



FAIR WORK
AUSTRALIA

10 November 2011

Mr Wayne Hanson
Secretary, South Australian Branch
The Australian Workers' Union
GPO Box 2577
ADELAIDE SA 5001



Dear Mr Hanson,

Re: Lodgement of Financial Statements and Accounts – The Australian Workers' Union, South Australian Branch – for year ending 30 June 2011 (FR2011/2758)

Thank you for lodging the abovementioned financial statements and accounts which were received by Fair Work Australia on 2 November 2011. An amended Committee of Management Statement was lodged today, 10 November 2011 following our telephone discussion.

The documents have now been filed .

Yours sincerely,

Stephen Kellett
Organisations, Research and Advice Branch
Fair Work Australia

KELLETT, Stephen

Subject: FW: Attention: Wayne Hanson, Branch Secretary
Attachments: DOC111011.pdf

From: Leanne Ware [<mailto:LWare@awusa.asn.au>]
Sent: Thursday, 10 November 2011 2:11 PM
To: KELLETT, Stephen
Cc: Wayne Hanson
Subject: RE: Attention: Wayne Hanson, Branch Secretary

Dear Stephen

Please find attached the amended Committee of Management Statement , as per our discussions by telephone today.

Regards
Wayne Hanson
per
Leanne Ware
Finance/Administration

RECEIVED
10-11-11

Australian Workers Union
South Australian Branch

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Mobile: 0412 234 438
lware@awusa.asn.au



**STRONGER
TOGETHER**

AUSTRALIAN WORKERS' UNION SOUTH AUSTRALIAN BRANCH

COMMITTEE OF MANAGEMENT STATEMENT

On *Friday 23 September, 2011* the Committee of Management of Australian Workers' Union 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 2011:

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:

South Australian Branch Secretary

Signature:

Wayne Hanson

Date:

Thursday 10 November, 2011.

KELLETT, Stephen

From: KELLETT, Stephen
Sent: Wednesday, 9 November 2011 3:09 PM
To: 'awusa@awusa.asn.au'
Subject: Attention: Wayne Hanson, Branch Secretary

Dear Wayne,

I have your Branch's 2011 financial return. Before filing the documents I must clarify one apparent anomaly.

You've signed and dated the Committee of Management Statement on 6 September 2011, the same day as the Auditor's report and the Operating report. However, in that Statement you begin *"On 23 September 2011 the committee of management of Australian Workers' Union SA Branch passed the following resolution....."*

The first problem is that the Statement (signed 6 September) certifies a later event (23 September) as a past event ("passed the following resolution"). This is an error of form.

The second problem concerns the sequence in which the Committee of Management Statement was apparently prepared, vis-a-vis the Auditor's report. In your covering letter you say the auditor's report was received on 23 September 2011. It was also dated 6 September 2011.

The problem is the Committee of Management Statement is prescribed by the Act as one of the elements of a general purpose financial report, and the resolution of which it speaks has always been expected by FWA (and the former AIR) to be passed prior to or at least no later than the date the Auditor completes and signs his audit report. This is because the Committee of Management Statement is a document to which the Auditor should have regard in conducting his audit and finalising his report. In this case it appears the resolution was passed after the 6 September, the date of the Auditor's report.

I take it the meeting of the Executive on 23 September was when the auditor's report and the financial report were given the green light to be posted on the website for members.

If the Committee thought it could only pass the resolution and declarations after considering the auditor's report, then, although this would be a misunderstanding of the purpose of the Statement, at the very least it should have been signed and dated no earlier than 23 September, or alternatively the Auditor could have held off signing and dating his report until the 23rd.

Wayne, because the documents will be put on the public record, I think that under the circumstances it would be best if you could lodge an amended Committee of Management Statement, dated as of the day you prepare it (i.e. x November). That way, the Statement will at least certify the resolution of 23 September correctly as an historic event.

I hope I've explained the matter clearly. If you wish to discuss this, please don't hesitate to contact me on (02) 6723 7097 or 0429 462 979.

Yours sincerely

Stephen Kellett
Organisations, Research and Advice
FAIR WORK AUSTRALIA

80 William Street
EAST SYDNEY NSW 2011

AMALGAMATED AWU (SA) STATE UNION
AWU SOUTH AUSTRALIAN BRANCH
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Branch Secretary
Wayne Hanson

Monday 31 October, 2011.

Mr Stephen Kellett
Fair Work Australia
Statutory Services Branch

Dear Mr Kellett,



RE: Lodgement of Financial Statements and Accounts - The Australian Workers' Union South Australian Branch for the year ended 30 June 2011.

Please find the attached financial statements and accounts for the above Branch of the Australian Workers' Union. The procedures as outlined below were followed to satisfy the requirements of the Workplace Relations Act 1996.

SOUTH AUSTRALIAN BRANCH

- In accordance with the union's rules the complete financial statements and accounts, including the auditor's report and the operating report were tabled and received by the Branch Executive on Friday 23 September, 2011. A copy of same was provided to all Executive members.
- The complete financial statements and accounts, including the auditor's report and the operating report was posted on the Australian Workers' Union, South Australian Branch's web site for broad membership perusal and information on Monday 26 September, 2011.
- A union meeting for the Australian Workers' Union, South Australian Branch was convened on Friday 28 October, 2011. An individual copy of the financial report was provided to all members present. Members were given the opportunity to ask any relevant questions/explanations regarding the statements and accounts and the report was formally adopted by the members who attended the meeting.

Enclosed for your perusal and information is a copy of the South Australian Branch Financial Statements and Accounts for 2010/2011.

I trust that this information is sufficient to satisfy the legislative requirements.

Yours sincerely,

Wayne Hanson
Branch Secretary
Australian Workers' Union
South Australian Branch.





**AUSTRALIAN WORKERS' UNION
SOUTH AUSTRALIAN BRANCH**

2011



THE AUSTRALIAN WORKERS' UNION SOUTH AUSTRALIAN BRANCH

COMMITTEE OF MANAGEMENT OPERATING REPORT AND STATEMENT FOR THE YEAR ENDED 30 JUNE 2011

Operating Report

In accordance with the Fair Work (Registered Organisations) Act 2009 ("the Act") the Committee of Management ("the Committee") presents its Operating Report on The Australian Workers' Union South Australian Branch ("Union") for the year ended 30 June 2011.

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.

Operating Results

The surplus for the financial year amounted to \$152,278

Review of Operations

A review of the operations for the Union during the financial year found that there was no significant change in the nature or the results of the operations during the year.

Significant Changes in State of Affairs

No significant changes in the Union's state of affairs occurred during the financial year.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affect or may significantly affect the operations of the Union, the results of those operations or the state of affairs of the Union in future financial years.

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 Act.

Membership of Superannuation Scheme

Frank Mateos, Branch Assistant Secretary 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 7352 (2010: 7158).

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 13.

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
Lance Degenhardt	President (Honorary)
Justin Hanson	Vice President
Joseph Kane	Vice President
Wayne Hanson	Secretary
Frank Mateos	Assistant Secretary
Martin Hilton	Committee Member
Colin Shooter	Committee Member
Peter Lamps	Committee Member
Marcus Hanson	Committee Member
Christopher Kimpton	Committee Member
Michael Hopgood	Committee Member
Gary Henderson	Committee Member
Susan Sonntag	Committee Member
Martin O'Connor	Committee Member
Mathew Eckert	Committee Member
Brian Stone	Committee Member
James Phelan	Committee Member
Ian Ashmore	Committee Member
Terry Bails	Committee Member
Scott Martin	Committee Member
Terry Langham	Committee Member

Other information

There is no other information that the Union considers relevant.

This report is made in accordance with a resolution of the Committee of Management and is signed for and on behalf of the Committee Members by:


Wayne Hanson
Branch Secretary
Australian Workers' Union

Dated this 6th day of Sept., 2011

AUSTRALIAN WORKERS' UNION SOUTH AUSTRALIAN BRANCH

COMMITTEE OF MANAGEMENT STATEMENT

On *Friday 23 September 2011* the Committee of Management of Australian Workers' Union 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 2011:

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:

South Australian Branch Secretary

Signature:

Wayne Hanson

Date:

Tuesday 6 September, 2011.

AUSTRALIAN WORKERS UNION SOUTH AUSTRALIAN BRANCH

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011	2010
		\$	\$
Revenue from rendering of services		2,443,257	2,441,559
Other income	3	311,254	239,093
Supplies and services	4	(757,348)	(733,373)
Employee benefits expense		(1,247,365)	(1,274,826)
Motor vehicle and travelling expenses		(246,952)	(226,290)
Depreciation expense		(51)	-
Administration services		(14,900)	(14,113)
AWU National Office sustentation fees		(335,617)	(335,009)
Surplus/(Deficit) from Ordinary Activities		152,278	97,041
Total comprehensive income for the year		152,278	97,041
Total comprehensive income attributable to the Australian Workers Union South Australian Branch		152,278	97,041

To be read in conjunction with the notes to the financial statements set out on pages 9 to 24.

AUSTRALIAN WORKERS' UNION SOUTH AUSTRALIAN BRANCH

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011**

	Note	2011 \$	2010 \$
CURRENT ASSETS			
Cash	11(i)	1,312,343	1,075,255
Receivables	5	250,951	267,330
Prepayments		71,386	48,280
TOTAL CURRENT ASSETS		1,634,680	1,390,865
NON-CURRENT ASSETS			
Property, Plant and Equipment	6	2,040	-
TOTAL NON-CURRENT ASSETS		2,040	-
TOTAL ASSETS		1,636,720	1,390,865
CURRENT LIABILITIES			
Payables	7	141,735	156,438
Short-term employee benefits	8	257,355	249,191
TOTAL CURRENT LIABILITIES		399,090	405,629
NON CURRENT LIABILITIES			
Long-term employee benefits	8	498,203	398,087
TOTAL NON CURRENT LIABILITIES		498,203	398,087
TOTAL LIABILITIES		897,293	803,716
NET ASSETS		739,427	587,149
EQUITY			
Members' Funds	9	739,427	587,149
TOTAL EQUITY		739,427	587,149

To be read in conjunction with the notes to the financial statements set out on pages 9 to 24.

AUSTRALIAN WORKERS' UNION SOUTH AUSTRALIAN BRANCH

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011**

	Retained Earnings	General Reserve	Revaluation Surplus	Total
	\$	\$	\$	\$
Balance at 1 July 2009	490,108	-	-	490,108
Profit attributable to the entity	97,041	-	-	97,041
Total other comprehensive income	-	-	-	-
Balance at 30 June 2010	587,149	-	-	587,149
Profit attributable to the entity	152,278	-	-	152,278
Total other comprehensive income	-	-	-	-
Balance at 30 June 2011	739,427	-	-	739,427

To be read in conjunction with the notes to the financial statements set out on pages 9 to 24.

AUSTRALIAN WORKERS' UNION SOUTH AUSTRALIAN BRANCH

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011	2010
Cash flows from operating activities			
Receipts from members and other users		3,039,321	2,929,150
Payments to suppliers and employees		(2,802,661)	(2,764,187)
Interest received (paid)		(24,931)	17,684
		<hr/>	<hr/>
Net cash provided by operating activities	11(ii)	211,729	182,647
Cash flows from investing activities			
Payment for property, plant and equipment		(2,040)	-
		<hr/>	<hr/>
Net cash used in investing activities		(2,040)	-
Cash flows from financing activities			
Amalgamated AWU (SA) State Union loan		27,399	95,909
		<hr/>	<hr/>
Net cash provided by financing activities		27,399	95,909
Net increase in cash held		237,088	278,556
Cash at the beginning of the financial year		<hr/> 1,075,255	<hr/> 796,699
Cash at the end of the financial year	11(i)	<hr/> 1,312,343	<hr/> 1,075,255

To be read in conjunction with the notes to the financial statements set out on pages 9 to 24.

AUSTRALIAN WORKERS' UNION SOUTH AUSTRALIAN BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report of the Union has been prepared as a general purpose financial report in accordance with Accounting Standards, including Australian Accounting Interpretations, other pronouncements of the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009.

Basis of Preparation

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.

(a) 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 2011 are included in contributions receivable.

Other Income

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

(b) Income Tax

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

(c) Property Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred.

Depreciation is calculated on a straight-line and diminishing value basis on all plant and equipment as follows:

Plant and equipment – 10 – 40%
Motor vehicles – 22.5%

AUSTRALIAN WORKERS' UNION SOUTH AUSTRALIAN BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

(c) Property Plant and Equipment - *continued*

Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. For plant and equipment, impairment losses are recognised in the income statement.

(d) 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 SOUTH AUSTRALIAN BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

(e) 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 2011 are included in Subscriptions Receivable.

(f) 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.

(g) 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.

(h) 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.

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.

(i) Cash

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

AUSTRALIAN WORKERS' UNION SOUTH AUSTRALIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS (continued)

(j) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Union has decided not to early adopt. A discussion of those future requirements and their impact on the Union is as follows:

AASB 9: Financial Instruments (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2013).

This Standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and de-recognition requirements for financial instruments. The Union has not yet determined any potential impact on the financial statements.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies the definition of a "related party" to remove inconsistencies and simplify the structure of the Standard. No changes are expected to materially affect the Union.

AUSTRALIAN WORKERS' UNION SOUTH AUSTRALIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS (continued)

AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010–2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013).

AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

- Tier 1: Australian Accounting Standards; and
- Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

The following entities are required to apply Tier 1 reporting requirements (ie full IFRS):

- for-profit private sector entities that have public accountability; and
- the Australian Government and state, territory and local governments.

AASB 2010–2 makes amendments to Australian Accounting Standards and Interpretations to give effect to the reduced disclosure requirements for Tier 2 entities. It achieves this by specifying the disclosure paragraphs that a Tier 2 entity need not comply with as well as adding specific “RDR” disclosures.

AASB 2009–12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The Standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The amendments are not expected to impact the Union.

AASB 2009–14: Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.

This Standard is not expected to impact the Union.

AASB 2010–4: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13] (applicable for annual reporting periods commencing on or after 1 January 2011).

AUSTRALIAN WORKERS' UNION SOUTH AUSTRALIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS (continued)

This Standard details numerous non-urgent but necessary changes to Accounting Standards arising from the IASB's annual improvements project. Key changes include:

- clarifying the application of AASB 108 prior to an entity's first Australian-Accounting-Standards financial statements;
- adding an explicit statement to AASB 7 that qualitative disclosures should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments;
- amending AASB 101 to the effect that disaggregation of changes in each component of equity arising from transactions recognised in other comprehensive income is required to be presented, but is permitted to be presented in the statement of changes in equity or in the notes;
- adding a number of examples to the list of events or transactions that require disclosure under AASB 134; and
- making sundry editorial amendments to various Standards and Interpretations.

This Standard is not expected to impact the Union.

AASB 2010-5: Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] (applicable for annual reporting periods beginning on or after 1 January 2011).

This Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. However, these editorial amendments have no major impact on the requirements of the respective amended pronouncements.

AASB 2010-6: Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7] (applicable for annual reporting periods beginning on or after 1 July 2011).

This Standard adds and amends disclosure requirements about transfers of financial assets, especially those in respect of the nature of the financial assets involved and the risks associated with them. Accordingly, this Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards, and AASB 7: Financial Instruments: Disclosures, establishing additional disclosure requirements in relation to transfers of financial assets.

This Standard is not expected to impact the Union.

AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (applies to periods beginning on or after 1 January 2013).

This Standard makes amendments to a range of Australian Accounting Standards and Interpretations as a consequence of the issuance of AASB 9: Financial Instruments in December 2010. Accordingly, these amendments will only apply when the entity adopts AASB 9.

As noted above, the Union has not yet determined any potential impact on the financial statements from adopting AASB 9.

AASB 2010-8: Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012).

AUSTRALIAN WORKERS' UNION SOUTH AUSTRALIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS (continued)

This Standard makes amendments to AASB 112: Income Taxes.

The amendments brought in by this Standard introduce a more practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model under AASB 140: Investment Property.

Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The amendments brought in by this Standard also incorporate Interpretation 121 into AASB 112.

The amendments are not expected to impact the Union.

AASB 2010-9: Amendments to Australian Accounting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters [AASB 1] (applies to periods beginning on or after 1 July 2011).

This Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards.

The amendments brought in by this Standard provide relief for first-time adopters of Australian Accounting Standards from having to reconstruct transactions that occurred before their date of transition to Australian Accounting Standards.

Furthermore, the amendments brought in by this Standard also provide guidance for entities emerging from severe hyperinflation either to resume presenting Australian-Accounting-Standards financial statements or to present Australian-Accounting-Standards financial statements for the first time.

This Standard is not expected to impact the Union.

AASB 2010-10: Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters [AASB 2009-11 & AASB 2010-7] (applies to periods beginning on or after 1 January 2013).

~~This Standard makes amendments to AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9, and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).~~

The amendments brought in by this Standard ultimately affect AASB 1: First-time Adoption of Australian Accounting Standards and provide relief for first-time adopters from having to reconstruct transactions that occurred before their transition date.

[The amendments to AASB 2009-11 will only affect early adopters of AASB 2009-11 (and AASB 9: Financial Instruments that was issued in December 2009) as it has been superseded by AASB 2010-7.]

This Standard is not expected to impact the Union.

AUSTRALIAN WORKERS' UNION SOUTH AUSTRALIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

2. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009 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 SOUTH AUSTRALIAN BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

3. OTHER INCOME

	2011	2010
	\$	\$
Interest income	55,842	30,910
Management fee received from Amalgamated AWU (SA)	200,000	200,000
Sundry Income	503	-
Convention Dinner Sponsors	13,000	-
Other Revenue	455	-
Delegates Convention Income	41,454	8,183
Total Other Income	311,254	239,093

4. SUPPLIES AND SERVICES

Acts, awards and books	2,977	3,805
Advertising	13,800	13,992
Affiliation Fees – ALP, SA Unions	49,465	48,894
Auditors Remuneration – Audit	11,782	13,000
Bank charges and duty	8,581	8,445
Bereavement Fund	720	720
Computer maintenance	11,605	14,562
Cleaning	13,570	15,515
Consultants Fee	-	18,182
Delegates commission	540	548
Delegates Conventions	59,210	7023
Delegates Dinner 2011 Expenses	5273	-
Commission – For Employers for Payroll Deductions	594	1,635
Donations and grants	33,673	9,285
Electricity and gas	16,382	14,433
Executive Sitting Fee Federal	1,857	880
General expense	13,022	8,480
Internet Expenses	3,358	3,836
Legal expenses	30,229	47,877
Lost time	-	182

AUSTRALIAN WORKERS' UNION SOUTH AUSTRALIAN BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

4. SUPPLIES AND SERVICES (continued)

	2011	2010
	\$	\$
Membership System Hosting	30,837	29,538
Office Assistance Pt Pirie	40,000	-
Postage and couriers	14,946	18,852
Printing and stationery	22,729	40,090
Rates	13,698	19,138
Rent	233,302	225,816
Repairs and maintenance – office	11,584	17,103
Rubbish Removal	1,588	1,041
Relocation Expenses	-	2,067
Flowers / Gifts	281	-
SA Unions Campaign Levy	5268	-
Security service	783	869
Staff amenities	8,517	7,515
Subscription and Memberships	8,891	5,491
SBS Server Leasing	9,333	7,016
Telephone	56,427	55,143
Training courses	4,182	5,373
Uniform	226	9,931
Toshiba leasing	7,771	8,420
Terminal Server Upgrade Leasing	7,895	7,895
Arrow SQL Upgrade Leasing	2,452	2,452
Whyalla Expenses	-	38,329
Total Supplies and Services	757,348	733,373

5. RECEIVABLES

	2011	2010
	\$	\$
Current		
Subscriptions receivable	98,862	87,946
Loan Owing by Amalgamated AWU SA State Union	119,162	146,561
GST recoverable from ATO	32,927	32,823
Other debtors	-	-
	250,951	267,330

AUSTRALIAN WORKERS' UNION SOUTH AUSTRALIAN BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

6. PROPERTY, PLANT AND EQUIPMENT

	Laptop Computers \$	Total \$
Year ended 30 June 2011		
At 1 July 2010, net of accumulated depreciation and impairment	-	-
Additions	2,091	2,091
Depreciation charge for the year	(51)	(51)
At 30 June 2011, net of accumulated depreciation and impairment	2,040	2040
At 30 June 2011		
Cost or fair value	2,091	2,091
Accumulated Depreciation	51	51
Net Carrying Amount	2,040	2,040

AUSTRALIAN WORKERS' UNION SOUTH AUSTRALIAN BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

7. PAYABLES		2011	2010
		\$	\$
	Current		
	Trade creditors	43,410	44,309
	Other creditors & accruals	25,429	40,755
	GST Payable to ATO	72,896	71,374
		<u>141,735</u>	<u>156,438</u>
8. EMPLOYEE BENEFITS			
	Current		
	Annual Leave	257,355	249,191
	Non Current		
	Long Service Leave	498,203	398,087
	Total Employee benefits	<u>755,558</u>	<u>647,278</u>
	Number of employees at year end:	14	14
9. MEMBERS FUNDS			
	Members' funds at the beginning of the financial year	587,149	490,108
	Surplus/(Deficit) from Ordinary Activities	152,278	97,041
		<u>739,427</u>	<u>587,149</u>
10. LEASE COMMITMENTS			
	Operating lease commitments		
	Future non-cancellable operating lease of office equipment, payable:		
	Not later than one year	6,707	3,324
	Later than one year but not later than five years	38,363	63,259
	Total Operating Lease Commitments	<u>45,070</u>	<u>66,583</u>

Photocopier 29 month, Terminal Server 6 months, Arrow SQL software 7 months

AUSTRALIAN WORKERS UNION SOUTH AUSTRALIAN BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

11. 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 Statement of Financial Position as follows:

Cash on hand	2,300	2,300
Cash at banks	1,310,043	1,072,955
	<u>1,312,343</u>	<u>1,075,255</u>

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

Surplus/(Deficit) from operations	152,278	97,041
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Add non-cash items:

Amalgamated AWU (SA) State Union Loan Movement	(27,399)	(95,909)
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Change in assets and liabilities during the year:

(Increase)/Decrease in receivables	16,379	73,605
(Increase)/Decrease in prepayments	(23,106)	20,287
(Decrease)/Increase in payables	(14,703)	(53,947)
(Decrease)/Increase in provisions	108,280	141,570

Net cash provided by operating activities	<u>211,729</u>	<u>182,647</u>
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AUSTRALIAN WORKERS' UNION SOUTH AUSTRALIAN BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

12. 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 2011

	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	5.18%	2,300	1,310,043			1,312,343
Receivables	0.00%	250,951				250,951
Total Financial Assets		253,251	1,310,043			1,563,294
Payables	0.00%	141,735				141,735
Total Financial Liabilities		141,735				141,735

AS AT 30 JUNE 2010

	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	5.18%	2,300	1,072,955			1,075,255
Receivables	0.00%	267,330				267,330
Total Financial Assets		269,630	1,072,955			1,342,585
Payables	0.00%	156,438				156,438
Total Financial Liabilities		156,438				156,438

(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 SOUTH AUSTRALIAN BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

13. 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)	Lance Degenhardt	
Vice President	Justin Hanson*	Joseph Kane*
Secretary	Wayne Hanson *	
Assistant Secretary	Frank Mateos *	
Committee Members	Martin Hilton Marcus Hanson* Ian Ashmore Peter Lamps * Christopher Kimpton Brian Stone Gary Henderson* James Phelan	Colin Shooter Terry Bails Martin O'Connor Susan Sonntag Scott Martin* Terry Langham* Mathew Eckert Michael Hopgood*

(ii) Committee Members' Remuneration

Payments totalling \$1857 (2010: \$857) 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 13 (iv).

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

During the year, the Australian Workers' Union South Australian Branch charged the Amalgamated AWU (SA) State Union a management fee of \$200,000 for services rendered during the year ended 30 June 2011 (2010: \$200,000).

The union has leased office space from Amalgamated AWU (SA) State Union at \$12,500 per month July 10 - June 11. A total of \$150,000 was paid during the year ended 30th June 2011 (2010: \$150,000).

AUSTRALIAN WORKERS' UNION SOUTH AUSTRALIAN BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

13. RELATED PARTIES (continued)

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

Since July 2010, all motor vehicles are leased from Amalgamated AWU (SA) State Union at \$1100 per month per car. A total of \$158,400 was paid during the year (2010 \$141,818).

All dealings are in the ordinary course of business.

As at 30 June 2011, the Union is owed a balance of \$119,162 by the AWU (SA) State Union (30 June 2010: \$146,560 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:

	2011	2010
	\$	\$
Income** paid or payable to Executive Committee Members who are full-time officials / officers of the Union during the year including Salary Sacrifice.	764,613	672,676

	Number	Number
Number of Executive Committee Members above whose remuneration** from the Union was within the following bands:		
\$ 0 - \$ 59,999	-	1
\$ 60,000 - \$ 69,999	-	8
\$ 70,000 - \$ 79,999	8	1
\$ 80,000 - \$ 89,999	1	1
\$ 90,000 - \$ 99,999	1	-

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

14. OTHER INFORMATION

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

INDEPENDENT AUDITOR'S REPORT

To the members of Australian Workers' Union Greater SA Branch:

We have audited the accompanying financial report of Australian Workers' Union Greater SA Branch ("the union"), which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Committee of Management's statement.

The financial report and Committee of Management's responsibility

The Committee of Management's Members 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the union's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the union's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by the Committee of Management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

**INDEPENDENT AUDITOR'S REPORT
AUSTRALIAN WORKERS' UNION GREATER SA BRANCH**

Continued from page 25.

Auditor's 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 Fair Work Act 2009 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 Fair Work Act 2009; and
 - (b) Australian Accounting Standards and other mandatory professional reporting requirements.

HLB Mann Judd
HLB Mann Judd
Chartered Accountants

C. M. J.
Corey McGowan
Partner

Adelaide
6 September 2011