receipt of your communication dated 25 May, 2004, with reference to the above financial documents which were lodged in the Registry on 4 March 2004.

I also would like to refer to our telephone conversation of last week regarding this matter, and now confirm our discussions that upon my next trip to Sydney, I shall make an appointment with your office to discuss this matter further.

Yours faithfully

W.P. Ludwig
W P LUDWIG
BRANCH SECRETARY *prem*



Australian Government
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Mr W P Ludwig
Branch Secretary
Australian Workers' Union
Queensland Branch
GPO Box 88
BRISBANE Q 4001

Dear Mr Ludwig

**Lodgement of Financial Documents for Australian Workers' Union, Queensland Branch
Year Ending 30 June 2003 (FR2003/304)**

I refer our discussions at the Registry on 29 July 2004 concerning the Branch's financial documents following the Registry's letter of 25 May 2004.

At that meeting you provided for lodgement signed and dated copies of the financial statements including the auditor's report. I undertook to give further consideration to the issue of the provision of these documents by the Branch to its members and the obligations of the Branch's accounting officer to state the number of members of the Branch in the accounting officer's certificate.

Provision of Financial Documents to Members

In our discussion you indicated that the Branch is of the view that publication in the Branch journal of a summary of the combined financial statements of both the Branch and the AWU Queensland (the Union) registered under State industrial legislation provide members of the Branch a more realistic view of the Branch's affairs. You also indicated that for this reason it is your practice to prepare financial statements for each of the Branch and Union and a combined set and I note that all three sets of documents have now been lodged in the Registry.

I explained to you the requirements of Division 11 Part IX of the Workplace Relations Act 1996 and particularly the requirement to provide members copies of the accounts of the Branch and the auditor's report or a summary. I indicated that the option of providing a summary was subject to conditions specified in the legislation.

You also outlined the close financial and other working relationship between the Branch and the Union and the terms of the agreement between them, which the Commission approved on 15 October 1992 pursuant to the former s202 of the Workplace Relations Act.

I have considered whether I should seek that your Branch now provide either the full report or a summary of its accounts to its members for the financial year 30 June 2003. In determining this issue I have taken into account the fact that the Branch financial statements and the auditor's report will shortly be published on the Organisations website of the Australian Industrial Relations Commission. I have also noted that within the Branch journal dated January 2004 in which the "summary" of the combined financial statements was published it was stated that a copy of the financial statements and auditor's report of the Branch would be supplied to members on request free of charge.

In these circumstances, I believe the information needs of members on the Branch's financial affairs for the year ending 30 June 2003 will be adequately addressed by the provision of the documents if requested and their imminent publication on the AIRC website. I have reached this view only for the purposes of the 30 June 2003 year and not for subsequent years.

Accounting Officer's Certificate

I have considered the terms of the s202 agreement in which it is provided that members of the Union "shall be admitted forthwith to membership of the [Branch]" on the date the agreement came into force. I also note that clause 2 of the agreement provides for members of the Union to be admitted to membership after that date. In these circumstances it would appear that persons so admitted are to be regarded as members of the Branch. The accounting officer's certificate should therefore state the number of persons at the end of the financial year who are members of the Branch through the operation of the agreement or otherwise. Given the figure disclosed in the union's accounts lodged with the Registry, no further action is required on this issue for the 30 June 2003 year.

New Financial Reporting Requirements

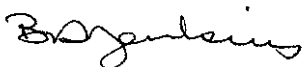
As discussed at our meeting, the new financial reporting requirements in the Registration and Accountability of Organisations Schedule (Schedule 1B to the *Workplace Relations Act 1996*) (the RAO Schedule) apply to the Branch for the financial year ending 30 June 2004. On 9 August 2004 I wrote to you summarising those provisions.

As you would appreciate, the new requirements clearly oblige the Branch to prepare, provide to members and lodge in the Registry financial and other reports within specified time limits. It is a matter for the Branch to determine what if any additional financial information it wishes to provide its members about the Union or the operations of the Union and Branch.

As you are aware, if the Branch believes it meets the criteria for its reporting requirements to be reduced, it may apply to the Industrial Registrar for a certificate under one of the provisions of Part 3 of Division 6 of Chapter 8 of the RAO Schedule.

I appreciate the opportunity of discussing these matters with you. If you have any queries, please contact me on (02) 8374 6666.

Yours sincerely



Barry Jenkins
Deputy Industrial Registrar
2 September 2004