

THE AUSTRALIAN WORKERS' UNION

(NATIONAL OFFICE)

ABN 28 853 022 982

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2023

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE, 2023

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Independent Audit 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 Union), which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, notes to the financial statements, including a summary of significant accounting policies; the Committee of Management Statement, the Officer Declaration Statement and the subsection 255(2A) report.

In our opinion, the accompanying financial report of the Australian Workers' Union (National Office), presents fairly, in all material respects the Union's financial position as at 30 June 2023, and its financial performance and its cash flows for the year ended on that date in accordance with:

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

We declare that management's use of the going concern basis in the preparation of the financial statements of the Union 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 Union 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 Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report, but does not include the financial report and our auditor's report thereon.

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 my 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 Committee of Management for the Financial Report

The Committee of Management of the Union is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management 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 Committee of Management is responsible for assessing the Union'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 Committee of Management either intend to liquidate the Union or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management'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 Union'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 Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Union to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Union's audit. We remain solely responsible for our audit opinion.

We communicate with the Committee of Management 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.

Declaration

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

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

MGI Audit Pty Ltd



G I Kent

Director – Audit & Assurance

Brisbane

17 October 2023

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/2

THE AUSTRALIAN WORKERS' UNION
PRESCRIBED DESIGNATED OFFICER CERTIFICATE
FOR THE YEAR ENDED 30 JUNE, 2023
s268 Fair Work (Registered Organisations) Act 2009

I, Paul Farrow, 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 2023, 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 18 October 2023, and

that the full report was presented to a meeting of the National Executive on 24 October 2023, in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009 .



PAUL FARROW

NATIONAL SECRETARY - THE AUSTRALIAN WORKERS' UNION

DATED: 31 October 2023

THE AUSTRALIAN WORKERS' UNION
The Committee of Management presents the expenditure report as required under subsection 255(2A)
FOR THE YEAR ENDED 30 JUNE, 2023

Categories of expenditures	2023	2022
	\$	\$
Remuneration and other employment-related costs and expenses - employees	3,026,445	2,489,968
Advertising	7,117	18,930
Operating costs	3,552,780	2,663,384
Donations to political parties	1,091	168,314
Legal costs	144,082	363,337



PAUL FARROW

NATIONAL SECRETARY - THE AUSTRALIAN WORKERS' UNION

DATED: 17 October 2023

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE, 2023

Your National Executive present this report on the Australian Workers' Union National Office for the financial year ended 30 June 2023.

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 Office made a net loss of \$891,549 as a result of its activities. (2022: net profit \$661,039).

Operating Results

	2023	2022
Total Comprehensive Income for the financial year amounted to	(891,549)	661,039

Significant Changes in State of Financial Affairs

The organisation's Financial Affairs have not been significantly impacted any events during the course of the 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.

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE, 2023 (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:

Members	Name	Appointed	Resigned
Chambers, Marina	Australian Super Advisory Board Pty Ltd	Apr-18	
Davis, Ben	Prime Super Pty Ltd	Aug-19	
Fagan, Mark	Australian Super Steel Division Sub Board	Jan-17	
Hilton, Martin	Australian Super Steel Division Sub Board	Jul-11	
Sell, Craig	Sunsuper Rural & Regional Advisory	Mar-17	
Santelises Aaron	The Australian Retirement Trust	Jun-22	
Walton, Daniel	AustralianSuper Pty Ltd	Dec-16	
Zelinsky Michael	CBUS	1-Jul-14	

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


Number of Members	2023	2022
Number of persons in registers of members:	73,468	70,900
Number of Employees		
Number of employees (equivalent full time):	24	23

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE, 2023 (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:

Members	Position	Elected Per E2020/188	Resigned
Michael Zelinsky	Assistant National Secretary	1-Jul-21	8-Dec-22
Anthony Callinan	Branch Secretary / National Executive Member	1-Jul-21	
Ben Davis	Branch Secretary / National Executive Member	1-Jul-21	
Brad Gandy	Branch Secretary / National Executive Member	1-Jul-21	
Ian Wakefield	Branch Secretary / National Executive Member	1-Jul-21	
Peter Lamps	Branch Secretary / National Executive Member	1-Jul-21	
Steve Baker	Branch Secretary / National Executive Member	1-Jul-21	13-Aug-22
Stacey Schinnerl	Branch Secretary / National Executive Member	13-Aug-22	
Cathy Janetzki	National Executive Member	1-Jul-21	
Kurt Neumann	National Executive Member	12-Aug-22	
Jimmy Mastrandonakis	National Executive Member	1-Jul-21	
Mark Raguse	National Executive Member	1-Jul-21	
Paul Delaney	National Executive Member	1-Jul-21	
Ronald Cowdrey	National Executive Member	1-Jul-21	
Marina Chambers	National President	1-Jul-21	
Daniel Walton	National Secretary / National Executive Member	1-Jul-21	29-Jun-23
Anthony Beers	National Vice President	1-Jul-21	
Gary Henderson	National Vice President	1-Jul-21	
Patrick Wood	National Vice President	1-Jul-21	
Paul Farrow	National Vice President	1-Jul-21	16-May-23
Paul Farrow	Assistant National Secretary	16-May-23	29-Jun-23
Stephen Crawford	National Vice President	1-Jul-21	8-Dec-22
Stephen Crawford	Assistant National Secretary	8-Dec-22	16-May-23
Sue Pethick	National Vice President	20-Apr-22	
Sandra Doumit	National Vice President	29-Jun-23	

Signed:  _____ Date 17 October 2023

Paul Farrow (National Secretary)

Signed:  _____ Date 17 October 2023

Marina Chambers (President)

STATUTORY STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2023
NATIONAL EXECUTIVE'S STATEMENT

On 17 October 2023

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, 2023:

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 17 October 2023
Paul Farrow (National Secretary)

Signed:  _____ Date 17 October 2023
Marina Chambers (President)

Signed:  _____ 17th day of, October 2023

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE, 2023

<u>REVENUE</u>	<u>NOTES</u>	<u>2023</u>	<u>2022</u>
		\$	\$
MEMBERSHIP SUBSCRIPTIONS		-	-
CAPITATION / SUBSIDY INCOME	3A	3,924,822	3,827,332
LEVIES		-	-
INTEREST –BANK	3C	49,543	6,560
RENTAL INCOME	3D	44,800	44,800
BRANCH INCOME	11A	1,088,467	759,609
EMPLOYMENT INCOME RECOVERED FROM BRANCHES	11A	298,973	470,559
OTHER INCOME	3E	648,084	415,085
TOTAL REVENUE		6,054,688	5,523,945
GRANTS AND/OR DONATIONS	3F	200,000	200,000
NET LOSS / GAINS FROM SALE OF ASSETS	3G	(111,541)	914,934
TOTAL OTHER INCOME		88,459	1,114,934
TOTAL INCOME		6,143,147	6,638,879
<u>EXPENSES</u>			
EMPLOYEE EXPENSES	4A	3,026,445	2,489,968
CAPITATION FEES	4B	-	-
AFFILIATION FEES	4C	625,741	605,904
ADMINISTRATION FEES	4D	2,822,483	2,027,132
GRANTS OR DONATIONS	4E	62,538	171,542
DEPRECIATION OR AMORTISATION	4F	303,181	273,907
FINANCE COSTS	4G	22,066	20,240
LEGAL COSTS	4H	144,082	363,337
AUDIT FEES	4I	28,160	25,810
TOTAL EXPENSES		7,034,696	5,977,840
(DEFICIT) SURPLUS FOR THE YEAR		(891,549)	661,039
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR		(891,549)	661,039

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, 2023

<u>ASSETS</u>	<u>NOTES</u>	<u>2023</u>	<u>2022</u>
		\$	\$
CURRENT ASSETS			
CASH AND CASH EQUIVALENTS	5A	4,207,144	4,098,679
TRADE AND OTHER RECEIVABLES	5B	455,331	715,083
OTHER CURRENT ASSETS	5C	1,606,869	1,808,708
TOTAL CURRENT ASSETS		<u>6,269,344</u>	<u>6,622,470</u>
NON-CURRENT ASSETS			
LAND AND BUILDINGS	6A	5,058,507	5,102,838
PLANT AND EQUIPMENT	6B	208,289	98,938
INTANGIBLE ASSETS	6C	52,674	105,347
OTHER INVESTMENTS	6D	176,580	174,843
TRADE AND OTHER RECEIVABLES	6E	-	165,401
RIGHT OF USE ASSETS	9	92,874	-
OTHER NON-CURRENT ASSETS	6F	880,000	990,000
TOTAL NON-CURRENT ASSETS		<u>6,468,924</u>	<u>6,637,367</u>
TOTAL ASSETS		<u>12,738,268</u>	<u>13,259,837</u>
<u>LIABILITIES</u>			
CURRENT LIABILITIES			
TRADE PAYABLES	7A	312,393	201,752
OTHER PAYABLES	7B	220,507	231,566
EMPLOYEE PROVISIONS	7C	1,211,767	988,865
LEASE LIABILITIES	9	41,906	-
OTHER CURRENT LIABILITIES	8	3,286,099	3,286,099
TOTAL CURRENT LIABILITIES		<u>5,072,672</u>	<u>4,708,282</u>
NON CURRENT LIABILITIES			
EMPLOYEE PROVISIONS	7C	-	48,094
LEASE LIABILITIES	9	53,684	-
TOTAL NON-CURRENT LIABILITIES		<u>53,684</u>	<u>48,094</u>
TOTAL LIABILITIES		<u>5,126,355</u>	<u>4,756,376</u>
NET ASSETS		<u>7,611,913</u>	<u>8,503,461</u>
<u>EQUITY</u>			
GENERAL FUNDS		-	-
RETAINED EARNINGS		7,611,913	8,503,461
TOTAL EQUITY		<u>7,611,913</u>	<u>8,503,461</u>

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, 2023

	RETAINED EARNINGS	TOTAL EQUITY
	\$	\$
BALANCE AS AT 30 JUNE 2021	7,842,423	7,842,423
Surplus for the year	661,039	<u>661,039</u>
BALANCE AS AT 30 JUNE 2022	<u>8,503,461</u>	<u>8,503,461</u>
Deficit for the year	(891,549)	(891,549)
Other comprehensive income for the year	-	-
BALANCE AS AT 30 JUNE 2023	<u>7,611,913</u>	<u>7,611,913</u>

The above statement should be read in conjunction with the notes.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE, 2023

	<u>NOTE</u>	<u>2023</u>	<u>2022</u>
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
CASH RECEIVED			
SUBSIDIES RECEIVED FROM BRANCHES	9	4,389,665	4,304,021
INTEREST RECEIVED		32,530	7,611
OTHER INCOME	9	3,091,080	2,306,227
		<u>7,513,275</u>	<u>6,617,860</u>
CASH USED			
EMPLOYEES & SUPPLIERS		(6,612,493)	(6,232,941)
PAYMENTS FOR LOW VALUE LEASES	4D	(19,872)	(19,872)
PAYMENTS TO BRANCHES	9	(277,602)	(1,701,254)
		<u>(6,909,967)</u>	<u>(7,954,067)</u>
NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES	9	<u>603,308</u>	<u>(1,336,208)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
CASH RECEIVED			
PROCEEDS FROM SALE OF PLANT AND EQUIPMENT	9	309,104	1,608,592
OTHER		-	-
		<u>309,104</u>	<u>1,608,592</u>
CASH USED			
PURCHASE OF PLANT AND EQUIPMENT		(769,534)	(144,674)
TRANSFER OF PROPERTY SALE PROCEEDS TO BRANCHES		-	-
OTHER		(3,450)	(18,217)
		<u>(772,984)</u>	<u>(162,891)</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES		<u>(463,880)</u>	<u>1,445,701</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
CASH RECEIVED			
CONTRIBUTED EQUITY		-	-
OTHER		-	-
		<u>-</u>	<u>-</u>
CASH USED			
REPAYMENT OF LOANS TO BRANCHES		-	-
REPAYMENT OF LEASE LIABILITIES		(19,703)	-
PROPERTY BOND		(11,261)	-
		<u>(30,964)</u>	<u>-</u>
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES		<u>(30,964)</u>	<u>-</u>
NET INCREASE IN CASH HELD		<u>108,464</u>	<u>109,493</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE REPORTING PERIOD		4,098,679	3,989,186
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	5A	<u>4,207,143</u>	<u>4,098,679</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, 2023

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

The following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Lease Liabilities/ Right to Use Asset

Key assumptions used in the determination of the Branch's lease liability/ right to use assets are:

-Incremental borrowing rate: 6.31%

-Annual rental increases: 3%

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

The accounting policies adopted are consistent with those of the previous financial year. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Future Australian Accounting Standards

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods that are expected to have a future financial impact on the reporting unit include: **AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current**

This Standard amends AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted. Although the Committee of Management anticipate that the adoption of AASB 2020-1 may impact the Union's financial reports, it is difficult at this stage to determine the impact.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2023

1.5 Current versus non-current classification

The Australian Workers' Union (National Office) presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The reporting unit classifies all other liabilities as non-current.

1.6 Revenue and Other Income

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

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

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

Revenue from contracts with customers

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

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

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2023

1.6 Revenue and Other Income (continued)

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.

Income of the reporting unit as a Not-for-profit Entity

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

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

During the year, the reporting unit did receive cash consideration in the form of a grant however the arrangements did not allow consideration to be recognised as income upon receipt due to the requirement to meet specific performance objectives over a set timeframe:

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 AWU (National Office) 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.

1.7 Sustentation fees and levies

Where the AWU (National Office) arrangement with a branch or another reporting unit meets the criteria to be a contract with a customer, the AWU (National Office) recognises the sustentation fees promised under that arrangement when the monthly returns are submitted to it.

In circumstances where the criteria for a contract with a customer are not met, the AWU (National Office) will recognise sustentation fees as income upon receipt.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2023

1.8 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.

1.9 Leases

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

Concessionary Leases

For leases that have significantly below-market terms and conditions principally to enable the Union to further its objectives (commonly known as peppercorn/concessionary leases), the Union has adopted the temporary relief under AASB 2018-8 and measures the right of use assets at cost on initial recognition. The AWU National Office occupies premises which are controlled by the AWU NSW Branch.

1.10 Borrowing Costs

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

1.11 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, 2023

1.12 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.

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.

(i) Classification

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

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.

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2023

1.12 Financial instruments - initial recognition and subsequent measurement (continued)

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 AASB 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 AASB 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.

1.13 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.

1.14 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.

Land and Buildings

Land and buildings are measured at cost less accumulated depreciation and impairment losses.

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%

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2023

1.15 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.

1.16 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2023

1.20 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 16A.

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. 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.

1.22 Trade Receivables

For trade receivables that do not have a significant financing component, the AWU National Office 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, 2023

	2023	2022
NOTE 4. EXPENSES		
Note 4A. Salary and Wages		
Holders of Office:		
Wages and salaries	451,120	484,949
Leave and other entitlements	271,232	95,985
Separation and redundancies	-	-
Superannuation	50,291	56,299
Other employee expenses	18,483	14,318
Total Post-employment benefits	<u>791,126</u>	<u>651,551</u>
Employees other than office holders:		
Wages and salaries	1,961,206	1,645,338
Superannuation	208,865	170,251
Leave and other entitlements	(39,355)	(48,485)
Separation and redundancies	-	-
Other employee expenses	104,603	71,313
Employee expenses employees other than office holders	<u>2,235,319</u>	<u>1,838,417</u>
Total employee expenses	<u>3,026,445</u>	<u>2,489,968</u>
Note 4B: Capitation fees		
Capitation fees	-	-
Total capitation fees	<u>-</u>	<u>-</u>
Note 4C: Affiliation fees		
Australian Council of Trade Unions	468,213	458,007
International Transport Workers Federation	3,367	4,949
International Union of Food & Agriculture	-	-
IndustriALL	152,090	142,295
Workers Health Centre	2,072	654
Total affiliation fees/subscriptions	<u>625,741</u>	<u>605,904</u>
Note 4D: Administration expenses		
Consideration to employers for payroll deductions	-	-
Campaign levies - ACTU - Industrial Relationship Campaign	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	865,161	201,045
Contractors/consultants	93,213	29,061
Property expenses	264,506	332,843
Office expenses	89,285	91,548
Information communications technology	935,458	1,075,027
Bereavement payments	76,500	61,500
Rebrand expenses	134,172	-
Other	344,316	216,236
Subtotal administration expense	<u>2,802,611</u>	<u>2,007,260</u>
Operating lease rentals:		
Minimum lease payments - low value leases (Photocopiers)	19,872	19,872
Total administration expenses	<u>2,822,483</u>	<u>2,027,132</u>
Note 4E: Grants or donations		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	36,000	-
Donations:		
Total paid that were \$1,000 or less	3,993	3,227
Total paid that exceeded \$1,000	22,545	168,315
Total grants or donations	<u>62,538</u>	<u>171,542</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2023

	2023	2022
	\$	\$
NOTE 4. EXPENSES (cont'd)		
Note 4F: Depreciation or Amortisation		
Depreciation		
Land & buildings	156,740	152,406
Property, plant and equipment	71,350	68,828
Total depreciation	228,090	221,234
Amortisation		
Intangibles	52,673	52,673
Right of use asset	22,418	
Total amortisation	75,091	52,673
Total depreciation and amortisation	303,181	273,907
Note 4G: Finance costs		
Leasing Arrangement	4,185	-
Overdrafts/loans	6,499	5,193
Foreign exchange Loss	11,382	15,047
Total finance costs	22,066	20,240
Note 4H: Legal costs		
Litigation	-	49,240
Other legal matters	144,082	314,097
Total legal costs	144,082	363,337
Note 4I. Auditor's Remuneration		
Remuneration of the auditor of the Union for:		
Financial Statement audit services	28,160	25,810
Other Services	-	-
	28,160	25,810
NOTE 5. CURRENT ASSETS		
Note 5A: Cash and cash equivalents		
Cash at bank	4,170,585	4,062,360
Cash on hand	-	-
Short term deposits	36,559	36,319
Total cash and cash equivalents	4,207,144	4,098,679
Note 5B: Trade and other receivables		
Receivables from other reporting units		
New South Wales	44,303	22,634
Queensland	131,538	21,248
South Australia	3,944	4,280
Tasmania	21,642	15,850
Victoria	11,798	5,523
Western Australia	67,882	165,401
Total receivables from other reporting units	281,107	234,936
Less allowance for expected credit losses		
Allowance for expected credit losses - AWU Branches	-	-
Total allowance for expected credit losses	-	-
Receivable from other reporting units (net)	281,107	234,936
Other receivables:		
Other trade receivables	174,224	480,147
Allowance for expected credit losses - Other Receivables	-	-
Total other receivables	174,224	480,147
Total trade and other receivables (net)	455,331	715,083

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2023**

	2023	2022
	\$	\$
NOTE 5. CURRENT ASSETS (cont'd)		
The movement in the allowance for expected credit losses of trade and other receivables is as follows:		
At 1 July	-	(18,000)
Provision for expected credit losses	-	(21,000)
Write-off	-	30,964
Write-back	-	8,036
At 30 June	-	-
Note 5C: Other current assets		
Accrued interest & other Income	59,265	8,073
Term deposits	1,200,000	1,200,000
Prepaid Rent - FY 2023 / 2023	110,000	110,000
Prepayments	237,604	490,635
Total other current assets	1,606,869	1,808,708
NOTE 6. NON CURRENT ASSETS		
Note 6A: Land and buildings		
Land and buildings:		
At cost	8,099,655	8,203,783
Less: accumulated depreciation	(3,041,148)	(3,100,945)
Total land and buildings	5,058,507	5,102,838
<i>Reconciliation of the opening and closing balances of land and buildings</i>		
As at 1 July		
Gross book value	8,203,783	8,910,783
Accumulated depreciation and impairment	(3,100,945)	(3,075,310)
Net book value 1 July	5,102,838	5,835,473
Disposal	(674,890)	(707,000)
Additions	570,765	-
Write Back	216,534	126,771
Depreciation expense	(156,740)	(152,406)
Net book value 30 June	5,058,507	5,102,838
Net book value as of 30 June represented by:		
Gross book value	8,099,655	8,203,783
Accumulated depreciation and impairment	(3,041,148)	(3,100,945)
Net book value 30 June	5,058,507	5,102,838
Note 6B: Plant and equipment		
Plant and equipment:		
At cost	626,483	546,629
Less: accumulated depreciation	(418,194)	(447,691)
Total plant and equipment	208,289	98,938
<i>Reconciliation of the opening and closing balances of plant and equipment</i>		
As at 1 July		
Gross book value	546,629	539,838
Accumulated depreciation and impairment	(447,691)	(408,498)
Net book value 1 July	98,938	131,340
Additions	180,701	36,425
Disposals	(100,846)	(29,634)
Write back	100,846	29,634
Depreciation expense	(71,350)	(68,828)
Other	-	-
Net book value 30 June	208,289	98,938
Net book value as of 30 June represented by:		
Gross book value	626,483	546,629
Accumulated depreciation and impairment	(418,194)	(447,691)
Net book value 30 June	208,289	98,938

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2023

	2023	2022
	\$	\$
NOTE 6. CURRENT ASSETS (cont'd)		
Note 6C: Intangible Assets		
Website expenses / computer software		
At cost	263,367	263,367
Less: accumulated depreciation	(210,693)	(158,020)
Total Intangible Assets	<u>52,674</u>	<u>105,347</u>
<i>Reconciliation of the opening and closing balances of Intangible Assets</i>		
As at 1 July		
Gross book value	263,367	263,367
Accumulated depreciation and impairment	(158,020)	(105,347)
Net book value 1 July	<u>105,347</u>	<u>158,020</u>
Additions	1	1
Disposals	-	-
Write back	-	-
Depreciation expense	(52,673)	(52,673)
Other	-	-
Net book value 30 June	<u>52,674</u>	<u>105,347</u>
Net book value as of 30 June represented by:		
Gross book value	263,367	263,367
Accumulated depreciation and impairment	(210,693)	(158,020)
Net book value 30 June	<u>52,674</u>	<u>105,347</u>
Note 6D: Other Investments		
Financial assets at fair value through profit and loss;		
Chifley Financial Services	-	-
Chifley Services Pty Ltd as trustee for the Chifley Trading Trust	165,000	165,000
ACTU Financial Services	13,462	13,462
Newcrest Mining	2,642	2,089
Bluescope Steel	2,055	1,590
Rio Tinto	6,881	6,162
Provisions for diminution	(13,460)	(13,460)
	<u>176,580</u>	<u>174,843</u>
Note 6E: Trade and other receivables		
AWU Western Australia	-	<u>165,401</u>
Note 6F: Other Non-current assets		
Prepayment - AWU NSW	<u>880,000</u>	<u>990,000</u>
NOTE 7. CURRENT LIABILITIES		
Note 7A: Trade Payables		
Trade Creditors and accruals	312,281	201,752
Trade Creditors	<u>312,281</u>	<u>201,752</u>
Payable to other reporting entities		
New South Wales	112	-
South Australia	-	-
Tasmania	-	-
Victoria	-	-
Total trade payable to Branches	112	-
Total Trade Creditors and accruals	<u>312,393</u>	<u>201,752</u>

Settlement is usually made in 14 days.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2023

	2023	2022
	\$	\$
NOTE 7. CURRENT LIABILITIES(cont'd)		
Note 7B: Other Payables		
Wages and salaries	33,742	-
Superannuation	-	-
Payable to employers for making payroll deductions of membership subscriptions	-	-
Legal costs		
Litigation	-	-
Other legal matters	2,930	-
Unearned revenue	-	-
GST payable / receivable - net	42,376	43,198
PAYG payable	51,956	61,356
Other	89,503	127,012
Total Other Payables	<u>220,507</u>	<u>231,566</u>
Total other payables are expected to be settled in		
No more than 12 months	220,507	231,566
More than 12 months	-	-
Total other payables	<u>220,507</u>	<u>231,566</u>
Note 7C: Provisions		
Elected Representatives (Holders of Office)		
Annual leave	34,125	81,527
Long service leave	637,512	444,897
Separation and redundancies	-	-
Other	-	-
	<u>671,637</u>	<u>526,424</u>
Employees (Other than Holders of Office)		
Annual leave	234,098	234,248
Long service leave	306,032	276,287
Separation and redundancies	-	-
Other	-	-
	<u>540,130</u>	<u>510,535</u>
Total Provisions	<u>1,211,767</u>	<u>1,036,959</u>
CURRENT - Provision for employee benefits		
Elected representatives	671,637	526,424
Employees	540,130	462,441
	<u>1,211,767</u>	<u>988,865</u>
NON-CURRENT - Provision for employee benefits		
Employees	-	48,094
	<u>-</u>	<u>48,094</u>
Total Provision for employee benefits	<u>1,211,767</u>	<u>1,036,959</u>
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>3,136,849</u>	<u>3,136,849</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>149,250</u>	<u>149,250</u>
	<u>3,286,099</u>	<u>3,286,099</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.

FOR THE YEAR ENDED 30 JUNE, 2023

	2023	2022
	\$	\$
NOTE 9. Lease		
Lease liabilities are presented in the statement of financial position as follows:		
Current	41,906	-
Non-Current	53,684	-
Total Leases	95,589	-

The National Office leases a commercial office building at Level 2, 215-217 Clarence Street, Sydney. This lease imposes a restriction that, unless there is a contractual right for the National Office to sublet the asset to another party, the right-of-use asset can only be used by the National Office. This Lease is either non-cancellable or may only be cancelled by incurring a substantive termination fee. The National Office is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings, the National Office must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the National Office must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

The table below describes the nature of the National Office leasing activities by type of right-of-use asset recognised on the statement of financial position:

Right of use asset	No of right of use assets leased	Range of remaining term	Average remaining term	No of leases with extension options	No of leases with variable payments linked to index	No of leases with termination options
Land and buildings	1	3	3	1	-	-

Future minimum lease payments at 30 June 2023 were as follows:

	Minimum lease payments due						
	30-Jun-23	Within 1 year	1-2 years	2-3 years	3-4 years	After 4	Total
Lease payments		41,906	43,582	18,455	-	-	103,942
Finance charges		(5,316)	(2,732)	(306)	-	-	8,353
Net present value		36,590	40,850	18,149	-	-	95,589
30-Jun-22							
Lease payments		-	-	-	-	-	-
Finance charges		-	-	-	-	-	-
Net present value		-	-	-	-	-	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2023

	2023	2022
	\$	\$
NOTE 10. CASH FLOW INFORMATION		
Reconciliation of cash flow from operations with total comprehensive income for the year		
Total Comprehensive Income / (Loss) for the year	(891,549)	661,039
Non-cash flow items in operating surplus		
Depreciation	303,181	273,907
Net loss / (gain) on disposal of property, plant and equipment	111,541	(914,934)
Net loss on disposal of Investments	67,015	-
Unrealised (loss) gain on Investments	1,737	(2,481)
Changes in assets and liabilities		
Decrease / (Increase) in Subsidies Receivable	119,231	323,580
(Increase) / Decrease in Other assets	617,762	(1,740,734)
(Decrease) / Increase in Payables	99,582	(38,816)
Increase / (Decrease) in Provisions	174,808	102,232
Cash from operations	<u>603,308</u>	<u>(1,336,208)</u>
Receipts from Branches		
New South Wales	1,785,999	1,656,970
Queensland	1,557,029	1,669,937
South Australia	268,696	287,730
Tasmania	225,187	210,295
Victoria	962,487	951,579
Western Australia	1,172,304	1,063,995
	<u>5,971,701</u>	<u>5,840,506</u>
Receipts from external parties		
Directors Fees	264,511	210,260
Sponsorship	492,099	344,500
Grants	220,000	200,000
Property Settlement	283,604	1,598,592
Insurance Recovery	-	-
Other	437,964	32,594
Total	<u>1,698,177</u>	<u>2,385,945</u>
Payments to Branches		
New South Wales	139,191	1,394,802
Queensland	21,175	35,551
South Australia	22,712	22,051
Tasmania	15,217	14,986
Victoria	58,865	216,264
Western Australia	20,441	17,600
	<u>277,602</u>	<u>1,701,254</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2023

	2023	2022
	\$	\$
NOTE 11. CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS		
Note 11A: 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	19,872	19,872
between 12 months and 5 years	-	19,872
	19,872	39,744

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 May 2024.

Note 11B: Contingent Liabilities

Bereavement payments during the financial year totalled	76,500	61,500
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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 11C: Contingent Assets

The AWU National Office has no Contingent Assets.

NOTE 12. RELATED PARTY TRANSACTIONS

Note 12A. Related Party Transactions for the Reporting Period

Transactions between related parties are as follows:-

Revenue

Subsidy income from branches	3A	3,924,822	3,827,332
Rental income from Western Australia Branch		44,800	44,800
Income received from Chifley Financial Services		50,565	39,535
Legal expenses - shared with Branches			
New South Wales		12,400	26,651
Queensland		19,902	25,771
South Australia		702	603
Tasmania		488	1,778
Victoria		6,691	7,211
Western Australia		6,166	4,662

Expenses - shared with Branches

New South Wales	646,530	497,661
Queensland	266,960	250,954
South Australia	19,618	(41,984)
Tasmania	34,669	27,103
Victoria	166,888	189,598
Western Australia	206,426	240,160

Expenses

Interest on loan		
Tasmania	(5,746)	(5,746)
Donations		
New South Wales	-	-
Queensland	-	-
South Australia	-	-
Tasmania	-	-
Victoria	-	-
Western Australia	-	-
	5,401,880	5,136,089

We received commission fees of \$50,565 (2022: \$39,535) from Chifley Services Pty Ltd at Chifley Trading Trust.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2023

		2023		2022
		\$		\$
NOTE 12. RELATED PARTY TRANSACTIONS (cont'd)				
<i>Receivables and payables:-</i>				
Receivables from Branches	5B	281,107		234,936
Sundry receivables from Branches		-		-
		<u>281,107</u>		<u>234,936</u>
Loans payable to Branches	8	(3,286,099)		(3,286,099)
Liability for long service leave of Branches staff				
New South Wales		-		-
Queensland		(158,973)		(158,973)
		<u>(3,445,072)</u>		<u>(3,445,072)</u>

(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 2023, the Union has recorded an impairment of receivables relating to amounts owed by related parties and declared person or body for \$ Nil (2021: \$18,000). 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 12B. 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

		2023		2022
		\$		\$
Transaction with Key Management Personnel				
Short Term Employee Benefits				
Wages and salaries		451,120		484,949
Annual leave accrued		107,657		38,962
Separation and redundancies		-		-
Other employee expenses		18,483		14,318
Total short term employee benefits		<u>577,260</u>		<u>538,229</u>
Post-employment benefits				
Superannuation		50,291		56,299
Total post-employment benefits		<u>50,291</u>		<u>56,299</u>
Other long term benefits				
Long service leave		163,575		57,023
Total other long-term benefits		<u>163,575</u>		<u>57,023</u>
Total		<u>791,126</u>		<u>651,551</u>

NOTE 13A. 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2023

NOTE 13A. FINANCIAL RISK MANAGEMENT (cont'd)

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

	2023	2022
	\$	\$
The union is not significantly exposed to this risk, as at 30 June 2023 it had;		
Cash and Term deposits < 3 months to meet these obligations as they fall due.	4,207,144	4,098,679
Total Current Liabilities < 12 Months	5,072,672	4,708,282

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:

e. Interest rate risk (continued)

	Floating Interest Rate	Non interest Bearing	Total
	\$	\$	\$
30-June-2023			
Financial Assets			
Cash	4,207,144	-	4,207,144
Investments	-	176,580	176,580
Trade and other receivables	1,200,000	862,200	2,062,200
	5,407,144	1,038,780	6,445,924
Weighted average interest rate	2.50%		
Financial Liabilities			
Payables	-	3,860,905	3,860,905
	-	3,860,905	3,860,905
Net Financial Assets/(Liabilities)	5,407,144	(2,822,125)	2,585,020

FOR THE YEAR ENDED 30 JUNE, 2023

NOTE 13A. FINANCIAL RISK MANAGEMENT (cont'd)

30-June-2022

Financial Assets

Cash	4,098,679	-	4,098,679
Investments	-	174,843	174,843
Trade and other receivables	1,200,000	1,323,791	2,523,791
	<u>5,298,679</u>	<u>1,498,634</u>	<u>6,797,313</u>

Weighted average interest rate 0.53%

Financial Liabilities

Payables	-	3,719,417	3,719,417
	<u>-</u>	<u>3,719,417</u>	<u>3,719,417</u>
Net Financial Assets/(Liabilities)	<u>5,298,679</u>	<u>(2,220,784)</u>	<u>3,077,896</u>

Sensitivity Analysis

	Carrying Amount	+1% (100 Basis Points) Profit	-1% (100 Basis Points) Loss
	\$	\$	\$
2023			
Cash and cash equivalents	<u>5,407,144</u>	<u>54,071</u>	<u>(54,071)</u>
2022			
Cash and cash equivalents	<u>5,298,679</u>	<u>52,987</u>	<u>(52,987)</u>

f. Other Price Risks

The Union has minor investments in Rio Tinto Newcrest Mining and Blue Scope Steel where the net carrying value is \$11,578 (2022: \$9,841) 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 \$165,000 (2022: \$165,000) 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 13B: NET INCOME AND EXPENSE FROM FINANCIAL ASSETS

	2023	2022
	\$	\$
Financial assets at fair value through profit or loss		
Held for trading:		
Change in fair value	-	-
Interest revenue	49,543	6,560
Dividend revenue	516	931
Exchange gains/(loss)	-	-
Total held for trading	<u>50,059</u>	<u>7,491</u>
Net income/(expense) from financial assets	<u>50,059</u>	<u>7,491</u>

NOTE 13C: NET INCOME AND EXPENSE FROM FINANCIAL LIABILITIES

At amortised costs

Interest expense	<u>(5,746)</u>	<u>(5,746)</u>
Net gain / (loss) from financial liabilities	<u>(5,746)</u>	<u>(5,746)</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2023

NOTE 14. UNION INFORMATION

The Australian Workers' Union – National Office
 Level 2, 16 Good Street
 GRANVILLE, NSW, 2142

NOTE 15. 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).

NOTE 16. FAIR VALUE MEASUREMENT

Note 16A 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 2023 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 2023 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 amount 2023 \$	Fair value 2023 \$	Carrying amount 2022 \$	Fair value 2022 \$
Financial assets				
Trade receivables	455,331	455,331	880,484	880,484
Cash and cash equivalents	4,207,144	4,207,144	4,098,679	4,098,679
Term deposits	1,200,000	1,200,000	1,200,000	1,200,000
Other investments	176,580	176,580	174,843	174,843
Total	6,039,055	6,039,055	6,354,006	6,354,006
Financial liabilities				
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	146,708	146,708	33,843	33,843
Total	3,432,807	3,432,807	3,319,942	3,319,942

NOTE 16. FAIR VALUE MEASUREMENT (cont'd)

Note 16B: 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 2023

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		\$	\$	\$
Shares in listed companies	30/06/2023	11,578	-	-
Shares in private companies	30/06/2023	-	165,000	-
Total		11,578	165,000	-

There were no transfers between classes during the year ended 30 June 2023.

Fair value hierarchy – 30 June 2022

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		\$	\$	\$
Shares in listed companies	30/06/2022	9,841	-	-
Shares in private companies	30/06/2022	-	165,000	-
Total		9,841	165,000	-

There were no transfers between classes during the year ended 30 June 2022.

THE AUSTRALIAN WORKERS' UNION
OFFICER DECLARATION STATEMENT
FOR THE YEAR ENDED 30 JUNE, 2023

I, Paul Farrow, 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 2023.

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
- make a payment to a former related party of the reporting unit
- have another entity administer the financial affairs of the reporting unit
- have revenue from recovery of wages activity
- pay a penalty imposed under the RO Act or the Fair Work Act 2009 (RG 14(k))



PAUL FARROW

NATIONAL SECRETARY - THE AUSTRALIAN WORKERS' UNION

DATED: 17 OCTOBER 2023
