

25 November 2010

Mr Cesar Melhem Secretary, Victoria Branch The Australian Workers' Union 685 Spencer Street WEST MELBOURNE VIC 3003



Dear Mr Melhem

Re: Lodgement of Financial Statements and Accounts – The Australian Workers' Union, Victoria Branch – for year ending 30 June 2010 (FR2010/2680)

Thank you for lodging the above financial return which was received by Fair Work Australia on 8 November 2010.

The documents have been filed but I draw your attention to the following. The report did not include a Statement of Changes in Equity or its equivalent, as required by AASB 101. Future reports should include this and I ask you to bring this to your Auditor's attention.

Yours sincerely,

Stephen Kellett

Organisations and Research

Fair Work Australia

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ABN 17 106 150 504 CESAR MELHEM Secretary



THE AUSTRALIAN WORKER'S UNION VICTORIAN BRANCH

SECRETARY'S CERTIFICATE

I, Cesar Melhem, being the Secretary of The Australian Worker's Union Victorian 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 2010, that were:

- 1. presented to Victorian Branch Executive on 16th September 2010.
- 2. made available to the membership in the week commencing 20th September 2010.
- 3. presented by way of postal ballot to Victorian Branch Executive. The ballot was conducted on 11th October 2010, and closed at 4:00 pm on 22nd October 2010. Postal ballot was completed with result in favour of adopting the 2009/2010 Victorian Branch Operating Report, Financial Accounts, Statements and Auditor's Report.

Date 8th of November 2010

Cesar Melhem Secretary

THE AUSTRALIAN WORKERS' UNION (VICTORIAN BRANCH)

OPERATING REPORT JULY 2009 - JUNE 2010

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 surplus for the financial year amounted to \$577,294. (2009 \$ 749,882)

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 Fair Work (Registered Organisations) Act 2009

MEMBERSHIP OF SUPERANNUATION SCHEME

Pursuant to s.254 (2) (d) of schedule 113 of the Fair Work (Registered Organisations) Act 2009 the following members held office in Superannuation Funds as stated below:

Melhem. C

CBUS

Borowick, M

Australian Super (Alternate Director)

NUMBER OF MEMBERS

Number of persons in register of members: 26,782 (2009-23,969)

NUMBER OF EMPLOYEES

Number of employees (equivalent full time): 47

NAMES OF MEMBERS ON BRANCH EXECUTIVE:

Beechey,S	Borowick,M	Bond,S
Bantis,A	Blandthorn,JP	Christie,R
Cragg,D	Dixon,H	Davis,B
Gray,D	Heath,C	King,P
Knight,A	Krishnan,R	Lee,T
Leo,F	Lynn,R	Lumanovski,H
Lineham,R	Mastrandonakis,J	Melhem,C
Noonan,B	O'Brien,L	Palemo,I
Penn,G	Rudd,R	Rae,G
Stomps,D	Tacey,N	Wilson,P

During the year the following members resigned from the Branch Executive from 30/06/09.

Bellis,S	Ch	opping,M	Mod	ore,K	Pillai,P
Williamson,T	Bra	adford,D	Lan	gford,J	Parker,G
Saddington,J	` Bu	gg,A	Lloy	/d,V	Petropoulos,C
Stojanovska,B					

During the year, the following members were appointed to the Branch Executive from 01/07/2009

O'Brien, L Bantis, A Blandthorn,JP Dixon,H

OTHER INFORMATION

There is no other information that the Union considers relevant

Signed:

THE AUSTRALIAN WORKERS' UNION

(VICTORIAN BRANCH)

STATUTORY STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2010

COMMITTEE OF MANAGEMENT'S STATEMENT

On 16th September, 2010, 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, 2010: -

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 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 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 Fair Work(Registered Organisations) Act 2009 Schedule and the Fair Work (Registered Organisations) Act 2009 Regulations;
 - (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 Fair Work (Registered Organisations) Act 2009.
- (vi) there have been no compliance orders for inspection of financial records made by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009.

For and on behalf of the Branch Executive

C MELHEM

SIGNED at West Melbourne this 16th day of September, 2010.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

<u>AUSTRALIAN WORKERS UNION</u>

(VICTORIAN BRANCH)

YEAR ENDED 30TH JUNE, 2010

Scope

We have audited the Financial Statements of the Australian Workers Union (Victorian Branch) for the year ended 30 June 2010 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)

YEAR ENDED 30TH JUNE, 2010

- 2. As required under Section 257 of the Registration and Accountability of Organisations Schedule (being schedule 1B of the Fair Work (Registered Organisations) Act 2009), 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 day of September, 2010.

THE AUSTRALIAN WORKERS' UNION (VICTORIAN BRANCH) STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2010

	<u>2009</u> \$	<u>2010</u> \$
	Ψ .	₩.
ACCUMULATED FUNDS		•
BALANCE @ YEAR END	4,108,043	4,685,337
THESE FUNDS ARE REPRESENTED BY:- CURRENT ASSETS CASH AT BANK		
General Operating Accounts	854,132	807,398
Long Services Leave Accounts	2,160,198	2,624,218
~ •	3,014,330	3,431,616
PETTY CASH	549	1,385
ACCOUNTS RECEIVABLE	297,074	278,537
SUBSCRIPTIONS OUTSTANDING	398,591	459,022
PREPAYMENTS	39,956	36,097
MECHANDISE ON HAND	31,814	43,234
SHARES IN PUBLIC COMPANY	258	258
	3,782,572	4,250,149
NON-CURRENT ASSETS		
NATIONAL OFFICE - LONG SERVICE LEAVE DEBT	282,328	218,553
NATIONAL OFFICE - LOAN	1,231,180	1,231,180
	1,513,508	1,449,733
FIXED ASSETS (At Written Down Value)	•	, ,
OFFICE FURNITURE, EQUIPMENT AND RENOVATIONS	215,941	246,723
MOTOR VEHICLES	592,496	727,228
	808,437	973,951
	•	
TOTAL ASSETS	6,104,517	6,673,833
LESS: CURRENT LIABILITIES	•	
TRADE CREDITORS	450,728	441,234
ACCRUALS	209,230	198,185
	659,958	639,419
LESS: DEFERRED LIABILITIES		
PROVISION FOR ANNUAL LEAVE	321,785	281,577
PROVISION FOR LONG SERVICE LEAVE	1,014,731	1,067,500
	1,336,516	1,349,077
TOTAL LIABILITIES	1,996,474	1,988,496
	4,108,043	4,685,337

NOTE: These Financial Statements Should be read in conjunction with the attached Auditor's Report and Notes Thereto.

THE AUSTRALIA WORKER'S UNION VICTORIAN BRANCH STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR END 30TH JUNE, 2010

	2009 \$	· <u>2010</u>
INCOME	Φ	Ą
MEMBERSHIP CONTRIBUTIONS	6,068,992	5,955,104
PROJECT FUNDING	.979,000	806,990
OCC. HEALTH & SAFETY TRAINING	123,185	179,288
PAID EDUCATION INCOME	102,801	93,901
RED CARD TRAINING	909	1,577
SPONSORSHIP INCOME	92,727	121,000
ADVERTISING IN MEMBERSHIP CARD	2,773	_
AWU FUNCTIONS	91,314	58,77 3
MISC STRIKE INCOME	6,959	
INTEREST	138,964	129,430
SALE OF MERCHANDISE	922	651
OTHER INCOME	414,695	727,596
TOTAL INCOME	8,023,241	8,074,310
<u>EXPENSES</u>		
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DIRECT MEMBERSHIP EXPENSES	•	
AWU SUBSIDY TRANSFERS	850,154	822,421
IR CAMPAIGN	78,341	
AFFILIATION FEES	146,762	152,371
AMBULANCE CLAIMS	150,423	176,657
LEGAL EXPENSES - MEMBERS	53,020	160,562
GROWTH CAMPAIGN	3,623	3,740
COMMISSION PAID - DELEGATES	591	
COMMISSION PAID - COMPANY	13,574	7,214
SUBSCRIPTION	3,749	
DONATIONS	37,136	53,115
PRINTING (MEMBERS)	26,951	16,434
DEPN OF M/SHIP COMPUTER		
SYSTEM	18,620	20,894
MEMBERSHIP MAILOUTS	78,423	75,848
PROMOTIONAL VIDEOS	16,015	-
RESEARCH EXPENSES	81,374	76,260
MERCHANDISE EXPENSE	37,063	40,053
AWU FUNCTIONS & PROMOTIONS	166,871	176,162
MEMBERS SHOPPER	4,255	6,728
TOTAL	1,766,945	1,788,459

NOTE: These Financial Statements Should be read in conjunction with the attached Auditor's Report and Notes Thereto.

	<u>2009</u> \$	<u>2010</u> \$
OH&S EXPENSES NATIONAL EXECUTIVE MEETING TRAINING OTHER PROJECT EXPENSES FARM SAFE PROJECT TOTAL	4,021 64,719 232 20,526 89,498	11,432 71,684 20,455 103,570
SHOP STEWARDS & DELEGATES MEDIA EXPENSES LOST TIME & OTHER EXPENSES PROTEST EXPENSES MEETING COSTS MEETING EXPENSES - DELEGATES NATIONAL CONFERENCE COSTS TOTAL	1,075 1,886 32,319 14,954 68,670 118,904	1,310 1,353 29,778 3,872 24,367
PAYROLL EXPENSES SALARIES & WAGES SUPERANNUATION - EMPLOYER WORKCOVER EXPENSES PAYROLL TAX FRINGE BENEFITS TAX ANNUAL LEAVE EXPENSE LONG SERVICE LEAVE ACCRUAL CONSULTANCY CASUAL EMPLOYMENT RDO EXPENSES TOTAL	2,976,427 396,954 43,164 147,096 59,500 (15,166) 128,454 38,394 400 6,592 3,781,815	3,007,174 399,015 32,739 139,502 57,612 (33,804) 239,882 46,709 64,511 (2,177) 3,951,163
TRAINING & TUITION DELEGATES & SHOP STEWARDS UNIVERSITY FEES SEMINAR & CONFERENCE COSTS TRAINING EXP RECRUITING PAID EDUCATION EXPENSES CONSTRUCTION DATA TOTAL	2,431 8,467 3,648 (139) 14,892 84,667 4,541	3,841 12 4,810 12,970 2,623 79,094
OFFICIALS ACCOMMODATION & MEALS AIR FARES TRAVEL EXPENSES MISC. EXPENSES PARKING & TAXIS WEB SITE EXPENSES INTERNET EXPENSES OFFICIALS & STAFF TOTAL	100,073 29,589 822 183 23,564 - 12,582 2,136 168,949	110,242 36,575 539 173 28,241 4,063 14,526 2,000 196,359

NOTE: These Financial Statements Should be read in conjunction with the attached Auditor's Report and Notes Thereto.

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	<u>2009</u> \$	<u>2010</u> \$
MOTOR VEHICLE EXP. REGISTRATION CAR INSURANCE PETROL	15,862 42,601 193,132	15,097 48,133
SERVICES TYRES	74,893 9,178	159,036 56,486 19,181
MOTOR VEHICLE EXPENSES OTHERS PROFIT ON REALISATION DEPRECIATION MOTOR VEHICLES	37,432 (9,035) 225,821	50,991 (3,571) 238,935
TOTAL	589,884	584,289
TELEPHONE EXPENSES TELEPHONE MAIN ACCOUNT MOBILE PHONES	22,731 108,445	39,126 99,826
HOME PHONES SERVICE & EQUIP MAINTENANCE	5,657 10,228	7,245 7,347
TOTAL	147,061	153,544
PROPERTY EXPENSES RENTAL	19,658	16,305
PROPERTY RATES & INSURANCE PROPERTY MAINTENANCE DEPRECIATION OF FURNITURE &	20,281 18,260	19,974 29,209
EQUIP BODY CORPORATE FEES	29,517 6,988	33,156
OFFICE FURNITURE SUNDRY EXPENSES TOTAL	325 26,724 121,753	1,294 42,213 142,153
GENERAL EXPENSES		T 100
ADVERTISING AUDITING & ACCOUNTING BANK FEES & CHARGES	14,500 21,602	5,168 18,500 22,319
CLEANING HEATING AND LIGHTING	39,628 24,585	35,498 27,766
GENERAL INSURANCE STAFF AMENITIES AND	14,131	14,369
DISPENSIBLES BEREAVEMENT EXPENSES	19,499 800	23,422
SUNDRY EXPENSES LEGAL FEES	1,705	6,091
TOTAL	136,450	153,134
OFFICE EXPENSES STATIONERY	10,884	11,467
POSTAGE & COURIER	29,561	20,599
PRINTING COPIER CHARGE & PAPER	38,101 13,655	56,325 15,428
OFFICE RENTAL EQUIPMENT MAINTENANCE OF OFFICE	39,670	38,877
EQUIPMENT COMPUTER MAINTENANCE &	1,210	1,964
SUPPORT	83,591	87,643
SOFTWARE EXPENSES AMALGAMATION COSTS	15,578 1,343_	28,011
TOTAL	233,593	260,316
TOTAL EXPENSES	7,273,359	7,497,016
NET SURPLUS /(LOSS)	749,882	577,294

AUSTRALIAN WORKERS' UNION VICTORIAN BRANCH STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE, 2010

	2009	<u>2010</u>
•	\$	\$
CASH FUNDS AT COMMENCEMENT	2,081,968	3,014,330
<u>CASH INFLOW</u>		-
ADD: PROCEEDS FROM OPERATING ACTIVITIES	•	•
MEMBERSHIP FEES	6,052,444	6,440,907
RECEIPTS FROM MEMBERSHIP ACTIVITIES	836,285	1,448,531
INTEREST RECEIVED	138,964	129,430
	7,027,693	8,018,868
ADD: PROCEEDS FROM FINANCING ACTIVITIES	•	
PROCEEDS FROM GRANT FUNDING	919,227	939,389
PROCEEDS FROM THE DISPOSAL OF MOTOR VEHICLES	72,467	174,906
	991,694	1,114,295
TOTAL INFLOW	8,019,387	9,133,163
	0,010,001	0,100,100
CASH OUTFLOW		
	•	
LESS: OUTFLOW FROM OPERATING ACTIVITIES		
SUBSIDY TO NATIONAL OFFICE	850,154	895,023
PAYMENTS TO EMPLOYEES	2,976,827	3,108,304
OTHER OUTGOINGS	2,170,682	3,201,630
	5,997,663	7,204,957
LESS: OUTFLOW FROM FINANCING ACTIVITIES		
BUILDING RENOVATIONS	86,402	36,116
PURCHASE OF EQUIPMENT AND MOTOR VEHICLES	276,835	678,313
PAYMENTS OUT OF GRANT FUNDING	726,125	796,491
	1,089,362	1,510,920
TOTAL OUTELOW	7.007.005	0.745.075
TOTAL OUTFLOW	7,087,025	8,715,877
CASH FUNDS AT YEAR END	3,014,330	3,431,616

NOTE: The above Statement of Cash Flow 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.

<u>THE AUSTRALIAN WORKERS' UNION</u>

(VICTORIAN BRANCH)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2010

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 Fair Work (Registered Organisations) Act 2009 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 (\$218,553).
- 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2010

3. SALARIES AND WAGES

In accordance with Sub-regulations 107 (a) (XIV) and (XV) of the Fair Work (Registered Organisations) Act 2009, we report that the figure Salaries and Wages in the Statement of Financial Performance is made up of the following:-

	2009 \$	2010 \$	
Elected Representatives	1,209,027	1,297,531	
Employees	1,767,400	1,802,587	
	\$ 2,976,427	\$3,100,118	

4. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

The Branch has entered into an agreement with the National Office to acquire a property in Percy Street, Portland. Under the arrangement, the Victorian Branch will meet all financial obligations in regard to the property although title will rest with National Office.

Apart from the above, the Branch Executive is not aware of any post-balance 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.

5. 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 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."