



Australian Government
Australian Industrial Registry

19 February 2009

Mr Joseph Bullock
Branch Secretary
Western Australian Branch
National Union of Workers
5th Floor, 25 Barrack Street
PERTH WA 6000
Email: nuw@nuwwa.asn.au

Cc: Mr Robert Kelly
Partner
KPMG
152-158 St George's Terrace
PERTH WA 6000

Dear Mr Bullock

**Re: Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)
Financial report for year ended 30 June 2008 – FR2008/244**

I acknowledge receipt of the financial report of the Western Australian Branch of the National Union of Workers for the year ended 30 June 2008. The documents were lodged in the Industrial Registry on 12 December 2008.

The documents have been filed.

Although the documents have been filed, I would like to comment on some issues arising out of the report. I make these comments to assist you when you next prepare the financial reports. You *do not* need to take any further action in respect of the financial reports already lodged.

1. Recovery of Wages Activity

I note the accounts did not provide information in relation to any recovery of wages activity. The financial reporting obligations regarding the recovery of wages activity is specified in items 16 to 23 and item 25(f) of the Industrial Registrar's Reporting Guidelines. A copy of the Reporting Guidelines may be found at http://www.airc.gov.au/registered/rao/rao_253.pdf

Where the reporting unit has not undertaken any recovery of wages activity for the financial year a statement by the auditor or by the committee of management declaring that there was no recovery of wages activity for the financial year would satisfy the Reporting Guidelines.

2. Notice under subsection 272(5) in the Notes to the general purpose financial report

Subsection 272(5) of the RAO Schedule requires the general purpose financial report to include a notice drawing attention to subsections 272(1), 272(2) and 272(3) and a reproduction of those subsections. These subsections did not appear in the Notes to the general purpose financial report.

For your information I have provided a copy of the current subsections:

“272(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).”

Please ensure these subsections are reproduced in the Notes of the general purpose financial report in future years.

3. Auditor’s Report – Definition of Approved Auditor

The Auditor’s Report should provide *details of the individual auditor’s qualifications* to confirm he is an approved auditor as defined by s.256 of RAO Schedule and Regulation 4 of the *Workplace Relations (Registration and Accountability of Organisations) Regulations 2003* (RAO Regulations).

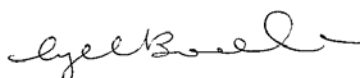
Regulation 4 defines an approved auditor as a *person* who is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the National Institute of Accountants **and** holds a current Public Practice Certificate. (My emphasis)

While it is more than likely that your auditor is an approved auditor as defined by the RAO Regulations the preferred practice is the qualifications of the individual auditor **and** the fact that he holds a current Public Practice Certificate be made explicit in the signature block.

A copy of this letter has been forwarded to your auditor at KPMG, Perth Office.

Your cooperation in remedying the above matters in future financial reports will be much appreciated. Should you wish to discuss any matters contained in this letter I may be contacted on (03) 8661 7989 (Wed – Fri) or by e-mail at cynthia.lobooth@airc.gov.au.

Yours faithfully,



Cynthia Lo-Booth
Statutory Services Branch



11 December 2008

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

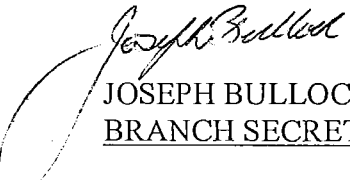
Dear Sir

RE: Financial Documents – 30 June 2008
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 2008.

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

Yours faithfully,


JOSEPH BULLOCK
BRANCH SECRETARY

Enc

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

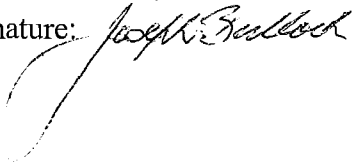
I, Joseph Bullock being the Branch Secretary of the National Union of Workers (Western Australian Branch) certify:

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 13th October 2008; and

That the full report was presented to a meeting of the committee of management of the reporting unit on 25th September 2008 and again on 4th December 2008

Signature:



Date: 11/12/08.

Operating Report of THE NATIONAL UNION OF WORKERS (WESTERN AUSTRALIAN BRANCH)
(2007/2008 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 2007/2008 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 49 Union Collective Agreements which involved the NUW. During the 2007/2008 financial year 16 were negotiated or renegotiated and lodged for approval with the Workplace Authority. All of these Agreements were subsequently approved. Union Collective Agreements provide an opportunity to improve the wages and industrial interests of members and provide additional flexibility for employers.

In addition to using Union Collective Agreements as a vehicle for furthering the interests of members, the safety nets of awards underpinning Union Collective Agreements has also been updated in accordance with national wage decisions.

- 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 Union Collective Agreements and awards.
- c) The result of these activities have been general increases in Union Collective Agreement wages, allowances and conditions of about 3.5% - 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, in combining 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 had an average of 7 ongoing files at any one time being processed during the 2007/2008 financial year.
- e) During the 2007/2008 financial year 3 training courses were conducted.
- f) There have been no significant changes in the activities of the NUW during the 2007/2008 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 schedule 1 clause 174 Registration and Accountability of Organizations. 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 Acting 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 2007 to 30 June 2008:

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	Committee of Management Member
Sebastiano Scata	Committee of Management Member
George Hawkins	Committee of Management Member
Keith Mann	Committee of Management Member
Christopher Saitich	Committee of Management Member

6. Other

- The report is signed and dated.
- The number of members of the NUW WA Branch at 30/6/2008 is 1,293.
- 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 (4) are details of superannuation trustees.
- At point (5) are details of membership of the Committee of Management.

SIGNED



DATED 25/9/08.

JOE BULLOCK
ACTING BRANCH SECRETARY.

**National Union of Workers
(Western Australian Branch)
ABN 30 263 493 651**

Annual Financial Report

30 June 2008

National Union of Workers

(Western Australian Branch)

30 June 2008

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National Union of Workers

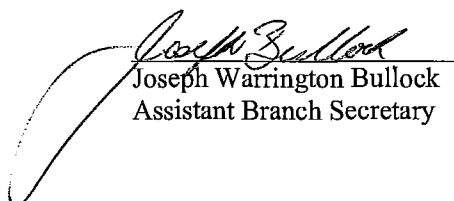
(Western Australian Branch)

Committee of Management Statement

We, Martin Brian 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 25 September 2008, that in the opinion of the Committee:

1. The financial statements and notes comply with 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 2008 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 Regulations (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 Brian Pritchard
Branch Secretary


Joseph Warrington Bullock
Assistant Branch Secretary

25 September 2008
Perth

National Union of Workers

(Western Australian Branch)

Balance sheet

As at 30 June 2008

	Note	2008 \$	2007 \$
Assets			
Cash and cash equivalents	6	179,196	177,222
Trade and other receivables	7	31,634	40,887
Total current assets		210,830	218,109
Property, plant and equipment	8	5,322	9,777
Total non-current assets		5,322	9,777
Total assets		216,152	227,886
Liabilities			
Trade and other payables	9	43,372	60,294
Employee benefits	10	104,905	-
Total current liabilities		148,277	60,294
Employee benefits	10	1,641	-
Total non-current liabilities		1,641	-
Total liabilities		149,918	60,294
Net assets		66,234	167,592
Accumulated funds		66,234	167,592
Total accumulated funds		66,234	167,592

The notes of pages 6 to 19 are an integral part of these financial statements.

National Union of Workers

(Western Australian Branch)

Income statement

For the year ended 30 June 2008

	Note	2008 \$	2007 \$
Revenue			
Membership contributions		318,439	297,725
Total revenue		318,439	297,725
Other income		2,715	8,686
Affiliation - Australian Labor Party		(2,826)	(2,756)
Amenities & functions		(8,505)	(7,313)
Audit fees		(1,702)	(3,939)
Bank charges		(588)	(743)
Commissions on contributions collected		(2,916)	(2,806)
Depreciation	8	(4,455)	(4,456)
Insurance		(20,709)	(12,585)
Legal fees		-	(1,864)
Levies		(10,471)	(29,903)
Meeting expenses - interstate		(8,704)	(5,323)
National executive dues - NUW National Office		(56,722)	(43,527)
Printing and stationery		(15,657)	(13,205)
Service fees		(36,014)	(28,027)
Shopper cards		(440)	(239)
Sundry expenses		(4,841)	(16,745)
Superannuation		(18,221)	(16,177)
Personnel expenses		(210,905)	(110,275)
Other personnel expenses		(26,121)	(5,755)
Results from operating activities		(108,643)	773
Interest income		7,285	9,448
Net finance income		7,285	9,448
Deficit for the year		(101,358)	10,221

The notes of pages 6 to 19 are 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 2008

	Accumulated funds
	\$
2008	
Balance at 1 July 2007	<u>167,592</u>
Deficit for the year	<u>(101,358)</u>
Total recognised income and expense for the year	<u>(101,358)</u>
Balance at 30 June 2008	<u>66,234</u>
2007	
	Accumulated funds
	\$
Balance at 1 July 2006	<u>157,371</u>
Surplus for the year	<u>10,221</u>
Total recognised income and expense for the year	<u>10,221</u>
Balance at 30 June 2007	<u>167,592</u>

The notes of pages 6 to 19 are an integral part of these financial statements.

National Union of Workers

(Western Australian Branch)

Statement of cash flows

For the year ended 30 June 2008

	Note	2008 \$	2007 \$
Cash flows from operating activities			
Cash receipts from customers		321,586	333,403
Cash paid to suppliers and employees		<u>(326,897)</u>	<u>(317,623)</u>
Cash generated from operations	6	(5,311)	15,780
Interest received		<u>7,285</u>	<u>8,739</u>
Net cash from operating activities		<u>1,974</u>	<u>24,519</u>
Net cash increase in cash and cash equivalents		1,974	24,519
Cash and cash equivalents at 1 July		<u>177,222</u>	<u>152,703</u>
Cash and cash equivalents at 30 June	6	<u>179,196</u>	<u>177,222</u>

The notes of pages 6 to 19 are an integral part of these financial statements.

National Union of Workers

(Western Australian Branch)

Notes to the financial statements

1 Reporting entity

National Union of Workers (Western Australian Branch) (the "Entity") is a union domiciled in Australia. The address of the Entity's registered office is 5th Floor, 25 Barrack Street, Perth WA 6000. The Entity primarily is involved in the trade union business in Western Australia, established in accordance with the Workplace Relations Act 1996.

2 Basis of preparation

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB).

This financial report has been prepared for distribution to members of the Entity to satisfy the Committee of Management's reporting responsibilities imposed by the Workplace Relations Act 1996.

The financial report was approved by the members of the Committee of Management on 25 September 2008.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Entity's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

National Union of Workers

(Western Australian Branch)

Notes to the financial statements

3 Significant accounting policies continued

(a) Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Entity becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Entity's contractual rights to the cash flows from the financial assets expire or if the Entity transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Entity commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Entity's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits.

Accounting for finance income and expense is discussed in note 3(e).

Non-derivative financial instruments, other than those measured at fair value, are measured at amortised cost using the effective interest method, less any impairment losses.

(b) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

National Union of Workers

(Western Australian Branch)

Notes to the financial statements

3 Significant accounting policies continued

(b) Property, plant and equipment continued

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Entity and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

The estimated useful lives for the current and comparative periods are as follows:

Motor vehicles	5 years
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Depreciation methods, useful lives and residual values are reassessed at the reporting date.

(c) Impairment

(i) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Financial assets are tested for impairment on an individual basis.

All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in profit or loss.

National Union of Workers

(Western Australian Branch)

Notes to the financial statements

3 Significant accounting policies continued

(c) Impairment continued

(ii) Non-financial assets

The carrying amounts of the Entity's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(d) Revenue

(i) Member contributions

Gross contributions by members comprise contributions due from members. The gross contributions are recognised on a straight-line basis over the year to match the costs of the services provided. Commissions deducted by employers as payment for collection services are shown separately as an expense.

(e) Finance income

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues, using the effective interest method.

National Union of Workers

(Western Australian Branch)

Notes to the financial statements

3 Significant accounting policies continued

(f) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(g) Income tax

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

(h) Employee benefits

(i) Defined contribution plans

A defined contribution is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense in profit or loss when they are due.

(ii) Short-term benefits

Liabilities for employee benefits for wages, salaries, annual leave and sick leave represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Entity expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax. Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Entity as the benefits are taken by the employees.

National Union of Workers

(Western Australian Branch)

Notes to the financial statements

3 Significant accounting policies continued

(h) Employee benefits continued

(iii) Other long-term employee benefits

The Entity's net obligation in respect of long-term employee benefits other than defined benefit plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on AA credit-rated or government bonds that have maturity dates approximating the terms of the Entity's obligations. The calculation is performed using the projected unit credit method.

(i) New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2008, but have not been applied in preparing this financial report:

- Revised AASB 101 *Presentation of Financial Statements* introduces as a financial statement (formerly "primary" statement) the "statement of comprehensive income". The revised standard does not change the recognition, measurement or disclosure of transactions and events that are required by other AASBs. The revised AASB 101 will become mandatory for the Entity's 30 June 2010 financial statements. The Entity has not yet determined the potential effect of the revised standard on the Entity's disclosures.

4 Segment reporting

The Entity operates predominately in one business and geographical segment being the trade union business in Western Australia.

National Union of Workers

(Western Australian Branch)

Notes to the financial statements

5 Financial instruments and financial risk management

Overview

The Entity has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Entity's exposure to each of the above risks, its objectives, and the policies and processes for measuring and managing risk. Quantitative disclosures are also included in this note.

The Committee of Management have responsibility for the establishment and oversight of the risk management framework and for developing and monitoring risk management policies.

Risk management policies are established to identify and analyse the risks faced by the Entity, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Entity's activities. The Entity, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Committee of Management oversees how management monitors compliance with the Entity's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Entity.

Credit risk

Credit risk is the risk of financial loss to the Entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Entity's receivables from members.

Trade and other receivables

The Entity's exposure to credit risk is influenced mainly by the individual characteristics of each employer.

The Entity does not require a credit policy as all receivables relate to deductions for members working at their employers enterprises.

The Entity has not established an allowance for impairment as historical data does not indicate any impairment issues.

National Union of Workers

(Western Australian Branch)

Notes to the financial statements

5 Financial instruments and financial risk management continued

Exposure to credit risk

The carrying amount of the Entity's financial assets represents the maximum credit exposure. The Entity's maximum exposure to credit risk at the reporting date was:

	Carrying amount	
	2008	2007
Trade receivables	27,074	30,221

The Entity's maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:

	Carrying amount	
	2008	2007
Members' employers	\$ 27,074	\$ 30,221

The Entity's most significant customer accounts for \$3,827 of the trade receivables carrying amount at 30 June 2008 (2007: \$4,302).

Impairment losses

The aging of the Entity's trade receivables at reporting date was:

	Gross 2008	Impairment 2008	Gross 2007	Impairment 2007
	\$	\$	\$	\$
Not past due	24,768	-	26,596	-
Past due 0-60 days	2,306	-	3,625	-
Past due 60-120 days	-	-	-	-
	<u>27,074</u>	<u>-</u>	<u>30,221</u>	<u>-</u>

Based on the historical default rates, the Entity believes that no impairment allowance is necessary in respect of any trade receivables.

National Union of Workers

(Western Australian Branch)

Notes to the financial statements

5 Financial instruments and financial risk management continued

Liquidity risk

Liquidity risk is the risk that the Entity will not be able to meet its financial obligations as they fall due. The Entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Entity's reputation.

Typically the Entity ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. The Entity does not maintain any lines of credit.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

30 June 2008

	Carrying amount	Contractual cash flows	12 mths or less	1-2 yrs	2-5 yrs	More than 5 yrs
	\$	\$	\$	\$	\$	\$
Non-derivative financial liabilities						
Trade and other payables	43,372	43,372	43,372	-	-	-
	<u>43,372</u>	<u>43,372</u>	<u>43,372</u>	<u>-</u>	<u>-</u>	<u>-</u>

30 June 2007

	Carrying amount	Contractual cash flows	12 mths or less	1-2 yrs	2-5 yrs	More than 5 yrs
	\$	\$	\$	\$	\$	\$
Non derivative financial liabilities						
Trade and other payables	60,294	60,294	60,294	-	-	-
	<u>60,294</u>	<u>60,294</u>	<u>60,294</u>	<u>-</u>	<u>-</u>	<u>-</u>

National Union of Workers

(Western Australian Branch)

Notes to the financial statements

5 Financial instruments and financial risk management continued

Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The Entity adopts a policy of ensuring that its exposure to changes in interest rates is limited by investing in high return deposits with no fixed term.

Profile

At the reporting date the interest rate profile of the Entity's interest-bearing financial instruments was:

	Carrying amount	
	2008	2007
	\$	\$
Variable rate instruments		
Cash and cash equivalents	179,196	177,222

Fair value sensitivity analysis for fixed rate instruments

The Entity does not hold any fixed rate financial assets and liabilities. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Fair values

Fair values of financial assets and liabilities approximate their carrying values.

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Notes to the financial statements

6 Cash and cash equivalents

	2008	2007
	\$	\$
General cheque account	53,727	59,377
Term deposit	125,469	117,845
Cash and cash equivalents	<u>179,196</u>	<u>177,222</u>
Cash and cash equivalents in the statement of cash flows	<u>179,196</u>	<u>177,222</u>

The Entity's exposure to interest rate risk and sensitivity analysis for financial assets and liabilities are disclosed in note 5.

Reconciliation of cash flows from operating activities

	2008	2007
	\$	\$
Cash flows from operating activities		
Surplus for the year	(101,358)	10,221
Adjustments for:		
Depreciation	4,455	4,456
Interest income	(7,285)	(8,739)
Operating profit before changes in working capital	<u>(104,188)</u>	5,938
Change in trade and other receivables	9,253	(18,140)
Change in trade and other payables	(16,922)	27,982
Change in employee benefits	106,546	-
Cash generated from operations	<u>(5,311)</u>	<u>15,780</u>

7 Trade and other receivables

	2008	2007
	\$	\$
Trade receivables	27,074	30,221
Prepayments	4,560	10,666
	<u>31,634</u>	<u>40,887</u>

The Entity's exposure to credit risk and impairment losses related to trade and other receivables are disclosed in note 5.

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Notes to the financial statements

8 Property, plant and equipment

	Motor vehicles \$	Total \$
Cost or deemed cost		
Balance at 1 July 2007	22,276	22,276
Balance at 30 June 2008	<u>22,276</u>	<u>22,276</u>
Depreciation and impairment losses		
Balance at 1 July 2007	(12,499)	(12,499)
Depreciation for the year	(4,455)	(4,455)
Balance at 30 June 2008	<u>(16,954)</u>	<u>(16,954)</u>
Carrying amount		
At 1 July 2007	<u>9,777</u>	<u>9,777</u>
At 30 June 2008	<u>5,322</u>	<u>5,322</u>
	Motor vehicles \$	Total \$
Cost or deemed cost		
Balance at 1 July 2006	22,276	22,276
Balance at 30 June 2007	<u>22,276</u>	<u>22,276</u>
Depreciation and impairment losses		
Balance at 1 July 2006	(8,043)	(8,043)
Depreciation for the year	(4,456)	(4,456)
Balance at 30 June 2007	<u>(12,499)</u>	<u>(12,499)</u>
Carrying amount		
At 1 July 2006	<u>14,233</u>	<u>14,233</u>
At 30 June 2007	<u>9,777</u>	<u>9,777</u>

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Notes to the financial statements

9 Trade and other payables

	2008	2007
	\$	\$
Trade payables	37,698	58,619
Other payables	5,674	1,675
	<u>43,372</u>	<u>60,294</u>

The Entity's exposure to liquidity risk related to trade and other payables is disclosed in note 5.

10 Employee benefits

	2008	2007
	\$	\$
Current		
Annual leave	79,094	-
Long service leave	25,811	-
	<u>104,905</u>	<u>-</u>
	2008	2007
	\$	\$
Non-current		
Long service leave	1,641	-
	<u>1,641</u>	<u>-</u>

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Notes to the financial statements

11 Remuneration of Committee of Management

The following persons held office through the entire period 1 July 2007 to 30 June 2008 unless otherwise indicated.

Branch President	Alexander Miskiewicz
Branch Senior Vice President	Graham Gilchrist
Branch Junior Vice President	Peter Toy
Branch Secretary	Martin Pritchard
Branch Assistant Secretary	Joseph Bullock
Branch Member	George Hawkins
Branch Member	Keith Mann
Branch Member	Christopher Satich
Branch Member	Alison Rushack
Branch Member	Sebastiano Scata

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

	2008	2007
	\$	\$
Members of Committee of Management		
Salaries and superannuation	95,858	82,703
Non-monetary benefits	-	1,819
Total	95,858	84,522



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

Report on the financial report

We have audited the accompanying financial report of National Union of Workers (Western Australian Branch) ("the Entity"), which comprises the balance sheet as at 30 June 2008, 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 and other explanatory notes set out on pages 2 to 19.

Committee of Management's responsibility for the financial report

The Committee of Management of the Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal control 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.

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 the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control 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 control. 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 performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the entity's financial position, and of its performance and cash flows.



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

Qualification

The financial report of National Union of Workers (Western Australian Branch) as at 30 June 2007, was audited by another auditor, Ernst & Young whose report dated 21 December, expressed a qualified audit opinion on membership contributions as membership contributions are a significant source of revenue for the Entity. The Entity 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 them regarding revenue from this source was limited, their audit procedures with respect to membership contributions have to be restricted to the amounts recorded in the financial records. They therefore were unable to express an opinion whether revenue from membership contributions the Entity received are complete. We are therefore unable to obtain sufficient appropriate audit evidence for membership contributions for the year ended 30 June 2007.

Auditor's opinion

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves regarding the comparative of membership contributions as set out above, the financial report presents fairly, in accordance with the Workplace Relations Act 1996, including compliance with Australian Accounting Standards (including the Australian Accounting Interpretations) and other mandatory financial reporting requirements in Australia and the entity's rules, the financial position of National Union of Workers (Western Australian Branch) as at 30 June 2008 and of its financial performance and its cash flows for the year then ended.

KPMG

KPMG

Robert Kelly

Partner

Perth

Dated: 25 September 2008