

FAIR WORK Australia

29 November 2011

Mr Cesar Melhem Secretary, Victorian 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, Victorian Branch – for year ending 30 June 2011 (FR2011/2694)

Thank you for lodging the abovementioned financial statements and accounts which were received by Fair Work Australia on 10 November 2011.

I will file the documents but must draw your attention to the following.

The Auditor has referred to recovery of wages activity and this has been set out at Note 5 on page 13. However, the Committee of Management Statement did not contain the declarations in relation to the recovery of wage activity required by paragraph 25 of the General Manager's Guidelines.

Moreover, the details presented at Note 5 fall short of what the Guidelines require in the way of a Recovery of Wages Activity report. Paragraphs 20, 21 and 22 require "*balances including nil amounts*" for several categories of related revenue, outgoings and assets respectively, and paragraph 23 requires various other items of related information.

I enclose relevant extracts from the Guidelines for your convenient reference and ask that if recovery of wage activity is undertaken in future years that the above omissions be addressed in order to comply with the Guidelines.

Yours sincerely,

Stephen Kellett Organisations, Research and Advice Branch Fair Work Australia



VICTORIAN BRANCH 685 Spencer Street, West Melbourne VIC-3003 T: (03) 8327 0888 I F: (03) 8327 0899 E: victoria@awu.net.au I W: www.vic.awu.net.au Call Centre: 1300 362 298 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 Workers' 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 2011, that were:

1. presented to Victorian Branch Executive on 22nd September 2011.

2. made available to the membership in the week commencing 23rd September 2011.

 presented by way of postal ballot to Victorian Branch Executive. The ballot was conducted on 17th October 2011, and closed at 4:00 pm on 28th October 2011. Postal ballot was completed with result in favour of adopting the 2010/2011 Victorian Branch Operating Report, Financial Accounts, Statements and Auditor's Report.

Date 10th of November 2011

Cesar Melhem Secretary



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THE AUSTRALIAN WORKERS' UNION

(VICTORIAN BRANCH)

AUDITORS' REPORT,

FINANCIAL STATEMENTS AND NOTES THERETO

FOR THE YEAR ENDED 30 JUNE 2011

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THE AUSTRALIAN WORKERS' UNION

(VICTORIAN BRANCH)

OPERATING REPORT JULY 2010 – JUNE 2011

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 \$583,576. (2010 \$ 577,294)

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:

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NUMBER OF MEMBERS

Number of persons in register of members: 28,161 (2010-26,782)

NUMBER OF EMPLOYEES

Number of employees (equivalent full time): 48

NAMES OF MEMBERS ON BRANCH EXECUTIVE:

Beechey,S Bantis,A Cragg,D Gray,D Krishnan,R Lynn,R Mastrandonakis,J O'Brien,L Rudd,R Tacey,N Borowick,M Blandthorn,JP Dixon,H Heath,C Lee,T Lumanovski,H Melhem,C Palemo,I Rae,G Wilson,P

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Bond,S Christie,R Davis,B King,P Leo,F Lineham,R Noonan,B Penn,G Stomps,D

During the year the following members resigned from the Branch Executive.

Knight A

During the year, the following members were appointed to the Branch Executive . NIL

OTHER INFORMATION

There is no other information that the Union considers relevant

Signed: Cesar Melhem

22/9/2011 Date:

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THE AUSTRALIAN WORKERS' UNION

(VICTORIAN BRANCH)

STATUTORY STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2011

COMMITTEE OF MANAGEMENT'S STATEMENT

On 22^{nd} September, 2011, 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 30^{th} June, 2011: -

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 MELF

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SIGNED at West Melbourne this 22nd day of September, 2011.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

AUSTRALIAN WORKERS UNION

(VICTORIAN BRANCH)

YEAR ENDED 30TH JUNE, 2011

Scope

We have audited the Financial Statements of the Australian Workers Union (Victorian Branch) for the year ended 30 June 2011 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.

In accordance with the Act, we conducted a review of recovery of wages activity.

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

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AUSTRALIAN WORKERS UNION

(VICTORIAN BRANCH)

YEAR ENDED 30TH JUNE, 2011

- 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
- (ii) The recovery of wages activity has been correctly recorded in the accounts.
- (iii) We have complied with the independence requirements of the major Accounting Bodies.

TROEDEL ADAMS & CO.

P. R. Troedel (F.C.A.) Chartered Accountants <u>Registered Company Auditor</u>

Dated this lay of September, 2011.

<u>THE AUSTRALIAN WORKERS' UNION</u> (VICTORIAN BRANCH) STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2011

	\$	\$
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ACCUMULATED FUNDS		
BALANCE @ YEAR END	4,685,337	5,268,913
THESE FUNDS ARE REPRESENTED BY:-		
CURRENT ASSETS		
CASH AT BANK		
General Operating Accounts	807,398	689,429
Long Services Leave Accounts	2,624,218	2,921,131
	3,431,616	3,610,560
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PETTY CASH	1,385	1,051
ACCOUNTS RECEIVABLE	278,537	388,700
SUBSCRIPTIONS OUTSTANDING	459,022	528,105
PREPAYMENTS	36,097	41,128
MECHANDISE ON HAND	43,234	26,169
SHARES IN PUBLIC COMPANY	258	258
	4,250,149	4,595,971
NON-CURRENT ASSETS		
NATIONAL OFFICE - LONG SERVICE LEAVE DEBT	218,553	174,229
NATIONAL OFFICE - LOAN	1,231,180	1,231,180
	1,449,733	1,405,409
FIXED ASSETS (At Written Down Value)		
LAND & BUILDINGS	-	344,989
OFFICE FURNITURE, EQUIPMENT AND RENOVATIONS	246,723	254,555
MOTOR VEHICLES	727,228	889,381
	973,951	1,488,925
TOTAL ACCETO	0.70 0.90	7 400 005
TOTAL ASSETS	6,673,833	7,490,305
	· ·	
LESS: CURRENT LIABILITIES	444.094	000.040
TRADE CREDITORS	441,234	639,249
ACCRUALS	<u> </u>	<u>194,775</u>
	000,410	004,024
LESS: DEFERRED LIABILITIES		
PROVISION FOR ANNUAL LEAVE	281,577	292,749
PROVISION FOR LONG SERVICE LEAVE	1,067,500	1,094,619
	1,349,077	1,387,368
		.,
TOTAL LIABILITIES	1,988,496	2,221,392
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	4,685,337	5,268,913

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

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THE AUSTRALIAN WORKERS' UNION (VICTORIAN BRANCH) STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE, 2011

	2010	<u>2011</u>
	· \$	\$
INCOME		
MEMBERSHIP CONTRIBUTIONS	5,955,104	6,444,342
PROJECT FUNDING	806,990	861,375
OCC. HEALTH & SAFETY TRAINING	179,288	132,172
PAID EDUCATION INCOME	93,901	52,065
RED CARD TRAINING	1,577	236
SPONSORSHIP INCOME	121,000	168,182
ADVERTISING IN MEMBERSHIP CARD	_	6,818
AWU FUNCTIONS	58,773	64,909
INTEREST	129,430	185,730
SALE OF MERCHANDISE	651	848
OTHER INCOME	727,596	708,275
TOTAL INCOME	8,074,310	8,624,952
EXPENSES		•
DIRECT MEMBERSHIP EXPENSES	000 404	
	822,421	892,629
AFFILIATION FEES AMBULANCE CLAIMS	152,371 176,657	164,074
LEGAL EXPENSES - MEMBERS	160,562	172,562 234,373
ACTU CAMPAIGN LEVY	100,002	234,373 12,749
GROWTH CAMPAIGN	3.740	7,652
COMMISSION PAID - COMPANY	7,214	7,374
DONATIONS	53,115	161,440
PRINTING (MEMBERS)	16,434	779
DEPN OF M/SHIP COMPUTER SYSTEM	20,894	20,427
MEMBERSHIP MAILOUTS	75,848	48,979
RESEARCH EXPENSES	76,260	41,145
MERCHANDISE EXPENSE	40,053	33,452
AWU FUNCTIONS & PROMOTIONS	176,162	208,414
BEREAVEMENT PAYMENTS	-	1,500
MEMBERS SHOPPER	6,728	-
TOTAL	1,788,459	2,006,049

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

	2010	<u>2011</u>
	\$	\$
OH&S EXPENSES	•	¥
	74.004	70.004
TRAINING	71,684	76,691
FARM SAFE PROJECT	20,455	-
	92,139	76,691
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SHOP STEWARDS & DELEGATES		
MEDIA EXPENSES	1,310	2,233
LOST TIME & OTHER EXPENSES	1,353	2,115
PROTEST EXPENSES	29,778	478
MEETING COSTS	3,840	12,286
SPONSORSHIP		20,000
MEETING EXPENSES - DELEGATES	24,367	9,951
NATIONAL CONFERENCE COSTS	· -	92,114
TOTAL	60,648	139,177
PAYROLL EXPENSES		
SALARIES & WAGES	3,007,174	3,237,745
SUPERANNUATION - EMPLOYER	399,015	433,552
WORKCOVER EXPENSES	32,739	35,552
PAYROLL TAX		-
	139,502	170,948
FRINGE BENEFITS TAX	57,612	76,824
ANNUAL LEAVE EXPENSE	(33,804)	11,172
LONG SERVICE LEAVE ACCRUAL	239,882	223,216
CONSULTANCY	46,709	37,671
CASUAL EMPLOYMENT	64,511	3,250
RDO EXPENSES	(2,177)	(4,233)
TOTAL	3,951,163	4,225,697
TRAINING & TUITION		
UNIVERSITY FEES	12	26,144
SEMINAR & CONFERENCE COSTS	4,810	7,211
TRAINING EXP	12,970	16,008
RECRUITING	2,623	1,165
PAID EDUCATION EXPENSES	79,094	43,500
RED CARD TRAINING		327
TOTAL	99,509	94,355
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OFFICIALS		
ACCOMMODATION & MEALS	110,242	118,883
AIR FARES	36,575	43,472
TRAVEL EXPENSES	539	372
MEETING. EXPENSES	4,045	14,619
NATIONAL EXECUTIVE MEETING	11,432	11,894
PARKING & TAXIS	28,241	28,549
WEB SITE EXPENSES	4,063	20,040 546
INTERNET EXPENSES	14,526	19,383
OFFICIALS & STAFF	2,000	
TOTAL	211,662	237,718
		201,110

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

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	<u>2010</u> \$	<u>2011</u> \$
MOTOR VEHICLE EXP.	φ	φ
REGISTRATION	15,097	19,531
CAR INSURANCE	48,133	52,805
PETROL	159,036	179,824
SERVICES	56,486	51,059
TYRES	19,181	17,336
MOTOR VEHICLE EXPENSES OTHERS	50,991	50,350
PROFIT ON REALISATION	(3,571)	(65,777)
DEPRECIATION MOTOR VEHICLES	238,935	248,006
TOTAL	584,289	553,134
TELEPHONE EXPENSES		
TELEPHONE MAIN ACCOUNT	39,126	33,607
MOBILE PHONES	99,826	93,597
HOME PHONES	7,245	8,431
SERVICE & EQUIP MAINTENANCE	7,347	4,348
TOTAL	153,544	139,983
PROPERTY EXPENSES		
RENTAL	16,305	17,670
PROPERTY RATES & INSURANCE	19,974	19,712
PROPERTY MAINTENANCE	29,209	30,995
DEPRECIATION OF FURNITURE & EQUIP	33,156	41,353
BODY CORPORATE FEES	-	786
OFFICE FURNITURE	1,294	2,763
SUNDRY EXPENSES	42,213	<u> </u>
TOTAL	142,153	160,209
GENERAL EXPENSES		
ADVERTISING	5,168	3,427
AUDITING & ACCOUNTING	18,500	16,250
BANK FEES & CHARGES	22,319	29,094
CLEANING	35,498	38,357
HEATING AND LIGHTING	27,766	30,735
GENERAL INSURANCE	14,369	13,494
STAFF AMENITIES AND DISPENSIBLES	23,422 6,091	31,403
LEGAL FEES TOTAL	153,134	162,760
IOIAL	100,101	102,700
OFFICE EXPENSES		
STATIONERY	11,467	11,971
POSTAGE & COURIER	20,599	24,660
PRINTING	56,325	41,229
	15,428	16,701
OFFICE RENTAL EQUIPMENT MAINTENANCE OF OFFICE EQUIPMENT	38,877 1,964	39,946
COMPUTER MAINTENANCE & SUPPORT	87,643	2,728 93,755
SOFTWARE EXPENSES	28,011	13,113
TOTAL	260,316	244,103
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TOTAL EXPENSES	7,497,016	8,039,876
NET PROFIT /(LOSS)	577,294	583,576

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

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--11--<u>AUSTRALIAN WORKERS' UNION</u> <u>VICTORIAN BRANCH</u> <u>STATEMENT OF CASH FLOWS</u> FOR THE YEAR ENDED 30TH JUNE 2011

	<u>2010</u> \$	<u>2011</u> \$
CASH FUNDS AT COMMENCEMENT	3,014,330	3,431,616
CASH INFLOW		· · ·
ADD: PROCEEDS FROM OPERATING ACTIVITIES MEMBERSHIP FEES RECEIPTS FROM MEMBERSHIP ACTIVITIES INTEREST RECEIVED	6,440,907 1,448,531 129,430 8,018,868	7,053,709 1,329,045 185,738 8,568,492
ADD: PROCEEDS FROM FINANCING ACTIVITIES PROCEEDS FROM GRANT FUNDING PROCEEDS FROM THE DISPOSAL OF MOTOR VEHICLES	939,389 174,906 1,114,295	894,713 94,495 989,208
TOTAL INFLOW	9,133,163	9,557,700
CASH OUTFLOW		
LESS: OUTFLOW FROM OPERATING ACTIVITIES SUBSIDY TO NATIONAL OFFICE PAYMENTS TO EMPLOYEES OTHER OUTGOINGS	895,023 3,108,304 3,201,630 7,204,957	959,419 3,153,972 4,066,102 8,179,493
LESS: OUTFLOW FROM FINANCING ACTIVITIES BUILDING RENOVATIONS PURCHASE OF PROPERTY PURCHASE OF EQUIPMENT AND MOTOR VEHICLES PAYMENTS OUT OF GRANT FUNDING	36,116 - 678,313 <u>796,491</u> 1,510,920	371,023 322,844 505,396 1,199,263
TOTAL OUTFLOW	8,715,877	9,378,756
CASH FUNDS AT YEAR END	3,431,616	3,610,560

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.

- 12 -THE AUSTRALIAN WORKERS' UNION

(VICTORIAN BRANCH)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2011

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 (\$174,229).
- 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.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2011

3. STATEMENT OF CHANGES IN EQUITY

Balance 30th June, 2010	\$ 4,685,337
Add: Net Profit for year	583,576
Balance 30th June, 2011	\$ 5,268,913

4. LAND & BUILDINGS

During the year the branch acquired two properties in country Victoria.

Portland

103-111 Percy Street	\$ 99,536
Sale 3/396 Raymond Street	 248,086 347,622
Less: Depreciation of Buildings	2,633
Balance 30th June, 2011	\$ 344,989

Under the rules of the Union, both properties are registered in the name of the National Executive in Sydney.

5. RECOVERY OF WAGES ACTIVITY.

During the year the Union was engaged in the recovery of wages as follows:

	<u>2010</u>	<u>2011</u>
Recovered from Employer	\$ 85,435	43,500
Spent on Consultant	\$ 79,094	43,500

The above activity ceased in April 2011.

-- 14 --NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2011

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

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:-

	2010	2011
	\$	\$
Elected Representatives	1,297,531	1,261,909
Employees	1,802,587	2,132,722
	\$3,100,118	\$3,394,631

* The above figures include amounts salary-sacrificed into superannuation during the year under review.

7. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

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.

8. 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."