



Australian Government

Australian Industrial Registry

Level 36, 80 Collins Street
Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7777
Fax: (03) 9655 0401
Email: melbourne@air.gov.au

Mr Martin Pritchard
Branch Secretary
Western Australian Branch
National Union of Workers
PO Box Y3436
St George's Terrace
EAST PERTH WA 6832

Dear Mr Pritchard,

**National Union of Workers – Western Australian Branch
Financial Report for the Year Ended 30th June 2006 - FR2006/412
Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)**

Thank you for the financial report of the Western Australian Branch of the National Union of Workers for the year ended 30th June 2006. The documents were lodged in the Industrial Registry on 19th January 2007. I apologise for the delay in responding.

The documents have been filed.

I make the following comments to assist you in preparing financial documents in the future. You do not need to take any further action in respect of the documents that have been lodged.

Late Lodgement of Documents in the Registry

Section 268 of the RAO Schedule requires the Branch to lodge its financial documents with the Registry within 14 days of the date of the meeting at which they were presented. The financial documents were presented to a meeting of the Branch's Committee of Management on 9th November, 2006, meaning that they should have been lodged with the Industrial Registry by 23rd November, 2006. They were not, however, lodged with the Registry until 19th January, 2007, meaning that they were nearly two months late.

You are requested to lodge documents within the 14 day period in future.

Auditor's Report and Letter – Qualification Regarding Membership Contributions

For a number of years now the Auditor's Report has contained a qualification regarding membership contributions stating that the Branch has 'determined that it is impracticable to establish control over the collection of membership contributions prior to entry in the financial records. Accordingly, as the evidence available to us regarding receipts from this source was limited, our audit procedures with respect to membership contributions have to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether membership contributions the Branch received are complete.'

In addition, a letter from Mr Jim Mustica CPA on Branch letterhead has provided the following explanation:

The nature of Union Membership income necessarily means that the receipts are received after the period to which they relate. The majority of Contribution Income is received by way of Payroll Deductions. They are usually withheld from the employees' payroll by the employer company and remitted periodically to us...

Additionally, because of the "turnover" of members, we cannot rely on members employed by any particular employers, necessarily being the same from period to period.

As a result, the normal business practice of Debtor Invoicing and Collection cannot be applied...

The practice referred to in the auditors qualification is that Income is recognised (recorded in the accounts) as soon as the related funds are received i.e., an Invoice is raised and a Receipt against that invoice processed at the time the funds are received. The audit process (after the relative year end) is finalised, usually, at least two (2) months after the year end which, usually, allows enough time for the "lagged" Contribution Income to be received and recorded in the accounts.

As has been previously advised, this is not consistent with the requirements of the RAO Schedule. Item 10(a) of the Registrar's Reporting Guidelines requires membership subscriptions to be disclosed by the Branch in accordance with Australian Accounting Standards (and subsection 253(2)(b)(ii) of the RAO Schedule states that the General Purpose Financial Report (GPFR) must include the information required by the Reporting Guidelines). Further, subsection 257(5) of the RAO Schedule requires the Auditor to report regarding whether the GPFR is presented fairly in accordance with Australian Accounting Standards and the RAO Schedule.

Please contact me by email at ailsa.carruthers@air.gov.au on a Monday, Wednesday or Thursday if you wish to discuss this letter.

A copy of the financial report has been placed on the website maintained by the Industrial Registry at <http://www.e-airc.gov.au/080Vwa>.

Yours sincerely,



Ailsa Carruthers
Statutory Services Branch

29th August, 2007

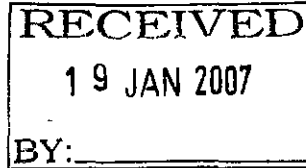
MARIS

5th Floor,
25 Barrack Street,
Perth WA 6000

Telephone (08) 9221 4321

Fax (08) 9221 2774

nuw@nuwwa.asn.au



21st December 2006

The Registrar
Australian Industrial Registry
GPO Box 1994S
MELBOURNE VIC 3001

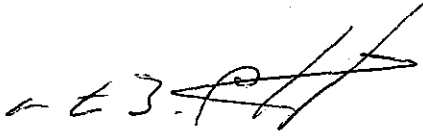
Dear Sir

RE: Financial Documents – 30 June 2006
National Union of Workers (Western Australian Branch)

Please find attached a copy of the Operating Report, General Purpose Financial Report and Auditor's Report in relation to the National Union of Workers (Western Australian Branch) for the year ended 30 June 2006.

The above mentioned documents contain the appropriate information and certificates as required by legislation and are submitted for filing.

Yours faithfully,


MARTIN PRITCHARD
BRANCH SECRETARY

Enc

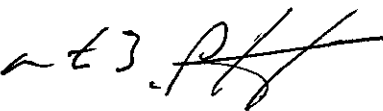
Designated Officer's Certificate
S268 of Schedule 1B Workplace Relations Act 1996

I, Martin Pritchard being the Branch Secretary of the National Union of Workers (Western Australian Branch) certify:

That the documents lodged herewith are copies of the full report, referred to in s268 of the RAO Schedule; and

That the full report, was provided to members on 1st December 2006; and

That the full report was presented to a meeting of the committee of management of the reporting unit on 14th September 2006 and again on 9th November 2006

Signature: 

Date: 21 December 2006

Operating Report of THE NATIONAL UNION OF WORKERS (WESTERN AUSTRALIAN BRANCH)
(2005/2006 Financial Year)

1. Review of units principal:

- Activities during the financial year
- Results of those activities
- Significant changes in the nature of the activities

- a) During 2005/2006 the branch has watched over and protected the interests of members, maintained reasonable hours of labour and fair wage rates and settled industrial disputes by negotiation, conciliation and arbitration.

There are approximately 43 Certified Agreements which involved the NUW. During the 2005/2006 financial year 21 were negotiated or renegotiated and certified by AIRC or were in the process of being certified. Certified Agreements provide an opportunity to improve the wages and industrial interests of members and provide additional flexibility for employers.

In addition to using certified agreements as a vehicle for furthering the interests for members the safety nets of awards underpinning certified agreements has also been updated in accordance with national wage decisions and for the process of modernization.

- b) Where industrial matters cannot be resolved through negotiation it may be necessary for them to be referred to the AIRC for conciliation and/or arbitration. In this respect approximately one to two matters per month were referred to the AIRC to be dealt with by conciliation and/or arbitration. The bulk of the referrals referred to claims of unfair dismissals and also involved interpretations of certified agreements and awards.
- c) The result of these activities have been general increases in certified agreement wages, allowances and conditions of about 3-5% per annum depending on the industry and employer. There have also been considerable improvements in the flexibility of working arrangements that has benefited many members' particularly female members who may have to combine work with family responsibilities.

Matters referred to the AIRC have been largely resolved to member's satisfaction.

- d) The NUW also handles matters involving work related injuries and has an average of 4 ongoing files being processed during the 2005/2006 financial year.
- e) During the 2005/2006 financial year 3 training courses were conducted.
- f) There have been no significant changes in the activities of the NUW during the 2005/2006 financial year.

2. Details of significant changes in units financial affairs

There have been no significant changes in the Branch's financial affairs.

3. Detail of the right of members to resign under S174

Members of the NUW are entitled to resign pursuant to the Act. The NUW strictly adheres to the resignation from membership provisions, contained therein. Those rights include:

- Resignation by notice in writing.
- Resignation takes effect on the day it is received or the day specified in the notice or at the end of a two week period, whichever is applicable.

4. Details of any officer or member of the reporting unit who is:

- a) A trustee of a superannuation entity or an exempt public sector superannuation scheme: or
- b) A director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme: and

Where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organization.

The Assistant Secretary of the Branch is an alternate director of the Retail Employees Superannuation Trust but this is not a requirement of the fund.

5. Details of membership of the Committee of Management – The following persons held office through the entire period 1 July 2005 to 30 June 2006 unless otherwise indicated.

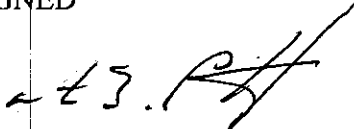
Alexander Miskiewicz	Branch President
Graham Gilchrist	Branch Senior Vice President
Peter Toy	Branch Junior Vice President
Martin Pritchard	Branch Secretary
Joseph Bullock	Branch Assistant Secretary
Edward Benajamin	Branch Member (Retired 9 March 2006)
Christine McIvor (nee Benton)	Branch Member (Retired 9 March 2006)
Garry Farmer	Branch Member (Retired 9 March 2006)
Alison Rushack	Branch Member
Sebastiano Scata	Branch Member
George Hawkins	Branch Member (Retired 9 March 2006)
Keith Mann	Branch Member (Retired 9 March 2006)
Christopher Saitch	Branch Member (Retired 9 March 2006)

6. Other

- The report is signed and dated
- The number of members of the NUW WA Branch at 30/6/2006 is 959
- The Branch employs 3 employees
- At point (1) the report contains a review of principal activities
- At point (2) are details of significant change of activities that being nil
- At point (3) are details of superannuation trustees
- At point (5) are details of membership of the Committee of Management

SIGNED

DATED 14 September 2006



MARTIN PRITCHARD
BRANCH SECRETARY

17th Jan 2007

Industrial Registrar
Australian Industrial Registry
GPO Box 1994
MELBOURNE VIC 3001

Re: Auditor's Report – Qualification Regarding Membership Contributions

The following details the position with regard to the audit qualification on the 2005/2006 Audit Report:-

The nature of Union Membership income necessarily means that the receipts are received after the period to which they relate. The majority of Contribution Income is received by way of Payroll Deductions. They are usually withheld from the employees' payroll by the employer company and remitted periodically to us (depending on the number of employees on payroll deductions, they may be remitted after the month end, after the quarter end, even after the year end! – although regular follow up on our part ensures that they are received as regularly as is practicable).

Additionally, because of the "turnover" of members, we cannot rely on members employed by any particular employer, necessarily being the same from period to period.

As a result, the normal business practice of Debtor Invoicing and Collection cannot be applied (we have investigated the possibility of using this practice using a cost/benefit approach and it is just not cost effective).

The practice referred to in the auditors qualification is that Income is recognised (recorded in the accounts) as soon as the related funds are received i.e., an Invoice is raised and a Receipt against that invoice processed at the time the funds are received. The audit process (after the relative year end) is finalised, usually, at least two (2) months after the year end which, usually, allows enough time for the "lagged" Contribution Income to be received and recorded in the accounts

Yours sincerely,

JIM MUSTICA CPA



National Union of Workers (Western Australian Branch)

Financial Report
for the financial year ended 30 June 2006

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**National Union of Workers
(Western Australian Branch)**

Committee of Management Statement

We, Martin Pritchard and Joseph Warrington Bullock, being two members of the Committee of Management of the National Union of Workers (Western Australian Branch), do declare on behalf of the Committee and in accordance with a resolution passed by the Committee on 14 September 2006, that in the opinion of the Committee:

1. The financial statement and notes comply with the Australian Accounting Standards;
2. The financial statement and notes comply with the reporting guidelines of the Industrial Registrar;
3. The financial statement and notes give a true and fair view of the financial performance, financial position and cash flows of the Branch for the financial year to which they relate;
4. There are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
5. During the year ended 30 June 2006 and since the end of that year;
 - (i) Meetings of the Committee of Management were held in accordance with the rules of the National Union of Workers including the rules of the Branch; and
 - (ii) The financial affairs of the Branch have been managed in accordance with the rules of the National Union of Workers including the rules of the Branch; and
 - (iii) The financial records of the Branch have been kept and maintained in accordance with the Workplace Relations (Registration and Accountability of Organisations) Regulations ("RAO Regulations") and the Registration and Accountability of Organisations Schedule ("RAO Schedule"); and
 - (iv) The financial records of the Branch have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the National Union of Workers; and
 - (v) The information sought in any request of a member of the Branch or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - (vi) There has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.


MARTIN PRITCHARD
Branch Secretary


JOSEPH WARRINGTON BULLOCK
Assistant Branch Secretary

Date: 14th September 2006
Perth, WA

Independent audit report to members of National Union of Workers (Western Australian Branch)

Scope

The financial report and committee of management's responsibility

The financial report comprises the balance sheet, income statement, statement of cash flows, statement of changes in equity, accompanying notes to the financial statements and the committee of management's statement for the National Union of Workers (Western Australian Branch) (the Branch), for the year ended 30 June 2006.

The Branch's committee of management is responsible for preparing a financial report that presents fairly the financial position and performance of the Branch, and that complies with Accounting Standards in Australia, in accordance with the Workplace Relations Act 1996 and the Branch's rules. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit of the financial report in order to express an opinion on it to the members of the Branch. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance the Workplace Relations Act 1996, including compliance with Accounting Standards, other mandatory financial reporting requirements in Australia, and the Branch's rules, a view which is consistent with our understanding of the Branch's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the committee of management.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial report. These and our other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the committee of management of the Branch.

Independence

We are independent of the Branch, and have met the independence requirements of Australian professional ethical pronouncements.

Qualification

Membership contributions are a significant source of receipts for the Branch. The Branch has determined that it is impracticable to establish control over the collection of membership contributions prior to entry in the financial records. Accordingly, as the evidence available to us regarding receipts from this source was limited, our audit procedures with respect to membership contributions have to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether membership contributions the Branch received are complete.

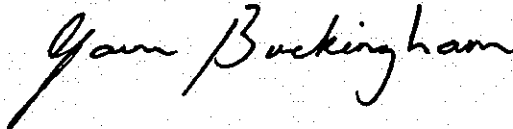
Qualified Audit opinion

In our opinion, except for the effects on the financial report of such adjustments, if any, as might have been required had the limitation referred to in the qualification paragraph above not existed, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Workplace Relations Act, 1996 the financial position of the National Union of Workers (Western Australian Branch) as at 30 June 2006, and its financial performance and its cash flows for the year then ended.

We have obtained all of the information and explanation required from the National Union of Workers (Western Australian Branch).



Ernst & Young



Gavin A Buckingham

A member of The Institute of Chartered Accountants in Australia and current Public Practice Certificate holder

Perth

22 September 2006

**National Union of Workers
(Western Australian Branch)**

**Balance Sheet
as at 30 June 2006**

	Note	2006 \$	2005 \$
CURRENT ASSETS			
Cash and cash equivalents		152,703	182,644
Receivables- contributions		18,609	18,101
Other assets – prepayments		4,139	475
GST receivable		-	2,751
TOTAL CURRENT ASSETS		175,451	203,971
NON CURRENT ASSETS			
Property, plant and equipment	4	14,233	18,688
TOTAL NON CURRENT ASSETS		14,233	18,688
TOTAL ASSETS		189,684	222,659
CURRENT LIABILITIES			
Trade and Other Payables		27,310	38,485
Provision for audit fee		5,000	5,000
TOTAL CURRENT LIABILITIES		32,310	43,485
TOTAL LIABILITIES		32,310	43,485
NET ASSETS		157,374	179,174
Represented by:			
ACCUMULATED FUNDS			
General fund – opening		179,174	188,240
Surplus/(Deficit) for the year		(21,800)	(9,066)
TOTAL ACCUMULATED FUNDS		157,374	179,174

The accompanying notes form an integral part of these financial statements.

**National Union of Workers
(Western Australian Branch)**

**Income Statement
for the Year Ended 30 June 2006**

	2006 \$	2005 \$
REVENUE FROM CONTINUING OPERATIONS		
Membership contributions	224,729	209,879
Interest	5,790	4,778
Other income	9,939	600
TOTAL REVENUE AND INCOME	240,458	215,257
EXPENDITURE		
Affiliation – Australian Labor Party	2,781	4,289
Affiliation – Unions WA (Trades and Labour Council)	5,185	4,405
Amenities & Functions	5,637	4,435
Audit fees	4,538	5,630
Bank charges and taxes	409	626
Commissions on contributions collected	2,390	4,127
Depreciation	4,455	3,589
Insurance	15,463	10,674
Levies	7,447	11,500
Meeting expenses – interstate	15,572	12,623
National executive dues – NUW National Office	35,783	34,276
Printing and stationery	13,457	7,819
Service fee – SDA of WA	21,464	20,819
Shopper cards	391	163
Sundry expenses/Organiser refunds	11,722	17,452
Superannuation		
- Members of Committee of Management	12,317	8,325
- Other employees	2,438	1,713
Salaries		
- Members of Committee of Management	71,541	48,969
- Other employees	27,288	20,403
Employee Expenses	1,980	2,486
TOTAL EXPENDITURE	262,258	224,323
(DEFICIT) FOR THE YEAR	(21,800)	(9,066)

The accompanying notes form an integral part of these financial statements.

**National Union of Workers
(Western Australian Branch)**

**Statement of Cash Flows
for the Year Ended 30 June 2006**

	Note	2006 \$ Inflows (Outflows)	2005 \$ Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Contributions and other revenue received		234,667	205,527
Payments for operations and to employees	3	(270,398)	(210,392)
Interest received		5,790	4,778
		<hr/>	
NET CASH (UTILISED) / PROVIDED BY OPERATING ACTIVITIES		(29,941)	(87)
<hr/>			
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-	(22,277)
Repayment of loan to FPU		-	30,000
		<hr/>	
NET CASH PROVIDED BY INVESTING ACTIVITIES		-	7,723
<hr/>			
NET (DECREASE) / INCREASE IN CASH HELD		(29,941)	7,636
<hr/>			
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		182,644	175,008
		<hr/>	
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		152,703	182,644
		<hr/> <hr/>	

The accompanying notes form an integral part of these financial statements.

**National Union of Workers
(Western Australian Branch)**

**Statement of Changes in Equity
for the Year Ended 30 June 2006**

	2006 \$
Funds as at 1 July 2004	188,240
Deficit for the year	(9,066)
Funds as at 30 June 2005	<hr/> 179,174
Deficit for the year	(21,800)
Funds as at 30 June 2005	<hr/> <hr/> 157,374

The accompanying notes form an integral part of these financial statements.

**National Union of Workers
(Western Australian Branch)**

**Notes To and Forming Part of the Accounts
for the Year Ended 30 June 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

This general purpose financial report has been prepared for distribution to members of the Branch to satisfy the Committee of Managements reporting responsibilities imposed by the Workplace Relations Act 1996. The accounts have been prepared on an accrual basis of accounting and in accordance with the disclosure requirements specified by all applicable Accounting Standards and UIG Consensus Views.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

This is the first financial report based on AIFRS, however, no restatement of comparative for the year ended 30 June 2005 was needed.

Certain Australian Accounting Standards and UIG interpretations have recently been issued or amended but are not yet effective and have not been adopted by the group for the annual reporting period ended 30 June 2006:

AASB Amend-ment	Affected Standard (s)	Nature of change to accounting policy	Application date of standard	Application date for Entity
2004-3	AASB 1 <i>First-time adoption of AIFRS</i> AASB 101 <i>Presentation of Financial Statements</i> AASB 124 <i>Related Party Disclosures</i>	No change to accounting policy required. Therefore no impact.	1 January 2006	1 July 2006
2005-1	AASB 139 <i>Financial Instruments: Recognition and Measurement</i>	No change to accounting policy required. Therefore no impact	1 January 2006	1 July 2006
2005-4	AASB 139 <i>Financial Instruments: Recognition and Measurement</i> , AASB 132 <i>Financial Instruments: Disclosure and Presentation</i> , AASB 1 <i>First-time adoption of AIFRS</i> , AASB 1023 <i>General insurance Contracts</i> and AASB 1038 <i>Life Insurance Contracts</i>	No change to accounting policy required. Therefore no impact	1 January 2006	1 July 2006

**National Union of Workers
(Western Australian Branch)**

**Notes To and Forming Part of the Accounts
for the Year Ended 30 June 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Statement of compliance

2005-5	AASB 1 <i>First-time adoption of AIFRS</i> and AASB 139 <i>Financial Instruments: Recognition and Measurement</i>	No change to accounting policy required. Therefore no impact	1 January 2006	1 July 2006
2005-10	AASB 132 <i>Financial Instruments: Disclosure and Presentation</i> , AASB 101 <i>Presentation of Financial Statements</i> , AASB 114 <i>Segment Reporting</i> , AASB 117 <i>Leases</i> , AASB 133 <i>Earnings per Share</i> , AASB 139 <i>Financial Instruments: Recognition and Measurement</i> , AASB 1 <i>First-time adoption of AIFRS</i> , AASB 4 <i>Insurance Contracts</i> , AASB 1023 <i>General insurance Contracts</i> and AASB 1038 <i>Life Insurance Contracts</i>	No change to accounting policy required. Therefore no impact	1 January 2007	1 July 2006
New Standard	AASB 119 <i>Employee Benefits</i>	No change to accounting policy required. Therefore no impact	1 January 2006	1 July 2006
New Standard	AASB 7 <i>Financial Instruments: Disclosures</i>	No change to accounting policy required. Therefore no impact	1 January 2007	1 July 2006

The following amendments are not relevant or applicable to the entity and therefore have no impact.

AASB Amendment	Affected Standard (s)
2005-6	AASB 3 <i>Business Combinations</i>
2005-9	AASB 4 <i>Insurance Contracts</i> , AASB 1023 <i>General insurance Contracts</i> , AASB 139 <i>Financial Instruments: Recognition and Measurement</i> and AASB 132 <i>Financial Instruments: Disclosure and Presentation</i>
2006-1	AASB 121 <i>The Effects of Change in Foreign Currency Rates</i>
	UIG 4 <i>Determining whether an Arrangement contains a Lease</i>
	UIG 5 <i>Rights to Interests in Decommissioning, Restoration and Environmental Rehabilitation Funds</i>

**National Union of Workers
(Western Australian Branch)**

**Notes To and Forming Part of the Accounts
for the Year Ended 30 June 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Statement of compliance (continued)

AASB Amendment	Affected Standard (s)
	<i>UIG 6 Liabilities Arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment</i>
	<i>UIG 7 Applying the Restatement Approach under AASB 129 Financial Reporting in Hyperinflationary Economies</i>
	<i>UIG 8 Scope of AASB 2</i>
	<i>UIG 9 Reassessment of Embedded Derivatives</i>

(c) Income Tax

Under Section 50-15 of the Income Tax Assessment Act 1997, the Branch is exempt from income tax.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

Depreciation is calculated on a straight line basis over the estimated useful lives of 5 years.

(e) Impairment

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

An impairment exist when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount. For plant and equipment, impairment losses are recognised in the income statement.

(f) Contributions by Members

Gross contributions by members are shown. Commissions deducted by employers as payment for collection services are shown separately as an expense. Contributions by members have been brought to account on an accruals basis. The amount of contributions receivable at 30 June 2006 has been accrued for via a review of subsequent cash receipts to 18 August 2006. Due to the nature of this revenue, it is not practicable to establish controls over it prior to the initial entry in the accounting records.

**National Union of Workers
(Western Australian Branch)**

**Notes To and Forming Part of the Accounts
for the Year Ended 30 June 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Revenue Recognition

Revenue other than contributions from members is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Rendering of services

Where the contract outcome can be reliably measured:

- control of a right to be compensated for the services has been attained and the stage of completion can be reliably measured.

Where the contract outcome cannot be reliably measured:

- revenue is recognised only to the extent that costs have been incurred.

(ii) Interest Income

The Union has elected to apply the options available under AASB 1 of adopting AASB 132 and AASB 139 from 1 July 2005. Outlined below are the relevant accounting policies for interest income applicable for the years ending 30 June 2006 and 30 June 2005.

Accounting policies applicable for the year ending 30 June 2006

Revenue is recognised as interest accrues using effective interest rate method. This is a method of calculating the amortised cost of a financial assets and allocating interest income over the relevant period using the effective interest rate, which is the rate that exactly discount the future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Accounting policies applicable for the year ending 30 June 2005

Revenue is recognised when the Union's right to receive payment is established.

**National Union of Workers
(Western Australian Branch)**

**Notes To and Forming Part of the Accounts
for the Year Ended 30 June 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Cash Flows Statement

For the purposes of the Statement of Cash Flows, cash and cash equivalents consists of cash on hand and in banks (excluding bank accounts specifically designated for particular purposes and disclosed as investments), net of outstanding bank overdrafts.

(j) Trade and Other Payables

The Branch has elected to apply the options available under AASB 1 of adopting AASB 132 and AASB 139 from 1 July 2005. Outlined below are the relevant accounting policies for trade and other payables applicable for the years ending 30 June 2006 and 30 June 2005.

Accounting policies applicable for the year ending 30 June 2006

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Branch prior to the end of the financial year that are unpaid and arise when the Branch becomes obliged to make future payments in respect of the purchase of these goods and services.

Accounting policies applicable for the year ending 30 June 2005

Trade payables and other payables are carried at costs which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Branch.

(k) Goods and Services Tax

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

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the expense item; and
- receivables and payables are stated with the amount of GST included.

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

**National Union of Workers
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**Notes To and Forming Part of the Accounts
for the Year Ended 30 June 2006**

2. INFORMATION TO BE PROVIDED TO MEMBERS OR A REGISTRAR

In accordance with the requirements of the Workplace Relations Act 1996, the attention of members is drawn to the provisions of Sub-Sections (1), (2) and (3) of Section 272, which reads as follows:

- (1) A member of a reporting unit, or a Registrar, 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).

3. RELATED PARTY TRANSACTIONS

i. Affiliation Dues and National Executive Dues

Affiliation dues are payable to the ALP to enable members to have voting rights in the ALP. The affiliation dues are based on membership and determined by the ALP. National Executive dues are payable to the National Union of Workers National Office and are payable based on membership income. Amount payable as at 30 June 2006 is \$10,148.

ii. Levies

Levies are paid to the National Office of the National Union of Workers at rates determined by the National Office. Levies are paid for the purpose of the ACTU Fighting Fund.

iii. Services Fees

Services fees are received from The Food Preservers Union Western Australia Union of Workers at rates determined by the National Union of Workers (Western Australia). The nature of the fees is the administration charges.

4. PROPERTY, PLANT AND EQUIPMENT

	2006	2005
	\$	\$
Motor Vehicles, at cost	22,277	22,277
Accumulated Depreciation Motor Vehicles	(8,044)	(3,589)
Motor Vehicles, at written down value	14,233	18,688

**National Union of Workers
(Western Australian Branch)**

**Notes To and Forming Part of the Accounts
for the Year Ended 30 June 2006**

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliations

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year	2006 \$	2005 \$
<i>Motor Vehicles</i>		
Carrying amount at beginning	18,688	-
Additions	-	22,277
Disposals/write offs	-	-
Depreciation expense	(4,455)	(3,589)
	<u>14,233</u>	<u>18,688</u>

5. SEGMENT REPORTING

The Branch operated in the trade union business in Western Australia.

6. FINANCIAL INSTRUMENTS

i. Interest Rate Risk

Cash is held in a floating interest rate bank account or term deposit. The weighted average interest rate on cash balances was 5.15% (2005: 5.3%). All other financial assets and liabilities are non-interest bearing.

ii. Fair Value

Receivables and payables are stated at fair value.

**National Union of Workers
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**Notes To and Forming Part of the Accounts
for the Year Ended 30 June 2006**

7. RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES

	2006	2005
	\$	\$
(Deficit) / Surplus for the year	(21,800)	(9,066)
Adjustment for non-cash income and expense items:		
Provisions	-	2,000
Depreciation	4,455	3,589
Changes in assets and liabilities:		
(Increase)/decrease in prepayments	(3,664)	(356)
(Increase)/decrease in receivables	2,243	(2,116)
Increase/(decrease) in payables	(11,175)	5,862
Net cash provided by operating activities	<u>(29,941)</u>	<u>(87)</u>

**National Union of Workers
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**Notes To and Forming Part of the Accounts
for the Year Ended 30 June 2006**

8. REMUNERATION OF COMMITTEE OF MANAGEMENT

The following persons held office through the entire period 1st July 2005 to 30th June 2006 unless otherwise indicated.

Alexander Miskiewicz
Graham Gilchrist
Peter Toy
Martin Pritchard
Joseph Bullock
Edward Benjamin (retired 9 March 2006)
Christine McIvor (retired 9 March 2006)
Garry Farmer (retired 9 March 2006)
Alison Rushack
Sebastiano Scata
George Hawkins (elected 9 March 2006)
Keith Mann (elected 9 March 2006)
Christopher Saitich (elected 9 March 2006)

The total remuneration paid or payable, directly or indirectly, from the Branch or any related party to all the members of the Committee of Management is as follows:

	2006	2005
	\$	\$
<u>Members of Committee of Management</u>		
Salaries and superannuation	83,858	57,294
Non-monetary benefits	1,819	2,486
Total	85,677	59,780
	85,677	59,780