

**THE AUSTRALIAN WORKERS' UNION**

**(NATIONAL OFFICE)**

**ABN 28 853 022 982**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2019**

**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE, 2019**

| <b><u>CONTENTS</u></b>                    | <b><u>PAGES</u></b> |
|---|---------------------|
| Independent Auditor's Report              | 1-2                 |
| Prescribed Designated Officer Certificate | 3                   |
| Report required under Subsection 255(2A)  | 4                   |
| Operating Report                          | 5-7                 |
| National Executive's Statement            | 8                   |
| Statement of Comprehensive Income         | 9                   |
| Statement of Financial Position           | 10                  |
| Statement of Changes in Equity            | 11                  |
| Statement of Cash Flows                   | 12                  |
| Notes to the Financial Statements         | 13-38               |
| Officer Declaration Statement             | 39                  |

**RSM Australia Pty Ltd**

Level 13, 60 Castlereagh Street Sydney NSW 2000  
GPO Box 5138 Sydney NSW 2001

T +61(0) 2 8226 4500

F +61(0) 2 8226 4501

[www.rsm.com.au](http://www.rsm.com.au)

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of The Australian Workers' Union  
(National Office)**

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

#### **Opinion**

We have audited the financial report of The Australian Workers' Union (National Office) ('the Reporting Unit'), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies; the National Executive's 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 The Australian Workers' Union (National Office) as at 30 June 2019, and its financial performance and its cash flows for the year then ended 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 management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit 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 our 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 National Executive and National Secretary are 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.

#### **Responsibilities of the National Executive and National Secretary for the Financial Report**

The National Executive and National Secretary of the Reporting Unit are 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 National Executive and National Secretary 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 National Executive and National Secretary are responsible for assessing the Reporting Unit'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 National Executive and National Secretary either intend to liquidate the Reporting Unit 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 scepticism throughout the audit. We also:

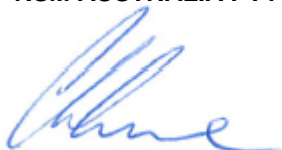
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a 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 National Executive and National Secretary.
- Conclude on the appropriateness of the National Executive and National Secretary'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.

We communicate with the National Executive and National Secretary 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 identify during our audit.

I declare that I am an approved auditor, a member of the Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.



**RSM AUSTRALIA PTY LTD**



**Cameron Hume**

Director

Registered Auditor Number AA2018/25

Sydney, NSW

Dated: 3 December 2019

**THE AUSTRALIAN WORKERS UNION (NATIONAL OFFICE)**  
**ABN 28 853 022 982**

**THE AUSTRALIAN WORKERS' UNION**  
**PRESCRIBED DESIGNATED OFFICER CERTIFICATE**  
**FOR THE YEAR ENDED 30 JUNE, 2019**  
**s268 Fair Work (Registered Organisations) Act 2009**

I, Daniel Walton, being the National Secretary of The Australian Workers' Union, hereby certify:

that the documents lodged herewith are copies of the full report of The Australian Workers' Union (National Office) Statutory Statements and Audit Report for year ended 30 June 2019, referred to in *s.268 of the Fair Work (Registered Organisation) Act 2009*, and

the full report was made available on the Union's National Office Website from 30 November 2019, and

the full report was presented and approved by AWU National Executive members via a Postal Ballot of the National Executive members declared on November 29 2019, in accordance with *s.266 of the Fair Work (Registered Organisations) Act 2009*.

---

**DANIEL WALTON**


**NATIONAL SECRETARY - THE AUSTRALIAN WORKERS UNION**

**DATED:** \_\_\_\_\_ 2019

**THE AUSTRALIAN WORKERS' UNION**

**The Committee of Management presents the expenditure report as required under subsection 255(2A)**  
**FOR THE YEAR ENDED 30 JUNE, 2019**

| <b>Categories of expenditures</b>  | <b>2019</b> | <b>2018</b> |
|--|-------------|-------------|
|  | <b>\$</b>   | <b>\$</b>   |
| Remuneration and other employment-related costs and expenses - employees | 1,930,764   | 1,404,362   |
| Advertising  | 103         | 822         |
| Operating costs  | 3,103,052   | 1,725,905   |
| Donations to political parties   | 34,000      | 15,000      |
| Legal costs  | 863,286     | 140,511     |



---

**DANIEL WALTON**

**NATIONAL SECRETARY - THE AUSTRALIAN WORKERS UNION**

**DATED: 3 DECEMBER 2019**

**OPERATING REPORT FOR THE YEAR ENDED 30 JUNE, 2019**

Your National Executive present this report on the Australian Workers' Union National Office for the financial year ended **30 June 2019**.

**Review of Principal Activities, the results of those activities and any significant changes in the nature of those activities during the year**

***Principal Activities***

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 principal activities of the organisation during the financial year.

***Review of Operations***

The Australian Workers' Union - National Branch made a net loss of \$11,811 as a result of its activities. (2018: \$203,483 Profit) This loss was driven by significant legal expenditure of \$863,286 (2018: \$140,511).

***Operating Results***

|  | <b>2019</b> | <b>2018</b> |
|--|-------------|-------------|
| Total Comprehensive Income / (Loss) for the financial year amounted to | (11,811)    | 203,483     |

**Significant Changes in State of Financial Affairs**

- The organisation's Financial Affairs were significantly impacted by the following event during the course of the financial year;
- The AWU National Office has incurred significant expenditure in relation to two separate Federal Court proceedings during the 2018/2019 financial year. Both proceedings are expected to conclude by the end of the 2020 financial year.

**Right of Members to Resign:**

The Australian Workers' Union Rule 14 – Resigning as a member – provides for resignation of members in accordance with section 174(1) of the Fair Work (Registered Organisations) Act 2009. In accordance with section 174(1) of the Fair Work (Registered Organisations) Act 2009 a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation. There was no change to this rule during the year.

**THE AUSTRALIAN WORKERS UNION (NATIONAL OFFICE)**  
**ABN 28 853 022 982**

**OPERATING REPORT FOR THE YEAR ENDED 30 JUNE, 2019 (Cont'd)**

**Officers or members who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such a position.**

Pursuant to section 254 (2)(d) of the Fair Work (Registered Organisations) Act 2009, the following members hold office as a Director of a trustee company of superannuation schemes as stated below:

| <b>Members</b>       | <b>Name</b>                               | <b>Appointed</b> | <b>Resigned</b> |
|----------------------|---|------------------|-----------------|
| Baker, Stephen       | Austsafe Super Fund                       | Mar-18           |                 |
| Baker, Stephen       | Qleave                                    | Feb-19           |                 |
| Chambers, Marina     | Australian Super Advisory Board Pty Ltd   | Apr-18           |                 |
| Collison, Russell    | Chifley Financial Services                | Dec-17           |                 |
| Crofts, Brad         | Australian Super                          | Aug-14           |                 |
| Davis, Ben           | CBUS (Alternate Director)                 | May-13           | Jun-19          |
| Fagan, Mark          | Australian Super Steel Division Sub Board | Jan-17           |                 |
| Hilton, Martin       | Australian Super Steel Division Sub Board | Jul-11           |                 |
| Kensett-Smith Warren | Australian Super ACRMC                    | Feb-16           | Nov-18          |
| Kensett-Smith Warren | Australian Super (Alternate Director)     | Feb-16           | Nov-18          |
| O'Brien, Liam        | Prime Super                               | Apr-16           | Feb-19          |
| Power, Jacki         | Club Super                                | Jun-18           |                 |
| Sell, Craig          | Austsafe Super Fund                       | Mar-17           |                 |
| Sharpe, Tracey       | Austsafe Super Fund                       | Feb-14           |                 |
| Steel, Ian           | Statewide Superannuation Trust            | Feb-19           |                 |
| Swan, Ben            | Chifley Financial Services                | Jun-12           |                 |
| Swan, Ben            | Sunsuper Pty Ltd                          | Aug-13           |                 |
| Turner, Lance        | Australian Super Steel Division Sub Board | Aug-17           |                 |
| Walton, Daniel       | Chifley Financial Services                | Sep-15           |                 |
| Walton, Daniel       | Australian Super                          | Nov-16           |                 |
| Zelinsky Michael     | CBUS                                      | Jul-14           |                 |

Each officer holds the position by reason of the criterion that a representative of an Employee organisation be appointed.

| <b>Number of Members</b>                    | <b>2019</b>   | <b>2018</b> |
|---|---------------|-------------|
| Number of persons in registers of members:  | <b>71,286</b> | 72,971      |
| <b>Number of Employees</b>                  |               |             |
| Number of employees (equivalent full time): | <b>21</b>     | 17          |



**THE AUSTRALIAN WORKERS UNION (NATIONAL OFFICE)**  
**ABN 28 853 022 982**

**OPERATING REPORT FOR THE YEAR ENDED 30 JUNE, 2019 (Cont'd)**

**Members of the National Executive:**

The names of each person who has been a member of the National Executive during the year and up to the date of this report are:

| <b>Members</b>       | <b>Position</b>                              | <b>Elected<br/>Per E2016/231</b> |
|----------------------|--|----------------------------------|
| Ben Swan             | Branch Secretary / National Executive Member | 1-Jul-17                         |
| Steve Baker          | National Executive Member                    | 1-Jul-17                         |
| Steve Baker          | Branch Secretary                             | 21-Jul-18                        |
| Tony Beers           | National Executive Member                    | 21-Jul-18                        |
| Tracey Sharpe        | National Executive Member                    | 1-Jul-17                         |
| Anthony Callinan     | National Executive Member                    | 1-Jul-17                         |
| Paul Noack           | National Executive Member                    | 1-Jul-17                         |
| Ben Davis            | Branch Secretary / National Executive Member | 1-Jul-17                         |
| Jimmy Mastrandonakis | National Executive Member                    | 1-Jul-17                         |
| Ian Wakefield        | Branch Secretary / National Executive Member | 1-Jul-17                         |
| Peter Lamps          | Branch Secretary / National Executive Member | 1-Jul-17                         |
| Mike Zoetbroad       | Branch Secretary / National Executive Member | 1-Jul-17                         |
| Marina Chambers      | National President                           | 1-Jul-17                         |
| Daniel Walton        | National Secretary / Branch Secretary        | 1-Jul-17                         |
| Michael Zelinsky     | Assistant National Secretary                 | 1-Jul-17                         |
| Keith Ballin         | National Vice President                      | 1-Jul-17                         |
| Brad Gandy           | National Vice President                      | 1-Jul-17                         |
| Brad Gandy           | Branch Secretary / National Executive Member | 7-May-19                         |
| Gary Henderson       | National Vice President                      | 27-Feb-19                        |
| Wayne Hanson         | National Vice President                      | 1-Jul-17                         |
| Liam O'Brien         | National Vice President                      | 1-Jul-17                         |
| Wayne Phillips       | National Vice President                      | 1-Jul-17                         |
| Paul Farrow          | National Vice President                      | 7-Feb-19                         |

**Signed:**



**Date**

3-Dec-19

**Daniel Walton (National Secretary)**

**Signed:**



**Date**

3-Dec-19

**Marina Chambers ( President)**

**STATUTORY STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2019**

**NATIONAL EXECUTIVE'S STATEMENT**

On December 3 2019

The National Executive passed the following resolution in relation to the general purpose financial report (GPFR) of this reporting unit (i.e. The Australian Workers' Union National Office, or the organisation) for the financial year ended 30 June, 2019:

The National 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 National Executive were held in accordance with the rules of the organisation; and
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation concerned; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
  - (iv) the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
  - (v) 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.

For and on behalf of the National Executive in accordance with a resolution of the National Executive

Signed:



Date

3 DECEMBER 2019

Daniel Walton (National Secretary)

Signed:



Date

3 DECEMBER 2019

Marina Chambers (President)

Signed at Sydney this

THIRD

day of,

DECEMBER

2019

**THE AUSTRALIAN WORKERS UNION (NATIONAL OFFICE)**

**ABN 28 853 022 982**

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE, 2019**

|   | <b><u>NOTES</u></b> | <b><u>2019</u></b>      | <b><u>2018</u></b>      |
|---|---------------------|-------------------------|-------------------------|
| <b><u>REVENUE</u></b>                                   |                     | <b>\$</b>               | <b>\$</b>               |
| MEMBERSHIP SUBSCRIPTIONS                                |                     | -                       | -                       |
| CAPITATION / SUBSIDY INCOME                             | <b>3A</b>           | 3,349,502               | 3,341,955               |
| LEVIES  | <b>3B</b>           | -                       | -                       |
| INTEREST –BANK  | <b>3C</b>           | 36,366                  | 44,657                  |
| RENTAL INCOME   | <b>3D</b>           | 44,800                  | 44,800                  |
| BRANCH INCOME   | <b>11A</b>          | 1,749,636               | -                       |
| REVENUE FROM RECOVERY OF WAGES ACTIVITY                 | <b>11A</b>          | 273,632                 | -                       |
| OTHER INCOME  | <b>3E</b>           | 742,665                 | 379,790                 |
| <b>TOTAL REVENUE</b>                                    |                     | <b><u>6,196,601</u></b> | <b><u>3,811,202</u></b> |
| GRANTS AND/OR DONATIONS                                 | <b>3F</b>           | -                       | -                       |
| NET GAINS / (LOSSES) FROM SALE OF ASSETS                | <b>3G</b>           | 8,611                   | 3,045                   |
| <b>TOTAL OTHER INCOME</b>                               |                     | <b><u>8,611</u></b>     | <b><u>3,045</u></b>     |
| <b>TOTAL INCOME</b>                                     |                     | <b><u>6,205,212</u></b> | <b><u>3,814,247</u></b> |
| <b><u>EXPENSES</u></b>                                  |                     |                         |                         |
| EMPLOYEE EXPENSES                                       | <b>4A</b>           | 1,930,764               | 1,404,362               |
| CAPITATION FEES   | <b>4B</b>           | -                       | -                       |
| AFFILIATION FEES  | <b>4C</b>           | 569,792                 | 545,922                 |
| ADMINISTRATION FEES                                     | <b>4D</b>           | 2,484,529               | 1,103,554               |
| GRANTS OR DONATIONS                                     | <b>4E</b>           | 46,331                  | 26,128                  |
| DEPRECIATION OR AMORTISATION                            | <b>4F</b>           | 285,818                 | 324,164                 |
| FINANCE COSTS   | <b>4G</b>           | 11,303                  | 7,657                   |
| LEGAL COSTS   | <b>4H</b>           | 863,286                 | 140,511                 |
| AUDIT FEES  | <b>4I</b>           | 25,200                  | 25,566                  |
| OTHER EXPENSES  | <b>4J</b>           | -                       | 32,900                  |
| <b>TOTAL EXPENSES</b>                                   |                     | <b><u>6,217,023</u></b> | <b><u>3,610,764</u></b> |
| <b>(DEFICIT) / SURPLUS FOR THE YEAR</b>                 |                     | <b><u>(11,811)</u></b>  | <b><u>203,483</u></b>   |
| <b>OTHER COMPREHENSIVE INCOME / (LOSS)</b>              |                     | <b><u>-</u></b>         | <b><u>-</u></b>         |
| <b>TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR</b> |                     | <b><u>(11,811)</u></b>  | <b><u>203,483</u></b>   |

The above statement should be read in conjunction with the notes

**THE AUSTRALIAN WORKERS UNION (NATIONAL OFFICE)**  
**ABN 28 853 022 982**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE, 2019**

|  | <u>NOTES</u> | <u>2019</u>              | <u>2018</u>              |
|--|--------------|--------------------------|--------------------------|
| <b><u>ASSETS</u></b>                   |              | \$                       | \$                       |
| <b>CURRENT ASSETS</b>                  |              |                          |                          |
| CASH AND CASH EQUIVALENTS              | 5A           | 186,555                  | 804,713                  |
| TRADE AND OTHER RECEIVABLES            | 5B           | 767,009                  | 755,733                  |
| OTHER CURRENT ASSETS                   | 5C           | 1,297,279                | 1,325,125                |
| <b>TOTAL CURRENT ASSETS</b>            |              | <b><u>2,250,843</u></b>  | <b><u>2,885,571</u></b>  |
| <b>NON-CURRENT ASSETS</b>              |              |                          |                          |
| LAND AND BUILDINGS                     | 6A           | 6,915,648                | 7,085,430                |
| PLANT AND EQUIPMENT                    | 6B           | 213,197                  | 240,668                  |
| INTANGIBLE ASSETS                      | 6C           | 263,367                  | 208,086                  |
| OTHER INVESTMENTS                      | 6D           | 550,628                  | 312,112                  |
| TRADE AND OTHER RECEIVABLES            | 6E           | 624,455                  | -                        |
| <b>TOTAL NON-CURRENT ASSETS</b>        |              | <b><u>8,567,295</u></b>  | <b><u>7,846,296</u></b>  |
| <b>TOTAL ASSETS</b>                    |              | <b><u>10,818,138</u></b> | <b><u>10,731,867</u></b> |
| <b><u>LIABILITIES</u></b>              |              |                          |                          |
| <b>CURRENT LIABILITIES</b>             |              |                          |                          |
| TRADE PAYABLES                         | 7A           | 578,401                  | 327,530                  |
| OTHER PAYABLES                         | 7B           | 146,637                  | 266,656                  |
| EMPLOYEE PROVISIONS                    | 7C           | 650,860                  | 691,772                  |
| OTHER CURRENT LIABILITIES              | 8            | 3,286,099                | 3,286,099                |
| <b>TOTAL CURRENT LIABILITIES</b>       |              | <b><u>4,661,997</u></b>  | <b><u>4,572,057</u></b>  |
| <b>NON CURRENT LIABILITIES</b>         |              |                          |                          |
| EMPLOYEE PROVISIONS                    | 7C           | 90,169                   | 82,026                   |
| <b>TOTAL NON - CURRENT LIABILITIES</b> |              | <b><u>90,169</u></b>     | <b><u>82,026</u></b>     |
| <b>TOTAL LIABILITIES</b>               |              | <b><u>4,752,166</u></b>  | <b><u>4,654,083</u></b>  |
| <b>NET ASSETS</b>                      |              | <b><u>6,065,973</u></b>  | <b><u>6,077,784</u></b>  |
| <b><u>EQUITY</u></b>                   |              |                          |                          |
| GENERAL FUNDS                          |              | -                        | -                        |
| RETAINED EARNINGS                      |              | 6,065,973                | 6,077,784                |
| <b>TOTAL EQUITY</b>                    |              | <b><u>6,065,973</u></b>  | <b><u>6,077,784</u></b>  |

The above statement should be read in conjunction with the notes

**THE AUSTRALIAN WORKERS UNION (NATIONAL OFFICE)**  
**ABN 28 853 022 982**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE, 2019**

|   | <b>GENERAL<br/>FUNDS</b> | <b>RETAINED<br/>EARNINGS</b> | <b>TOTAL<br/>EQUITY</b> |
|---|--------------------------|------------------------------|-------------------------|
|   | <b>\$</b>                | <b>\$</b>                    | <b>\$</b>               |
| <b>BALANCE AS AT 30 JUNE 2017</b>             | -                        | 5,874,301                    | <b>5,874,301</b>        |
| Adjustment for errors                         | -                        | -                            | -                       |
| Adjustment for changes in accounting policies | -                        | -                            | -                       |
| Surplus for the year                          | -                        | 203,483                      | <b>203,483</b>          |
| Other comprehensive income for the year       | -                        | -                            | -                       |
| Transfer to/from                              | -                        | -                            | -                       |
| Transfer from retained earnings               | -                        | -                            | -                       |
| <b>BALANCE AS AT 30 JUNE 2018</b>             | <b>-</b>                 | <b>6,077,784</b>             | <b>6,077,784</b>        |
| Adjustment for errors                         | -                        | -                            | -                       |
| Adjustment for changes in accounting policies | -                        | -                            | -                       |
| (Deficit) for the year                        | -                        | (11,811)                     | <b>(11,811)</b>         |
| Other comprehensive income for the year       | -                        | -                            | -                       |
| Transfer to/from                              | -                        | -                            | -                       |
| Transfer from retained earnings               | -                        | -                            | -                       |
| <b>BALANCE AS AT 30 JUNE 2019</b>             | <b>-</b>                 | <b>6,065,973</b>             | <b>6,065,973</b>        |

The above statement should be read in conjunction with the notes

**THE AUSTRALIAN WORKERS UNION (NATIONAL OFFICE)**  
**ABN 28 853 022 982**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE, 2019**

|   | <u>NOTE</u> | <u>2019</u><br>\$       | <u>2018</u><br>\$       |
|---|-------------|-------------------------|-------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                               |             |                         |                         |
| <b>CASH RECEIVED</b>  |             |                         |                         |
| SUBSIDIES RECEIVED FROM BRANCHES  | 9           | 3,484,722               | 3,009,273               |
| INTEREST RECEIVED   |             | 34,302                  | 47,842                  |
| OTHER INCOME  | 9           | 2,224,818               | 430,762                 |
|   |             | <u>5,743,841</u>        | <u>3,487,876</u>        |
| <b>CASH USED</b>  |             |                         |                         |
| EMPLOYEES & SUPPLIERS   |             | (6,117,529)             | (3,017,606)             |
| PAYMENTS TO BRANCHES  | 9           | (109,235)               | (144,670)               |
|   |             | <u>(6,226,764)</u>      | <u>(3,162,276)</u>      |
| <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>                          | 9           | <u><b>(482,923)</b></u> | <u><b>325,600</b></u>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                               |             |                         |                         |
| <b>CASH RECEIVED</b>  |             |                         |                         |
| PROCEEDS FROM SALE OF PLANT AND EQUIPMENT                                 |             | 15,700                  | -                       |
|   |             | <u>15,700</u>           | <u>-</u>                |
| <b>CASH USED</b>  |             |                         |                         |
| PURCHASE OF PLANT AND EQUIPMENT   |             | (95,653)                | (232,701)               |
| PURCHASE OF INTANGIBLES   |             | (55,281)                | (208,086)               |
|   |             | <u>(150,934)</u>        | <u>(440,787)</u>        |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>                              |             | <u><b>(135,234)</b></u> | <u><b>(440,787)</b></u> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                               |             |                         |                         |
| <b>CASH RECEIVED</b>  |             |                         |                         |
| CONTRIBUTED EQUITY  |             | -                       | -                       |
| OTHER   |             | -                       | -                       |
|   |             | <u>-</u>                | <u>-</u>                |
| <b>CASH USED</b>  |             |                         |                         |
| REPAYMENT OF LOANS TO BRANCHES  |             | -                       | -                       |
| OTHER   |             | -                       | -                       |
|   |             | <u>-</u>                | <u>-</u>                |
| <b>NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES</b>                |             | <u><b>-</b></u>         | <u><b>-</b></u>         |
| <b>NET INCREASE IN CASH HELD</b>  |             | <u><b>(618,157)</b></u> | <u><b>(115,187)</b></u> |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE REPORTING PERIOD</b> |             |                         |                         |
|   |             | 804,713                 | 919,900                 |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD</b>       |             |                         |                         |
|   | 5A          | <u><b>186,556</b></u>   | <u><b>804,713</b></u>   |
|   |             | -                       | -                       |

The above statement should be read in conjunction with the notes

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1.1 Basis of preparation of the financial statements**

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations 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 AWU (National Office) 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.

**1.2 Comparative Amounts**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. Where errors are identified relating to comparative figures the comparative figures are restated and the nature of the error discussed.

**1.3 Significant accounting judgements and estimates**

No accounting assumptions or estimates have been identified that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

**1.4 New Australian Accounting Standards**

***Adoption of New Australian Accounting Standard requirements***

AWU applied AASB 9 Financial Instruments for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

***AASB 9 Financial Instruments***

AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

AWU has applied AASB 9 retrospectively, with an initial application date of 1 July 2018. AWU has not restated the comparative information, which continues to be reported under AASB 139. There was no significant impact on recognition or measurement in the statement of profit or loss and other comprehensive income, statement of financial position or the statement of cash flows as a result of the adoptions.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2019**

**1.5 Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Donation income is recognised when it is received.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. Allowances are made when the collectability of the debt is no longer probable.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

Dividend revenue is recognised when the right to receive a dividend has been established.

Rental Income relates solely to the property acquired in Western Australia. (Owned by the AWU but used by the WA Branch), on a month to month basis as no fixed term arrangement exists.

Board fees are fees received where union officials are appointed to a board of trustees for superannuation funds as union representatives. These fees are recognised on an accruals basis. The fees are remitted to the Branch net of the PAYE obligation on the receiving officer.

All revenue is stated net of the amount of goods and services tax (GST).

Revenue includes expenses recovered from branches, in prior years this was net off against expenses. The comparative has not been restated.

**1.6 Government Grants**

Government grants are not recognised until there is reasonable assurance that the AWU (National Office) will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the AWU (National Office) recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the AWU (National Office) should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the [reporting unit] with no future related costs are recognised in profit or loss in the period in which they become receivable.

**1.7 Gains**

***Sale of Assets***

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

**1.8 Sustentation fees and levies**

Revenue from sustentation income from branches is recognised on an accruals basis and is recognised upon the monthly returns submitted to the AWU (National Office).



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2019**

**1.9 Employee Benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 Employee Benefits) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

Provision is made for separation and redundancy benefit payments. The reporting unit recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

**1.10 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

**1.11 Borrowing Costs**

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

**1.12 Cash and Cash Equivalents**

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2019**

**1.13 Financial instruments - initial recognition and subsequent measurement**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

From 1 July 2018, AWU classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

Until 30 June 2018, AWU classified its financial assets in the following categories:

- financial assets at fair value through profit or loss,
- loans and receivables,
- held-to-maturity investments, and
- available-for-sale financial assets.

**(i) Classification**

From 1 July 2018, AWU classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on AWU's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether AWU has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

AWU reclassifies debt investments when and only when its business model for managing those assets changes.

**(ii) Recognition and derecognition**

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which AWU commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and AWU has transferred substantially all the risks and rewards of ownership.

**(iii) Measurement**

At initial recognition, AWU measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

**(iv) Impairment**

From 1 July 2018, AWU assesses on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, AWU applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2019**

**1.13 Financial instruments - initial recognition and subsequent measurement (continued)**

**Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

AWU's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by AWU that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. AWU has not designated any financial liability as at fair value through profit or loss.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**1.14 Contingent Liabilities and Contingent Assets**

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2019**

**1.15 Land, Buildings, Plant and Equipment**

***Asset Recognition Threshold***

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

***Revaluations—Land and Buildings***

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

***Depreciation***

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

The depreciation rates used for each class of asset are:

|                                |           |
|--------------------------------|-----------|
| Building                       | 2.50%     |
| Office Furniture and Equipment | 10% - 33% |
| Website Development Costs      | 20%       |
| Motor Vehicles                 | 20%       |

***Derecognition***

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

**1.16 Investment property**

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2019**

**1.17 Intangibles**

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit and loss when the asset is derecognised. The useful life of the Intangible asset is 5 Years

**1.18 Impairment of non-financial assets**

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the AWU (National Office) were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

**1.19 Taxation**

AWU (National Office) is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

**1.21 Fair value measurement**

The AWU (National Office) measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 15A.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2019**

**1.20 Fair value measurement (continued)**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the AWU (National Office). The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The AWU (National Office) uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the AWU (National Office) determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the AWU (National Office) has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

**1.21 Going concern**

The AWU (National Office) is not reliant on any agreed financial support of a Branch of the Union.

The AWU (National Office) has provided financial support to the AWU WA Branch and will continue to do so

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2019**

**1.22 Changes in accounting policies, disclosures, standard and interpretations**

AWU has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**AASB 15 Revenue from Contracts with Customers**

The Standard is applicable to annual reporting periods beginning on or after 1 January 2019. AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and four Interpretations issued by the AASB and amends the principles for recognising revenue from contracts with customers. It applies to all contracts with customers except leases, financial instruments and insurance contracts. The Standard requires an entity to recognise revenue on a basis that depicts the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that principle, an entity shall apply all of the following steps: a) identify the contract with a customer; b) identify the separate performance obligations in the contract; c) determine the transaction price; d) allocate the transaction price to the separate performance obligations in the contract; and e) recognise revenue when (or as) the entity satisfies a performance obligation. Consequential amendments to other Standards are made by AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15. The impact of this standard has not yet been determined.

**AASB 16 Leases**

The Standard is applicable to annual reporting periods beginning on or after 1 January 2019. AASB 16 replaces AASB 117 Leases and sets out the principles for the recognition, measurement, presentation and disclosure of leases. AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments. A lessee measures right-of use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying AASB 107 Statement of Cash Flows. AASB 16 substantially carries forward the lessor accounting requirements in AASB 117 Leases. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. This Standard applies to annual reporting periods beginning on or after 1 January 2019. Earlier application is permitted provided the entity also applies AASB 15 Revenue from Contracts with Customers at or before the same date. As the Union currently has a number of ongoing lease arrangements as the lessor, this new standard will not have a significant impact on the treatment of existing leases.

**AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15**

The Standard is applicable to annual reporting periods beginning on or after 1 January 2018. This Standard amends AASB 15 Revenue from Contracts with Customers to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. In addition, it provides further practical expedients on transition to AASB 15. The impact of this standard has not yet been determined.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2019**

**1.23 Trade Receivables**

For trade receivables that do not have a significant financing component, the AWU National Branch 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 AWU National Office does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2019**

**NOTE 2. EVENTS AFTER THE REPORTING PERIOD**

On 16 July 2019, the AWU entered into a contract for the sale of a property in Woolongong for \$2,600,000. The sale will be finalised in FY2021.

There were no events that occurred after 30 June 2019, and/or prior to the signing of the financial statements, that would effect the ongoing structure and financial activities of The Australian Workers Union (National Office).

The financial statements were signed by the National Executive committee on December 3 2019

**NOTE 3. INCOME**

|  | <b>2019</b>             | <b>2018</b>             |
|--|-------------------------|-------------------------|
|  | <b>\$</b>               | <b>\$</b>               |
| <b>Note 3A: Subsidy Income from Branches</b>                                     |                         |                         |
| New South Wales  | 906,644                 | 889,063                 |
| Queensland   | 1,100,202               | 1,104,712               |
| South Australia  | 238,554                 | 244,755                 |
| Tasmania   | 140,343                 | 133,216                 |
| Victoria   | 629,850                 | 622,504                 |
| Western Australia  | 333,909                 | 347,705                 |
| <b>Total Subsidy Income</b>  | <b><u>3,349,502</u></b> | <b><u>3,341,955</u></b> |
| <br><b>Note 3B: Levy</b>   |                         |                         |
| Australian Council of Trade Unions (ACTU) - for Industrial Relationship Campaign |                         |                         |
| - payment  | -                       | -                       |
| - contributions from branches  | -                       | -                       |
| <b>Total Levies</b>  | <b><u>-</u></b>         | <b><u>-</u></b>         |
| <br><b>Note 3C: Interest</b>   |                         |                         |
| Deposits   | 36,366                  | 44,657                  |
| <b>Total Interest</b>  | <b><u>36,366</u></b>    | <b><u>44,657</u></b>    |
| <br><b>Note 3D: Rental Revenue</b>   |                         |                         |
| Properties   | 44,800                  | 44,800                  |
| <b>Total Rental Revenue</b>  | <b><u>44,800</u></b>    | <b><u>44,800</u></b>    |
| <br><b>Note 3E: Other Income</b>   |                         |                         |
| Directors Fees   | 136,079                 | 189,818                 |
| Dividends – Investments  | 165,473                 | 241                     |
| Sponsorship & Advertising Income   | 314,249                 | 180,900                 |
| Unreleased Gain on Investments   | 73,516                  | -                       |
| Other Income   | 53,348                  | 8,831                   |
| <b>Total Other Income</b>  | <b><u>742,665</u></b>   | <b><u>379,790</u></b>   |

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2019**

|   | <b>2019</b>             | <b>2018</b>             |
|---|-------------------------|-------------------------|
|   | <b>\$</b>               | <b>\$</b>               |
| <b>NOTE 3. INCOME (cont'd)</b>  |                         |                         |
| <b>Note 3F: Grants or Donations</b>                                   |                         |                         |
| Grants  | -                       | -                       |
| Donations   | -                       | -                       |
| <b>Total Grants or donations</b>                                      | <u>-</u>                | <u>-</u>                |
| <b>Note 3G: Net Gains / (Losses) from sales of assets</b>             |                         |                         |
| Plant and Equipment   | 8,611                   | 3,045                   |
| <b>Total Net Gains /(Losses) from sales of assets</b>                 | <u><b>8,611</b></u>     | <u><b>3,045</b></u>     |
| <b>NOTE 4. EXPENSES</b>   |                         |                         |
| <b>Note 4A. Salary and Wages</b>                                      |                         |                         |
| <b>Holders of Office:</b>   |                         |                         |
| Wages and salaries  | 283,188                 | 167,818                 |
| Leave and other entitlements  | -                       | -                       |
| Separation and redundancies   | -                       | -                       |
| Superannuation  | 28,977                  | 21,710                  |
| Other employee expenses   | 9,803                   | 9,220                   |
| <b>Total Post-employment benefits</b>                                 | <u><b>321,968</b></u>   | <u><b>198,748</b></u>   |
| <b>Employees other than office holders:</b>                           |                         |                         |
| Wages and salaries  | 1,320,200               | 976,314                 |
| Superannuation  | 135,066                 | 126,032                 |
| Leave and other entitlements  | 67,546                  | 32,798                  |
| Separation and redundancies   | -                       | -                       |
| Other employee expenses   | 85,984                  | 70,470                  |
| <b>Subtotal employee expenses employees other than office holders</b> | <u><b>1,608,796</b></u> | <u><b>1,205,614</b></u> |
| <b>Total employee expenses</b>  | <u><b>1,930,764</b></u> | <u><b>1,404,362</b></u> |
| <b>Note 4B: Capitation fees</b>                                       |                         |                         |
| Capitation Fees   | -                       | -                       |
| <b>Total capitation fees</b>  | <u>-</u>                | <u>-</u>                |
| <b>Note 4C: Affiliation fees</b>                                      |                         |                         |
| Australian Council of Trade Unions                                    | 423,469                 | 417,455                 |
| APHEDA  | 4,917                   | 4,774                   |
| International Transport Workers Federation                            | 4,826                   | 2,394                   |
| International Union of Food & Agriculture                             | 12,735                  | 10,465                  |
| IndustriALL   | 122,903                 | 110,834                 |
| Workers Health Center   | 942                     | -                       |
| <b>Total affiliation fees/subscriptions</b>                           | <u><b>569,792</b></u>   | <u><b>545,922</b></u>   |

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2019**

|   | <b>2019</b>             | <b>2018</b>             |
|---|-------------------------|-------------------------|
|   | <b>\$</b>               | <b>\$</b>               |
| <b>NOTE 4. EXPENSES (contd)</b>                           |                         |                         |
| <b>Note 4D: Administration expenses</b>                   |                         |                         |
| Consideration to employers for payroll deductions         | -                       | -                       |
| Campaign levies - ACTU - Industrial Relationship Campaign | -                       | -                       |
| Fees/allowances - meeting and conferences                 | -                       | -                       |
| Conference and meeting expenses                           | 927,283                 | 390,281                 |
| Contractors/consultants                                   | 4,104                   | 30,604                  |
| Property expenses   | 175,084                 | 130,172                 |
| Office expenses   | 91,107                  | 75,565                  |
| Information communications technology                     | 915,325                 | 243,193                 |
| Bereavement Payments                                      | 70,620                  | 34,500                  |
| Other   | 264,948                 | 163,479                 |
| <b>Subtotal administration expense</b>                    | <b><u>2,448,471</u></b> | <b><u>1,067,794</u></b> |
| Operating lease rentals:                                  |                         |                         |
| Minimum lease payments                                    | 36,058                  | 35,760                  |
| <b>Total administration expenses</b>                      | <b><u>2,484,529</u></b> | <b><u>1,103,554</u></b> |
| <b>Note 4E: Grants or donations</b>                       |                         |                         |
| <b>Grants:</b>  |                         |                         |
| Total paid that were \$1,000 or less                      | -                       | -                       |
| Total paid that exceeded \$1,000                          | -                       | -                       |
| <b>Donations:</b>   |                         |                         |
| Total paid that were \$1,000 or less                      | 4,058                   | 3,090                   |
| Total paid that exceeded \$1,000                          | 42,273                  | 23,038                  |
| <b>Total grants or donations</b>                          | <b><u>46,331</u></b>    | <b><u>26,128</u></b>    |
| <b>Note 4F: Depreciation or Amortisation</b>              |                         |                         |
| <b>Depreciation</b>                                       |                         |                         |
| Land & buildings  | 169,782                 | 169,711                 |
| Property, plant and equipment                             | 116,036                 | 126,688                 |
| <b>Total depreciation</b>                                 | <b><u>285,818</u></b>   | <b><u>296,399</u></b>   |
| <b>Amortisation</b>                                       |                         |                         |
| Intangibles   | -                       | 27,765                  |
| <b>Total amortisation</b>                                 | <b><u>-</u></b>         | <b><u>27,765</u></b>    |
| <b>Total depreciation and amortisation</b>                | <b><u>285,818</u></b>   | <b><u>324,164</u></b>   |
| <b>Note 4G: Finance costs</b>                             |                         |                         |
| Overdrafts/loans  | 11,303                  | 6,985                   |
| Foreign Exchange (Gain)/Loss                              | -                       | 672                     |
| <b>Total finance costs</b>                                | <b><u>11,303</u></b>    | <b><u>7,657</u></b>     |
| <b>Note 4H: Legal costs</b>                               |                         |                         |
| Litigation  | -                       | -                       |
| Other legal matters                                       | 863,286                 | 140,511                 |
| <b>Total legal costs</b>                                  | <b><u>863,286</u></b>   | <b><u>140,511</u></b>   |

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2019**

|  | <b>2019</b>             | <b>2018</b>             |
|--|-------------------------|-------------------------|
|  | <b>\$</b>               | <b>\$</b>               |
| <b>Note 4I. Auditor's Remuneration</b>                   |                         |                         |
| Remuneration of the auditor of the Union for:            |                         |                         |
| Financial Statement audit services                       | 25,200                  | 25,566                  |
| Other Services   | -                       | 32,900                  |
|  | <b><u>25,200</u></b>    | <b><u>58,466</u></b>    |
| <b>Note 4J: Other expenses</b>                           |                         |                         |
| Penalties - via RO Act or Fair work Act 2009             | -                       | -                       |
| <b>Total other expenses</b>                              | <b><u>-</u></b>         | <b><u>-</u></b>         |
| <b>NOTE 5. CURRENT ASSETS</b>                            |                         |                         |
| <b>Note 5A: Cash and cash equivalents</b>                |                         |                         |
| Cash at bank   | 150,519                 | 769,332                 |
| Cash on hand   | 30                      | 30                      |
| Short term deposits                                      | 36,006                  | 35,351                  |
| <b>Total cash and cash equivalents</b>                   | <b><u>186,555</u></b>   | <b><u>804,713</u></b>   |
| <b>Note 5B: Trade and other receivables</b>              |                         |                         |
| <b>Receivables from other reporting units</b>            |                         |                         |
| New South Wales  | 143,106                 | 61,459                  |
| Queensland   | 245,832                 | 368,956                 |
| South Australia  | 70,132                  | 32,589                  |
| Tasmania   | 15,568                  | 13,605                  |
| Victoria   | 54,112                  | 23,052                  |
| Western Australia  | 79,165                  | 234,812                 |
| <b>Total receivables from other reporting units</b>      | <b><u>607,914</u></b>   | <b><u>734,473</u></b>   |
| <b>Less allowance for expected credit losses</b>         |                         |                         |
| Allowance for expected credit losses - AWU Branches      | -                       | -                       |
| <b>Total allowance for expected credit losses</b>        | <b><u>-</u></b>         | <b><u>-</u></b>         |
| Receivable from other reporting units (net)              | <b><u>607,914</u></b>   | <b><u>734,473</u></b>   |
| <b>Other receivables:</b>                                |                         |                         |
| Other trade receivables                                  | 159,095                 | 21,260                  |
| Allowance for expected credit losses - Other Receivables | -                       | -                       |
| <b>Total other receivables</b>                           | <b><u>159,095</u></b>   | <b><u>21,260</u></b>    |
| <b>Total trade and other receivables (net)</b>           | <b><u>767,009</u></b>   | <b><u>755,733</u></b>   |
| <b>Note 5C: Other current assets</b>                     |                         |                         |
| Accrued Interest & Other Income                          | 11,009                  | 7,812                   |
| Term Deposits  | 1,200,000               | 1,200,000               |
| Prepayments  | 86,270                  | 117,313                 |
| <b>Total other current assets</b>                        | <b><u>1,297,279</u></b> | <b><u>1,325,125</u></b> |

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2019**

|   | <b>2019</b>             | <b>2018</b>             |
|---|-------------------------|-------------------------|
|   | <b>\$</b>               | <b>\$</b>               |
| <b>NOTE 6. NON CURRENT ASSETS</b>   |                         |                         |
| <b>Note 6A: Land and buildings</b>  |                         |                         |
| Land and buildings:   |                         |                         |
| At Cost   | 9,899,416               | 9,899,416               |
| Less: accumulated depreciation  | <u>(2,983,768)</u>      | <u>(2,813,986)</u>      |
| <b>Total land and buildings</b>   | <b><u>6,915,648</u></b> | <b><u>7,085,430</u></b> |
| <b><i>Reconciliation of the opening and closing balances of land and buildings</i></b>  |                         |                         |
| <b>As at 1 July</b>   |                         |                         |
| Gross book value  | 9,899,416               | 9,899,416               |
| Accumulated depreciation and impairment   | <u>(2,813,986)</u>      | <u>(2,644,276)</u>      |
| <b>Net book value 1 July</b>  | <b><u>7,085,430</u></b> | <b><u>7,255,140</u></b> |
| Additions   | -                       | -                       |
| Disposals   | -                       | -                       |
| Write Back  | -                       | -                       |
| Depreciation expense  | (169,782)               | (169,710)               |
| Other   | -                       | -                       |
| <b>Net book value 30 June</b>   | <b><u>6,915,648</u></b> | <b><u>7,085,430</u></b> |
| <b>Net book value as of 30 June represented by:</b>                                     |                         |                         |
| Gross book value  | 9,899,416               | 9,899,416               |
| Accumulated depreciation and impairment   | <u>(2,983,768)</u>      | <u>(2,813,986)</u>      |
| <b>Net book value 30 June</b>   | <b><u>6,915,648</u></b> | <b><u>7,085,430</u></b> |
| <b>Note 6B: Plant and equipment</b>   |                         |                         |
| Plant and equipment:  |                         |                         |
| At cost   | 452,989                 | 464,231                 |
| Less: accumulated depreciation  | <u>(239,792)</u>        | <u>(223,563)</u>        |
| <b>Total plant and equipment</b>  | <b><u>213,197</u></b>   | <b><u>240,668</u></b>   |
| <b><i>Reconciliation of the opening and closing balances of plant and equipment</i></b> |                         |                         |
| <b>As at 1 July</b>   |                         |                         |
| Gross book value  | 464,231                 | 249,852                 |
| Accumulated depreciation and impairment   | <u>(223,563)</u>        | <u>(115,195)</u>        |
| <b>Net book value 1 July</b>  | <b><u>240,668</u></b>   | <b><u>134,657</u></b>   |
| Additions   | 95,653                  | 232,701                 |
| Disposals   | (7,088)                 | -                       |
| Write Back  | -                       | -                       |
| Depreciation expense  | (116,036)               | (126,688)               |
| Other   | -                       | (2)                     |
| <b>Net book value 30 June</b>   | <b><u>213,197</u></b>   | <b><u>240,668</u></b>   |
| <b>Net book value as of 30 June represented by:</b>                                     |                         |                         |
| Gross book value  | 452,989                 | 464,231                 |
| Accumulated depreciation and impairment   | <u>(239,792)</u>        | <u>(223,563)</u>        |
| <b>Net book value 30 June</b>   | <b><u>213,197</u></b>   | <b><u>240,668</u></b>   |

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2019**

|                                      | <b>2019</b>           | <b>2018</b>           |
|--------------------------------------|-----------------------|-----------------------|
|                                      | <b>\$</b>             | <b>\$</b>             |
| <b>Note 6C: Intangible Assets</b>    |                       |                       |
| Website Expenses / Computer Software |                       |                       |
| At cost                              | 537,690               | 482,409               |
| Less: accumulated depreciation       | (274,323)             | (274,323)             |
| <b>Total Intangible Assets</b>       | <b><u>263,367</u></b> | <b><u>208,086</u></b> |

***Reconciliation of the opening and closing balances of Intangible Assets***

|   |                       |                       |
|---|-----------------------|-----------------------|
| <b>As at 1 July</b>                                 |                       |                       |
| Gross book value                                    | 482,409               | 274,323               |
| Accumulated depreciation and impairment             | (274,323)             | (246,558)             |
| <b>Net book value 1 July</b>                        | <b><u>208,086</u></b> | <b><u>27,765</u></b>  |
| Additions   | 55,281                | 208,086               |
| Disposals   | -                     | -                     |
| Write Back  | -                     | -                     |
| Depreciation expense                                | -                     | (27,765)              |
| Other   | -                     | -                     |
| <b>Net book value 30 June</b>                       | <b><u>263,367</u></b> | <b><u>208,086</u></b> |
| <b>Net book value as of 30 June represented by:</b> |                       |                       |
| Gross book value                                    | 537,690               | 482,409               |
| Accumulated depreciation and impairment             | (274,323)             | (274,323)             |
| <b>Net book value 30 June</b>                       | <b><u>263,367</u></b> | <b><u>208,086</u></b> |

**Note 6D: Other Investments**

|   |                       |                       |
|---|-----------------------|-----------------------|
| Financial assets at fair value through profit and loss;           |                       |                       |
| Chifley Financial Services  | 375,000               | 304,818               |
| Chifley Services Pty Ltd as trustee for the Chifley Trading Trust | 165,000               | -                     |
| ACTU Financial Services   | 13,462                | 13,462                |
| Newcrest Mining   | 3,195                 | 2,131                 |
| Bluescope Steel   | 1,205                 | 1,690                 |
| Rio Tinto   | 6,226                 | 4,845                 |
| Provisions for diminution   | (13,460)              | (14,834)              |
|   | <b><u>550,628</u></b> | <b><u>312,112</u></b> |

**Note 6E: Trade and other receivables**

|                       |                       |                 |
|-----------------------|-----------------------|-----------------|
| AWU Western Australia | <b><u>624,455</u></b> | <b><u>-</u></b> |
|-----------------------|-----------------------|-----------------|

**NOTE 7. CURRENT LIABILITIES**

**Note 7A: Trade Payables**

|   |                       |                       |
|---|-----------------------|-----------------------|
| Trade Creditors and accruals              | 536,835               | 277,665               |
| <b>Trade Creditors</b>                    | <b><u>536,835</u></b> | <b><u>277,665</u></b> |
| Payable to other reporting entities       |                       |                       |
| NewSouth Wales                            | 14,341                | 7,320                 |
| South Australia                           | -                     | 1,291                 |
| Tasmania                                  | -                     | 1,429                 |
| Victoria                                  | 27,225                | -                     |
| Total trade payable to Branches           | <b><u>41,566</u></b>  | <b><u>10,040</u></b>  |
| <b>Total Trade Creditors and accruals</b> | <b><u>578,401</u></b> | <b><u>327,530</u></b> |

**THE AUSTRALIAN WORKERS UNION (NATIONAL OFFICE)**  
**ABN 28 853 022 982**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2019**

|  | <b>2019</b>           | <b>2018</b>           |
|--|-----------------------|-----------------------|
|  | <b>\$</b>             | <b>\$</b>             |
| <b>Note 7B: Other Payables</b>                       |                       |                       |
| Wages and salaries                                   | -                     | -                     |
| Superannuation                                       | -                     | -                     |
| Consideration to employers for payroll deductions    | -                     | -                     |
| Legal Costs  |                       |                       |
| Litigation   | -                     | -                     |
| Other Legal Matters                                  | -                     | 39,825                |
| Prepayments Received / unearned revenue              | -                     | 29,417                |
| GST payable / receivable - net                       | 73,407                | 44,134                |
| PAYG Payable   | 38,186                | 35,285                |
| Other  | 35,044                | 117,995               |
| <b>Total Other Payables</b>                          | <b><u>146,637</u></b> | <b><u>266,656</u></b> |
| <b>Note 7C: Provisions</b>                           |                       |                       |
| <b>Elected Representatives (Holders of Office)</b>   |                       |                       |
| Annual Leave   | 41,947                | 35,729                |
| Long Service Leave                                   | 356,269               | 317,019               |
| Separation and Redundancies                          | -                     | -                     |
| Other  | -                     | -                     |
|  | <b><u>398,216</u></b> | <b><u>352,748</u></b> |
| <b>Employees (Other than Holders of Office)</b>      |                       |                       |
| Annual leave   | 145,577               | 125,158               |
| Long service leave                                   | 197,235               | 295,892               |
| Separation and Redundancies                          | -                     | -                     |
| Other  | -                     | -                     |
|  | <b><u>342,812</u></b> | <b><u>421,050</u></b> |
| <b>Total Provisions</b>                              | <b><u>741,028</u></b> | <b><u>773,798</u></b> |
| <b>CURRENT - Provision for employee benefits</b>     |                       |                       |
| Elected Representatives                              | 398,216               | 352,748               |
| Employees  | 252,644               | 339,024               |
|  | <b><u>650,860</u></b> | <b><u>691,772</u></b> |
| <b>NON-CURRENT - Provision for employee benefits</b> |                       |                       |
| Elected Representatives                              | -                     | -                     |
| Employees  | 90,168                | 82,026                |
|  | <b><u>90,168</u></b>  | <b><u>82,026</u></b>  |
| <b>Total Provision for employee benefits</b>         | <b><u>741,028</u></b> | <b><u>773,798</u></b> |

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2019**

**2019**  
**\$** **2018**  
**\$**

**NOTE 8. LOANS FROM BRANCHES - CURRENT BORROWINGS**

|                                 |                         |                         |
|---------------------------------|-------------------------|-------------------------|
| AWU New South Wales State Union | 1,905,669               | 1,905,669               |
| AWU Victorian Branch            | 1,231,180               | 1,231,180               |
|                                 | <u><b>3,136,849</b></u> | <u><b>3,136,849</b></u> |

The loans are free of interest, with no fixed repayments terms, and are unsecured.

|  |                         |                         |
|--|-------------------------|-------------------------|
| AWU Tasmania Branch  | 149,250                 | 149,250                 |
| - has no fixed repayments terms, is unsecured and interest is payable at 3.25% on the first \$3,000 and 6.25% on the balance |                         |                         |
|  | <u><b>149,250</b></u>   | <u><b>149,250</b></u>   |
|  | <u><b>3,286,099</b></u> | <u><b>3,286,099</b></u> |

Borrowings from Branches are classified as current liabilities as the National Office does not have an unconditional right to defer the repayment of these amounts, should a call for this be made by a branch.

**NOTE 9. CASH FLOW INFORMATION**

**Reconciliation of cash flow from operations with total comprehensive income for the year**

|  |                         |                       |
|--|-------------------------|-----------------------|
| Total Comprehensive (Loss) / Income for the year               | (11,811)                | 203,483               |
| Non-cash flow items in operating surplus                       |                         |                       |
| Depreciation   | 285,818                 | 324,164               |
| Net transfer of costs to branches                              | -                       | 3,046                 |
| Net (gain) / loss on disposal of property, plant and equipment | (8,611)                 | (3,045)               |
| Unrealised gain on Investments                                 | (238,515)               | -                     |
| Changes in assets and liabilities                              |                         |                       |
| (Increase) / Decrease in Subsidies Receivable                  | (497,896)               | (332,682)             |
| (Increase) / Decrease in Other assets                          | (109,989)               | 68,829                |
| (Decrease) / Increase in Payables                              | 130,852                 | 68,991                |
| Increase / (Decrease) in Provisions                            | (32,771)                | (7,186)               |
| <b>Cash from operations</b>                                    | <u><b>(482,924)</b></u> | <u><b>325,600</b></u> |

**Receipts from Branches**

|                   |                         |                         |
|-------------------|-------------------------|-------------------------|
| New South Wales   | 1,720,317               | 856,556                 |
| Queensland        | 1,866,784               | 779,562                 |
| South Australia   | 290,494                 | 225,439                 |
| Tasmania          | 213,535                 | 134,360                 |
| Victoria          | 1,024,573               | 637,253                 |
| Western Australia | 252,834                 | 376,102                 |
|                   | <u><b>5,368,536</b></u> | <u><b>3,009,273</b></u> |

**Receipts from external parties**

|              |                       |                 |
|--------------|-----------------------|-----------------|
| Dividends    | 78,703                | -               |
| Sponsorship  | 262,301               | -               |
| <b>Total</b> | <u><b>341,004</b></u> | <u><b>-</b></u> |



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2019**

**NOTE 9. CASH FLOW INFORMATION (continued)**

|                             | <b>2019</b>           | <b>2018</b>           |
|-----------------------------|-----------------------|-----------------------|
|                             | <b>\$</b>             | <b>\$</b>             |
| <b>Payments to Branches</b> |                       |                       |
| New South Wales             | 69,991                | 64,821                |
| Queensland                  | -                     | -                     |
| South Australia             | 29,645                | 15,150                |
| Tasmania                    | 7,928                 | 10,032                |
| Victoria                    | 1,671                 | 54,667                |
| Western Australia           | -                     | -                     |
|                             | <u><b>109,235</b></u> | <u><b>144,670</b></u> |

**NOTE 10. CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS**

**Note 10A: Capital and Leasing commitments**

**Operating Lease Commitments**

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

Payable — minimum lease payments

|                               |                       |                      |
|-------------------------------|-----------------------|----------------------|
| not later than 12 months      | 34,140                | 35,760               |
| between 12 months and 5 years | 136,560               | 23,840               |
|                               | <u><b>170,700</b></u> | <u><b>59,600</b></u> |

All operating lease obligations are in relation to equipment. The equipment lease is a non-cancellable lease with rent payable monthly in advance. The lease expires in February 2020

**Note 10B: Contingent Liabilities**

|   |                      |                      |
|---|----------------------|----------------------|
| Bereavement payments during the financial year totalled | <u><b>70,620</b></u> | <u><b>34,500</b></u> |
|---|----------------------|----------------------|

The Union has not made an estimate or set a provision aside for future bereavement payments as it cannot reliably or practically estimate the amount of the future financial commitment of this to the union.

The National Office being part of the Federated Australian Workers Union has a general commitment to provide financial support to other AWU Branches.

**Note 10C: Contingent Assets**

The AWU National Office has no Contingent Assets

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2019**

**NOTE 11. RELATED PARTY TRANSACTIONS****Note 11A. Related Party Transactions for the Reporting Period***Transactions between related parties are as follows:-*

|   | NOTES | 2019             | 2018             |
|---|-------|------------------|------------------|
| Revenue   |       | \$               | \$               |
| Subsidy Income from branches                    | 3A    | 3,349,502        | 3,341,955        |
| Rental Income from Western Australia branch     |       | 44,800           | 44,800           |
| Income received from Chifley Financial Services |       | 30,028           | 31,827           |
| Legal Expenses - shared with Branches           |       |                  |                  |
| New South Wales                                 |       | 138,229          | 37,330           |
| Queensland                                      |       | 173,641          | 46,540           |
| South Australia                                 |       | 39,072           | 11,206           |
| Tasmania  |       | 21,099           | 5,533            |
| Victoria  |       | 138,660          | 116,718          |
| Western Australia                               |       | 81,077           | 16,074           |
| Expenses - shared with Branches                 |       |                  |                  |
| New South Wales                                 |       | 633,453          | 472,614          |
| Queensland                                      |       | 326,934          | 284,834          |
| South Australia                                 |       | 27,324           | 54,033           |
| Tasmania  |       | 36,189           | 28,799           |
| Victoria  |       | 201,822          | 165,035          |
| Western Australia                               |       | 205,767          | 189,558          |
| <b>Expenses</b>                                 |       |                  |                  |
| Interest on Loan                                |       |                  |                  |
| Tasmania  |       | (5,730)          | (7,642)          |
| Contribution to Long Service Leave              |       |                  |                  |
| New South Wales                                 |       | -                | -                |
| Donations                                       |       |                  |                  |
| New South Wales                                 |       | -                | -                |
| Queensland                                      |       | -                | -                |
| South Australia                                 |       | -                | -                |
| Tasmania  |       | -                | -                |
| Victoria  |       | -                | -                |
| Western Australia                               |       | -                | -                |
|   |       | <b>5,441,868</b> | <b>4,839,212</b> |

During the year dividends of \$165,000 (2018: \$nil) and commission fees of \$ 16,435 (2018: \$nil) were received from Chifley Financial Services. Chifley Financial Services supported our 2019 National Conference and were invoiced for \$55,000 exclusive of GST

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2019**

|  |           | <b>2019</b>        | <b>2018</b>        |
|--|-----------|--------------------|--------------------|
|  |           | <b>\$</b>          | <b>\$</b>          |
| <b>Note 11A. Related Party Transactions for the Reporting Period (contd)</b> |           |                    |                    |
| <i>Receivables and payables:-</i>  |           |                    |                    |
| Receivables from Branches  | <b>5B</b> | 607,914            | 734,473            |
| Sundry Receivables from Branches   |           | -                  | -                  |
|  |           | <b>607,914</b>     | <b>734,473</b>     |
| Loans payable to Branches  | <b>8</b>  | (3,286,099)        | (3,286,099)        |
| Liability for long service leave of Branches staff                           |           |                    |                    |
| New South Wales  |           | -                  | (99,113)           |
| Queensland   |           | (158,973)          | (158,973)          |
|  |           | <b>(3,445,072)</b> | <b>(3,544,185)</b> |

(i) There have been no other transactions between the office holders and the union other than those relating to their membership of the union and reimbursement by the union in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2019, the Union has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2018: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**NOTE 11B. Key Management Personnel Remuneration for the Reporting Period**

Key Management of the National Office are the Holders of Office. Key Management Personnel remuneration includes the following expenses

|  | <b>2019</b>    | <b>2018</b>    |
|--|----------------|----------------|
|  | <b>\$</b>      | <b>\$</b>      |
| <b>Transaction with Key Management Personnel</b> |                |                |
| <b>Short Term Employee Benefits</b>              |                |                |
| Wages and salaries                               | 283,188        | 167,818        |
| Leave and other entitlements                     | -              | -              |
| Separation and redundancies                      | -              | -              |
| Other employee expenses                          | 9,803          | 9,220          |
| <b>Total Short term Benefits</b>                 | <b>292,991</b> | <b>177,038</b> |
| <b>Post-employment benefits</b>                  |                |                |
| Superannuation                                   | 28,977         | 21,710         |
| Other long term benefits                         | 166,861        | 143,221        |
| <b>Total Post-employment benefits</b>            | <b>195,838</b> | <b>164,931</b> |
| <b>Total Remuneration</b>                        | <b>488,829</b> | <b>341,969</b> |

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2019**

**NOTE 12. FINANCIAL RISK MANAGEMENT***a. General objectives, policies and processes*

The union is exposed to risks that arise from its use of financial instruments. This note describes the union's objectives, policies and processes for managing those risks and the methods used to measure them.

There have been no substantive changes in the union's exposure to financial instrument risk, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The union's financial instruments consist mainly of deposits with banks, borrowings, investments and payables. The main risks the union is exposed to through its financial instruments are interest rate risk (see section (e) below), liquidity risk and credit risk.

The National Executive has overall responsibility for the determination of the union's risk management objectives and policies and whilst retaining ultimate responsibility for them, the National Executive makes investment decisions after considering appropriate advice.

*b. Credit risk*

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Union.

The Union has no significant concentration of credit risk with any single counterparty or group of counterparties. Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 5B.

*c. Liquidity risk*

Liquidity risk arises from the possibility that the Union might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Union manages this risk through the following mechanisms:-

- preparing forward looking cash flow, budget analysis in relation to its operational, investing and financing activities
- maintaining a reputable credit profile
- managing credit risk related to financial assets
- investing only in surplus cash with major financial institutions
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets

|   | 2019      | 2018      |
|---|-----------|-----------|
|   | \$        | \$        |
| The union is not significantly exposed to this risk, as at 30 June 2019 it had; |           |           |
| Cash and Term deposits < 3 months to meet these obligations as they fall due.   | 186,555   | 804,713   |
| Total Current Liabilities < 12 Months   | 4,661,997 | 4,572,057 |

*d. Market Risk*

Market risk arises from the use of interest bearing, tradable financial instruments. It is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or other market factors (other price risk).

*e. Interest rate risk*

The Union's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and liabilities are summarised below:

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2019**

**NOTE 12. FINANCIAL RISK MANAGEMENT (cont'd)***e. Interest rate risk (continued)*

|   | <b>Floating<br/>Interest<br/>Rate<br/>\$</b> | <b>Non interest<br/>Bearing<br/>\$</b>              | <b>Total<br/>\$</b>                               |
|---|--|---|---|
| <b>30-June-2019</b>                       |  |   |   |
| <b>Financial Assets</b>                   |  |   |   |
| Cash                                      | 186,525                                      | 30  | 186,555   |
| Investments                               | -  | 550,628   | 550,628   |
| Trade and Other Receivables               | 1,200,000                                    | 864,288   | 2,064,288   |
|   | <u><b>1,386,525</b></u>                      | <u><b>1,414,946</b></u>                             | <u><b>2,801,471</b></u>                           |
| <br>Weighted average interest rate        | 2.62%  |   |   |
| <br><b>Financial Liabilities</b>          |  |   |   |
| Payables                                  | -  | 4,011,137   | 4,011,137   |
|   | <u><b>-</b></u>                              | <u><b>4,011,137</b></u>                             | <u><b>4,011,137</b></u>                           |
| <b>Net Financial Assets/(Liabilities)</b> | <u><b>1,386,525</b></u>                      | <u><b>(2,596,191)</b></u>                           | <u><b>(1,209,666)</b></u>                         |
| <br><b>30-June-2018</b>                   |  |   |   |
| <b>Financial Assets</b>                   |  |   |   |
| Cash                                      | 804,683                                      | 30  | 804,713   |
| Investments                               | -  | 312,112   | 312,112   |
| Trade and Other Receivables               | 1,200,000                                    | 880,858   | 2,080,858   |
|   | <u><b>2,004,683</b></u>                      | <u><b>1,193,000</b></u>                             | <u><b>3,197,683</b></u>                           |
| <br>Weighted average interest rate        | 2.78%  |   |   |
| <br><b>Financial Liabilities</b>          |  |   |   |
| Payables                                  | -  | 3,880,285   | 3,880,285   |
|   | <u><b>-</b></u>                              | <u><b>3,880,285</b></u>                             | <u><b>3,880,285</b></u>                           |
| <b>Net Financial Assets/(Liabilities)</b> | <u><b>2,004,683</b></u>                      | <u><b>(2,687,286)</b></u>                           | <u><b>(682,603)</b></u>                           |
| <br><b>Sensitivity Analysis</b>           |  |   |   |
|   | <b>Carrying<br/>Amount<br/>\$</b>            | <b>+1% (100<br/>Basis Points)<br/>Profit<br/>\$</b> | <b>-1% (100<br/>Basis Points)<br/>Loss<br/>\$</b> |
| <br><b>2019</b>                           |  |   |   |
| Cash and cash equivalents                 | <u><b>1,386,525</b></u>                      | <u><b>13,865</b></u>                                | <u><b>(13,865)</b></u>                            |
| <br><b>2018</b>                           |  |   |   |
| Cash and cash equivalents                 | <u><b>2,004,683</b></u>                      | <u><b>20,047</b></u>                                | <u><b>(20,047)</b></u>                            |

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2019**

**NOTE 12. FINANCIAL RISK MANAGEMENT (cont'd)**

*f. Other Price Risks*

The Union has minor investments in Rio Tinto Newcrest Mining and Blue Scope Steel where the net carrying value is \$10,626 (2018: \$8,666) and therefore has limited exposure to the fluctuations in price that are inherent in such a market. These investments are primarily held to keep track of these companies in the interest of the members and not for profit making purposes.

The Union has investments in unlisted entities; Chifley Financial Services , Chifley Services Pty Ltd as trustee for the Chifley Trading Trust and ACTU Financial Services where the net carrying value is \$540,000 (2018: \$304,820) and has limited exposure to the fluctuations in price that are inherent in such a market. These investments are primarily held in the interest of the members.

*g. Foreign Exchange Risk*

The union is not directly exposed to foreign exchange rate risk.

**NOTE 13. UNION INFORMATION**

The Australian Workers' Union – National Office

Level 1, 16 Good Street

GRANVILLE, NSW, 2142

**NOTE 14. Section 272 Fair Work (Registered Organisations) Act 2009**

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

Information to be provided to members or Commissioner:

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2019**

**NOTE 15. FAIR VALUE MEASUREMENT**

**Note 15A Financial assets and liabilities**

Management of the reporting unit assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 30 June 2019 was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the AWU National Office based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30 June 2019 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The following table contains the carrying amounts and related fair values for AWU's financial assets and liabilities:

|                              | Carrying<br>amount<br>2019<br>\$ | Fair<br>value<br>2019<br>\$ | Carrying<br>amount<br>2018<br>\$ | Fair<br>value<br>2018<br>\$ |
|------------------------------|----------------------------------|-----------------------------|----------------------------------|-----------------------------|
| <b>Financial assets</b>      |                                  |                             |                                  |                             |
| Trade Receivables            | 1,391,464                        | 1,391,464                   | 755,733                          | 755,733                     |
| Cash and Cash equivalents    | 186,555                          | 186,555                     | 804,713                          | 804,713                     |
| Term Deposits                | 1,200,000                        | 1,200,000                   | 1,200,000                        | 1,200,000                   |
| <b>Total</b>                 | <b>2,778,019</b>                 | <b>2,778,019</b>            | <b>2,760,446</b>                 | <b>2,760,446</b>            |
| <b>Financial liabilities</b> |                                  |                             |                                  |                             |
| AWU Victoria Branch Loan     | 1,231,180                        | 1,231,180                   | 1,231,180                        | 1,231,180                   |
| AWU NSW Branch Loan          | 1,905,669                        | 1,905,669                   | 1,905,669                        | 1,905,669                   |
| AWU Tasmania Branch Loan     | 149,250                          | 149,250                     | 149,250                          | 149,250                     |
| Trade Payables               | 514,462                          | 514,462                     | 246,567                          | 246,567                     |
| <b>Total</b>                 | <b>3,800,561</b>                 | <b>3,800,561</b>            | <b>3,532,666</b>                 | <b>3,532,666</b>            |

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2019**

**Note 15B: Financial and non-financial assets and liabilities fair value hierarchy**

The following tables provide an analysis of financial and non-financial assets and liabilities that are measured at fair value, by fair value hierarchy.

**Fair value hierarchy – 30 June 2019**

|                                      | <b>Date of valuation</b> | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> |
|--------------------------------------|--------------------------|----------------|----------------|----------------|
| <b>Assets measured at fair value</b> |                          | <b>\$</b>      | <b>\$</b>      | <b>\$</b>      |
| Shares in listed companies           | 30/06/2019               | 10,626         | -              | -              |
| Shares in private companies          | 30/06/2019               | -              | 540,000        | -              |
| <b>Total</b>                         |                          | <b>10,626</b>  | <b>540,000</b> | <b>-</b>       |

There were no transfers between classes during the year ended 30 June 2019

**Fair value hierarchy – 30 June 2018**

|                                      | <b>Date of valuation</b> | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> |
|--------------------------------------|--------------------------|----------------|----------------|----------------|
| <b>Assets measured at fair value</b> |                          | <b>\$</b>      | <b>\$</b>      | <b>\$</b>      |
| Shares in listed companies           | 30/06/2018               | 7,292          | -              | -              |
| <b>Total</b>                         |                          | <b>7,292</b>   | <b>-</b>       | <b>-</b>       |

There were no transfers between classes during the year ended 30 June 2018



**THE AUSTRALIAN WORKERS' UNION**  
**OFFICER DECLARATION STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE, 2019**

I, Daniel Walton, being the National Secretary of the Australian Workers Union (National Office), declare that the following activities did not occur during the reporting period ending 30 June 2019.

The reporting unit did not:

- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund
- make a payment to a former related party of the reporting unit



---

**DANIEL WALTON**

**NATIONAL SECRETARY - THE AUSTRALIAN WORKERS UNION**

**DATED:** 3 DECEMBER 2019