



Australian Government
Australian Industrial Registry

11 March 2009

Mr Joe Bullock
Branch Secretary
NUW WA Branch
5th Floor, 25 Barrack Street
Perth, WA, 6000

By email: nuw@nuwwa.asn.au

cc: Mr Robert Kelly
Partner
KPMG
GPO Box A29
Perth WA 6837

Dear Mr Bullock

NUW WA Branch: Financial Report for the year ended 30 June 2007: FR 2007/396

I acknowledge receipt of the financial report of the National Union of Workers (Western Australian Branch) for the year ended 30 June 2007. The documents were lodged in the Industrial Registry on 19 March 2008 and 26 February 2009.

I note that the auditor qualified his/her opinion advising that it is impracticable to establish control over the collection of membership contributions. I also acknowledge receipt of your letter dated 12 May 2008 in which you advised that the qualification in the auditor's report is trivial and that the matter will be taken up with the union's new auditors. I also note the new auditors have not made such a qualification in the financial report for the year ended 30 June 2008.

I also acknowledge that the financial report containing the signed auditor's report has now been circulated to members and presented to the Committee of Management as requested in our letter of 27 March 2008.

The financial report of the National Union of Workers (Western Australian Branch) for the year ended 30 June 2007 (FR2007/396) has now been filed.

I have also attached an addendum in which I make comments to assist you when you next prepare a financial report. If you wish to discuss any matters further, I can be contacted on 03 8661 7929 or via email eve.anderson@airc.gov.au. A copy of this letter will also be forwarded to your new auditors.

Yours sincerely

Statutory Services Officer
Australian Industrial Registry
Tel: 03 8661 7929
Email: eve.anderson@airc.gov.au

Addendum: NUW (WA Branch) year ended 30 June 2007: FR 2007/396

The following comments are made to assist you when you next prepare a financial report.

1. Auditor's Report – Qualifications of Auditor

[Regulation 4 of the Workplace Relations \(Registration and Accountability of Organisations\) Regulations 2003](#) (RAO Regulations) defines an approved auditor as a person who is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the National Institute of Accounts **and** holds a current Public Practice Certificate. In all likelihood the auditor is such a person however it is our preference that this is made explicit on the auditor's report. Please ensure that your auditor explicitly states in future audit reports whether (s)he is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the National Institute of Accounts **and** whether s/he holds a current Public Practice Certificate.

2. Committee of Management Statement or Auditor's Report – Recovery of Wages Activity

I note that the accounts do not provide any information in relation to any recovery of wages activity. [Items 16 – 23, 25\(f\) and 27\(b\) of the Reporting Guidelines](#) govern the financial reporting of recovery of wages activity. In circumstances where the reporting unit has **not** undertaken any recovery of wages activity for the financial year, a statement by the auditor or a declaration in the Committee of Management Statement to the effect that there was no recovery of wages activity for the financial year would be sufficient.

3. Committee of Management Statement – Two or More Reporting Units

[Item 25\(e\)\(iv\) of the Reporting Guidelines](#) requires that the Committee of Management Statement states whether 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. The Western Australian Branch of the NUW is one of number of reporting units of the NUW and therefore the financial records should be kept, as far as practicable, in a consistent manner to each of the other reporting units. In future years the Committee of Management Statement should state whether this has occurred.

4. General Purpose Financial Report – Employers Making Payroll Deductions

[Item 11\(a\) of the Reporting Guidelines](#) requires that either the profit and loss statement or the notes to the financial statements disclose expenses incurred as consideration for employers making payroll deductions of subscriptions. I note that that the income statement discloses expenses for "Commissions on contributions collected" but it is unclear whether this includes consideration for employers making payroll deductions. If so, please indicate the amount of such consideration in future years.

5. General Purpose Financial Report – Liabilities for Employed Officers and Other Employees

[Item 14 of the Reporting Guidelines](#) requires that either the balance sheet or the notes to the financial statements identify liabilities for employee benefits for holders of office (guideline 14 (c)) and for other employees (guideline 14 (d)). In future years please ensure that liabilities for employee benefits for holders of office and other employees are separately disclosed in either the balance sheet or the notes.

6. Timelines

[Section 266 of the RAO schedule](#) requires the financial report to be presented to a meeting within 6 months of the end the financial year. I note that the first time the report was presented to meeting was on 22 January 2008 and that more than 6 months had elapsed since the end of the financial year. Also, [section 268 of the RAO schedule](#) requires the financial report to be lodged in the Registry within 14 days of that meeting. I note that the first time the report was lodged, more than 14 days had passed since the section 266 meeting. Please ensure that future financial reports are presented to a meeting within 6 months of the end of the financial year and are lodged with registry within 14 days of that meeting.

The Registry aims to assist reporting units in complying with their obligations under the RAO Schedule and Reporting Guidelines by providing advice. Please note the comments raised in this addendum for attention in future financial reports.

25 Feb 2008

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



Dear Sir

RE: Financial Documents – 30 June 2007
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 2007.

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

Yours faithfully,

Joe Bullock
JOE BULLOCK
WA BRANCH SECRETARY

Enc

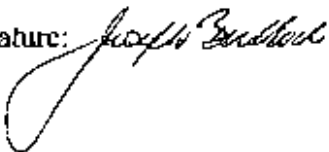
Designated Officer's Certificate
S268 of Schedule 1 Workplace Relations Act 1996

I, Joe Bullock 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 21 January 2009; and

That the full report was presented to a meeting of the committee of management of the reporting unit on 8th November 2007 and again on 24 February 2009

Signature: 

Date: 25/2/09.

Operating Report of THE NATIONAL UNION OF WORKERS (WESTERN AUSTRALIAN BRANCH)
(2006/2007 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 2006/2007 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 2006/2007 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 2006/2007 financial year.
- e) During the 2006/2007 financial year 3 training courses were conducted.
- f) There have been no significant changes in the activities of the NUW during the 2006/2007 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 trustee of a superannuation entity or an exempt public sector superannuation scheme: or
- 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 2006 to 30 June 2007 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
Alison Rushack	Branch Member
Sebastiano Scata	Branch Member
George Hawkins	Branch Member
Keith Mann	Branch Member
Christopher Saitch	Branch Member

6. Other

- The report is signed and dated
- The number of members of the NUW WA Branch at 30/6/2007 is 1,307
- 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 8TH AUGUST 2007 .


MARTIN PRITCHARD
BRANCH SECRETARY

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

Financial Report
for the financial year ended 30 June 2007

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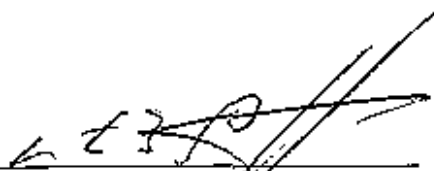
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**National Union of Workers
(Western Australian Branch)**

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 8th November 2007, that in the opinion of the Committee:

1. The financial statements and notes comply with the Australian Accounting Standards;
2. The financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
3. The financial statements 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 2007 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 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
 - (v) 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: 8 November 2007
Perth, WA

Independent auditor's report to the members of National Union of Workers (Western Australian Branch)

We have audited the accompanying financial report of National Union of Workers (Western Australian Branch) ("the Branch"), which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the committee of management statement.

Committee of Management's Responsibility for the Financial Report

The Branch's committee of management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and with the Workplace Relations Act 1996. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1(b), the committee of management also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee of management, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have met the independence requirements of the Australian professional accounting bodies.

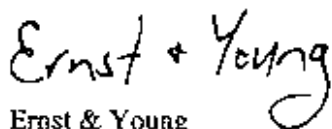
Basis for Qualified Auditor's Opinion

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.

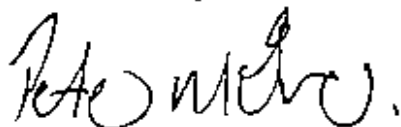
Qualified Auditor's Opinion

In our opinion:

1. 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 the financial position of National Union of Workers (Western Australian Branch) as of 30 June 2007, and of its financial performance and cash flows for the year then ended in accordance with the Workplace Relations Act 1996 and the Australian Accounting Standards (including the Australian Accounting Interpretations); and
2. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(b).



Ernst & Young



P McIver

Partner

Perth

21 December 2007

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

**Balance Sheet
as at 30 June 2007**

	Note	2007 \$	2006 \$
CURRENT ASSETS			
Cash and cash equivalents		177,222	152,703
Receivables - contributions		30,221	18,609
Other assets - prepayments		10,666	4,139
TOTAL CURRENT ASSETS		<u>218,109</u>	<u>175,451</u>
NON CURRENT ASSETS			
Property, plant and equipment	4	9,778	14,233
TOTAL NON CURRENT ASSETS		<u>9,778</u>	<u>14,233</u>
TOTAL ASSETS		<u>227,887</u>	<u>189,684</u>
CURRENT LIABILITIES			
Trade and other payables		58,618	27,310
Provision for audit fee		-	5,000
GST payable		1,674	-
TOTAL CURRENT LIABILITIES		<u>60,292</u>	<u>32,310</u>
TOTAL LIABILITIES		<u>60,292</u>	<u>32,310</u>
NET ASSETS		<u>167,595</u>	<u>157,374</u>
Represented by:			
ACCUMULATED FUNDS			
General fund - opening		157,374	179,174
Surplus / (Deficit) for the year		10,221	(21,800)
TOTAL ACCUMULATED FUNDS		<u>167,595</u>	<u>157,374</u>

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 2007**

	2007	2006
	\$	\$
REVENUE FROM CONTINUING OPERATIONS		
Membership contributions	297,725	224,729
Interest income	9,448	5,790
Other Income	8,686	9,939
TOTAL REVENUE	315,859	240,458
EXPENDITURE		
Affiliation – Australian Labor Party	2,756	2,781
Affiliation – Unions WA (Trades and Labour Council)	-	5,185
Amenities & functions	7,313	5,637
Audit fees	3,939	4,538
Bank charges and taxes	743	409
Commissions on contributions collected	2,806	2,390
Depreciation	4,455	4,455
Insurance	12,585	15,463
Legal fees	1,864	-
Levies	29,903	7,447
Meeting expenses – interstate	5,323	15,572
National executive dues – NUW National Office	43,527	35,783
Printing and stationery	13,205	13,457
Service fee – SDA of WA	28,027	21,464
Shopper cards	239	391
Sundry expenses / organiser refunds	16,746	11,722
Superannuation		
- Members of Committee of Management	12,321	12,317
- Other employees	3,856	2,438
Salaries		
- Members of Committee of Management	70,382	71,541
- Other employees	39,893	27,288
Employee expenses	5,755	1,980
TOTAL EXPENDITURE	305,638	262,258
SURPLUS / (DEFICIT) FOR THE YEAR	10,221	(21,800)

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 2007**

	Note	2007 \$ Inflows (Outflows)	2006 \$ Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Contributions and other revenue received		333,403	234,667
Payments for operations and to employees		(317,623)	(270,398)
Interest received		8,739	5,790
<hr/>			
NET CASH (UTILISED) / PROVIDED BY OPERATING ACTIVITIES	7	24,519	(29,941)
<hr/>			
CASH FLOWS FROM INVESTING ACTIVITIES		-	-
<hr/>			
CASH FLOWS FROM FINANCING ACTIVITIES		-	-
<hr/>			
NET (DECREASE) / INCREASE IN CASH HELD		24,519	(29,941)
<hr/>			
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		152,703	182,644
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CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		177,222	152,703
<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 2007**

	\$
Funds as at 1 July 2005	179,174
Deficit for the year	(21,800)
Funds as at 30 June 2006	<u>157,374</u>
Surplus for the year	10,221
Funds as at 30 June 2007	<u>167,595</u>

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 2007**

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 Interpretations.

The financial report is presented in Australian dollars.

(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).

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 Branch for the annual reporting period ended 30 June 2007:

AASB Amend-ment	Affected Standard (s)	Application Date of Standard	Nature of change to accounting policy	Application date of the Company
AASB 2005-10	Amendments to Australian Accounting Standards [AASB 132, 101, 114, 117, 133, 139, 1, 4, 1023 & 1038]	1 January 2007	No change to accounting policy required. Therefore, no impact.	1 July 2007
AASB 2007-1	Amendments to Australian Accounting Standards arising from AASB Interpretation 11 [AASB 2]	1 March 2007	No change to accounting policy required. Therefore, no impact.	1 July 2007
AASB 2007-2	Amendments to Australian Accounting Standards arising from AASB Interpretation 12 [AASB 1, 117, 118, 120, 121, 127, 131, & 139]	1 January 2008	No change to accounting policy required. Therefore, no impact.	1 July 2008
AASB 2007-3	Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, 6, 102, 107, 119, 127, 134, 136, 1023 & 1038]	1 January 2009	No change to accounting policy required. Therefore, no impact.	1 July 2009
AASB 2007-4	Amendments to Australian Accounting Standards arising from ED 151 and other amendments	1 July 2007	No change to accounting policy required. Therefore, no impact.	1 July 2007
AASB 7	Financial Instruments: Disclosures	1 January 2007	No change to accounting policy required. Therefore, no impact.	1 July 2007

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

**Notes To and Forming Part of the Accounts
for the Year Ended 30 June 2007**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Statement of compliance (continued)

AASB 8	Operating Segments	1 January 2009	No change to accounting policy required. Therefore, no impact.	1 July 2009
AASB 101 (revised Oct 2006)	Presentation of Financial Statements	1 January 2007	No change to accounting policy required. Therefore, no impact.	1 July 2007
AASB Interpretation 10	Interim Financial Reporting and Impairment	1 November 2006	No change to accounting policy required. Therefore, no impact.	1 July 2007
AASB Interpretation 11	Group and Treasury Share Transactions	1 March 2007	No change to accounting policy required. Therefore, no impact.	1 July 2007
AASB Interpretation 12	Service Concession Arrangements	1 January 2008	No change to accounting policy required. Therefore, no impact.	1 July 2008
AASB 2007-6	Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]	1 January 2009	No change to accounting policy required. Therefore, no impact.	1 July 2009
AASB 2007-7	Amendments to Australian Accounting Standards [AASB 1, AASB 2, AASB 4, AASB 5, AASB 107 & AASB 128]	1 July 2007	No change to accounting policy required. Therefore, no impact.	1 July 2007
AASB 123 (revised June 2007)	Borrowing costs	1 January 2007	No change to accounting policy required. Therefore, no impact.	1 July 2009
AASB Interpretation 129 (revised June 2007)	Service Concession Arrangements: Disclosures	1 January 2008	No change to accounting policy required. Therefore, no impact.	1 July 2008
IFRIC Interpretation 13	Customer Loyalty Programmes	1 July 2008	No change to accounting policy required. Therefore, no impact.	1 July 2008
IFRIC Interpretation 14	IAS 19 - The Asset Ceiling; Availability of Economic Benefits and Minimum Funding Requirements	1 January 2008	No change to accounting policy required. Therefore, no impact.	1 July 2008

(c) Income Tax

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

National Union of Workers (Western Australian Branch)

(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 life of the assets as follows:

	<u>Life</u>
Motor Vehicles	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 exists 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.

(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.

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

**Notes To and Forming Part of the Accounts
for the Year Ended 30 June 2007**

(g) Revenue Recognition (cont'd)

(ii) Interest Income

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

(h) 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.

(i) Trade and Other Payables

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.

(j) 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
(Western Australian Branch)**

**Notes To and Forming Part of the Accounts
for the Year Ended 30 June 2007**

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 2007 is \$10,851.

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

	2007	2006
	\$	\$
Motor Vehicles, at cost	22,277	22,277
Accumulated Depreciation Motor Vehicles	(12,499)	(8,044)
Motor Vehicles, at written down value	9,778	14,233

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

**Notes To and Forming Part of the Accounts
for the Year Ended 30 June 2007**

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	2007 \$	2006 \$
<i>Motor Vehicles</i>		
Carrying amount at beginning	14,233	18,688
Depreciation expense	(4,455)	(4,455)
	<u>9,778</u>	<u>14,233</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 5.74% (2006: 5.15%). 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
(Western Australian Branch)**

**Notes To and Forming Part of the Accounts
for the Year Ended 30 June 2007**

7. RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES

	2007	2006
	\$	\$
Surplus / (Deficit) for the year	10,221	(21,800)
Adjustment for non-cash income and expense items:		
Depreciation	4,455	4,455
Changes in assets and liabilities:		
(Increase) / decrease in prepayments	(6,527)	(3,664)
(Increase) / decrease in receivables	(11,612)	2,243
Increase / (decrease) in payables	27,982	(11,175)
Net cash provided by operating activities	<u>24,519</u>	<u>(29,941)</u>

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

**Notes To and Forming Part of the Accounts
for the Year Ended 30 June 2007**

8. REMUNERATION OF COMMITTEE OF MANAGEMENT

The following persons held office through the entire period 1st July 2006 to 30th June 2007 unless otherwise indicated.

Alexander Miskiewicz
Graham Gilchrist
Peter Toy
Martin Pritchard
Joseph Bullock
Alison Rushack
Sebastiano Scata
George Hawkins
Keith Mann
Christopher Saitich

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:

	2007	2006
	\$	\$
<u>Members of Committee of Management</u>		
Salaries and superannuation	82,703	83,858
Non-monetary benefits	1,819	1,819
Total	<u>84,522</u>	<u>85,677</u>

9. ORGANISATION INFORMATION

The National Union of Workers is a trade union, established in accordance with the Workplace Relations Act 1996.

The registered office of the union is located at 25 Barrack Street Perth WA 6000.

FR2007 396 200109.txt

From: Martin Pritchard [Martin.Pritchard@sdawa.asn.au]

Sent: Tuesday, 20 January 2009 11:34 AM

To: ANDERSON, Eve

Subject: National Union of Worker (Western Australian Branch) financials for 2007

Good morning Eve

With reference to our discussion this morning I can confirm that we have received copies of the 2007 financials for each member into the office. I now have to get them folded and put in envelopes which will take us to Thursday. They will be posted on Friday and received in members homes by 26 January 2009. Our accountant has advised me that we need to wait 21 days until they can be accepted for a second time at the COM meeting. I am organizing a meeting for the 19th or 26th of February for this purpose depending upon COM members availability. Based upon this timetable I can commit to filing the documents with the Registry before the end of February 2009.

I hope the timetable meets with your approval. Please call me if you envisage any problem with it.

Martin Pritchard

Assistant Secretary

National Union of Workers

Western Australian Branch

(m) 0417 914135

(w) 08 9221 4321

FR2007 396 140109.txt

From: Martin Pritchard [Martin.Pritchard@sdawa.asn.au]
Sent: Wednesday, 14 January 2009 4:56 PM
To: ANDERSON, Eve
Subject: NUW 2007 financial report

Dear Ms Anderson

I would like to acknowledge your correspondence of the 12th of January 2009. I have just returned from a year's absence so cannot comment on the discussions that have occurred during 2008 but I understand that there is some concern with the way in which we distributed and accepted our 2007 financials. I have read what we are being requested to do and am happy to comply. I have the signed financials for the year ended 30th June 2007 in front of me now and am making arrangements for them to be posted to all of our members. I have also organized to have a Committee of Management meeting in the first week in February where it is intended to represent these papers. Given this timetable it is intended that your department will receive the document by the 10th of February. Please call me if this timeframe is unsuitable.

Martin Pritchard

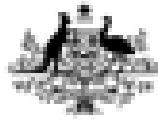
Assistant Secretary

National Union of Workers

Western Australian Branch

(m) 0417 914135

(w) 08 9221 4321



Australian Government
Australian Industrial Registry

12 January 2009

Martin Pritchard
Branch Secretary
NUW, WA Branch

email: nuw@nuwwa.asn.au

Dear Mr Pritchard

**National Union of Workers WA Branch, Financial Return for year ended 30 June 2007:
FR2007/396**

I write to enquire as to the expected date of receipt of the re-circulated and signed financial reports for the National Union of Workers WA Branch (NUW WA) for the financial year ended 30 June 2007.

As per our correspondence dated 27 March 2008, and as acknowledged by Mr J Bullock on the 12 May 2008 in his capacity as Acting Branch Secretary, an unsigned auditor's report was distributed to members in 2007. Mr Bullock explained that this was due to the tardiness of the Branch's auditors and it was decided to distribute the audit report to members unsigned rather than late.

In order to secure compliance with the RAO Schedule to the Workplace Relations Act 1996, this office advised that a signed copy of the full report needs to be distributed to all members, then presented to either the Committee of Management or a General Meeting of members and re-filed in the Registry (see our correspondence dated 27 March 2008). In a phone conversation on 16 June 2008, Mr Bullock confirmed that this would be done.

Since June 2008, this office has contacted Mr J Mustica (whom we were advised is the accounting consultant for the NUW WA) on a regular basis to enquire as to the progress of the matter. On 11 November 2008 this office was advised by Mr Mustica that he was waiting for a copy of the signed documents from the NUW national office. We have not received any responses to our enquiries regarding progress since that date.

I write to reiterate that the NUW WA Branch is required to distribute a signed copy of the full financial report for the year ended 30 June 2007 to all members, that this then be presented to either a Committee of Management meeting or a General Meeting of members and re-filed in the Registry. I require your immediate attention to this matter.

Yours sincerely

Iain Stewart
Manager
Statutory Services Team

iain.stewart@airc.gov.au

12th May 2008



JB:SR

Ms Michelle Baldini
Statutory Services Branch
Australian Industrial Registry
Level 5
11 Exhibition St
MELBOURNE VIC 3000

Dear Michelle

Re: 2007 Financial Report

I refer to your letter of 27th March 2008 and to our subsequent telephone conversations concerning matters pertaining to the NUW WA Branch financial report for the year ended 30th June 2007.

As you yourself observed with respect to the first issue raised in your letter dealing with the timely and compliant lodgement of the report, the Branch was caught between a rock and a hard place. Given the failure of our auditors, Ernst and Young, to provide a signed copy of their report in a timely manner, the Branch was faced with the alternative of either providing members with an unsigned copy, which we had been assured by the auditor was final, and complying with the timelines for reporting or waiting for an indeterminate period of time for a signed copy and lodging our report with the registry late. We opted for the former course of action which has resulted in your direction to repeat the process with a signed report which we will now do.

We have used Ernst and Young for a number of years. They have demonstrated a total inability to provide us with a signed financial report in a timely manner notwithstanding that our financial records are prepared for audit on time every time. This is most frustrating and has led repeatedly to our late lodgement. This lack of professionalism reflect poorly on us. You cannot know that it is them and not us who are responsible for the delays. In part, it is this frustration which led to us attempting to comply with the timelines by presenting a final but unsigned report.

This will not happen again; at least not with Ernst and Young. We cannot have our reputation tarnished as a result of our auditor's tardiness. They will perform no further audits for us.

This leads me to the second issue which you raise: the qualified auditor's opinion.

Ernst and Young have always qualified their opinion in the manner contained in the 2007 Report. Clearly, a qualified opinion is less than optimal and we have repeatedly endeavoured to persuade Ernst and Young that the qualification relates to matters which are both immaterial and beyond anyone's reasonable control. Unfortunately these efforts have been to no avail.

The basis of the qualification is as follows:

Like most unions, the most common means of members paying their union fees is by payroll deductions administered by their employer and remitted to the union. All moneys so remitted are promptly banked and a record maintained of the payments made with respect to each member.

As the qualification notes, "it is impractical to establish control over the collection of membership contributions prior to their entry in the financial records". It is indeed. To do so would require the union to engage a team of auditors to be present each month when each employer of our members completes their deduction remittance to ensure that each members' "authority to deduct" was appropriately actioned and no deductions were made from the wages of members and not remitted to the union.

The union can have no absolute proof that every employer acts honestly in deducting and remitting union fees. If, however, such theft by employers were being practiced, sooner or later a member would present to the union claiming to be a financial member but with respect to whom no fees had been remitted by the employer. In over twenty years with the NUJW I have never once encountered such a member.

I conclude, therefore, that the qualification contained in our accounts is trivial and should be disregarded by the Registry. I can conceive of no practical change to the Branch's accounting policy in respect of contributions which can remove the possibility of malpractice by employers nor am I aware of any other organisation which collects fees in this matter having such a policy.

You may be assured, however, that I will be taking up the question of the audit qualification with our new auditors in an endeavour to ensure that it is not a feature of our reports in the coming years.

I do hope that this satisfies your concerns. The Committee of Management and I are committed to ensuring that the WA Branch acts in compliance with all of the requirements which are upon us. I trust that we will soon have an auditor which shares that commitment.

Yours Sincerely


JOE BULLOCK
ACTING WA BRANCH SECRETARY



Australian Government
Australian Industrial Registry

Level 5, 11 Exhibition Street
Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7882
Fax: (03) 9655 0410
Email: michelle.hakl@air.gov.au

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

Dear Mr Pritchard,

Re: Financial Report for the Year Ended 30th June 2007 - FR2007/396

I acknowledge receipt of the financial report of the Western Australian Branch of the National Union of Workers for the year ended 30 June 2007. The documents were lodged in the Industrial Registry on 19 March 2008.

Schedule 1 of the Workplace Relations Act 1996 sets out a particular chronological order in which the financial documents must be prepared, provided to members and presented to a meeting. On the basis of the dates on the documents lodged it is apparent the Branch could not have complied with those requirements. For example, the Auditor's report is dated 21 December 2007, which clearly post-dates the date the documents were provided to members.

Accordingly, in order to secure compliance with the Branch's obligations under Schedule, I require you to:

- Provide all members with the full report, including the Auditor's report, prior to the Committee of Management meeting
- Present the full report to the Committee of Management meeting
- Re-file the documents in the Registry within 14 days of the Committee of Management meeting accompanied by the appropriate Designated Officer's Certificate.

In addition, I note the Auditor's report contains the following:

'Basis for Qualified Auditor's Opinion

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 receipt from this source was limited, our audit procedures with respect to membership contributions have been 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.'

I note this same "qualification" has been included in reports over a number of years. I would be pleased to receive your response as to whether or not, in light of the repeated "qualification", the Branch's accounting policy in respect of Contributions by members requires modification in order that such qualification by the auditor in future may not be necessary.

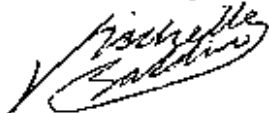
Under subsection 332 of Schedule 1, a Registrar is obliged to investigate any deficiency, failure or shortcoming disclosed in an auditor's report. However, the Registrar is not required to investigate the deficiency, failure or shortcoming if after consultation with the organisation

concerned and the auditor, the Registrar is satisfied that the deficiency, failure or shortcoming is trivial or will be remedied in the following financial year.

Having in mind the provisions of subsection 332 of Schedule 1, I would be pleased to receive confirmation from the Branch and its auditor whether or not the qualification constitutes a deficiency, failure or shortcoming and, if so, whether it is a trivial matter or it is likely to be remedied next financial year.

If you wish to discuss this matter I can be contacted on (03) 8661 7882 or by email at michelle.baldini@air.gov.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Michelle Baldini', written in a cursive style.

Michelle Baldini
Statutory Services Branch

27 March 2008

5th March 2008

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



Dear Sir

RE: Financial Documents – 30 June 2007
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 2007.

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

Yours faithfully,

A handwritten signature in black ink, appearing to read 'M. Pritchard', written over a horizontal line.

MARTIN PRITCHARD
BRANCH SECRETARY

Enc

Designated Officer's Certificate
S268 of Schedule 1 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 14th November 2007; and

That the full report was presented to a meeting of the committee of management of the reporting unit on 8th November 2007 and again on 22nd January 2008

Signature:



Date:

5 March 2008

Operating Report of THE NATIONAL UNION OF WORKERS (WESTERN AUSTRALIAN BRANCH)
(2006/2007 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 2006/2007 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 2006/2007 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 2006/2007 financial year.
- e) During the 2006/2007 financial year 3 training courses were conducted.
- f) There have been no significant changes in the activities of the NUW during the 2006/2007 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 2006 to 30 June 2007 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
Alison Rusback	Branch Member
Sebastiano Scata	Branch Member
George Hawkins	Branch Member
Keith Mann	Branch Member
Christopher Saitch	Branch Member

6. Other

- The report is signed and dated
- The number of members of the NUW WA Branch at 30/6/2007 is 1,307
- 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 8th NOVEMBER 2007 .



 MARTIN PRITCHARD
 BRANCH SECRETARY

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

Financial Report
for the financial year ended 30 June 2007

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4. Income Statement	5
5. Statement of Cash Flows	6
6. Statement of Changes in Equity	7
7. Notes to and forming part of the financial statements	8-15

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

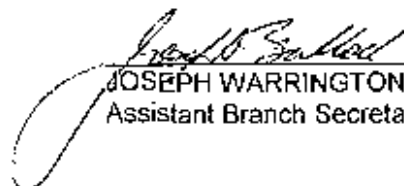
Committee of Management Statement

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 8th November 2007, that in the opinion of the Committee:

1. The financial statements and notes comply with the Australian Accounting Standards;
2. The financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
3. The financial statements 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 2007 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 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
 - (v) 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: 8 November 2007
Perth, WA

Independent auditor's report to the members of National Union of Workers (Western Australian Branch)

We have audited the accompanying financial report of National Union of Workers (Western Australian Branch) ("the Branch"), which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the committee of management statement.

Committee of Management's Responsibility for the Financial Report

The Branch's committee of management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and with the Workplace Relations Act 1996. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1(b), the committee of management also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee of management, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have met the independence requirements of the Australian professional accounting bodies.

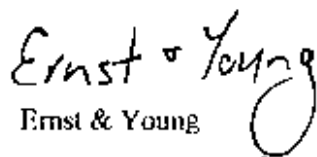
Basis for Qualified Auditor's Opinion

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 Auditor's Opinion

In our opinion:

1. 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 the financial position of National Union of Workers (Western Australian Branch) as of 30 June 2007, and of its financial performance and cash flows for the year then ended in accordance with the Workplace Relations Act 1996 and the Australian Accounting Standards (including the Australian Accounting Interpretations); and
2. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(b).


Ernst & Young



P McIver
Partner
Perth

21 December 2007

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

**Balance Sheet
as at 30 June 2007**

	Note	2007 \$	2006 \$
CURRENT ASSETS			
Cash and cash equivalents		177,222	152,703
Receivables - contributions		30,221	18,609
Other assets - prepayments		10,806	4,139
TOTAL CURRENT ASSETS		<u>218,109</u>	<u>175,451</u>
NON CURRENT ASSETS			
Property, plant and equipment	4	9,778	14,233
TOTAL NON CURRENT ASSETS		<u>9,778</u>	<u>14,233</u>
TOTAL ASSETS		<u>227,887</u>	<u>189,684</u>
CURRENT LIABILITIES			
Trade and other payables		58,618	27,310
Provision for audit fee		-	5,000
GST payable		1,674	-
TOTAL CURRENT LIABILITIES		<u>60,292</u>	<u>32,310</u>
TOTAL LIABILITIES		<u>60,292</u>	<u>32,310</u>
NET ASSETS		<u>167,595</u>	<u>157,374</u>
Represented by:			
ACCUMULATED FUNDS			
General fund – opening		157,374	179,174
Surplus / (Deficit) for the year		10,221	(21,800)
TOTAL ACCUMULATED FUNDS		<u>167,595</u>	<u>157,374</u>

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 2007**

	2007	2006
	\$	\$
REVENUE FROM CONTINUING OPERATIONS		
Membership contributions	297,725	224,729
Interest income	9,448	5,790
Other income	8,686	9,939
TOTAL REVENUE	315,859	240,458
 EXPENDITURE		
Affiliation – Australian Labor Party	2,756	2,781
Affiliation – Unions WA (Trades and Labour Council)	-	5,185
Amenities & functions	7,313	5,637
Audit fees	3,939	4,538
Bank charges and taxes	743	409
Commissions on contributions collected	2,806	2,390
Depreciation	4,455	4,455
Insurance	12,585	15,463
Legal fees	1,864	-
Levies	29,903	7,447
Meeting expenses – interstate	5,323	15,572
National executive dues – NUW National Office	43,527	35,783
Printing and stationery	13,205	13,457
Service fee – SDA of WA	28,027	21,464
Shopper cards	239	391
Sundry expenses / organiser refunds	16,746	11,722
Superannuation		
- Members of Committee of Management	12,321	12,317
- Other employees	3,856	2,438
Salaries		
- Members of Committee of Management	70,362	71,541
- Other employees	39,893	27,288
Employee expenses	5,755	1,980
TOTAL EXPENDITURE	305,638	262,258
SURPLUS / (DEFICIT) FOR THE YEAR	10,221	(21,800)

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 2007**

	Note	2007 \$ Inflows (Outflows)	2006 \$ Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Contributions and other revenue received		333,403	234,667
Payments for operations and to employees		(317,623)	(270,398)
Interest received		8,739	5,790
		<hr/>	<hr/>
NET CASH (UTILISED) / PROVIDED BY OPERATING ACTIVITIES	7	24,519	(29,941)
		<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES			
		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
		-	-
		<hr/>	<hr/>
NET (DECREASE) / INCREASE IN CASH HELD		24,519	(29,941)
 CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR			
		152,703	182,644
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		177,222	152,703
		<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 2007**

	\$
Funds as at 1 July 2005	179,174
Deficit for the year	(21,800)
Funds as at 30 June 2006	<u>157,374</u>
Surplus for the year	10,221
Funds as at 30 June 2007	<u>167,595</u>

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 2007**

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 Interpretations.

The financial report is presented in Australian dollars.

(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).

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 Branch for the annual reporting period ended 30 June 2007:

AASB Amend-ment	Affected Standard (s)	Application Date of Standard	Nature of change to accounting policy	Application date of the Company
AASB 2005-10	Amendments to Australian Accounting Standards [AASB 132, 101, 114, 117, 133, 139, 1, 4, 1023 & 1038]	1 January 2007	No change to accounting policy required. Therefore, no impact.	1 July 2007
AASB 2007-1	Amendments to Australian Accounting Standards arising from AASB Interpretation 11 [AASB 2]	1 March 2007	No change to accounting policy required. Therefore, no impact.	1 July 2007
AASB 2007-2	Amendments to Australian Accounting Standards arising from AASB Interpretation 12 [AASB 1, 117, 118, 120, 121, 127, 131, & 139]	1 January 2008	No change to accounting policy required. Therefore, no impact.	1 July 2008
AASB 2007-3	Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, 6, 102, 107, 119, 127, 134, 136, 1023 & 1038]	1 January 2009	No change to accounting policy required. Therefore, no impact.	1 July 2009
AASB 2007-4	Amendments to Australian Accounting Standards arising from ED 151 and other amendments	1 July 2007	No change to accounting policy required. Therefore, no impact.	1 July 2007
AASB 7	Financial Instruments: Disclosures	1 January 2007	No change to accounting policy required. Therefore, no impact.	1 July 2007

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**Notes To and Forming Part of the Accounts
for the Year Ended 30 June 2007**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Statement of compliance (continued)

AASB 8	Operating Segments	1 January 2009	No change to accounting policy required. Therefore, no impact.	1 July 2009
AASB 101 (revised Oct 2006)	Presentation of Financial Statements	1 January 2007	No change to accounting policy required. Therefore, no impact.	1 July 2007
AASB Interpretation 10	Interim Financial Reporting and Impairment	1 November 2006	No change to accounting policy required. Therefore, no impact.	1 July 2007
AASB Interpretation 11	Group and Treasury Share Transactions	1 March 2007	No change to accounting policy required. Therefore, no impact.	1 July 2007
AASB Interpretation 12	Service Concession Arrangements	1 January 2008	No change to accounting policy required. Therefore, no impact.	1 July 2008
AASB 2007-6	Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]	1 January 2009	No change to accounting policy required. Therefore, no impact.	1 July 2009
AASB 2007-7	Amendments to Australian Accounting Standards [AASB 1, AASB 2, AASB 4, AASB 5, AASB 107 & AASB 128]	1 July 2007	No change to accounting policy required. Therefore, no impact.	1 July 2007
AASB 123 (revised June 2007)	Borrowing costs	1 January 2009	No change to accounting policy required. Therefore, no impact.	1 July 2009
AASB Interpretation 129 (revised June 2007)	Service Concession Arrangements: Disclosures	1 January 2008	No change to accounting policy required. Therefore, no impact.	1 July 2008
IFRIC Interpretation 13	Customer Loyalty Programmes	1 July 2008	No change to accounting policy required. Therefore, no impact.	1 July 2008
IFRIC Interpretation 14	IAS 19 – The Asset Ceiling: Availability of Economic Benefits and Minimum Funding Requirements	1 January 2008	No change to accounting policy required. Therefore, no impact.	1 July 2008

(c) Income Tax

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

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(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 life of the assets as follows:

	<u>Life</u>
Motor Vehicles	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 exists 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.

(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.

**National Union of Workers
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**Notes To and Forming Part of the Accounts
for the Year Ended 30 June 2007**

(g) Revenue Recognition (cont'd)

(ii) Interest Income

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

(h) 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.

(i) Trade and Other Payables

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.

(j) 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.

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**Notes To and Forming Part of the Accounts
for the Year Ended 30 June 2007**

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 2007 is \$10,851.

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

	2007	2006
	\$	\$
Motor Vehicles, at cost	22,277	22,277
Accumulated Depreciation Motor Vehicles	(12,499)	(8,044)
Motor Vehicles, at written down value	9,778	14,233

**National Union of Workers
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**Notes To and Forming Part of the Accounts
for the Year Ended 30 June 2007**

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	2007 \$	2006 \$
<i>Motor Vehicles</i>		
Carrying amount at beginning	14,233	18,688
Depreciation expense	(4,455)	(4,455)
	<u>9,778</u>	<u>14,233</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 5.74% (2006: 5.15%). All other financial assets and liabilities are non-interest bearing.

ii. Fair Value

Receivables and payables are stated at fair value.

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**Notes To and Forming Part of the Accounts
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7. RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES

	2007	2006
	\$	\$
Surplus / (Deficit) for the year	10,221	(21,800)
Adjustment for non-cash income and expense items:		
Depreciation	4,455	4,455
Changes in assets and liabilities:		
(Increase) / decrease in prepayments	(6,527)	(3,664)
(Increase) / decrease in receivables	(11,612)	2,243
Increase / (decrease) in payables	27,982	(11,175)
Net cash provided by operating activities	<u>24,519</u>	<u>(29,941)</u>

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8. REMUNERATION OF COMMITTEE OF MANAGEMENT

The following persons held office through the entire period 1st July 2006 to 30th June 2007 unless otherwise indicated.

Alexander Miskiewicz
Graham Gilchrist
Peter Toy
Martin Pritchard
Joseph Bullock
Alison Rushack
Sebastiano Scata
George Hawkins
Keith Mann
Christopher Saitich

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:

	2007	2006
	\$	\$
<u>Members of Committee of Management</u>		
Salaries and superannuation	82,703	83,858
Non-monetary benefits	1,819	1,819
Total	<u>84,522</u>	<u>85,677</u>

9. ORGANISATION INFORMATION

The National Union of Workers is a trade union, established in accordance with the Workplace Relations Act 1996.

The registered office of the union is located at 25 Barrack Street Perth WA 6000.