



Australian Government
Australian Industrial Registry

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

Ref: FR2006/486-[002N-WA]

Mr Timothy P Daly
Secretary
AWU - West Australia Branch
PO Box 8122
Perth Business centre
PERTH WA 6849

Dear Mr Daly

Financial Return - year ending 30 June, 2006

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

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

Information on AIRC Website

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

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

Reporting Unit

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

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

Industrial Registrar's Guidelines

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

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

Timeline Planner and Checklist

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

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

Three Reports

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

1. **General Purpose Financial Report** - this must comply with the Australian Accounting Standards and the Industrial Registrar's Reporting Guidelines. The GPFR consists of:

(a) Financial Statements containing:

- a profit and loss statement, or other operating statement; and
- a balance sheet; and
- a statement of cash flows; and
- any other statements required by the Australian Accounting Standards; and

(b) Notes to the Financial Statements containing:

- notes required by the Australian Accounting Standards; and
- information required by the Industrial Registrar's *Reporting Guidelines* under section 255 including disclosures related to any recovery of wages activity ; and

(c) Committee of Management Statement as required by the Registrar's Reporting Guidelines (a sample certificate for illustrative purposes is at Attachment C) including declarations related to the recovery of wages activity.

2. **Operating Report** - this report includes a review of your reporting unit's principal activities for the year and other specified information.

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

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

First Meeting (Committee of Management)

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

The Auditor

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

Informing Your Members

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

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

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

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

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

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

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

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

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

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

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

Lodge full report within 14 days of meeting

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

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

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

Complying with time limits

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

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

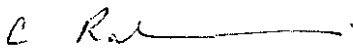
Extensions of Time

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

Contact the Registry

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

Yours sincerely



For Deputy Industrial Registrar...
1 August, 2006



Australian Government
Australian Industrial Registry

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

Ref: FR2006/486 -[002N-WA]

Mr Timothy P Daly
Secretary
AWU - West Australia Branch
PO Box 8122
Perth Business centre
Perth WA 6849

Dear Mr Daly

**Re: The Australian Workers' Union - West Australia Branch
Outstanding Financial Documents - *Workplace Relations Act 1996***

The Accounts and Audit Part of Schedule 1B of the *Workplace Relations Act 1996* requires, as a general rule, that the audited financial statements of a reporting unit of a registered organisation, be lodged in the Industrial Registry within 6 months and 14 days from the end of its financial year.

To date, the Registry has no record of lodgement of the financial reports of the above named reporting unit for the year ended 30 June, 2006. For details of these provisions and organisations' financial reporting obligations please refer to the Registry's earlier correspondence.

In particular there is no record of lodgement of copies of:

- the general purpose financial report;
- the auditor's report; or
- the operating report.

These three reports are referred to as the "full report".

Section 268 of the RAO Schedule¹ requires that a copy of the full report be lodged in the Registry within 14 days (or such longer period a Registrar allows) after the full report is presented to a general meeting of members (or to a committee of management meeting if the rules make provision consistent with s266(3)).

Section 266 (1) requires that the full report be presented to the meeting within 6 months of the end of the financial year. Therefore, lodgement of the documents in the Registry was required by **14 January, 2007**.

Section 305(2)(ze) of the RAO Schedule is a civil penalty provision. It provides that a failure to meet the requirements of s268 is a contravention of that civil penalty provision. The Federal Court may on application of the Industrial Registrar impose a pecuniary penalty on the person or organisation whose conduct contravened the civil penalty provision.

I also draw your attention to the provisions of Part 1 of Chapter 9 of the RAO Schedule which set out the general duties of officers and employees of organisations and their branches in relation to financial management.

In the absence of lodgement of a copy of the full report, I request you state in writing by **6 February, 2007**:

- whether the auditor has audited the general purpose financial report and if so, the date on which the auditor signed the audit report
- whether the committee of management has prepared the operating report

¹ Schedule 1B of the Workplace Relations Act 1996

- whether the full report has been provided to members, and if so, when
- whether the full report provided to the members has been presented to a general or committee of management meeting, and if so, when
- when a copy of the full report will be lodged in the Industrial Registry.

The full report when lodged must be accompanied by a certificate of the secretary or other authorised officer that the documents lodged are copies of the documents provided to members and presented to the general or committee of management meeting in accordance with s266.

If you wish to discuss this letter, please contact me on (02) 8374 6618. In reply please quote: **FR2006/486**.

Yours sincerely

Belinda Penna

E-mail: belinda.penna@air.gov.au

16 January, 2007



The Australian Workers' Union
West Australian Branch
"Wellington Fair", Cnr Wellington & Lord Sts, Perth
P.O. Box 8122, Perth Business Centre, Perth, W.A. 6849
Ph: (08) 9221 1686 Fax: (08) 9221 1706
Email: administrator@awuwa.asn.au
A.B.N. 23 613 523 164

Branch Secretary: **Tim Daly**

The Registrar
Australian Industrial Relations Commission
Level 8, Terrace Towers
80 William Street
EAST SYDNEY NSW 2011

23rd January 2007

Dear Sir

**RE: FINANCIAL DOCUMENTS AUSTRALIAN WORKERS UNION WA
BRANCH**

I write to certify that the attached financial documents including, audit report, financial statements and operation report were presented to a meeting of the Branch Executive of the Union on the 24th of November 2006.

The documents were then posted to the membership on the 15th of December 2006.

The financial statements were subsequently presented to a meeting of the Branch Executive again for adoption on the 23rd of January 2007.

Yours faithfully

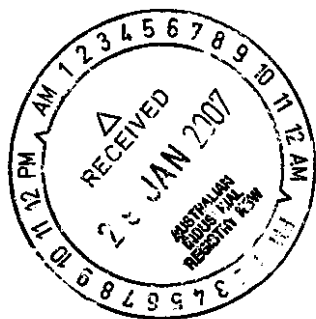
Tim Daly
Branch Secretary



**AUSTRALIAN WORKERS UNION
WEST AUSTRALIAN BRANCH**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2006**



**AUSTRALIAN WORKERS UNION
WEST AUSTRALIAN BRANCH
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

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**Independent Audit Report to the members of
Australian Workers Union - West Australian Branch**

We have audited the accompanying financial report of the Australian Workers Union – West Australian Branch (“**the Union**”) for the year ended 30 June 2006. The financial report comprises the balance sheet at 30 June 2006, and the income statement, statement of changes in equity, cash flow statement, summary of significant accounting policies and other explanatory notes, and the committee members’ declaration for the year then ended.

Committee of Managements’ Responsibility for the Financial Report

The committee of management of the union is responsible for the preparation and fair presentation of the financial report in accordance with Accounting Standards in Australia and the Workplace Relations Act 1996. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 Auditing Standards in Australia. 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 judgment, 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 members, as well as evaluating the overall presentation of the financial report.

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

Independence

We are independent of the union, and have complied with the independence requirements of the Australian professional ethical pronouncements.




Auditor's Opinion

In our opinion the financial report presents fairly, in accordance with applicable Accounting Standards, the Workplace Relations Act 1996 and other mandatory financial reporting requirements in Australia, the financial position of the Anstralian Workers Union – West Australian Branch as at 30 June 2006 and the results of its operations and its cash flows for the year then ended.

Dated the 22nd day of November 2006.

HORWATH AUDIT (WA) PTY LTD

Horwath


PETER TOLL

Director

**AUSTRALIAN WORKERS UNION
WEST AUSTRALIAN BRANCH**

STATEMENT OF THE COMMITTEE OF MANAGEMENT

The Committee of Management have determined that the organisation is a reporting entity. In accordance with a resolution of the Committee of Management, we state that in the opinion of the Committee:

- (a) The accompanying 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; and
- (e) During the financial year to which the general purpose financial report relates and since the end of that year:
 - (i) Meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) The financial affairs of the reporting unit have been managed in accordance with the rules of the organisation 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) 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
 - (v) There has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

Signed on behalf of the Committee of Management.

Signed At Perth this 24th day of November 2006.



Tim Daly
BRANCH SECRETARY

**AUSTRALIAN WORKERS UNION
WEST AUSTRALIAN BRANCH**

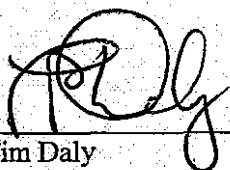
STATEMENT BY THE SECRETARY

I, TIM DALY being the officer responsible for keeping the accounting records of the Australian Workers Union - WA Branch, certify that as at 30 June 2006 the number of members of the Union was 4,742 (2005: 5,071).

In my opinion,

- (i) The attached accounts show a true and fair view of the financial affairs of the organisation as at 30 June 2006 and the result of operations for the period then ended;
- (ii) A register of members has, during the immediately preceding calendar year, been kept and maintained as required by section 230(1)(a) and section 230(2) of the Workplace Relations Act 1996;
- (iii) A copy of the records required to be kept under sections 230(1)(b), (c) and (d) of the Workplace Relations Act 1996, have been provided to the Industrial Registry as required by section 233 of the Workplace Relations Act 1996.

Signed at Perth this 24th day of November 2006.



Tim Daly
Accounting Officer

**AUSTRALIAN WORKERS UNION
WEST AUSTRALIAN BRANCH**

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

	Note	2006 \$	2005 \$
Revenues from continuing operations	3	2,021,092	1,981,738
Employee costs		(743,090)	(1,089,655)
Depreciation	4	(74,218)	(74,697)
Property costs		(53,802)	(80,344)
Organising costs		(130,536)	(125,798)
Office costs		(78,048)	(113,262)
Administration		(154,364)	(161,938)
Head Office Fees		(228,220)	(236,028)
Legal Expenses		(15,649)	(68,927)
Legal Insurance		-	(66,398)
Other expenses from ordinary activities		(168,682)	(84,616)
Profit from continuing operations		<u>374,483</u>	<u>(119,925)</u>

The accompanying notes form part of these financial statements.

**AUSTRALIAN WORKERS UNION
WEST AUSTRALIAN BRANCH**

**BALANCE SHEET
AS AT 30 JUNE 2006**

	Note	2006 \$	2005 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	329,626	101,541
Trade and other receivables	6	100,224	160,778
		-----	-----
Total current assets		429,850	262,319
		-----	-----
Non-current assets			
Trade and other receivables	6	146,500	146,500
Property, plant and equipment	7	723,418	811,121
		-----	-----
Total non-current assets		869,918	957,621
		-----	-----
TOTAL ASSETS		1,299,768	1,219,940
		=====	=====
LIABILITIES			
Current liabilities			
Bank overdraft		-	88,566
Trade and other payables	8	198,282	276,033
Income received in advance	9	92,498	264,048
Provisions	10	53,400	46,164
Borrowings	11	3,377	20,701
		-----	-----
Total current liabilities		347,557	695,512
		-----	-----
Non-current liabilities			
Trade and other payables	8	35,000	35,000
Provisions	10	161,639	94,152
Borrowings	11	-	14,187
		-----	-----
Total non-current liabilities		196,639	143,339
		-----	-----
TOTAL LIABILITIES		544,196	838,851
		=====	=====
NET ASSETS		755,572	381,089
		=====	=====
EQUITY			
General funds		284,038	(22,711)
Reserves	12	471,534	403,800
		-----	-----
TOTAL EQUITY		755,572	381,089
		=====	=====

The accompanying notes form part of these financial statements.

**AUSTRALIAN WORKERS UNION
WEST AUSTRALIAN BRANCH**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2006 \$	2005 \$
Total Equity at the beginning of the Financial Year		381,089	263,868
General Fund Movements:			
Profit for the year		374,483	(119,925)
Transfer of profits to long service leave reserve		(67,734)	(15,538)
Reserve Fund Movements:			
Gain on revaluation of land and buildings	12	-	237,146
Transfer recognised in long service leave reserve	12	67,734	15,538
		-----	-----
Total Equity at the end of the Financial Year		<u>755,572</u>	<u>381,089</u>

The accompanying notes form part of these financial statements.

**AUSTRALIAN WORKERS UNION
WEST AUSTRALIAN BRANCH**

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

	Note	2006 \$	2005 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members		1,890,116	1,861,795
Other income		180,932	254,199
Payments to suppliers and employees		(1,727,986)	(2,078,624)
Interest & other costs of finance paid		(7,904)	(9,677)
Net cash inflow from operating activities	13(b)	335,158	27,693
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		13,637	2,780
Payment for property, plant and equipment		(632)	(50,028)
Net cash (outflow) from investing activities		13,005	(47,248)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	-
Repayment of borrowing		(31,511)	(21,063)
Net cash (outflow) from financing activities		(31,511)	(21,063)
Net (decrease) in cash and cash equivalents		316,652	(40,618)
Cash and cash equivalents at the beginning of the financial year		12,974	53,592
Cash and cash equivalents at the end of the financial year	13(a)	329,626	12,974

The accompanying notes form part of these financial statements.

AUSTRALIAN WORKERS UNION - WEST AUSTRALIAN BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented.

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRSs), other authoritative pronouncements of the Australian Accounting Standards Boards, Urgent Issues Group Interpretations and the requirements of the Workplace Relations Act, 1996.

The financial report is prepared for the Australian Workers Union - WA Branch. The organisation is the State Branch of a federally registered union, domiciled in Australia.

Compliance with IFRSs

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards. Compliance with AIFRSs ensures that the financial statements and notes of Australian Workers Union - WA Branch comply with International Financial Reporting Standards (IFRSs).

Application of AASB 1 First time adoption of Australian Equivalents to International Financial Reporting Standards.

These financial statements are the first financial statements to be prepared in accordance with AIFRSs. AASB 1 first time adoption of Australian Equivalents to International Financial Reporting Standards has been applied in preparing these financial statements of the Australian Workers Union - WA Branch until 30 June 2005 had been prepared with previous Australian Generally Accepted Accounting Principles (AGAAP). AGAAP differs in certain respects from AIFRS. Reconciliations and descriptions of the effect of transition from previous AGAAP to AIFRSs on equity and net income are given in note 14.

Historical Cost Convention

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money valuations. 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 by the organisation in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised for major business activities as follows:

(i) Membership contributions

Membership contributions are accounted for on an accruals basis. Except those memberships paid in advance as at year-end, this income is recorded as deferred income and included as a current liability.

(ii) Interest income

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

AUSTRALIAN WORKERS UNION - WEST AUSTRALIAN BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivable and payables in the Statement of Financial Position are shown inclusive of GST.

(c) **Income tax**

No provision for income tax is necessary as "Trade Unions" are exempt from income tax under Section 50-15 of the *Income Tax Assessment Act 1997*.

(d) **Cash and cash equivalents**

For the purposes of the statement of cash flows, the organisation considers cash to include cash on hand, at banks or financial institutions and on deposit.

(e) **Trade and other receivables**

All trade and sundry debtors are recognised at the amounts receivable, as they are due for settlement no more than 30 days. Collectibility of debtors is reviewed on an ongoing basis. Debts, which are known to be uncollectible, are written off.

(f) **Property, plant and equipment**

Each class of property, plant and equipment are carried at cost or fair value less, where applicable, any accumulated depreciation.

Plant and Equipment

The carrying amount of plant and equipment is reviewed annually by the organisation to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

(f) **Depreciation**

The depreciation amount of all fixed assets is depreciated using the straight-line basis in order to write off the net cost of each fixed asset during its expected useful life to the organisation.

The depreciation rates used for each class of depreciable assets are:

<u>Class of fixed asset</u>	<u>Depreciation rate</u>
Buildings	2 to 5%
Chattels, furniture, fittings and office equipment	15 to 20%
Motor vehicles	22.5%

(g) **Impairment of assets**

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

AUSTRALIAN WORKERS UNION - WEST AUSTRALIAN BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Trade and other payables

These amounts represent liabilities for goods and services provided to the entity prior to the end of the financial year and which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

(i) Employee entitlements

Provision is made for the organisation's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year, together with entitlements arising from wages and salaries and annual leave, which will be settled after one year have been measured at their nominal amount.

Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Provision for employee entitlements have been measured to include salary on-costs including superannuation, payroll tax and workers compensation.

(j) Superannuation

Contributions are made by the organisation to an employee superannuation fund and are charged as expenses when incurred.

(k) Interest rate risk

The organisation's exposure to interest rate risk, which is the risk that financial instruments value will fluctuate as a result of changes in market interest rates, is considered negligible.

(l) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements. The organisation does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the organisation.

(m) Comparatives

Where required, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

NOTE 2. INFORMATION TO BE PROVIDED TO THE MEMBERS OR REGISTRAR

In accordance with the requirements of Section 272(5) of the Workplace Relations Act 1996, the attention of members is drawn to the provisions of Sections 272(1) to Section 272(3) of the Act, which reads as, follows:

- (1) A member of the branch, or a Registrar, may apply to the branch for specified prescribed information in relation to the branch 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 branch.
- (3) The branch must comply with an application made under subsection (1).

AUSTRALIAN WORKERS UNION - WEST AUSTRALIAN BRANCH
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
	\$	\$
NOTE 3: REVENUE		
Continuing Operations		
Contributions	1,952,970	1,747,318
Head Office	8,600	89,117
Rent received	26,103	45,616
Other income	15,407	99,687
Salary reimbursements	18,012	-
	-----	-----
	<u>2,021,092</u>	<u>1,981,738</u>

NOTE 4: PROFIT FROM CONTINUING OPERATIONS

Profit from continuing operations has been determined after:

Expenses

Affiliation fees		
ALP	11,225	15,231
ShopRite	4,000	3,636
Trades & Labor Council	27,713	20,275
	-----	-----
Total Affiliation fees	42,938	39,142
	-----	-----
Bad debts expense	-	4,506
Depreciation		
Office Equipment	17,268	24,825
Motor Vehicles	24,080	25,908
Buildings	32,870	23,964
	-----	-----
Total Depreciation	74,218	74,697
	-----	-----
Donations	6,620	10,931
Employee benefits to employees (other than holders of office)	431,671	629,669
Remuneration of Auditor		
Audit	20,926	14,865
Other Services	-	-
	-----	-----
	<u>20,926</u>	<u>14,865</u>
	-----	-----

**AUSTRALIAN WORKERS UNION - WEST AUSTRALIAN BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

	2006	2005
	\$	\$
NOTE 5: CASH AND CASH EQUIVALENTS		
Cash on hand	391	391
Cash at bank	167,596	7,245
Cash at bank - LSL Officials	161,639	93,905
	-----	-----
	<u>329,626</u>	<u>101,541</u>
 NOTE 6: TRADE AND OTHER RECEIVABLES		
CURRENT		
Sundry debtors	71,135	123,404
Head Office Reimbursements	10,594	10,594
GST Receivable	-	13,122
Prepayments	18,495	13,658
	-----	-----
	<u>100,224</u>	<u>160,778</u>
 NON-CURRENT		
Loan to Head Office	146,500	146,500
	-----	-----
	<u>146,500</u>	<u>146,500</u>
 NOTE 7: PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings		
At valuation 2005	865,000	865,000
	-----	-----
	865,000	865,000
Less: Accumulated depreciation	272,517	239,647
	-----	-----
	<u>592,483</u>	<u>625,353</u>
 Office Equipment		
At cost	149,279	148,647
Less: Accumulated depreciation	116,722	101,559
	-----	-----
	<u>32,557</u>	<u>47,088</u>
 Furniture & Fittings		
At cost	355,643	355,643
Less: Accumulated depreciation	340,289	338,183
	-----	-----
	<u>15,354</u>	<u>17,460</u>

AUSTRALIAN WORKERS UNION - WEST AUSTRALIAN BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

	2006 \$	2005 \$
NOTE 7: PROPERTY, PLANT AND EQUIPMENT (Cont)		
Motor Vehicles		
At cost	172,143	196,680
Less: Accumulated depreciation	89,120	75,460
	<u>83,023</u>	<u>121,220</u>
Total Property, Plant and Equipment	<u>723,418</u>	<u>811,121</u>

The valuation of the freehold land and buildings was based on an assessment of their current market value. Knight Frank (WA) Pty Ltd carried out the independent valuation on 12 May 2005. A mortgage has been granted over the Wellington Fair offices in favour of the organisation's bankers to secure an overdraft facility of \$150,000. The title for the land and buildings is held in the name of The Australian Workers Union and held by the National Office.

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial and the comparative year are set out below:

	Carrying Amount at 1 July 2005	Additions	Revaluation Increment/ (Decrement)	Disposals	Depreciation	Carrying Amount at 30 June 2006
Land & Buildings	625,353	-	-	-	32,870	592,483
Office Equipment	47,088	632	-	-	15,163	32,558
Motor Vehicles	121,220	-	-	14,118	24,079	83,023
Furniture & Fittings	17,460	-	-	-	2,106	15,354
TOTAL	811,121	632	-	14,118	74,218	723,418

	Carrying Amount at 1 July 2004	Additions	Revaluation Increment/ (Decrement)	Disposals	Depreciation	Carrying Amount at 30 June 2005
Land & Buildings	412,171	-	237,146	-	23,964	625,353
Office Equipment	67,675	4,405	-	2,545	22,447	47,088
Motor Vehicles	112,678	40,454	-	6,004	25,908	121,220
Furniture & Fittings	14,669	5,169	-	-	2,378	17,460
TOTAL	607,193	50,028	237,146	8,549	74,697	811,121

AUSTRALIAN WORKERS UNION - WEST AUSTRALIAN BRANCH
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
	\$	\$
NOTE 8: TRADE AND OTHER PAYABLES		
CURRENT		
Trade Creditors	81,774	170,238
Accrued Expenses	27,715	40,599
GST Liabilities	34,278	-
Accrued Annual Leave	54,515	65,196
	<u>198,282</u>	<u>276,033</u>
NON-CURRENT		
Head Office Payables	35,000	35,000
	<u>35,000</u>	<u>35,000</u>
NOTE 9: INCOME RECEIVED IN ADVANCE		
Memberships received in advance	92,498	264,048
	<u>92,498</u>	<u>264,048</u>
NOTE 10: PROVISIONS		
CURRENT		
Provision for long service leave	53,400	46,164
	<u>53,400</u>	<u>46,164</u>
NON-CURRENT		
Provision for long service leave	161,639	94,152
	<u>161,639</u>	<u>94,152</u>
NOTE 11: BORROWINGS		
CURRENT		
Secured Liabilities:		
Hire purchase creditors	3,377	20,701
	<u>3,377</u>	<u>20,701</u>
NON-CURRENT		
Secured Liabilities:		
Hire purchase creditors	-	14,987
	<u>-</u>	<u>14,187</u>

**AUSTRALIAN WORKERS UNION - WEST AUSTRALIAN BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

	2006 \$	2005 \$
NOTE 11: BORROWINGS (Cont)		
(a) the hire purchase agreements are secured by plant and equipment of the organisation.		
(b) the carrying amount of non-current assets pledged as security are:		
Motor vehicles	12,111	48,257
Total assets pledged as security	<u>12,111</u>	<u>48,257</u>

NOTE 12: RESERVES

Asset Revaluation Reserve	237,146	237,146
Capital Reserves	72,749	72,749
Long Service Leave Reserves		
Beginning of year	93,905	78,367
Transfer from General Funds	67,734	15,538
Balance at end of year	<u>161,639</u>	<u>93,905</u>
Total Reserves	<u>471,534</u>	<u>403,800</u>

The capital reserve represents the cost of assets previously gifted to the organisation by the Pilbara/Kimberley Committee.

NOTE 13 CASH FLOW INFORMATION

(a) Reconciliation of Cash and Cash Equivalents

Cash and cash equivalents at the end of the financial year as shown in the Cashflow Statement is reconciled to the related items in the balance sheet as follows:

Cash on hand	391	391
Cash at bank	329,235	12,583
	<u>329,626</u>	<u>12,974</u>

**AUSTRALIAN WORKERS UNION - WEST AUSTRALIAN BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

	2006 \$	2005 \$
NOTE 13 CASH FLOW INFORMATION (Cont'd)		
(b) Reconciliation of profit to net cash inflow from operating activities.		
Profit/(loss) for the year	374,483	(119,925)
Non-cash flows in operating profit		
Depreciation	74,218	74,697
(Profit)/loss on sale of plant and equipment	480	5,769
Changes in assets and liabilities		
(Increase)/decrease in debtors & prepayments	60,554	(69,746)
(Decrease)/increase in membership dues in advance	(171,550)	11,405
(Decrease)/increase in provision for employee benefits	74,723	(67,005)
(Decrease)/increase in trade creditors and accruals	(77,750)	192,498
Net cash inflow from operations activities	<u>335,158</u>	<u>27,693</u>
(c) Credit Standby Arrangements with Banks		
Overdraft facility	150,000	150,000
Amount utilized	-	(62,471)
Unused overdraft facility	<u>150,000</u>	<u>87,529</u>

**NOTE 14: EXPLANATION OF TRANSITION TO AUSTRALIAN EQUIVALENTS
TO IFRS**

(1) Reconciliation of Members' Funds reported under previous Australian Generally Accepted Accounting Principles (AGAAP) to Members' Funds under Australian equivalents to IFRSs (AIFRS).

(a) At the date of transition to AIFRS: 1 July 2005

The adoption of AIFRSs has not resulted in any material adjustments to the balance sheet.

(b) At the end of the last reporting period under previous AGAAP: 30 June 2005.

The adoption of AIFRSs has not resulted in any material adjustments to the balance sheet.

(2) Reconciliation of the profit for the year ended 30 June 2005.

The adoption of AIFRSs has not resulted in any material adjustments to the income statement.

(3) Reconciliation of the cash flow statement for the year ended 30 June 2005

The adoption of AIFRSs has not resulted in any material adjustments to the cash flow statement.

**AUSTRALIAN WORKERS UNION - WEST AUSTRALIAN BRANCH
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2006**

NOTE 15: CONTINGENT LIABILITIES

At balance date there are no known contingent liabilities that would have a material effect on the presentation of the annual financial statements.

NOTE 16: REMUNERATION AND RETIREMENT BENEFITS

The Officers of the Branch Executive Committee during the year were:

- G. W. Anderton, Branch President
- A. D. Hacking, Branch Vice President
- S. G. Baker, Branch Vice President
- T. P. Daly, Branch Secretary
- H. J. Rozmaniec, Mining Division Secretary
- B. N. Hasson, Committee Member
- J. Saunders, Committee Member
- S. McDine Committee Member
- C. King Committee Member
- K. Eberhardt Committee Member
- G. Day Committee Member
- F. Van Maris Committee Member

Members of the Branch Executive Committee were in office from the beginning of the financial year until the date of this report, unless otherwise stated.

	2006	2005
	\$	\$

Remueration of Officer Holders

Remuneration received or receivable by all officers of the Branch Executive:

From the organisation or any related party in connection with the management of the organisation	293,005	419,490
	<u>=====</u>	<u>=====</u>

Transactions with Executive Members

Remuneration received or receivable by officers in respect of their attendances as representatives of the organisation at conferences or other meetings which is not included in the above remuneration	896	1,750
	<u>=====</u>	<u>=====</u>

**AUSTRALIAN WORKERS UNION - WEST AUSTRALIAN BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

NOTE 17 SEGMENT REPORTING

The Union operates predominantly in one business and geographical segment, in its capacity to provide services to members of the Union throughout Western Australia.

NOTE 18 GEOGRAPHICAL LOCATIONS

The Union operates from Cnr Wellington and Lord Streets, Perth in the state of Western Australia.

NOTE 19 EMPLOYEE NUMBERS

	2006 Numbers	2005 Numbers
Number of employees at the end of the financial year	10	11

AUDITORS' DISCLAIMER

Disclaimer to the members of
Australian Workers Union – West Australian Branch

The additional financial data presented in the following pages is in accordance with the books and records of the Australian Workers Union – West Australian Branch which have been subjected to the auditing procedures applied in our statutory audit of the union for the year ended 30 June 2006. It will be appreciated that our statutory audit did not cover all details of the additional financial data.

Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person in respect of such data, including any errors or omissions therein however caused.

Dated the 26th day of November 2006.

HORWATH AUDIT (WA) PTY LTD



PETER TOLL

Director

**AUSTRALIAN WORKERS UNION
WEST AUSTRALIAN BRANCH**

**DETAILED STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2006**

	2006	2005
	\$	\$
INCOME		
Members' contributions	1,952,970	1,747,318
Other income	24,008	99,687
Reimbursement of expenses	18,011	89,117
Rental income	26,103	45,616
Site Levies		-
	-----	-----
TOTAL INCOME	2,021,092	1,981,738
	-----	-----
EXPENDITURE		
<u>GENERAL</u>		
Affiliation fees	42,938	39,142
Bad debts	-	4,506
Commission paid	4,678	359
Donations	6,620	10,931
Head office maintenance fees	228,220	236,029
Legal costs	15,649	68,928
Legal insurance levy	-	66,398
Levies	665	-
Levies – GST subsidy	-	-
Refund of union fees	-	166
Sundry expenses	103,909	12,231
	-----	-----
	402,679	438,690
	-----	-----
<u>STAFFING COSTS</u>		
Agency Employees	8,265	18,526
Fringe benefits tax	10,806	16,284
Medical reports	-	1,225
Movement in leave provision	(3,445)	(1,808)
Payroll tax	10,147	21,970
Relocation	264	420
Salaries	627,425	927,582
Superannuation	86,447	105,291
	-----	-----
	739,909	1,089,490
	-----	-----
<u>ORGANISING COSTS</u>		
Meeting expenses	3,920	3,919
Motor vehicle expenses	69,799	67,811
Traveling expenses	55,226	47,500
	-----	-----
	128,945	119,230
	-----	-----

**AUSTRALIAN WORKERS UNION (WEST AUSTRALIAN BRANCH)
 DETAILED STATEMENT OF INCOME AND EXPENDITURE (CONTINUED)
 FOR THE YEAR ENDED 30 JUNE 2006**

	2006	2005
	\$	\$
<u>PROPERTY COSTS</u>		
Electricity	9,486	18,008
Leasing charges	374	3,668
Property valuation	-	2,000
Rates & taxes	6,770	10,930
Rent	26,085	34,396
Repairs & maintenance	4,992	5,215
Security costs	934	1,981
Strata levy	9,661	11,057
	-----	-----
	58,302	87,255
	-----	-----
<u>OFFICE COSTS</u>		
Cleaning	7,794	8,336
Computer expenses	15,564	42,763
Hire of plant & equipment	4,150	1,984
Loss on sale of assets	480	5,769
Telephone	46,439	57,731
	-----	-----
	74,427	116,583
	-----	-----
<u>ADMINISTRATION</u>		
Accounting fees	18,980	20,169
Advertising	1,396	5,164
Audit fees	20,926	14,865
Bank charges	6,037	10,481
Depreciation	74,218	74,697
Employees' amenities	7,424	5,310
Insurance	22,563	19,551
Interest paid	4,864	9,677
Postage and couriers	26,209	21,348
Printing & stationery	36,271	29,546
Staff training & welfare	5,006	7,048
Storage fees	3,275	2,322
Subscriptions	18,116	8,321
Consultancy Fees	(2,938)	21,916
	-----	-----
	242,347	250,415
	-----	-----
TOTAL EXPENDITURE	1,646,609	2,101,663
	=====	=====
PROFIT/(LOSS) FOR THE YEAR	374,483	(119,925)
	=====	=====

The Australian Workers Union WA Branch

Operating Report – July 2005- June 2006

Principal Activities and Changes

The principal activities of the organisation continue to be those of a registered trade union working for the benefit of members through negotiating enterprise bargaining agreements, varying awards, representing members before industrial tribunals, training of delegates in workplace organising, recruitment and the public promotion of the interests of members.

Results

The Branch made a surplus for the 2005/06 financial year of \$374,483.

Financial Affairs

The Branch has undertaken steps to reduce cost and increase efficiency resulting in a significant improvement in the financial affairs of the Branch.

Right of Members to Resign

AWU Rule 14 –Resigning as a member – provides for resignation of members in accordance with section 174 of schedule 1B of the Workplace Relations Act.

Membership of Superannuation Scheme

The Branch Secretary Tim Daly is a Director / Trustee of The Industry Superannuation Fund.

Number of Members

The number of persons on the membership register at 30th June 2006 was 5941, the financial membership was 4734.

Number of Employees

The Branch has 11 full time employees.

Names of Members of the Management Committee

Glen Anderton
Andy Hacking
Steve Baker
Tim Daly
John Saunders
Chris King
Henry Rozmianiec
Brad Hasson
Kim Eberhardt
Keith Egan
Glen Day
Gavin Simpson

Assistant Secretary Gavin Simpson resigned from the Branch Executive in October 2005.

All other members of the Executive have served the full twelve months.

Other Information.

There is no other information that the Union considers relevant.



Australian Government
Australian Industrial Registry

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

Mr Tim Daly
Secretary, West Australian Branch
AWU
PO Box 8122, Perth Business Centre
PERTH WA 6849

Dear Mr Daly

**Re: Lodgement of Financial Statements and Accounts – AWU West Australian Branch
– for year ending 30 June 2006 (FR2006/486)**

I refer to the abovementioned financial statements and accounts which were lodged in the Registry on 28 January 2007.

The legislative requirements appear to have been met and accordingly the documents have been filed. I draw your attention however to the following.

Loans, Grants & Donations over \$1,000

The Profit and Loss Account shows on page 21 an amount for Donations of \$6,620.00. If this amount included any individual donation for over \$1,000, a separate statement showing the relevant particulars is required to be lodged under s237 of the RAO Schedule.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'S. Kellett', written over the typed name.

Stephen Kellett
Statutory Services Branch

12 March 2007