



Australian Government
Australian Industrial Registry

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

Ref: FR2006/481-[002N-SA]

Mr Wayne Hanson
Branch Secretary
AWU - Greater South Australian Branch
GPO Box 2577
ADELAIDE SA 5001

Dear Mr Hanson

Financial Return - year ending 30 June, 2006

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

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

Information on AIRC Website

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

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

Reporting Unit

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

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

Industrial Registrar's Guidelines

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

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

Timeline Planner and Checklist

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

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

Three Reports

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

1. **General Purpose Financial Report** - this must comply with the Australian Accounting Standards and the Industrial Registrar's Reporting Guidelines. The GPFR consists of:
 - (a) Financial Statements containing:
 - a profit and loss statement, or other operating statement; and
 - a balance sheet; and
 - a statement of cash flows; and
 - any other statements required by the Australian Accounting Standards; and
 - (b) Notes to the Financial Statements containing:
 - notes required by the Australian Accounting Standards; and
 - information required by the Industrial Registrar's *Reporting Guidelines* under section 255 including disclosures related to any recovery of wages activity ; and
 - (c) Committee of Management Statement as required by the Registrar's Reporting Guidelines (a sample certificate for illustrative purposes is at Attachment C) including declarations related to the recovery of wages activity.
2. **Operating Report** - this report includes a review of your reporting unit's principal activities for the year and other specified information.

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

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

First Meeting (Committee of Management)

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

The Auditor

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

Informing Your Members

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

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

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

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

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

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

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

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

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

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

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

Lodge full report within 14 days of meeting

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

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

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

Complying with time limits

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

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

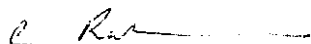
Extensions of Time

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

Contact the Registry

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

Yours sincerely

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

For Deputy Industrial Registrar...
1 August, 2006

AMALGAMATED AWU (SA) STATE UNION
AWU GREATER SOUTH AUSTRALIAN BRANCH
22-24 Main Street, Mawson Lakes, South Australia 5095
G.P.O. Box 2577, Adelaide, South Australia 5001
Telephone (08) 8360 1900 Facsimile (08) 8360 1960
Email awusa@awusa.asn.au
www.awusa.asn.au



Branch Secretary
Wayne Hanson

Monday, 11 December 2006

Australian Industrial Relations Commission
Statutory Services Branch
Level 8
80 William Street
EAST SYDNEY NSW 2011

Dear Sir/Madam

Please accept this correspondence as confirmation that the Greater South Australian Branch of the Australian Workers' Union (AWU) has satisfied the requirements of the Australian Workplace Relations Act 1996 by proceeding with the following processes:

- An Australian Workers' Union meeting was convened on Friday 6 October, 2006 and the Financial Report, signed by the auditor was tabled and received. An individual copy of the Financial Report, the Auditor's Report and the Operating Report was provided to all members present.
- The complete Financial Report including, the Auditor's Report and the Operating Report was distributed to the members for their perusal and information on Monday 23 October 2006.
- A Union meeting notice was placed in the Adelaide Advertiser on Monday 30 October 2006 notifying members of a Union meeting to be convened on Monday 4 December 2006.
- A meeting for the AWU members was convened on Monday 4 December 2006. An individual copy of the Financial Report, Auditors Report and the Operating Report, was provided to all members present, and the Financial Report was adopted at this meeting.

Enclosed also for your perusal and information is a copy of the Greater South Australian Branch Financial Report for 2005 / 2006.

Please do not hesitate to contact the writer on 08 8360 1900 should you wish to discuss any aspect of the above matters further.

Yours sincerely
THE AUSTRALIAN WORKERS' UNION

Wayne Hanson
WAYNE HANSON
BRANCH SECRETARY



AMALGAMATED AWU (SA) STATE UNION
AWU GREATER SOUTH AUSTRALIAN BRANCH
22-24 Main Street, Mawson Lakes, South Australia 5095
G.P.O. Box 2577, Adelaide, South Australia 5001
Telephone (08) 8360 1900 Facsimile (08) 8360 1960
Email awusa@awusa.asn.au
www.awusa.asn.au



Branch Secretary
Wayne Hanson

Monday, 11 December 2006.

Australian Industrial Relations Commission
Statutory Services Branch
Level 8
80 Williams Street
EAST SYDNEY NSW 2011

Dear Sir / Madam,

Please find enclosed a copy of the Australian Workers Union Greater South Australian Branch Financial Report for the year ended 30 June 2006, as follows:

- Executives Certificate
- Accounting Officers Certificate
- Statement for the Financial Year ended 30 June 2006
- Independent Auditors Report
- Operating Report

Please do not hesitate to contact the writer on 08 8360 1900 should you wish to discuss any aspect of the above matter.

Yours sincerely,
THE AUSTRALIAN WORKERS' UNION

Wayne Hanson

Wayne Hanson
AWU Branch Secretary.





**AUSTRALIAN WORKERS' UNION
GREATER SOUTH AUSTRALIAN BRANCH**

2006





THE AUSTRALIAN WORKERS' UNION GREATER SOUTH AUSTRALIAN BRANCH
COMMITTEE OF MANAGEMENT OPERATING REPORT AND STATEMENT FOR THE
YEAR ENDED 30 JUNE 2006

Operating Report

In accordance with section 254 of the Workplace Relations Act 1996 ("Act") the Committee of Management presents its Operating Report on The Australian Workers' Union Greater South Australian Branch for the year ended 30 June 2006.

Principal Activities

The principal activity of the Union was to act on behalf of members in respect of:

- employment terms and conditions;
- to secure improved conditions of employment for the members;
- to assist members in dispute resolution;
- to assist members who may have become injured in the course of their employment;
- to assist dependants of members through financial benefits; and
- to assist members in unfair dismissal matters before relevant tribunals.

Results

The deficit for the financial year amounted to \$6,691.00

Significant Changes

The above result is a product of a commitment by the Greater South Australian Branch to recognise \$139,586.00 as an additional expense by accepting 30% of National Office's Long Service Leave liability as part provision for Greater South Australian Branch officials.

Members Right to Resign

The right of AWU members to resign from the Branch is set out in Rule 14 of The Australian Workers' Union Rules as registered under the Workplace Relations Act 1996.

Membership of Superannuation Scheme

John Frederick Braithwaite, Organiser / Branch Executive Committee member of the Union is a Trustee of Local Super, a superannuation scheme operated for the benefit of workers across the Local Government Industry throughout South Australia.

Number of Members

The number of persons that were, at the end of the financial year to which the report relates, recorded in the register of members is 8358.

Number of Employees

The number of persons who were, at the end of the financial year to which the report relates, employees of the Branch, where the number of employees includes both full-time employees, casuals and part time employees measured on a full time basis is 18.

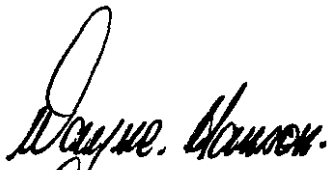
Members of the Committee

The name of each person who has been a member of the committee of management of the Branch at any time during the reporting period:

Name	Position
Ian Nitz	President (Honorary)
Nari Jarrett	Vice President
Lance Degenhardt	Vice President
Wayne Hanson	Secretary
Frank Mateos	Assistant Secretary
Joseph Kane	Committee Member
John Braithwaite	Committee Member
Peter Lamps	Committee Member
Christopher Brown	Committee Member
Rodney Skuse	Committee Member
John O'Neill	Committee Member
Brian Stone	Committee Member
Gary Henderson	Committee Member
Arthur Westwood	Committee Member
Martin O'Connor	Committee Member
Lindy Modystach	Committee Member
Ian Seccafien	Committee Member
Christine Hughes	Committee Member
James Phelan	Committee Member
Ian Ashmore	Committee Member
Terry Bails	Committee Member
Scott Martin	Committee Member

Other information

There is no other information that the union considers relevant.



Wayne Hanson
Branch Secretary
Australian Workers' Union

AUSTRALIAN WORKERS' UNION GREATER SA BRANCH

COMMITTEE OF MANAGEMENT STATEMENT

On 6 OCT 2006 the Committee of Management of Australian Workers' Union Greater SA Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30th June 2006:

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

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year;
 - (i) meetings of the committee of management were held in accordance with the rules of the organization including the rules of the branch concerned: and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organization including the rules of a Branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations: and
 - (iv) where the organization consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practical, in a consistent manner to each of the other reporting units of the organization; and
 - (v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - (vi) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

For Committee of Management: Wayne Hanson

Title of Office Held: BRANCH SECRETARY

Signature:

Wayne Hanson

Date: FRIDAY 6 OCT 2006

AUSTRALIAN WORKERS UNION GREATER SA BRANCH

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2006 \$	2005 \$
Revenue from rendering of services		2,176,216	2,114,923
Other revenues from ordinary activities		270,492	278,085
Total Revenue from Ordinary Activities	3	2,446,708	2,393,008
Employee benefits expense		1,194,002	1,193,200
Motor vehicle and travelling expenses		250,458	250,308
Depreciation expense		5,561	7,562
Administration services		12,347	71,658
AWU National Office sustentation fees		287,364	287,037
Other expenses from ordinary activities		703,667	532,452
Total Operating Expenses	3	2,453,399	2,342,218
Total Expenses from Ordinary Activities		2,453,399	2,342,218
(Deficit)/Surplus from Ordinary Activities		(6,691)	50,790
Total Changes In Equity		(6,691)	50,790

The Income Statement is to be read in conjunction with the notes to the financial statements set out on pages 7 to 19.

AUSTRALIAN WORKERS' UNION GREATER SA BRANCH

**BALANCE SHEET
AS AT 30 JUNE 2006**

	Note	2006	2005
		\$	\$
CURRENT ASSETS			
Cash	10(i)	381,655	295,644
Receivables	4	415,626	399,134
Prepayments		30,545	30,554
TOTAL CURRENT ASSETS		827,826	725,332
NON-CURRENT ASSETS			
Property, Plant and Equipment	5	7,279	13,023
TOTAL NON-CURRENT ASSETS		7,279	13,023
TOTAL ASSETS		835,105	738,355
CURRENT LIABILITIES			
Payables	6	163,863	173,292
Provisions	7	225,677	252,393
TOTAL CURRENT LIABILITIES		389,540	425,685
NON CURRENT LIABILITIES			
Provisions	7	139,586	-
TOTAL NON CURRENT LIABILITIES		139,586	-
TOTAL LIABILITIES		529,126	425,685
NET ASSETS		305,979	312,670
EQUITY			
Members' Funds	8	305,979	312,670
TOTAL EQUITY		305,979	312,670

The Balance Sheet is to be read in conjunction with the notes to the financial statements set out on pages 7 to 19.

AUSTRALIAN WORKERS' UNION GREATER SA BRANCH

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2006 \$	2005 \$
Cash flows from operating activities			
Receipts from members and other users		2,735,383	2,619,577
Payments to suppliers and employees		(2,598,988)	(2,575,585)
Interest received		19,561	7,332
Borrowing costs paid		-	-
		<hr/>	<hr/>
Net cash provided by operating activities	10(ii)	155,956	51,324
Cash flows from investing activities			
Payment for property, plant and equipment		(119)	(1,041)
Proceeds from disposal of property, plant and equipment		302	6,750
		<hr/>	<hr/>
Net cash provided by investing activities		183	5,709
Cash flows from financing activities			
Amalgamated AWU (SA) State Union loan		(70,128)	(23,063)
AWU National Office Loan Repayments			
Received / (Amounts Advanced)		-	19,600
Finance Lease Payments		-	(3,473)
		<hr/>	<hr/>
Net cash (used in) financing activities		(70,128)	(6,936)
Net increase in cash held		86,012	50,097
Cash at the beginning of the financial year		295,644	245,547
		<hr/>	<hr/>
Cash at the end of the financial year	10(i)	381,655	295,644
		<hr/>	<hr/>

The Statement of Cash Flows is to be read in conjunction with the notes to the financial statements set out on pages 7 to 19.

AUSTRALIAN WORKERS' UNION GREATER SA BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant policies which have been adopted in the preparation of this financial report are:

(a) Basis of Preparation

The financial report of the Union has been prepared as a general purpose financial report in accordance with Accounting Standards, Urgent Issues Group Consensus Views, the Workplace Relations Act of 1996 and other requirements of law.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

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

(b) Revenue Recognition

Membership Subscriptions

Membership subscriptions are accounted for on an accrual basis.

Any contributions that are received subsequent to balance date which relate to the year ended 30 June 2006 are included in contributions receivable.

Other Revenue

Other revenue is recognised in the period to which it relates.

(c) Income Tax

The Union is exempt from income tax under section 50-15 Item 3.2 of the Income Tax Assessment Act 1997.

(d) Acquisition of Assets

All assets acquired including property, plant and equipment are recorded at their acquisition cost at the date of acquisition being the fair value of the consideration plus incidental costs directly attributable to the acquisition.

AUSTRALIAN WORKERS' UNION GREATER SA BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

(e) Recoverable amount of non-current assets

The carrying amount of non-current assets are reviewed to determine whether they are in excess of their recoverable amount at balance sheet date. If the carrying amount of a non-current asset exceeds its recoverable amount, the asset is written down to the lower amount. The write-down is recognised as an expense in the statement of financial performance in the reporting period in which it occurs.

Where a group of non-current assets working together supports the generation of cash inflows, recoverable amount is assessed in relation to that group of assets.

In assessing the recoverable amounts of non-current assets the relevant cash flows have not been discounted to their present value, except where specifically stated.

(f) Depreciation

Depreciation is provided on all items of property, plant and equipment so as to write off the assets progressively over their estimated useful life. Both the straight line and diminishing value methods of depreciation have been used.

The average depreciation rates applied for each class of asset are as follows:

Furniture & Fittings	20%	Straight line
Computer Equipment	33.3 %	Straight line
Motor Vehicles	22.5%	Diminishing value

(g) Leased Plant and Equipment

Leases of Plant and equipment under which the union assumes substantially all the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating leases.

Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments. Contingent rentals are written off as an expense of the accounting period in which they are incurred. Leased assets are depreciated on a diminishing value basis over their estimated useful lives or the term of the lease where it is likely that the Union will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Payments made under operating leases where substantially all the benefits and risks remain with the lessor are charged as an expense in the periods in which they are incurred.

AUSTRALIAN WORKERS' UNION GREATER SA BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

(h) Receivables

The collectibility of trade debtors is assessed at balance date and provision is made for any doubtful debts.

Any subscriptions which are received subsequent to balance date which related to the year ended 30 June 2006 are included in Subscriptions Receivable.

(i) Employee Entitlements

Wages, Salaries and Leave

The provision for employee entitlements for wages, salaries, annual leave and long service leave represents the amount which the Union has a present obligation to pay resulting from employees' services provided up to the balance date. The provision has been calculated at nominal amounts based on current wage and salary rates and includes related on-costs. The carrying amount of the provisions approximate net fair value.

Superannuation

The Union contributes to an employee superannuation fund. Contributions are charged as an expense when incurred.

(j) Accounts Payable

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Union.

(k) Goods and service tax

Revenues, expenses and assets are recognised net of the amount of goods and service tax (GST), except where the amount of GST is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the assets or as part of an item in the expense.

Receivables and payables in the Balance Sheet are shown inclusive of GST.

The GST recoverable from, and payable to, the ATO is included in current assets or liabilities respectively in the statement of financial position.

Cash flows on the GST are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(l) Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank, net of any outstanding bank overdrafts.

AUSTRALIAN WORKERS' UNION GREATER SA BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

(m) First-Time Adoption of Australian Equivalents to International Financial Reporting Standards

On transition to AIFRS, there are no adjustments to equity or profit or loss between previous Australian GAAP and AIFRS.

2. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act, 1996 the attention of members is drawn to the provisions of Section 272 which reads as follows:

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

AUSTRALIAN WORKERS' UNION GREATER SA BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

3. SURPLUS FROM ORDINARY ACTIVITIES

	2006	2005
	\$	\$
Revenue from Ordinary Activities		
Subscription income	2,176,216	2,114,923
Interest income	19,561	7,332
Management fee received from Amalgamated AWU (SA)	250,000	250,000
Workcover Training Grants	(2,750)	2,825
Sundry income	3,681	1,483
Convention Income	-	16,445
	<hr/>	<hr/>
Total Revenue from Ordinary Activities	2,446,708	2,393,008
Expenditure from Ordinary Activities		
Operating Expenses		
Acts, awards and books	5,122	2,362
Administration Services	12,347	71,658
Advertising	54,611	1,507
Affiliation Fees – ALP,UTLC	50,890	51,048
Auditors Remuneration – Audit	9,000	9,000
Bad Debts	29	-
Bank charges and duty	6,740	7,504
Bereavement Fund	920	600
Computer maintenance	8,059	9,313
Cleaning	11,970	9,963
Delegates Conference	-	24,119
Delegates commission	2,813	2,486
Delegates Expenses	2,364	-
Depreciation	5,561	7,562
Commission – For Employers for Payroll Deductions	2,248	2,549
Donations and grants	1,045	2,418
Electricity and gas	10,392	13,990
Executive Sitting Fee Federal	2,571	2,626
Fax Lease	1,254	1,890
Fringe benefits tax	23,245	13,335
General expense	116	26,954
Internet Expenses	5,078	6,894
Legal expenses	11,239	25,958
Laptop lease	-	2,306
Lost time	869	1,568
Long Service Leave Provision	153,171	-

AUSTRALIAN WORKERS' UNION GREATER SA BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

3. SURPLUS FROM ORDINARY ACTIVITIES (continued)

	2006	2005
	\$	\$
Membership Action Support	1,260	455
Membership System Hosting	26,504	23,800
Motor vehicle petrol	47,058	52,789
Motor vehicle lease	-	2,391
Motor vehicle registration and insurance	22,437	18,537
Motor vehicle repairs and service	34,261	18,265
Motor vehicle rental	106,909	106,909
National AWU Office sustentation fees	287,364	287,037
Payroll tax	40,907	38,516
Postage and couriers	15,129	13,893
Printing and stationery	34,200	34,882
Rates	2,240	2,459
Relocation Expenses	1,063	1,268
Rent	120,000	120,000
Rental – photocopier	-	3,661
Repairs and maintenance – office	3,132	6,422
Rubbish Removal	1,179	398
Flowers / Gifts	178	373
Salaries & Wages	1,035,679	1,032,003
Security service	386	471
Staff amenities	8,651	5,162
Subscription and Memberships	8,400	11,102
Superannuation	135,077	127,999
Telephone	65,463	58,382
Training courses	3,542	953
Travelling expenses	39,793	51,417
Uniform	1,981	581
Workcover	18,979	17,752
Xerox lease	9,972	6,731
Total Operating Expenses	2,453,399	2,342,218

AUSTRALIAN WORKERS' UNION GREATER SA BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

4. RECEIVABLES

	2006	2005
	\$	\$
Current		
Subscriptions receivable	82,363	122,657
Loan Owing by Amalgamated AWU SA State Union	300,557	230,429
GST recoverable from ATO	32,706	43,118
Other debtors	-	2,930
	<hr/>	<hr/>
	415,626	399,134
	<hr/>	<hr/>

5. PROPERTY, PLANT AND EQUIPMENT

Office furniture and fittings – at cost	265,864	265,745
Less: Accumulated depreciation	<u>(258,612)</u>	<u>(253,498)</u>
	7,252	12,247
Motor vehicles: – at cost	-	8677
Less: Accumulated depreciation	<u>-</u>	<u>(8677)</u>
	-	-
Laptop Computers – at cost	13,499	13,499
Less: Accumulated depreciation	<u>(13,472)</u>	<u>(12,723)</u>
	27	776
Total Property, Plant and Equipment	<hr/>	<hr/>
	7,279	13,023
	<hr/>	<hr/>

AUSTRALIAN WORKERS' UNION GREATER SA BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

5. PROPERTY, PLANT AND EQUIPMENT (continued)

	2006	2005
	\$	\$
Movements in Carrying Amounts		
Movements in the carrying amounts for each class of Property, Plant and Equipment between the beginning and the end of the Financial Year.		
<i>Office furniture and fittings</i>		
Carrying amount at beginning of year	12,247	16,362
Additions	119	1,044
Disposals	-	-
Depreciation	(5,114)	(5,159)
Carrying amount at end of year	<u>7,252</u>	<u>12,247</u>
<i>Motor vehicles: under finance lease</i>		
Carrying amount at beginning of year	-	9,051
Additions	-	-
Disposals	-	(8,033)
Depreciation	-	(1,018)
Carrying amount at end of year	<u>-</u>	<u>-</u>
<i>Laptop Computers</i>		
Carrying amount at beginning of year	776	2,161
Additions	-	-
Disposals	-	-
Depreciation	(749)	(1,385)
Carrying amount at end of year	<u>27</u>	<u>776</u>

6. PAYABLES

Current

Trade creditors	66,339	67,866
Other creditors & accruals	34,687	27,163
GST Payable to ATO	62,837	78,263
	<u>163,863</u>	<u>173,292</u>

AUSTRALIAN WORKERS' UNION GREATER SA BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

7. PROVISIONS

	2006	2005
	\$	\$
Current		
Provision for Annual Leave	225,677	252,393
Non Current		
Provision for Long Service Leave	139,586	-
Total Provisions	<u>365,263</u>	<u>252,393</u>
Number of employees at year end:	18	21

The long service leave entitlements of the SA Branch union officials are 70% the liability of the Head Office of the Australian Workers Union. Accordingly the Australian Workers' Union Greater SA Branch has recorded 30% of the liability for long service leave entitlements.

8. MEMBERS FUNDS

Members' funds at the beginning of the financial year	312,670	261,880
(Deficit)/Surplus from Ordinary Activities	<u>(6,691)</u>	<u>50,790</u>
Members' funds at the end of the financial year	<u>305,979</u>	<u>312,670</u>

9. LEASE COMMITMENTS

Operating lease commitments

Future non-cancellable operating lease of office equipment, payable:

Not later than one year	9,972	14,086
Later than one year but not later than five years	24,099	33,240

Total Operating Lease Commitments	<u>34,071</u>	<u>47,236</u>
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The photocopier lease is a non-cancellable lease with a five year term. Rent is payable monthly in advance. An option exists at the end of the lease to renew the lease.

AUSTRALIAN WORKERS UNION GREATER SA BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

10. NOTES TO THE STATEMENT OF CASH FLOWS

(i) Reconciliation of Cash

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	2,300	2,300
Cash at banks	379,355	293,344
	<hr/>	<hr/>
	381,655	295,644
	<hr/> <hr/>	<hr/> <hr/>

(ii) Reconciliation of cash flow from operations with surplus from ordinary activities

(Deficit)/Surplus from ordinary activities	(6,691)	50,790
<i>Add non-cash items:</i>		
Depreciation	5,561	7,562
Net loss on sale of non-current assets	-	1,283
<i>Change in assets and liabilities during the year:</i>		
Decrease/(Increase) in receivables	53,636	(13,720)
Decrease in prepayments	9	1,019
(Decrease) in payables	(9,430)	(7,597)
Increase in provisions	112,871	11,987
	<hr/>	<hr/>
Net cash provided by operating activities	155,956	51,324
	<hr/> <hr/>	<hr/> <hr/>

AUSTRALIAN WORKERS' UNION GREATER SA BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

11. FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The Union's exposure to interest rate risk is nil. But financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those finance assets and liabilities is as follows:

AS AT 30 JUNE 2006

	Weighted Average Interest Rate	Non-Interest Bearing	Floating Interest Rate	Fixed Interest Rate Maturing Within 1 Year	Fixed Interest Rate Maturing 1 – 5 Years	Total
Cash	4.65%	2,300	379,355			381,655
Receivables	0.00%	415,625				415,625
Total Financial Assets		417,925	379,355			797,280
Payables	0.00%	163,863				163,863
Lease Liabilities	0.00%					
Total Financial Liabilities		163,863				163,863

AS AT 30 JUNE 2005

	Weighted Average Interest Rate	Non-Interest Bearing	Floating Interest Rate	Fixed Interest Rate Maturing Within 1 Year	Fixed Interest Rate Maturing 1 – 5 Years	Total
Cash	4.56%	2,300	293,344			295,644
Receivables	0.00%	399,134				399,134
Total Financial Assets		401,434	293,344			694,778
Payables	0.00%	173,292				173,292
Lease Liabilities	0.00%					-
Total Financial Liabilities		173,292				173,292

(b) Credit Risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The Union recognises its receivables for contributions based on cash received subsequent to balance date.

(c) Net Fair Value of Financial Assets and Liabilities

The Union recognises all of its financial assets and liabilities at their net fair value.

AUSTRALIAN WORKERS' UNION GREATER SA BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

12. RELATED PARTIES

(i) Executive Committee Members

The names of the Executive Committee Members during the year are listed below. The persons listed held the position for the whole year unless otherwise stated.

President (Honorary)	Ian Nitz	
Vice President	Lance Degenhardt*	Nari Jarrett *
Secretary	Wayne Hanson *	
Assistant Secretary	Frank Mateos *	
Committee Members	Joseph Kane *	John O'Neill *
	John Braithwaite *	Terry Bails
	Chris Brown *	Ian Ashmore
	Peter Lamps *	Martin O'Connor
	Rodney Skuse*	Lindy Modystach
	Arthur Westwood	Brian Stone
	Gary Henderson	Scott Martin
	Ian Seccafien	James Phelan
	Christine Hughes	

(ii) Committee Members' Remuneration

Payments totalling \$2,571 (2005: \$2,626) were made to rank and file committee members of the Executive as sitting fees for attending Executive meetings. No other amounts were paid to committee members during the year in their capacity as committee members.

The Committee Members as indicated * were full-time officials / officers of the Union during the year and received remuneration in that capacity, the total of which is disclosed in Note 12 (iv).

(iii) Transactions with the Amalgamated AWU (SA) State Union

During the year, the Australian Workers' Union Greater SA Branch charged the Amalgamated AWU (SA) State Union a management fee of \$250,000 for services rendered during the year ended 30 June 2006 (2005: \$250,000).

The union has leased office space from Amalgamated AWU (SA) State Union at \$10,000 per month. A total of \$120,000 was paid during the year ended 30th June 2006 (2005: \$120,000).

AUSTRALIAN WORKERS' UNION GREATER SA BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

12. RELATED PARTIES (continued)

(iii) Transactions with the Amalgamated AWU (SA) State Union (continued)

Since July 2005, all motor vehicles are leased from Amalgamated AWU (SA) State Union at \$685 per month per car. A total of \$106,909 was paid during the year.

All dealings are in the ordinary course of business.

As at 30 June 2006, the Union is owed a balance of \$300,557 by the AWU (SA) State Union (30 June 2005: \$230,429 owing by AWU (SA) State Union). The management fee and various operating costs met by the AWU (SA) State Union during the year on behalf of the Union have been charged and credited to the loan balance respectively. The rental charge and motor vehicle lease charge are also offset against the loan.

(iv) Remuneration of Executive Committee members who are full-time officials / officers of the Union:

	2006 \$	2005
Income** paid or payable to Executive Committee Members who are full-time officials / officers of the Union during the year	680,539	644,148
<hr/>		
Number of Executive Committee Members above whose remuneration** from the Union was within the following bands:	Number	Number
\$ 0 - \$ 59,999	1	2
\$ 60,000 - \$ 69,999	7	2
\$ 70,000 - \$ 79,999	1	5
\$ 80,000 - \$ 89,999	1	1

** Remuneration does not include any payout of Long Service Leave due to retirement or resignation.

13. OTHER INFORMATION

Principal Place of Business: 22-24 Main Street
Mawson Lakes
SA 5095

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
AUSTRALIAN WORKERS' UNION GREATER SA BRANCH**

Scope

The financial report and Union Executives' responsibility

The financial report comprises the income statement, balance sheet, statement of cash flows, accompanying notes to the financial statements, and the Committee of Management Statement for Australian Workers' Union Greater SA Branch, for the year ended 30 June 2006.

The Union Executives are responsible for the preparation and true and fair presentation of the financial report in accordance with Australian Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements. 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 in the financial report.

Audit approach

We conducted an independent audit of the financial report in order to express an opinion on it to the members of the Australian Workers' Union Greater SA 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 judgment, 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 Australian Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements, a view which is consistent with our understanding of the Union's financial position and of its performance as represented by the results of its operations and 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
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the executive.

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

We received all of the information and explanations that officers and employees of the Union were required to provide.

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

Continued on page 21.

Continued from page 20.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In our opinion:

- i) the Union has kept satisfactory accounting records, including:
 - (a) records of the sources and nature of income (including income from members); and
 - (b) records of the nature and purposes of expenditure.

- (ii) the accounts and statements prepared under section 253 of the Workplace Relations Act 1996 were properly drawn up so as to present fairly:
 - (a) the financial position of the Union as at the end of the year; and
 - (b) the income and expenditure, and surplus of the Union for the year.

- (iii) the financial report is in accordance with:
 - (a) the provisions of the Workplace Relations Act 1996; and
 - (b) Australian Accounting Standards and other mandatory professional reporting requirements.

D.G. Scott & Co.



Trevor D Hirth FCA
Partner

Adelaide *11th October* 2006



Australian Government
Australian Industrial Registry

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

Mr Wayne Hanson
Secretary, Greater South Australian Branch
AWU
GPO Box 2577
ADELAIDE SA 5001

Dear Mr Hanson

**Re: Lodgement of Financial Statements and Accounts – AWU Greater South
Australian Branch – for year ending 30 June 2006 (FR2006/481)**

I refer to the abovementioned financial statements and accounts which were lodged in the Registry on 12 December 2006.

The legislative requirements appear to have been met and accordingly the documents have been filed. There is no further action required but I take this opportunity to remind you of the following if it applies in future years.

Recovery of Wages Activity Report (only if applicable in any year)

Paragraph 16 of the Industrial Registrar's Guidelines states:

Where the reporting unit has undertaken recovery of wages activity (and has derived revenues for the financial year in respect of such activity) the reporting unit must cause to be prepared for purposes of paragraph 253(2)(c) of the RAO Schedule a financial report in which is disclosed financial information associated with such activity.

Paragraphs 17-23 describe what such a report must contain, and paragraph 25(f) requires that the Committee of Management Statement contain various declarations in relation to such recovery wages activity.

If such activity occurs in future years, it should be reported in accordance with these Guidelines.

Yours sincerely,

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

Stephen Kellett
Statutory Services Branch

20 December 2006