

**The Australian Workers Union**

**(Victorian Branch)**

**AUDITORS REPORT  
FINANCIAL STATEMENT AND NOTES THERETO  
FOR THE YEAR ENDED  
30 JUNE 2022**

**Operating Report  
For the period ended 30 June 2022**

**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 or its financial affairs.

**Results**

The surplus for the financial year amounted to \$315,286 (2021: surplus \$1,967,974).

**Review of Operations**

The Branch has net assets of \$5.66 million, and a working capital surplus of some \$3.22 million. It generated negative cash flows of \$0.12 million this year. It continues to service its members as required by them, and is assessing ways to grow membership numbers.

**Events after the reporting period**

There are no events after reporting date to disclose.

**Future Developments**

In the opinion of the Branch Executive, there is not likely to be any future development that will materially affect the Union's operation in subsequent years, except as already disclosed in this report.

**Rights 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) the Fair Work (Registered Organisations) Act 2009 the following members held office in Superannuation Funds as directors of corporate trustees:-

Davis B.	Prime Super (Director)	Appointed 27/08/2019
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**Number of Members**

Number of persons in register of members: 12,871 (2021: 12,916)

**Number of Employees**

Number of employees (equivalent full time): 41 (2021: 42)

**Operating Report  
For the period ended 30 June 2022**

**Names of Members on Branch Executive**

The following were members of the Branch Executive as at 30 June 2022: -

Ben Davis	Percy Pillai	John Keys	Patrick Wood
Jimmy Mastrandonakis	Ronnie Hayden	Joe Alaaloa	Patrick Reilly
Tanya Harrington	Dave Swan	Russell Le-Guier	Steve Bonica
Harry Lumanovski	Kade Wakefield	Patricia Rothville	Bill Hassan
Vanessa Garbett	Scott Grimes	Aileen Brown	Paul Edwards
Lisa Harris	Selwyn Jones	Megan Andrews	Danny Humphrey
Joe Farrell			

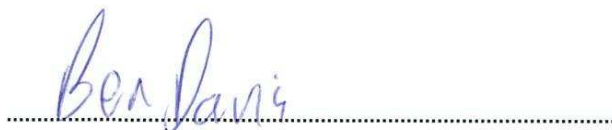
During the year, the following members ceased to be members of Branch Executive:

Lisa Harris did not nominate for re-election in January 2021 – and consequently her term ended on 30 June 2021. She subsequently nominated for a Casual Vacancy and was re-elected on 15 December 2021.  
Shane Burd did not nominate for re-election in January 2021 and consequently his term ended on 30 June 2021.

During the year, the following members were appointed to the Branch Executive:

Steven Bonica – Elected 3 February 2021. Term commenced 1 July 2021.  
Paul Edwards - Elected 3 February 2021. Term commenced 1 July 2021.  
Joe Farrell - Elected 3 February 2021. Term commenced 1 July 2021.  
Scott Grimes - Elected 3 February 2021. Term commenced 1 July 2021.  
Bill Hassan - Elected 3 February 2021. Term commenced 1 July 2021.  
Danny Humphrey - Elected 3 February 2021. Term commenced 1 July 2021.  
Selwyn Jones - Elected 3 February 2021. Term commenced 1 July 2021.  
Patrick Reilly - Elected 3 February 2021. Term commenced 1 July 2021.  
Lisa Harris – Elected 15 December 2021.

Signature of designated officer:



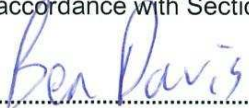
Name and title of designated officer: Ben Davis, Secretary, AWU Victorian Branch.

Dated: 20 September 2022

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER  
FOR THE YEAR ENDED 30 JUNE 2022**

I, Ben Davis, being the Secretary of the Australian Workers Union (Victoria Branch) certify:

- (i) That the documents lodged herewith are copies of the full report for the CCF for the period ended 30 June 2022 referred to in Section 268 of the *Fair Work (Registered Organisations) Act 2009*; and
- (ii) That the full report was presented to the Branch Executive of the reporting unit on 15 September, 2022 in accordance with Section 266 of the *Fair Work (Registered Organisations) Act 2009*.

  
.....

Ben Davis (Secretary)

Designated Officer

Dated this 20th day of September 2022.

**OFFICER DECLARATION STATEMENT**

I, Ben Davis, being the Secretary of the Australian Workers Union (Victorian Branch), declare that all activities required to be disclosed during the reporting period ended 30 June 2022 have been disclosed in the financial report.



.....  
Ben Davis – Secretary  
Designated Officer

Dated: 20 September 2022

**BRANCH EXECUTIVE STATEMENT**

On 19 September, 2022, the Branch Executive of the Australian Workers Union (Victoria Branch) passed the following resolution in relation to the general purpose financial report of the reporting unit for the financial year ended 30 June 2022.

The Branch Executive declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (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 GPFR 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 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 RO Act; and
  - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
  - (v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
  - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

This declaration is made in accordance with a resolution of the Branch Executive

Signature of designated officer:

Name and title of designated officer:

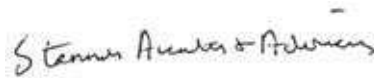
Ben Davis, AWU Victorian Branch Secretary.

Dated: 20 September 2022

**AUDITOR'S INDEPENDENCE DECLARATION**  
**TO THE BRANCH EXECUTIVE OF THE AUSTRALIAN WORKERS UNION**

I declare that, to the best of my knowledge and belief, during the period ended 30 June 2022 there have been:-

- (i) no contraventions of the auditor independence requirements in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Stannards Accountants & Advisors



J Dickson  
Registered Company Auditor 389435  
Holder of Current Public Practice Certificate  
Approved Auditor (FWC Act and Regulations) AA2021/18

Dated 21 September 2022

## THE AUSTRALIAN WORKERS UNION - (Victorian Branch)

### Section 255(2A) Expenditure Report for the year ended 30 June 2022

The Branch Executive presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2022.

	2022 \$	2021 \$
<b>CATEGORIES OF EXPENDITURE</b>		
Remuneration and other employment-related costs and Expenses - employees	4,554,110	4,316,337
Advertising and Subscriptions	10,365	8,437
Operating Costs	2,849,180	2,821,441
Donations to Political Parties	6,466	-
Legal Costs	230,856	422,416
<b>Total</b>	<b>7,650,977</b>	<b>7,568,631</b>

Signature of designated officer:  .....

Name and title of designated officer: Ben Davis, Secretary, AWU Victorian Branch.

## THE AUSTRALIAN WORKERS UNION - (Victorian Branch)

### Statement of Profit or Loss for the year ended 30 June 2022

	Note	2022 \$	2021 \$
<b>REVENUE</b>			
Membership Contributions		6,169,098	6,001,325
Grants		-	-
OCC Health & Safety Training		100,055	61,278
Insurance Brokerage Fees & Commissions		589,166	579,751
Sponsorship Income – National Office	11(b)(i)	74,300	42,050
ATO Cash Boost		-	50,000
Project Income		722,857	867,143
Sponsorship Income – Other Parties		85,000	89,000
Dividends Received		25	24
Director Fees Received		71,820	70,000
Interest		18,750	17,673
Sale of Merchandise		16,580	5,893
Rental Income		12,299	5,200
Sundry Income		106,313	3,289
Legal Fees Recovered		-	1,743,979
Donations		-	-
Capitations		-	-
Recovery of Wages Activity		-	-
Compulsory and Voluntary Levies		-	-
<b>Total Revenue</b>	17	7,966,263	9,536,605
<b>EXPENSES</b>			
<b>Direct Membership Expenses</b>			
AWU Subsidy Transfers	11(b)(i)	678,243	659,762
Affiliation Fees	18	180,837	179,556
Ambulance Claims		224,892	231,657
Legal – Member Services (Litigation)		195,433	200,296
Legal – Member Services (Other Matters)		28,212	35,609
Growth Campaign		360	1,059
Commission Paid – Delegates		100	98
Commission Paid – Employers for Payroll Deductions		3,255	3,487
Donations	12	10,802	4,252
Printing (Members)		17,738	14,303
Capitations		-	-
Depreciation of Computers		19,408	19,408
Membership Mail-outs		25,589	44
Merchandise Expense		78,554	45,836
AWU Functions & Promotions		5,371	3,143
Bereavement Payments		-	10,568
National Contact Centre		56,760	60,480
<b>Total</b>		1,525,554	1,469,558

## THE AUSTRALIAN WORKERS UNION - (Victorian Branch)

### Statement of Profit or Loss for the year ended 30 June 2022 (cont'd)

	Note	2022 \$	2021 \$
<b>OH&amp;S Expenses &amp; Projects</b>			
Workwell		67,308	111,622
Training & Other		39,965	18,937
<b>Total</b>		<b>107,273</b>	<b>130,559</b>
<b>Shop Stewards &amp; Delegates</b>			
Meeting Expenses – Delegates		2,750	9,409
Media Costs		15,000	-
Protest Expenses		-	499
<b>Total</b>		<b>17,750</b>	<b>9,908</b>
<b>Payroll Expenses</b>			
Salaries & Wages	9	3,917,608	3,672,144
Superannuation	9	535,153	481,574
WorkCover Expenses		40,411	34,145
Payroll Tax		158,150	164,985
Fringe Benefits Tax		71,126	53,809
Annual Leave Expense	9	91,625	106,195
Long Service Leave	9	9,724	56,423
Consultancy		10,000	34,042
Contractors		-	2,560
RDO Expenses		189	(2,331)
<b>Total</b>		<b>4,833,986</b>	<b>4,603,546</b>
<b>Training &amp; Tuition</b>			
University Fees		2,767	2,419
Seminar & Conference Costs		1,344	3,968
Training Expenses		15,901	14,310
Recruiting		1,425	615
<b>Total</b>		<b>21,437</b>	<b>21,312</b>
<b>Officials</b>			
Accommodation & Meals		18,303	23,271
Air Fares		9,047	2,947
Travel Expenses		1,116	3,634
Meeting Expenses		1,111	-
National Executive Meeting		2,300	-
Parking & Taxis		2,815	6,253
Internet Expenses		8,150	7,494
<b>Total</b>		<b>42,842</b>	<b>43,599</b>

The accompanying notes form part of this Financial Report

## THE AUSTRALIAN WORKERS UNION - (Victorian Branch)

### Statement of Profit or Loss for the year ended 30 June 2022 (cont'd)

	2022 \$	2021 \$
<b>Motor Vehicle Expenses</b>		
Registration	25,014	27,881
Car Insurance	54,948	75,788
Petrol	130,525	95,402
Services	45,035	39,243
Tyres	9,487	7,159
Motor Vehicle Expense - Other	38,335	42,630
Profit on Realisation of Vehicles	(115,339)	(26,705)
Depreciation Motor Vehicles	197,434	198,708
<b>Total</b>	<b>385,439</b>	<b>460,106</b>
<b>Telephone Expenses</b>		
Telephone - Office	10,005	12,435
Mobile Phones	52,916	49,678
Service & Equipment Maintenance	9,840	13,553
<b>Total</b>	<b>72,761</b>	<b>75,666</b>
<b>Property Expenses</b>		
Rental	17,300	11,342
Property Rates & Insurance	25,046	25,818
Property Maintenance	25,534	26,343
Depreciation Building & Renovations	33,541	33,540
Deprecation Furniture & Equipment	10,419	11,642
Body Corporate Fees	6,688	7,581
Office Furniture	1,134	606
Sundry Expenses	91,589	85,140
<b>Total</b>	<b>211,251</b>	<b>202,012</b>
<b>General Expenses</b>		
Advertising & Subscriptions	10,365	8,437
Auditing of Financial Statements	17,200	14,750
Bank Fees & Charges	42,374	39,876
Cleaning	80,489	51,871
Heating and Lighting	22,854	23,402
General Insurance	51,436	41,073
Legal Fees - General	7,211	186,511
Staff Amenities	8,849	8,470
<b>Total</b>	<b>240,778</b>	<b>374,390</b>
<b>Office Expenses</b>		
Stationery	3,233	2,800
Postage & Courier	16,091	12,394
Printing	2,370	4,371
Copies Charge & Paper	11,792	9,570
Office Rental Equipment	41,172	41,172
Maintenance of Office Equipment	887	30
Computer Maintenance & Support	95,494	89,582
Software Expenses	20,867	18,056
<b>Total</b>	<b>191,906</b>	<b>177,975</b>
<b>Total Expenses</b>	<b>7,650,977</b>	<b>7,568,631</b>
<b>Net Profit/(Loss) for the Year</b>	<b>315,286</b>	<b>1,967,974</b>

The accompanying notes form part of this Financial Report

## THE AUSTRALIAN WORKERS UNION - (Victorian Branch)

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### Statement of Comprehensive Income for the Year Ended 30 June 2022

	2022 \$	2021 \$
Profit / (Loss) for the period	315,286	1,967,974
Other comprehensive income for the period	-	-
Total comprehensive income for the period	315,286	1,967,974
<b>Total comprehensive income attributable to: Members of the organisation</b>	<b>315,286</b>	<b>1,967,974</b>

The accompanying notes form part of this Financial Report

## THE AUSTRALIAN WORKERS UNION - (Victorian Branch)

### Statement of Financial Position as at 30 June 2022

	Note	2022 \$	2021 \$
<b>Current Assets</b>			
Cash and Cash Equivalents	4	4,268,565	4,385,465
Accounts receivable		149,970	65,733
Other assets	5	574,445	541,876
Merchandise on hand - cost		38,687	36,504
<b>Total Current Assets</b>		<b>5,031,667</b>	<b>5,029,578</b>
<b>Non-Current Assets</b>			
National Office – Loan		1,231,180	1,231,180
Investment - unlisted		23,831	23,831
Shares in other companies		165,258	165,258
Property, Plant and Equipment	6	1,016,170	957,485
<b>Total Non-Current Assets</b>		<b>2,436,439</b>	<b>2,377,754</b>
<b>Total Assets</b>		<b>7,468,106</b>	<b>7,407,332</b>
<b>Current Liabilities</b>			
Trade Creditors		356,642	355,210
Accruals		86,017	411,094
Employee Entitlements	7	1,364,347	1,295,214
<b>Total Current Liabilities</b>		<b>1,807,006</b>	<b>2,061,518</b>
<b>Total Liabilities</b>		<b>1,807,006</b>	<b>2,061,518</b>
<b>Net Assets</b>		<b>5,661,100</b>	<b>5,345,814</b>
<b>Equity</b>			
Accumulated Funds	8	5,661,100	5,345,814
<b>Total Equity</b>		<b>5,661,100</b>	<b>5,345,814</b>

The accompanying notes form part of this Financial Report

## THE AUSTRALIAN WORKERS UNION - (Victorian Branch)

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### Statement of Changes in Equity for the Year Ended 30 June 2022

	2022 \$	2021 \$
Accumulated Funds – Beginning of Year	5,345,814	3,377,840
Profit / (Loss) for the Period		1,967,974
Other Comprehensive Income for the year	315,286	-
<b>Total Accumulated Funds – End of Year</b>	<b>5,661,100</b>	<b>5,345,814</b>

The accompanying notes form part of this Financial Report

## THE AUSTRALIAN WORKERS UNION - (Victorian Branch)

### Statement of Cash Flows for the Year Ended 30 June 2022

	Note	2022 Inflows/ (Outflows) \$	2021 Inflows/ (Outflows) \$
<b>Cash flows from Operating Activities</b>			
Contribution from Membership Fees		6,782,502	6,598,455
Receipts from Other Activities		1,875,476	3,547,971
Interest Received		18,750	17,673
Receipts from National Office, Other Branches & Related Parties		503,462	329,434
Payments to National Office		(951,579)	(916,852)
Payments to Other Branches/Related Parties		(12,350)	(3,833)
Payments to Suppliers and Employees		(8,106,138)	(8,119,594)
Net Cash Provided by Operating Activities	10(b)	110,123	1,453,264
<b>Cash flows from Investing Activities</b>			
Payments for Property, Plant and Equipment		(415,832)	(330,265)
Proceeds from the Disposal of Motor Vehicles & Computers		188,809	61,000
Net Cash Provided by/(Used in) Investing Activities		(227,023)	(269,265)
<b>Net Increase in Cash and Cash Equivalents</b>		(116,900)	1,183,999
<b>Cash and Cash Equivalents at Beginning of Year</b>		4,385,465	3,201,466
<b>Cash and Cash Equivalents at End of Year</b>	10(a)	4,268,565	4,385,465

The accompanying notes form part of this Financial Report

### Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2022

#### 1. Statement of Significant Accounting Policies

The significant policies which have been adopted in the preparation of these financial statements are:

##### a. Basis of Preparation

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the Australian Workers Union – Victorian Branch is a 'not for profit' entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

The financial report covers Australian Workers Union – Victorian Branch as an Individual entity and is incorporated in Victoria under the Fair Work (Registered Organisations) Act 2009.

##### b. Income Tax

The Union is registered under the Fair Work (Registered Organisations) Act 2009 and, is believed to be exempt from income tax including capital gains tax, by virtue of the provisions of s.50-1 of the Income Tax Assessment Act 1997. It still has an obligation for fringe benefits tax and goods and services tax.

##### c. Property, Plant and Equipment

Property, plant and equipment are measured at cost less accumulated depreciation.

Depreciation is calculated using the prime cost and diminishing value methods and is brought to account over the estimated economic lives of all buildings, motor vehicles, computer equipment, furniture and fittings. Depreciation rates applied are:

	2022 & 2021
Buildings	2.5%
Furniture & Fixtures	20%
Computer Equipment	20%
Motor Vehicles	20%
Renovation & Capital Works	10%

### Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2022

#### d. Employee Entitlements

##### Short-term employee benefits

Provision is made for the Union's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and vesting sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

##### Long-term employee benefits

Provision is made for employee's long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any measurements for changes in assumptions of obligations for long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Union's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Union does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

##### Superannuation

Contributions are made by the Union to employee superannuation funds and are expensed when incurred. The Union is not obliged to contribute to these funds other than to meet its liabilities under the superannuation guarantee system and is under no obligation to make up any shortfall in the funds' assets to meet payments due to employees.

The number of full-time equivalent employees at 30 June 2022 was 41 (2021: 42).

#### e. Revenue

The Union enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, grants, and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

##### Revenue from contracts with customers

Where the Union has a contract with a customer, the Union recognises revenue when or as it transfers control of goods or services to the customer. The Union accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (cont'd)

#### 1. Summary of Accounting Policies (cont'd)

##### e. Revenue (Cont'd)

###### Membership subscriptions

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the Union.

As there is only one distinct membership service promised in the arrangement, the union recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Union's promise to stand ready to provide assistance and support to the member is required.

For member subscriptions paid annually in advance, the Union has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from the Union at their standalone selling price, the Union accounts for those sales as a separate contract with a customer.

###### Levies

Levies paid by a member (or other party) in an arrangement that meets the criteria to be a contract with a customer is recognised as revenue when or as the Union transfer the services.

In circumstances where the criteria for a contract with a customer are not met, the Union will recognise levies as income upon receipt.

###### Income of the Union as a Not-for-Profit Entity

Consideration is received by the Union to enable the entity to further its objectives. The Union recognises each of these amounts of consideration as income when the consideration is received (which is when the Union obtains control) because, based on the rights and obligations in each arrangement:

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and
- the Union's recognition of the cash contribution does not give to any related liabilities.

During the year, the Union did not receive cash consideration from the following arrangements whereby that consideration was recognised as income upon receipt:

- donations and voluntary contribution from members (including whip arounds); and
- government grants.

###### Volunteer services

During the year, the Union received no volunteer services. In those circumstances where it does receive volunteer services and the fair value of the volunteer services can be measured reliably, the Union recognises the fair value of volunteer services received as income together with a corresponding expense where the economic benefits of the volunteer services are consumed as the services are acquired. Where the volunteer services will contribute to the development of an asset, the fair value is included in the carrying amount of that asset.

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (cont'd)

#### 1. Summary of Accounting Policies (cont'd)

##### e. Revenue (Cont'd)

###### **Income recognised from transfers**

Where, as part of an enforceable agreement, the Union receives consideration to acquire or construct a non-financial asset such as property, plant and equipment to an identified specification and for the Union's own use, a liability is recognised for the obligation to acquire or construct the asset. Income is recognised as the obligation to acquire or construct the asset is satisfied, which is typically over time. The asset that is being acquired or constructed is recognised in accordance with the policy on property, plant and equipment.

###### **Gains from sale of assets**

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

###### **Interest income**

Interest revenue is recognised on an accrual basis using the effective interest method.

##### f. Goods and Services Tax (GST)

Revenue, 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 assets or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

##### g. Cash and Cash Equivalents

For the purposes of the Cash Flow Statement, cash and cash equivalents include cash on hand, cash at bank and investments in money market instruments.

##### h. Financial Instruments

###### **Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the Union becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Union commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs except where the instrument is classified as "at fair value through profit or loss" in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15: *Revenue from Contracts with Customers*.

### Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2022

#### 1. Summary of Accounting Policies (cont'd)

##### h. Financial Instruments (cont'd)

###### Classification and subsequent measurement

###### Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in the profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit-taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

###### Financial Assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

### Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2022

#### 1. Summary of Accounting Policies (cont'd)

##### h. Financial Instruments (cont'd)

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The entity initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different basis;
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

##### Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the entity made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Union's accounting policy.

**Notes to and Forming Part of the Financial Statements  
for the Year Ended 30 June 2022**

**1. Summary of Accounting Policies (cont'd)**

**h. Financial Instruments (cont'd)**

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the entity no longer controls the asset (ie has no practical ability to make unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which the entity elected to classify under fair value through comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

The entity recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets;
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

**Notes to and Forming Part of the Financial Statements  
for the Year Ended 30 June 2022**

**1. Summary of Accounting Policies (cont'd)**

**h. Financial Instruments (cont'd)**

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the profitability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The entity used the following approaches to impairment, as applicable under AASB9:

- the general approach;
- the simplified approach;
- the purchased or originated credit-impaired approach; and
- low credit risk operational simplification.

**General approach**

Under the general approach, at each reporting period, the entity assesses whether the financial instruments are credit-impaired, and:

- If the credit risk of the financial instrument has increased significantly since initial recognition, the entity measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- If there is no significant increase in credit risk since initial recognition, the entity measures the loss allowance for the financial instrument at an amount equal to 12-month expected credit losses.

**Simplified approach**

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used taking into consideration various data to get to an expected credit loss (ie delivery of its customer base, appropriate groupings of its historical loss experience, etc).

**Purchased or originated credit-impaired approach**

For financial assets that are considered to be credit-impaired (not on acquisition or originations), the Union measures any change in lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

**Notes to and Forming Part of the Financial Statements  
for the Year Ended 30 June 2022**

**1. Summary of Accounting Policies (cont'd)**

**h. Financial Instruments (cont'd)**

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (eg default or past due event);
- a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- the likelihood that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the entity assumes that the credit risk has not increased significantly since initial recognition and, accordingly, can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the entity applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Recognition of expected credit losses in financial statements

At each reporting date, the Union recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit and loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

Financial instruments are initially measured at cost on trade date, which includes the transaction costs, when the related contractual rights or obligations exist.

Subsequent to the initial recognition, the Branch Executive assess whether there is objective evidence that a financial instrument has been impaired. A prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen, impairment losses are recognised in the Income Statement.

### Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2022

#### 1. Summary of Accounting Policies (cont'd)

##### i. Fair Value of Assets and Liabilities

The Union measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Union would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

##### j. Leases

At inception of a contract, the Union assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Union where the Union is a lessee. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Union uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

### Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2022

#### 1. Summary of Accounting Policies (cont'd)

##### j. Leases (cont'd)

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Union anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

##### Concessionary Leases

For leases that have significantly below-market terms and conditions principally to enable the Union to further its objectives (commonly known as peppercorn/concessionary leases), the Union has adopted the temporary relief under AASB 2018-8 and measures the right of use assets at cost on initial recognition.

##### The Union as lessor

If the Union leases floorspace in their buildings to external parties, upon entering into each contract as a lessor, it assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases. Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (eg legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

##### k. Trade and other receivables

Trade and other receivables are recognised initially at fair value and generally due for settlement within 30 days.

For trade receivables that do not have a significant financing component, the Union applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the Union does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Union has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

##### Debt instruments other than trade receivables

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the Union recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Union expects to receive, discounted at an approximation of the original effective interest rate.

### Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2022

#### 1. Summary of Accounting Policies (cont'd)

##### k. Trade and other receivables (cont'd)

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).
- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The Union considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Union may also consider a financial asset to be in default when internal or external information indicates that the Union is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

##### l. Trade and other payables

Trade payables and other accounts payable are recognised when the Union becomes obliged to make future payments resulting from the purchase of goods and services. Trade accounts payable are normally settled within 30 days.

##### m. Operating Segment

The Union is incorporated under the Fair Work (Registered Organisations) Act 2009 and domiciled in Australia.

##### n. Critical Accounting Estimates and Judgements

The Branch Executive evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Union.

###### *Key Estimates – Impairment*

The Union assesses impairment at each reporting date by evaluating conditions specific to it that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined and reflected in the Financial Report.

##### o. New Accounting Standards Adopted by the Union

No new but not yet mandatory accounting pronouncements are expected to significantly impact future operations/reporting of the Union.

**Notes to and Forming Part of the Financial Statements  
for the Year Ended 30 June 2022**

**2. Information to be provided to Members or The Commissioner, Registered Organisations Commission**

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of sub-section (1), (2) and (3) of Section 272 which reads as follows: -

- (1) A Member of an organisation, or the Commissioner, Registered Organisations Commission, may apply to the organisation for specified prescribed information in relation to the organisation 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 organisation.
- (3) An organisation must comply with an application made under subsection (1).

## THE AUSTRALIAN WORKERS UNION - (Victorian Branch)

### Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2022

#### 3. Fund Analysis

For the financial year ended 30 June 2022, there was no applicable fund or account operated in respect of compulsory levies, voluntary contributions or required by the rules of the Union; and there was no transfer and/or withdrawal from a fund, account, asset or controlled entity which is kept for a specific purpose. There was no balance held within a general fund (save for accumulated funds as disclosed in the Statement of Financial Position), nor any compulsory or voluntary contributions and funds invested in specific assets.

	2022 \$	2021 \$
<b>4. Cash and Cash Equivalents</b>		
Cash at Bank – General operating accounts	1,030,254	1,163,811
Cash at Bank – Long service leave accounts	3,237,879	3,221,205
Petty Cash	432	449
	4,268,565	4,385,465

#### 5. Other Assets

Subscriptions outstanding and prepayments	574,445	541,876
	574,445	541,876

#### Credit Losses

There is no allowance for credit losses against trade and other receivables, nor has there been any provision movement during the year (2021: \$nil). In the current year, a write-off of \$nil (2021: \$nil) occurred.

The provision for credit loss is \$nil (2021: \$nil).

#### Other

No significant credit risk exists with any single counter-party, nor collateral over receivables. All receivables are within trading terms. No unperformed obligations exist regarding receivables at reporting date and no receivables were recognised for contracts with customers save for membership contributions.

The outstandings are aged as follows:-	2022	2021
0 – 1 year	574,445	541,876
> 1 year	-	-
	574,445	541,876

## THE AUSTRALIAN WORKERS UNION - (Victorian Branch)

### Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2022

#### 6. Property, Plant and Equipment

	2022 \$	2021 \$
Land & Buildings		
At Cost	347,622	347,622
Less: Accumulated Depreciation	(72,593)	(66,233)
	275,029	281,389
Furniture & Fixtures		
At Cost	71,335	63,110
Less: Accumulated Depreciation	(46,134)	(35,714)
	25,201	27,396
Computer Equipment		
At Cost	113,348	99,143
Less: Accumulated Depreciation	(55,731)	(41,140)
	57,617	58,003
Motor Vehicles		
At Cost	1,104,307	1,128,094
Less: Accumulated Depreciation	(495,563)	(614,157)
	608,744	513,937
Renovation & Capital works		
At Cost	271,788	271,789
Less: Accumulated Depreciation	(222,209)	(195,029)
	49,579	76,760
<b>Total Property, Plant and Equipment</b>	<b>1,016,170</b>	<b>957,485</b>

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current period.

2022	Land & Buildings \$	Furniture & Fixtures \$	Computer Equipment \$	Motor Vehicles \$	Renovation & Capital works \$	Total \$
Opening Balance	281,389	27,396	58,003	513,937	76,760	957,485
Additions	-	8,225	19,022	346,884	-	374,131
Disposals	-	-	-	(54,643)	-	(54,643)
Depreciation expense	(6,360)	(10,420)	(19,408)	(197,434)	(27,181)	(260,803)
Carrying amount at end of period	275,029	25,201	57,617	608,744	49,579	1,016,170

2021	Land & Buildings \$	Furniture & Fixtures \$	Computer Equipment \$	Motor Vehicles \$	Renovation & Capital works \$	Total \$
Opening Balance	287,749	24,041	47,931	514,651	103,940	978,312
Additions	-	14,997	29,480	225,330	-	269,807
Disposals	-	-	-	(27,336)	-	(27,336)
Depreciation expense	(6,360)	(11,642)	(19,408)	(198,708)	(27,180)	(263,298)
Carrying amount at end of period	281,389	27,396	58,003	513,937	76,760	957,485

## THE AUSTRALIAN WORKERS UNION - (Victorian Branch)

### Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2022

#### 6. Property, Plant and Equipment (cont'd)

The Branch holds two properties in country Victoria.

	Balance at 30 June 2022 \$	Balance at 30 June 2021 \$
Portland (103-111 Percy Street)		
- Cost	99,536	99,536
Sale (3/396 Raymond Street)		
- Cost	248,086	248,086
	347,622	347,622
Less: Depreciation of Buildings	72,593	66,233
	275,029	281,389

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

#### 7. Provisions

	2022 \$	2021 \$
<b>Current:-</b>		
Annual Leave	540,366	457,723
Long Service Leave	823,981	837,491
	1,364,347	1,295,214
<b>Non-Current:-</b>		
Long Service Leave	-	-
	-	-
<b>Total</b>	1,364,347	1,295,214
	2022 \$	2021 \$
<b>Movement in Provisions</b>		
Balance – 1 July	1,295,214	1,395,941
Add Movement in year	69,133	(100,727)
Balance – 30 June	1,364,347	1,295,214

Of the amounts owing above, they are payable as follows:-

	Holders of Office		Employees		Total	
	2022 \$	2021 \$	2022 \$	2021 \$	2022 \$	2021 \$
Annual Leave	106,978	105,104	433,389	352,619	540,367	457,723
Long Service Leave	323,553	386,696	500,427	450,795	823,980	837,491
Separation and Redundancies	-	-	-	-	-	-
Other Employee Provisions	-	-	-	-	-	-
<b>Total</b>	430,531	491,800	933,816	803,414	1,364,347	1,295,214

**Notes to and Forming Part of the Financial Statements  
for the Year Ended 30 June 2022****7. Provisions (cont'd)****Employee Provisions**

Employee provisions represent amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Union does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Union does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision (if any) includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

**8. Equity**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Accumulated Funds		
Balance at beginning of period	5,345,814	3,377,840
Net (loss)/profit for period	315,286	1,967,974
Other Comprehensive Income for the period	-	-
Balance at end of period	<u>5,661,100</u>	<u>5,345,814</u>
Total Equity	<u>5,661,100</u>	<u>5,345,814</u>

## THE AUSTRALIAN WORKERS UNION - (Victorian Branch)

### Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2022 (cont'd)

#### 9. Employee Benefits

Employee benefits paid/accrued during the period

	Holders of Office		Employees		Total	
	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$
Wages and salaries	535,629	429,683	3,325,163	3,193,848	3,860,792	3,623,531
Superannuation	68,534	55,477	46,619	426,097	535,153	481,574
Leave and other entitlements	(61,269)	49,683	162,618	112,935	101,349	162,618
Separation and redundancies	-	-	56,816	42,627	56,816	42,627
Other employee expenses	-	-	-	5,986	-	5,986
<b>Total</b>	<b>542,894</b>	<b>534,843</b>	<b>4,011,216</b>	<b>3,781,493</b>	<b>4,554,110</b>	<b>4,316,336</b>

#### 10. Cash Flow Information

	2022	2021
	\$	\$
a. Reconciliation of Cash		
Cash at the end of the reporting period is reconciled to the related items in the statement of financial position as follows:-		
Cash at Bank	4,268,133	4,385,016
Cash on Hand	432	449
	<u>4,268,565</u>	<u>4,385,465</u>
b. Reconciliation of Net Cash Provided by Operating Activities to Net Profit		
<u>Net (Loss)/Profit before Tax</u>	<u>315,286</u>	<u>1,967,974</u>
<u>Non Cash Items</u>		
Depreciation	260,803	263,298
(Profit)/Loss on disposal	(115,339)	(26,705)
<u>Changes in Operating Assets and Liabilities</u>		
(Increase)/Decrease in Accounts receivable	(84,237)	53,315
(Increase)/Decrease in Other assets	(32,569)	(2,136)
(Increase)/Decrease in Merchandise on hand	(2,183)	(9,956)
Increase/(Decrease) in Trade Creditors	1,432	(980,010)
Increase/(Decrease) in Accruals	(302,203)	288,211
Increase/(Decrease) in Provisions	69,133	(100,727)
<b>Net Cash Provided by/(used in) Operating Activities</b>	<b><u>110,123</u></b>	<b><u>1,453,264</u></b>

## THE AUSTRALIAN WORKERS UNION - (Victorian Branch)

### Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2022 (cont'd)

#### 11. Related Party Information

(a) Remuneration of Key Officers during the year was as follows:-

Short-term Remuneration		Post-Employment Benefits		Other Benefits		Non-Cash Benefits	
2022	2021	2022	2021	2022	2021	2022	2021
\$	\$	\$	\$	\$	\$	\$	\$
430,374	326,467	51,853	39,689	-	-	9,722	14,369

No share based payments were received by any officer this year (2021: \$nil).

The officeholders received no other 'non cash' benefits (2021: \$nil), except as disclosed above. No officeholder of the Union during the year and/or prior year had any material personal interest in a matter that he/she has or did acquire, or a relative of the officeholder has or did acquire.

No officeholder or officer of the Union (this year or last year) received and/or kept any remuneration in their own name because they were a member of, or held position with a Board or other organisation because:-

- The officeholder held such a position with the Board or other organisation only because they were an officeholder of the Union; or
- They were nominated for the position by the Union; or
- They received remuneration from any third party, in connection with the performance of their duties as an officeholder of the Union.

(b) Transactions between the state branch and other branches (all on normal commercial terms and conditions):-

(i) National Office

	2022	2021
	\$	\$
Subsidy	678,243	659,762
Legal	7,211	25,002
OHS	-	20,041
Call Centre	56,760	60,480
Membership card, website, sundry	55,920	29,036
Other	123,820	74,521
Netsuite	31,821	32,549
Sponsorship	(74,300)	(42,050)
Sundry Income	(141,964)	(4,205)

(ii) Other Branches (Sundry Charges)

	2022	2021
	\$	\$
Queensland Branch	-	230
New South Wales Branch	-	9,571
South Australia Branch	-	-
Western Australia Branch	-	-
Tasmania Branch	75	381

(iii) During the year, transactions between the Branch and officeholders or their associates were all on normal commercial terms and conditions and amounted to \$nil (2021: \$nil). Further, delegates received no sitting fees for Branch Committee attendances (2021: \$nil).

## THE AUSTRALIAN WORKERS UNION - (Victorian Branch)

### Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2022 (cont'd)

#### 11. Related Party Information (cont'd)

- (iv) Commissions of \$263,046 (2021: \$258,970) were received from Chifley Services Pty Ltd and a payment to that entity of \$2,704 was made (2021:\$3,000).
- (v) No payments were made to former related parties.
- (c) Related party balances at year end:-  
Amounts receivable/(payable) at reporting date – other branches

	2022 \$	2021 \$
National Office	(5,522)	(3,328)
Queensland Branch	-	-
New South Wales Branch	-	(9,571)
South Australia Branch	-	-
Western Australia Branch	-	-
Tasmania Branch	-	-
Chifley Services	-	-
	<u>(5,522)</u>	<u>(18,789)</u>

#### National Office

Carrying amount at beginning of the year	(3,328)	(18,789)
Sponsorship income	74,300	42,050
Subsidy charges	(678,243)	(659,762)
Legal fees - Other	(7,211)	(25,002)
OHS Consultant	-	(20,041)
Call Centre	(56,760)	(60,480)
NetSuite	(31,821)	(32,549)
Membership card, website, sundry	(55,920)	(29,036)
Sundry Income	141,964	4,205
Sundry charges	(123,820)	(74,521)
Receipts	(216,264)	(46,255)
Payments made	951,579	916,852
Carrying amount at end of the year	<u>(5,522)</u>	<u>(3,328)</u>

#### Queensland Branch

Carrying amount at beginning of the year	-	-
Sundry charges	-	(230)
Payments made	-	230
Carrying amount at end of the year	<u>-</u>	<u>-</u>

#### New South Wales Branch

Carrying amount at beginning of the year	(9,571)	-
Sundry Income	-	-
Receipts	-	-
Sundry charges	-	(9,793)
Payments made	9,571	222
Carrying amount at end of the year	<u>-</u>	<u>(9,571)</u>

#### South Australia Branch

Carrying amount at beginning of the year	-	-
Sundry charges	-	-
Payments made	-	-
Carrying amount at end of the year	<u>-</u>	<u>-</u>

## THE AUSTRALIAN WORKERS UNION - (Victorian Branch)

### Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2022 (cont'd)

#### 11. Related Party Information (Cont'd)

	2022 \$	2021 \$
<b>Western Australia Branch</b>		
Carrying amount at beginning of the year	-	-
Sundry Income	-	-
Receipts	-	-
Sundry charges	-	-
Payments made	-	-
Carrying amount at end of the year	-	-
<b>Tasmania Branch</b>		
Carrying amount at beginning of the year	-	-
Sundry charges	(75)	(381)
Payments made	75	381
Carrying amount at end of the year	-	-
<b>Chifley Services Pty Ltd</b>		
Carrying amount at beginning of the year	-	-
Sponsorship	-	-
Sundry charges	(2,704)	(3,000)
Commission fees	263,046	258,970
Sundry income	24,153	24,209
Payments made	2,704	3,000
Receipts	(287,199)	(283,179)
Carrying amount at end of the year	-	-

(d) The loan owing by the National Office (\$1,231,180) is interest free and unsecured.

#### 12. Donations

	2022 \$	2021 \$
Political Party	6,466	-
Other	4,336	4,252
	<u>10,802</u>	<u>4,252</u>
Donations <= \$1,000	5,302	2,335
Donations > \$1,000	5,500	1,917
	<u>10,802</u>	<u>4,252</u>

There were no grants paid by the Union this year (2021: \$nil).

### Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2022 (cont'd)

#### 13. Segment Reporting

The Union provides services to members employed in the manufacturing, steel, aluminium, glass, oil & gas, aviation, agriculture, construction, state public services, plastics, hospitality, food, paper, resources, aquaculture, events and racing industries within Australia.

#### 14. Union's Details

The principal place of business of the Union is:

685 Spencer Street  
WEST MELBOURNE VIC 3003

#### 15. Financial Instruments

##### a. Financial Risk Management

The entity's financial instruments consist of deposits with banks, bills and securities, short-term investments, accounts receivables and payable.

The entity does not have any derivative instruments at 30 June 2022 (2021: \$nil).

The purpose of the financial instruments is to finance the operations of the entity.

##### i Treasury Risk Management

The Branch Executive meets on a regular basis to analyse interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

##### ii Financial Risk

The main risks the entity is exposed to through its financial instruments are liquidity risk, interest rate risk and credit risk. The entity is not exposed to fluctuations in foreign currency.

##### *Liquidity Risk*

The entity manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

##### *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 of provisions for impairment of those assets as disclosed in the statement of financial position and notes to the financial statements.

## THE AUSTRALIAN WORKERS UNION - (Victorian Branch)

### Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2022

#### 15. Financial Instruments (cont'd)

##### Interest Rate Risk

The Union's exposure to interest rate risks and the effective interest rates of financial assets and liabilities both recognised and unrecognised are as follows:

Financial Instruments	Floating Interest Rate		Fixed Interest Rate maturing in: less than 1 year		Fixed Interest Rate maturing in: 1 year or more		Non-Interest Bearing		Total Carrying Amount as per Statement of Financial Position		Weighted Average Effecting Interest Rate	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Financial Assets	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
Cash and Cash Equivalents	4,268,133	4,385,016	-	-	-	-	432	449	4,268,565	4,385,465	0.9	1.3
Receivables	-	-	-	-	-	-	149,970	65,733	149,970	65,733	n/a	n/a
Other Financial Assets	-	-	-	-	-	-	574,445	541,876	574,445	541,876	n/a	n/a
Total	4,268,133	4,385,016	-	-	-	-	724,847	608,058	4,992,980	4,993,074		
Financial Liabilities												
Interest Bearing Debt Payables	-	-	-	-	-	-	-	-	-	-	n/a	n/a
Non Interest Bearing Liabilities	-	-	-	-	-	-	442,659	766,304	442,659	766,304	n/a	n/a
Total	-	-	-	-	-	-	442,659	766,304	442,659	766,304	n/a	n/a
Net Financial Assets/(Liabilities)	4,268,133	4,385,016	-	-	-	-	282,188	(158,246)	4,550,321	4,226,770		

## Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2022

### 15. Financial Instruments (cont'd)

#### b. Net Fair Values

The net fair value of the investments in commercial bills/securities at 30 June 2022 is estimated at \$nil (2021: \$nil). The net fair value of the Union's other financial assets and financial liabilities are not expected to be significantly different from the class of assets and liabilities as disclosed above and recognised in the statement of financial position as at 30 June 2022.

#### c. Sensitivity Analysis

##### Interest rate risk

The entity has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current period results and equity which could result from a change in this risk.

##### Interest rate sensitivity analysis

At 30 June 2022, the effect on profit and equity as a result of changes in interest rates, with all other variables remaining constant, would be as follows:

	2022 \$	2021 \$
Change in profit		
Increase in interest rate by 2%	85,363	87,700
Decrease in interest rate by 2%	(85,363)	(87,700)
Change in equity		
Increase in interest rate by 2%	85,363	87,700
Decrease in interest rate by 2%	(85,363)	(87,700)

#### d. Past due receivables

There were no receivables past their due by date at 30 June 2022 (2021: \$nil). Hence no impairment provision was recorded.

## THE AUSTRALIAN WORKERS UNION - (Victorian Branch)

### Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2022

#### 16. Fair Value Measurement

The Union measures and recognises the following assets at fair value on a recurring basis after initial recognition:

- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- freehold land and buildings.

The Union does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

##### a. Fair Value Hierarchy

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

##### Valuation techniques

The Union selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected are consistent with one or more of the following valuation approaches:-

- *Market approach*: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- *Income approach*: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- *Cost approach*: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Union gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

## THE AUSTRALIAN WORKERS UNION - (Victorian Branch)

### Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2022

#### 16. Fair Value Measurement (cont'd)

##### a. Fair Value Hierarchy (cont'd)

The following tables provide the fair values of the Union's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation with the fair value hierarchy.

	30 June 2022			
<b>Recurring fair value measurements</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	\$	\$	\$	\$
Financial assets at fair value through profit or loss:	-	-	-	-
Available-for-sale financial assets:	-	189,089	-	189,089
<b>Total financial assets recognised</b>	-	189,089	-	189,089
<i>Non-financial assets</i>				
Freehold land & buildings	-	275,029	-	275,029
<b>Total non-financial assets recognised</b>	-	275,029	-	275,029

	30 June 2021			
<b>Recurring fair value measurements</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	\$	\$	\$	\$
Financial assets at fair value through profit or loss:	-	-	-	-
Available-for-sale financial assets:	-	189,089	-	189,089
<b>Total financial assets recognised at fair value</b>	-	189,089	-	189,089
<i>Non-financial assets</i>				
Freehold land & buildings	-	281,389	-	281,389
<b>Total non-financial assets recognised at fair value</b>	-	281,389	-	281,389

##### b. Valuation Techniques and Inputs Used to Measure Level 2 Fair Values

<b>Description</b>	<b>Fair Value at 30 June 2022</b>	<b>Valuation Technique(s)</b>	<b>Inputs Used</b>
	\$		
Available for sale financial assets	189,089	Income approach using discounted cash flow methodology	Price per share, market yield
<i>Non-financial assets</i>			
Freehold land & buildings	275,029	Market approach using recent observable market data for similar properties; income approach using discounted cash flow methodology	Price per square metre, borrowing rate

## THE AUSTRALIAN WORKERS UNION - (Victorian Branch)

### Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2022

#### 16. Fair Value Measurement (cont'd)

##### c. Disclosed Fair Value Measurements

The following assets and liabilities are not measured at fair value in the statement of financial position, but their fair values are disclosed in the notes:-

- accounts receivable and other debtors;
- accounts payable and other payables; and
- lease liabilities.

The following table provides the level of the fair value hierarchy within which the disclosed fair value measurements are categorised in their entirety and a description of the valuation techniques(s) and inputs used:

Description	Fair Value at Hierarchy Level	Valuation Technique(s)	Inputs Used
<i>Assets</i> Accounts receivable and other debtors	3	Income approach using discounted cash flow methodology	Market interest rates for similar assets

Description	Fair Value at Hierarchy Level	Valuation Technique(s)	Inputs Used
<i>Liabilities</i> Accounts payable and other payables	3	Income approach using discounted cash flow methodology	Market interest rates for similar assets
Lease liabilities	2	Income approach using discounted cash flow methodology	Current commercial borrowing rates for similar instruments

## THE AUSTRALIAN WORKERS UNION - (Victorian Branch)

### Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2022

#### 17. Revenue

The tables below set out revenue and its disaggregation by source and type of customer.

Source of Revenue:	2022 \$	2021 \$
<b>Revenue from contracts with customers</b>		
Member subscriptions	6,169,098	6,001,325
Revenue from reporting units	180,611	42,050
Insurance brokerage & commissions	589,166	579,751
Sponsorship	85,000	89,000
Merchandise	16,580	5,893
	<b>7,040,454</b>	<b>6,718,019</b>
<b>Revenue from furthering objectives</b>		
Grants and/or donations	-	50,000
Training	100,055	61,279
Projects	722,857	867,143
Other	71,820	70,000
	<b>894,732</b>	<b>1,048,422</b>
<b>Other revenue</b>		
Legal fees recovery	-	1,743,979
Interest	18,750	17,673
Other	12,327	8,512
	<b>31,077</b>	<b>1,770,164</b>
<b>Total Revenue by Source</b>	<b>7,966,263</b>	<b>9,536,605</b>
<b>Type of Customer:</b>		
<b>Revenue from contracts with customers</b>		
Members	6,185,678	6,007,218
Revenue from reporting units	180,611	42,050
Other parties	674,165	668,751
	<b>7,040,454</b>	<b>6,718,019</b>
<b>Revenue for furthering objectives</b>		
Government	-	50,000
Other parties	894,732	998,422
	<b>894,732</b>	<b>1,048,422</b>
<b>Other revenue</b>		
Other parties	31,077	1,77,164
<b>Total Revenue by Customer Type</b>	<b>7,966,263</b>	<b>9,536,605</b>
<b>Total Revenue by Type of Customer</b>		
Members	6,185,678	6,007,218
Reporting units	180,611	42,050
Government	-	50,000
Other persons	1,599,974	3,437,337
	<b>7,966,263</b>	<b>9,536,605</b>

All revenue is sourced in Australia. There are no unsatisfied performance obligations.

## THE AUSTRALIAN WORKERS UNION - (Victorian Branch)

### Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2022

18. Affiliation Fees	2022 \$	2021 \$
South West Trades & Labour Council	1,625	1,500
Ballarat Regional Trades & Labour Council	2,000	2,000
Australian Labour Party Victorian Branch	76,192	77,651
Victorian Trades Hall Council	92,400	89,600
Bendigo Trades Hall Council	1,080	1,080
Geelong & Region Trades & Labour Council	4,020	3,880
Sunraysia Trades & Labour Council	975	1,300
Gippsland Trade & Labour Council	1,545	1,545
North East & Border Trades & Labour Council	1,000	1,000
	<u>180,837</u>	<u>179,556</u>

### 19. Operating Commitments

#### Operating Lease Commitments – as lessee

Future minimum office equipment rental payable under non-cancellable operating leases at 30 June are:

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

- Within one year	41,172	41,172
- After one year but not more than five years	65,189	106,361
- More than five years	-	-
	<u>106,361</u>	<u>147,533</u>

There are no variable payments pertaining to these commitments.

### 20. Capital Commitments & Contingencies

At 30 June 2022, the entity has no capital commitments, nor is it aware of any contingent liabilities or contingent assets.

### 21. Subsequent Events

No matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Branch subsequent to the financial year ended 30 June 2022,

### 22. Other Disclosures

The Union did not receive financial support from any other reporting unit during the year, nor did it provide such financial support in terms of continuation as a going concern. Except as disclosed in the Statement of Profit and Loss, there were no expenses in connection with holding meetings of members of the Union and any conferences or meetings of councils, committees, panels or other bodies for the holding of which the Union was wholly or partly responsible.

The Union did not acquire an asset or liability under Part 2 of Chapter 3 of the RO Act or a determination or revocation by the General Manager of the Fair Work Commission under subsection 245 (1) and 249 (1) of the RO Act.

At the end of the reporting period, \$850 (2021: \$6,214) of legal fees were included in creditors and accruals. These legal fees were related to litigation \$850 (2021: \$nil) and other matters \$nil (2021: \$6,214). There were no unpaid commissions for employer payroll deductions at the end of the reporting date (2021: \$nil).

There were no compulsory or voluntary levies, fees and allowances or grants paid by the Union (2021: \$nil) except as already disclosed in this report. There were no penalties paid via the RO Act or Regulations this year (2021: \$nil).

No part of the Union affairs were administered by another reporting unit during the year.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE AUSTRALIAN WORKERS UNION  
(VICTORIAN BRANCH)**

To the Members of the Australian Workers Union – Victorian Branch

**Report on the Audit of the Financial Report**

**Opinion**

We have audited the financial report of Australian Workers Union – Victorian Branch which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2022, notes to the financial statements, including a summary of significant accounting policies the Branch Executive Statement, the Subsection 255 (2A) report and the Officer Declaration Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Australian Workers Union – Victorian Branch as at 30 June 2022, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act).

We declare that the Branch Executive's use of the going concern basis in the preparation of the financial statements of the Australian Workers Union – Victorian Branch is appropriate.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. We are independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

**Information Other than the Financial Report and Auditor's Report Thereon**

The Branch Executive is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **INDEPENDENT AUDIT REPORT (Cont'd)**

### **Responsibilities of the Branch Executive for the Financial Report**

The Branch Executive of the Australian Workers Union – Victorian Branch is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Branch Executive determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Branch Executive is responsible for assessing ACT Branch's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Branch Executive either intend to liquidate Victorian Branch or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Branch Executive.
- Conclude on the appropriateness of the Branch Executive's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Victorian Branch audit. We remain solely responsible for our audit opinion.

**INDEPENDENT AUDIT REPORT  
(Cont'd)**

We communicated with the Branch Executive regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

I declare that I am an auditor registered under the RO Act.

Stannards Accountants and Advisors



James Dickson  
Partner

Melbourne, VIC  
Dated: 21 September 2022

Registered Company Auditor 389435  
Holder of Current Public Practice Certificate  
Approved Auditor (FWC Act and Regulations) AA2021/18