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Mr Cesar Melhem
Secretary, Victoria Branch
AWU
685 Spencer Street
WEST MELBOURNE VIC 3003

Dear Mr Melhem

Re: Lodgement of Financial Statements and Accounts – AWU Victoria Branch – for year ending 30 June 2006 (FR2006/485)

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

Stephen Kellett

Statutory Services Branch

Sleplen Kerlest

11 January 2007



THE AUSTRALIAN WORKER'S UNION VICTORIA BRANCH

SECRETARY'S CERTIFICATE

VICTORIAN BRANCH **685 SPENCER STREET** WEST MELBOURNE VIC 3003

TEL: (03) 8327 0888 FAX: (03) 8327 0899 CALL CENTRE: 1300 362 298 E-MAIL: office@awu.net.au INTERNET: www.awu.net.au

CESAR MELHEM

I, Cesar Melhem, being the Secretary of The Australian Worker's Union Victoria Branch, do hereby state that the attached documents are copies of operating reports, auditor's report and audited accounts and financial statement for the year ending on the 30th of June, 2006, that were:

- 1. made available to the membership in the week commencing 11 October 2006.
- 2. presented to Victoria Branch Executive Meeting on 13 December 2006. The meeting moved a motion of acceptance, which was passed unanimously.

Date 20th day of December, 2006

Secretary



(VICTORIAN BRANCH)

AUDITORS' REPORT, FINANCIAL STATEMENTS AND NOTES THERETO FOR THE YEAR ENDED 30 JUNE 2006

(VICTORIAN BRANCH)

OPERATING REPORT JULY 2005 – JUNE 2006

Principal Activities and Changes

The principal activities of the organisation continued to be those of a registered trade union working for the benefit of its members through negotiating enterprise bargaining agreements, varying Awards, representing members before industrial tribunals, training of delegates and members in Occupational Health and Safety, workplace organising, recruitment and public promotion of the interests of members. There were no significant changes to the activities of the organisation.

Results

The profit for the financial year amounted to \$1,089,183.

Financial Affairs

There were no significant changes in the Union's financial affairs during the financial year

Right of Members to Resign:

AWU Rule 14 – Resigning as a member – provides for resignation of members in accordance with s174 of Schedule 1B of the Workplace Relations Act 1996

Membership of Superannuation Scheme

There are no members or officials who hold the position of trustee or director of an entity, scheme or company as described in s.254 (2)(d) of Schedule of 1B, where a criterion of such entity is that the holder of such position must be a member or official of a registered organisation.

Number of Members

Number of persons in register of members: 22,525

Number of Employees

Number of employees (equivalent full time): 41

Names of members of management committee:

Gadsden, K Beechey, S Bellis, S Gray D King, P Borowick, M Krishnan, R Bradford, D Lee, T Bugg, A Leo, F Chopping, M Lloyd, V Clarence, J Cragg, D Lynn, R Davis, B Lumanovski, H Eagles, M

Names of members of management Committee:

Mastrandonakis, J Rudd, R More, K Rae, G Melhem, C Shorten, B Nichols, R Smoliko, P Noonan, B Stevens, T Lineham, R Stojanovska, B Palemo, I Williamson, K Parker, G Williamson, T Penn, G Wilson, P Pillai, P

K Gasden ceased to be a member of the management committee on 22 November 2005. R Nichols ceased to be a member of the management committee on 29 November 2005. K More and B Stojanovska became a member of the management committee on 2 June 2006. All other members of the management committee were members for the whole of the reporting period.

Other Informaton

There is no other information that the Union considers relevant

Signed:

Cesar Melhem

Date: 21st September

(VICTORIAN BRANCH)

STATUTORY STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2006

COMMITTEE OF MANAGEMENT'S STATEMENT

On 21st September, 2006, the Branch Executive of the Victorian Branch passed the following resolution in relation to the general purpose financial report of this reporting unit for the financial year ended 30th June, 2006: -

The Branch Executive declares in relation to the General Purpose Financial Report 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 lndustrial 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 General Purpose Financial Report relates and since the end of that year:
 - (i) meetings of the Branch Executive were held in accordance with the rules of the organisation 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 branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Workplace Relations Act 1996 Schedule and the Workplace Relations Act 1996 Regulations; and
 - (iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and

- (v) there have been no requests for information sought by members of the reporting unit or a Registrar duly made under section 272 of the Workplace Relations Act 1996.
- (vi) there have been no compliance orders for inspection of financial records made by the Commission under section 273 of the Workplace Relations Act 1996 Schedule.

For and on behalf of the Branch Executive

C MELHEM

SIGNED at West Melbourne this 21st day of September, 2006.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

AUSTRALIAN WORKERS UNION

(VICTORIAN BRANCH)

Scope

We have audited the Financial Statements of the Australian Workers Union (Victorian Branch) for the year ended 30 June 2006 consisting of the Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flows and accompanying notes. The Branch Executive is responsible for the preparation and presentation of the Financial Statements and the information they contain. We have conducted an independent audit of these Financial Statements in order to express an opinion on them to the members of the Australian Workers Union (Victorian Branch).

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Standards and statutory requirements so as to present a view which is consistent with our understanding of the Organisation's financial position and the results of its operations.

We received all the information and explanations that officers and employees of the branch were able to provide.

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

Audit Opinion

In our opinion:

- 1. The Organisation kept satisfactory accounting records, including:
 - a) records of the sources and nature of the income of the Branch; and
 - b) records of the nature and purposes of the expenditure of the Organisation.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

AUSTRALIAN WORKERS UNION

(VICTORIAN BRANCH)

- 2. As required under Section 257 of the Registration and Accountability of Organisations Schedule (being schedule 1B of the Workplace Relations Act 1996), we are able to state that in our opinion: -
 - (i) The General Purpose Financial Report is presented fairly in accordance with:
 - (a) The requirements of the RAO Schedule;
 - (b) Applicable Australian Accounting Standards;
 - (c) Other mandatory professional reporting requirements

TROEDEL ADAMS & CO.

P. R. Troedel (F.C.A.) Chartered Accountants

Registered Company Auditor

Dated this 9th day of 2006

THE AUSTRALIAN WORKERS' UNION (VICTORIAN BRANCH) STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2006

A3 A1 30111 3019L, 2	<u>2005</u>	<u>2006</u>
ACCUMULATED FUNDS	\$	\$
BALANCE @ YEAR END	1,114,808	2,203,991
THESE FUNDS ARE REPRESENTED BY:- CURRENT ASSETS		
PETTY CASH	868	298
CASH AT BANK - STATE NSW	135,588	241,494
- STATE FUNDS ACCOUNT	90,659	674,113
- DELEGATES COMMISSION	1,980	1,928
- MEMBERS DISTRESS FUND A/C	30,834	31,358 🔩
- LSL INVESTMENT A/C	677,264	270,779
- GST A/C	32,654	94,314
ACCOUNTS RECEIVABLE	301,369	118,691
SUBSCRIPTIONS OUTSTANDING	339,635	393,196
PREPAYMENTS	659	29,686
MECHANDISE ON HAND	38,141	30,696
SHARES IN PUBLIC COMPANY	<u>258</u>	258_
	1,649,908	1,886,812
NON CURRENT ACCETS		
NON-CURRENT ASSETS	250.007	200 400
NATIONAL OFFICE - LONG SERVICE LEAVE DEBT	358,987 430,676	292,102
NATIONAL OFFICE - LOAN	129,676	778,596
FIVED ACCETS (At M-itten Down Value)	488,663	1,070,698
FIXED ASSETS (At Written Down Value)	400.604	124 400
OFFICE FURNITURE AND EQUIPMENT	123,624	131,499
MOTOR VEHICLES	640,551	763,015
DEPOSIT - LAND & BUILDINGS	764,175	1,818
	704,175	896,332
TOTAL ASSETS	2,902,746	3,853,842
LESS: CURRENT LIABILITIES		•
TRADE CREDITORS	586,341	528,914
ACCRUALS	148,670	143,217
GRANT FUNDS RECEIVED IN ADVANCE	35,833	60,000
GRANT FUNDS RECEIVED IN ADVANCE	770,844	732,131
	770,044	752,151
LESS: DEFERRED LIABILITIES		
PROVISION FOR ANNUAL LEAVE	267,112	236,778
PROVISION FOR LONG SERVICE LEAVE	749,981	680,942
	1,017,093	917,720
TOTAL LIABULTEO	4 707 007	4.040.054
TOTAL LIABILITIES	1,787,937	1,649,851
	1,114,808	2,203,991
		========

THE AUSTRALIAN WORKERS' UNION (VICTORIAN BRANCH) STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE, 2006

	2005	2006
INCOME	\$	\$
MEMBERSHIP CONTRIBUTIONS	5,126,009	6,002,350
ACTU SPECIAL LEVY	-	95,273
ADVERTISING IN MEMBERSHIP CARD	50,909	•
PARTNERS AT WORK PROGRAM	41,667	45,833
INCOLINK PROJECT	60,000	90,000
ECORECYCLE PROJECT	50,000	65,000
FARM SAFE PROJECT	-	60,000
HEALTH & SAFETY REPRESENTATIVE SUPPORT	-	50,000
GOVT GRANTS RECEIVED	58,062	4,500
BROKERAGE FEES	· -	89,269
RED CARD TRAINING	106,591	66,909
OCC. HEALTH & SAFETY TRAINING	99,436	136,261
AWU FUNCTIONS	98,910	83,074
SEMINAR INCOME	49,500	134,868
PAID EDUCATION INCOME	221,540	89,782
DIRECTORS FEES	2,796	6,932
INTEREST	19,443	24,729
RENTAL INCOME	74,545	73,591
SALE OF MERCHANDISE	17,403	10,009
OTHER INCOME	25,025	43,784
TOTAL INCOME	6,101,835	7,172,164
<u>EXPENSES</u>		
DIRECT MEMBERSHIP EXPENSES		
AWU SUBSIDY TRANSFERS	751,030	842,154
GLASSWORKER BRANCH RESTRUCTURE	96,798	-
GROWTH CAMPAIGN	13,861	1,271
IR CAMPAIGN	2.400	172,490
COMMISSION PAID - DELEGATES	3,128	2,939
COMMISSION PAID - COMPANY	11,233 17,429	12,954
DONATIONS MEMBERSHIP SURVEYS	2,869	83,598
AFFILIATION FEES	131,504	135,564
AMBULANCE CLAIMS	102,950	115,669
PRINTING (MEMBERS)	66,560	16,567
LEGAL EXPENSES - MEMBERS	149,271	145,291
DEPN OF M/SHIP COMPUTER SYSTEM	11,707	14,658
MEMBERSHIP MAILOUTS	41,770	36,846
CAMPAIGN VIDEOS	4,152	24,898
RESEARCH EXPENSES	43,119	57,602
MERCHANDISE EXPENSE	20,633	40,554
AWU FUNCTIONS & PROMOTIONS	96,497	117,179
TOTAL	1,564,510	1,820,234
OH&S EXPENSES		
OH&S	27,192	28,762
SDF PROJECT EXPENSES	(0.55)	850
SAFETY SWITCH PROJECT EXPENSES	(955)	-
SHEARING SHED PROJECT EXPENSES	8,449	-
ECORECYCLE PROJECT EXPENSES	-	65,000
FARM SAFE PROJECT	24.696	14,318
	34,686	108,930

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	2005	2006
	\$	\$
SHOP STEWARDS & DELEGATES	450	
SPONSORSHIP EXPENSES	450	-
MEDIA EXPENSES	2,970	2,231
LOST TIME & OTHER EXPENSES	12,014	7,534
PROTEST EXPENSES	704	788
MEETING COSTS	32,356	2,545
MEETING EXPENSES - DELEGATES	54,071	69,177
NATIONAL CONFERENCE MEETING	21,632	
TOTAL	124,197	82,275
PAYROLL EXPENSES		
SALARIES & WAGES	1,890,845	2,066,046
SUPERANNUATION - EMPLOYER	255,897	253,306
WORKCOVER EXPENSES	37,806	35,813
PAYROLL TAX	100,689	114,578
FRINGE BENEFITS TAX	65,386	74,263
ANNUAL LEAVE EXPENSE	30,751	16,282
LONG SERVICE LEAVE ACCRUAL	178,722	87,777
CONSULTANCY	, <u>-</u>	25,000
CASUAL EMPLOYMENT	810	400
CONTRACTORS	-	6,150
TOTAL	2,560,906	2,679,615
TRAINING & TUITION		
DELEGATES & SHOP STEWARDS	2,836	4,457
RED CARD TRAINING	29,111	28,701
UNIVERSITY FEES	72,322	6,743
SEMINAR & CONFERENCE COSTS	13,589	11,997
TRAINING EXP	14,587	17,505
RECRUITING	4,381	13,457
PAID EDUCATION EXPENSES	<u>74,557</u>	<u>75,</u> 742
TOTAL	211,383	158,602
OFFICIALS		·
ACCOMMODATION & MEALS	61,983	76,480
AIR FARES	37,687	43,626
TRAVEL EXPENSES	1,146	801
MISC. EXPENSES	811	1,990
MEDIA AND PUBLICATIONS	97	.,555
PARKING & TAXIS	14,412	14,812
WEB SITE EXPENSES	890	7,005
INTERNET EXPENSES	4,075	7,299
TOTAL	121,102	152,013
	121,102	102,010
MOTOR VEHICLE EXP.		
REGISTRATION	11,682	12,913
CAR INSURANCE	29,971	22,357
PETROL	127,956	165,834
SERVICES	30,007	38,453
TYRES	5,201	2,008
MOTOR VEHICLE EXPENSES OTHERS	41,521	40,013
LOSS ON REALISATION	58,820	27,973
FINANCE CHARGES MOTOR VEHICLES	12,742	-
DEPRECIATION MOTOR VEHICLES	195,267	203,811
TOTAL	513,168	513,362

	<u>2005</u>	2006
	\$	-\$
TELEPHONE EXPENSES		
TELEPHONE MAIN ACCOUNT	39,001	42,888
MOBILE PHONES	105,109	106,747
HOME PHONES	11,691	7,943
SERVICE & EQUIP MAINTENANCE	6,031	4,909
TOTAL	161,833	162,487
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PROPERTY EXPENSES		
RENTAL	35,204	33,408
PROPERTY RATES & INSURANCE	11,541	16,550
PROPERTY MAINTENANCE	· 44 ;567	13,403
DEPRECIATION OF FURNITURE & EQUIP	31,283	33,310
OFFICE FURNITURE .	1,374	1,160
INTEREST CHARGES	71,604	14,637
OTHER PROPERTY EXPENSES	13,795	11,596
TOTAL	209,369	124,064
GENERAL EXPENSES		
ADVERTISING	2,081	3,093
AUDITING & ACCOUNTING	14,560	13,560
BANK FEES & CHARGES	15,522	16,923
CLEANING	25,782	24,146
HEATING AND LIGHTING	16,907	15,579
GENERAL INSURANCE	25,272	13,794
STAFF AMENITIES AND DISPENSIBLES	12,630	11,713
BEREAVEMENT PAYMENTS	-	11,400
OTHER PRIOR YEAR ADJUSTMENTS	16,418	17,046
TOTAL	129,172	127,254
OFFICE EXPENSES		
STATIONERY	8,083	7,912
POSTAGE & COURIER	21,228	28,663
PRINTING	22,346	27,730
COPIER CHARGE & PAPER	12,273	13,227
OFFICE RENTAL EQUIPMENT	14,396	32,245
MAINTENANCE OF OFFICE EQUIPMENT	1,031	5,321
COMPUTER MAINTENANCE & SUPPORT	49,318	34,347
SOFTWARE EXPENSES	6,589	4,700
TOTAL	135,264	154,145
TOTAL EXPENSES	5,765,590	6,082,981
NET PROFIT ((LOSS)	336,245	1,089,183

AUSTRALIAN WORKERS' UNION VICTORIAN BRANCH STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE, 2006

	<u>2005</u>	2006
	\$	\$
CASH FUNDS AT COMMENCEMENT	559,132	968,978
CASH INFLOW		
ADD: PROCEEDS FROM OPERATING ACTIVITIES MEMBERSHIP FEES RECEIPTS FROM MEMBERSHIP ACTIVITIES INTEREST RECEIVED	5,610,748 1,155,723 19,443 6,785,914	6,645,261 1,275,555 24,729 7,945,545
ADD: PROCEEDS FROM FINANCING ACTIVITIES PROCEEDS FROM GRANT FUNDING PROCEEDS FROM THE DISPOSAL OF MOTOR VEHICLES	176,180 135,611 311,791	410,300 158,696 568,996
TOTAL INFLOW	7,097,705	8,514,541
CASH OUTFLOW		
LESS: OUTFLOW FROM OPERATING ACTIVITIES SUBSIDY TO NATIONAL OFFICE PAYMENTS TO EMPLOYEES OTHER OUTGOINGS	784,510 2,286,046 3,146,649 6,217,205	902,189 2,551,239 4,203,544 7,656,972
LESS: OUTFLOW FROM FINANCING ACTIVITIES NET REPAYMENT OF HIRE PURCHASE DEBTS PURCHASE OF EQUIPMENT AND MOTOR VEHICLES PAYMENTS OUT OF GRANT FUNDING	161,526 230,755 78,373 470,654	15,288 350,867 146,407 512,561
TOTAL OUTFLOW	6,687,859	8,169,533
CASH FUNDS AT YEAR END	968,978	1,313,987

Note:

The above Statement of Cash Flows by its very nature does not take into account end of year adjustments for accrued income, expenditure, nor the provision of depreciation on non-current assets.

(VICTORIAN BRANCH)

NOTES TO AND FORMING PART OF 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 these financial statements are:

1.1 BASIS OF PREPARATION

The financial statements of the Union have been drawn up in accordance with applicable Accounting Standards, the RAO Schedule of the Workplace Relations Act 1996 and other requirements of law. They have been prepared on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. The accounting policies have been consistently applied and, except where there is a change in accounting policy, are consistent with those of the previous year. The accounting records have been kept on an accrual basis.

1.2 INCOME TAX

No provision for income tax is necessary as the Union is exempt from income tax under Section 23(f) of the Income Tax Assessment Act.

1.3 EMPLOYEE ENTITLEMENTS

Provision for Annual Leave

The provision for employee entitlements to Annual 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 plus leave loading.

2. **PROVISION FOR LONG SERVICE LEAVE**

- 2.1 The liability for Long-Service Leave of Branch officials has been taken up in the books of account. Because this debt is still partly the responsibility of National Office, a corresponding asset exists under Current Assets (\$292,102).
- 2.2 In accordance with the decision of the National Executive, each Branch now brings to account the annual indebtedness to Long service Leave of its officials. This procedure was first undertaken in the 2001 2002 financial year.

(VICTORIAN BRANCH)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2006

3. <u>SALARIES AND WAGES</u>

In accordance with Sub-regulations 107 (a) (XIV) and (XV) of the Workplace Relations Regulations, we report that the figure Salaries and Wages in the Statement of Financial Performance is made up of the following:-

	2005	2006
	\$	\$
Elected Representatives	810,033	945,307
Employees	1.080.812	<u>1,120,738</u>
-	\$1,890,845	\$2,066,045

4. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Apart from the item below, the Branch Executive is not aware of any postbalance date event or contingent liability which may materially affect the operating results or financial position of the Branch for the year under review or in future years.

On 13th April, 2006, the Branch entered into a Contract to buy the property at 4/72 Gheringhap Street, Geelong for \$467,500 (including GST). At balance date only a deposit of \$2,000 had been paid.

5. 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 274 which reads as follows:

- a) "A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation;
- b) An organisation shall, on application made under Subsection (1) by a member of the organisation or a Registrar, make the specified information available to a member or the Registrar in such manner, and within such time, as is prescribed;
- c) A Registrar may only make an application under Subsection (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member."