



FAIR WORK
AUSTRALIA

30 April 2012

Mr Joseph Bullock
Secretary
Shop, Distributive and Allied Employees Association, Western Australian Branch
email: sda@sdawa.asn.au

Dear Mr Bullock

**Re: Financial Report for the Shop, Distributive and Allied Employees Association,
Western Australian Branch for year ended 30 June 2011 – FR2011/2701**

I acknowledge receipt of correspondence dated 16 March 2012 in reply to correspondence of Fair Work Australia dated 19 January 2012 for the financial report for the Shop, Distributive and Allied Employees Association, Western Australian Branch (the Branch) for the year ended 30 June 2011. The correspondence was lodged with Fair Work Australia on 21 March 2011.

The financial report has now been filed.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged.

Operating Report

Right of members to resign

Subsection 254(2)(c) of the Fair Work (Registered Organisations) Act 2009 (the Act) requires the operating report to 'give details' of the right of members to resign from the reporting unit under section 174 of the Act. This requirement may be met by the inclusion of a statement that a member has the right to resign and a reference to the relevant rule, which makes such provision. Alternatively, the complete text of the relevant resignation rule may be reproduced in the report. It would appear in this case that rule 25 of the Branch's Rules is applicable.

Committee of Management statement

Item 25(c) of the General Manager's Reporting Guidelines (the Guidelines) requires the committee of management to declare whether or not the 'financial statements and notes give a *true and fair view* of the financial performance . . .'. The committee of management statement declares that the 'financial statements and notes *present fairly* the financial performance . . .'. In future years please ensure that declaration is made in the terms required by the reporting guidelines, that is whether the financial statements give a *true and fair view*.

Also, item 25(e)(iv) of the guidelines requires a declaration by the Committee of Management that:

'where the organisation consists of 2 or more reporting units, 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.'

If the records have been kept in a consistent manner to each of the organisation's reporting units, the following statement should be made in future committee of management statements:

'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.'

Also, the Committee of Management statement was signed by a designated officer but not dated. Item 26(d) of the guidelines requires that the Committee of Management statement must be dated as at the date the designated officer sign the statement. Could you ensure that future statements are dated in accordance with the guidelines.

Disclosure of finance costs

AASB 101(82)(b) requires the statement of comprehensive to include a line item that presents the finance costs for the period. In future years please ensure that the income statement includes this item.

Related party transactions

Paragraph 17 of Australian Accounting Standard 124 (related party transactions) requires that '[i]f there have been transactions between related parties, an entity shall disclose the nature of the related party relationship as well as information about the transactions and outstanding balances necessary for an understanding of the potential effect of the relationship on financial statements.' The paragraph states that, among other things, the amount of transactions and amount of outstanding balances are to be disclosed.

The operating report states that the Branch determined to 'accept responsibility for a proportion of the wage costs of the officials of the state registered Shop, Distributive and Allied Employees' Association of Western Australia'. Note 10 discloses the SDAWA as a related party but does not disclose any transaction regarding contributions to the wage costs of officials of the SDAWA. In future years if any such contributions are made the amount should be disclosed in the note regarding related party transactions.

If you wish to discuss any of the matters referred to above I can be contacted on (03) 8661 7764.

Yours sincerely

A handwritten signature in black ink, appearing to be 'K Donnellan', with a long horizontal line extending to the right.

Kevin Donnellan

Tribunal Services and Organisations

Fair Work Australia

Email: kevin.donnellan@fwa.gov.au

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION, WESTERN AUSTRALIAN BRANCH



Registered Office: 5th Floor, 25 Barrack Street, Perth WA 6000
Postal Address: GPO Box 2556, Perth WA 6001
Phone: (08) 9221 4321
Facsimile: (08) 9221 2774
Email: sda@sdawa.asn.au
ABN: 49 055 257 014

BRANCH SECRETARY
JOE BULLOCK



JB:KE

G:ADMIN:SDA WA BRANCH:FINANCIAL:2011:
Letter to Kevin Donnellan re Financial
Report 2011 – Financial Dependency

16th March, 2012.

Mr Kevin Donnellan,
Tribunal Services and Organisations,
Fair Work Australia,
11 Exhibition Street,
MELBOURNE, VIC., 3000.

Dear Kevin,

RE: FINANCIAL DEPENDENCE

I do apologise for failing to respond to your correspondence of 19th January 2012. Instead of reading it thoroughly I had assumed it was merely an acknowledgement of receipt of our financial report for 2011.

As discussed with you by telephone, while the SDA has existed as a federally registered union since 1908, it was only about fifty years ago that shop assistants in Western Australia decided to become part of what was then termed a "Federation" and the Western Australian Branch of the SDA was formed.

At that time, while it was accepted that there was merit in having a national voice in dealing with national retailers and while it was acknowledged that members in our industries often faced common challenges across the country, it was nevertheless the case that the industrial interests of our members were almost exclusively able to be addressed within the state jurisdiction.

The state registered union which had existed in one form or another since before the turn of the twentieth century was then and continued to be for many years thereafter the primary vehicle for the advancement of members' wages and conditions. It was and remained the organisation to which members paid their fees and the Branch of the federally registered union had and continues to have no other source of funds.

...2/

Mr Kevin Donnellan,

16th March, 2012.

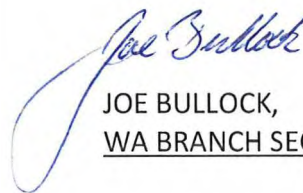
Expenditures of the Branch are modest. Until recent times affiliation fees and levies imposed by the federal union under its rules and audit costs have been the principal expenses incurred by the Branch. More recently, federal right of entry permits have been restricted to employees of the federally registered union and this has entailed some expenditure on wages. (We have always taken the view that denying right of entry permits to employees of the state union authorised by the Branch to act as organisers for the Branch is unreasonable).

The state union has, since the inception of the Branch, understood that if the Branch is to meet its financial obligations it has little option than to either charge fees of its own, which would be unpalatable to members, or be financially dependent on the state union. The state union has always understood the benefit of a viable SDA WA Branch and has never hesitated in providing such funds as are required to maintain the Branch. While such support has never been in question, the fact that the regulation of the industrial affairs of almost all of the state union's membership has moved into the federal jurisdiction in recent years has made the argument for such support even more compelling.

There is no reason whatever to believe that the support provided by the state union to the Branch since its inception fifty years ago is at risk.

I am interested in exploring means to further clarify the relationship between the two entities. In particular I will pay attention to the opportunities available to us under Section 269 to which you alerted me in our conversation. I look forward to you passing on to us such information as you deem to be relevant in this regard.

Yours sincerely,



JOE BULLOCK,
WA BRANCH SECRETARY.



FAIR WORK
AUSTRALIA

19 January 2012

Mr Joseph Bullock
Secretary
Shop, Distributive and Allied Employees Association, Western Australian Branch
email: sda@sdawa.asn.au

Dear Mr Bullock

**Re: Financial Report for the Shop, Distributive and Allied Employees Association,
Western Australian Branch for year ended 30 June 2011 – FR2011/2701**

I acknowledge receipt of the financial report for the Shop, Distributive and Allied Employees Association, Western Australian Branch (the Branch) for the year ended 30 June 2011. The report was lodged with Fair Work Australia on 23 December 2011.

The financial report has not been filed.

The following matters require your attention before any action can be taken to file the above report.

Donations from the SDAWA

The statement of comprehensive income and note 3(c) to the financial statements suggest that the Branch is financially dependent on The Shop Distributive and Allied Employees Association of Western Australian (SDAWA). Rule 28 (Contributions) of the Branch's rules require the SDAWA to remit regularly to the Branch an amount sufficient to pay the Branch's affiliation fees if the Branch and the SDAWA have dual members. However I cannot locate a reciprocal rule in the rules of the SDAWA. The Branch's ability to continue as a going concern appears to be dependent on the SDAWA's capacity and willingness to continue to donate affiliation fees and levies to the Branch.

Could the Branch indicate what formal arrangements are in place between the Branch and the SDAWA for the continuation of the donations in future years?

If you wish to discuss any of the matters referred to above I can be contacted on (03) 8661 7764.

Yours sincerely

Kevin Donnellan
Tribunal Services and Organisations
Fair Work Australia
Email: kevin.donnellan@fwa.gov.au

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001
Telephone: (03) 8661 7777
International: (613) 8661 7777
Facsimile: (03) 9655 0401
Email: melbourne@fwa.gov.au



**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES'
ASSOCIATION, WESTERN AUSTRALIAN BRANCH**

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 Facsimile: (08) 9221 2774
 Email: sda@sdawa.asn.au
 ABN: 49 055 257 014

BRANCH SECRETARY
JOE BULLOCK



:NK

23rd December 2011

The General Manager
Fair Work Australia
GPO Box 1994S
MELBOURNE VIC 3001

Dear Sir

RE: Financial Documents – 30 June 2011
Shop, Distributive and Allied Employees' Association, Western Australian Branch

Please find attached a copy of the Operating Report, General Purpose Financial Report and Auditor's Report in relation to the Shop, Distributive and Allied Employees' Association, Western Australian Branch for the year ended 30 June 2011.

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

Yours faithfully,

JOE BULLOCK
BRANCH SECRETARY

Enc

Designated Officer's Certificate

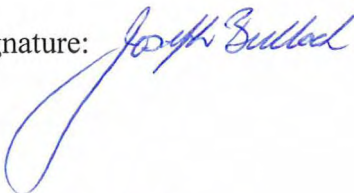
s268 Fair Work (Registered Organisations) Act 2009

I, Joseph Bullock being the Branch Secretary of the Shop, Distributive and Allied Employees' Association, Western Australian Branch certify:

That the documents lodged herewith are copies of the full report, referred to in s268 of the Fair Work (Registered Organisations) Act 2009; and

That the full report, was provided to members on 19th September 2011; and

That the full report was presented to a General Meeting of Members of the reporting unit on the 8th November 2011 in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

Signature: 

Date: 23/12/11.

**The Shop, Distributive and Allied Employees' Association
Western Australian Branch
49 055 257 014**

Annual Financial Report

30 June 2011

The Shop, Distributive and Allied Employees' Association

Western Australian Branch

30 June 2011

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The Shop, Distributive and Allied Employees' Association

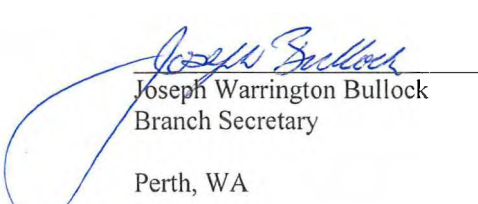
Western Australian Branch

Committee of management statement

30 June 2011

We, Joseph Warrington Bullock and Martin Brian Pritchard, being two members of the Committee of Management of The Shop, Distributive and Allied Employees' Association, Western Australian Branch ("the Branch"), do declare on behalf of the Committee and in accordance with a resolution passed by the Committee on 31 August 2011, that in the opinion of the Committee:

1. 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). The financial report of the Branch complies with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB);
2. The financial statements and notes comply with the reporting guidelines of the General Manager of Fair Work Australia;
3. The financial statements and notes present fairly 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 2011 and since the end of that year;
 - (i) Meetings of the Committee of Management were held in accordance with the rules of The Shop, Distributive and Allied Employees' Association including the rules of the Branch;
 - (ii) The financial affairs of the Branch have been managed in accordance with the rules of The Shop, Distributive and Allied Employees' Association including the rules of the Branch;
 - (iii) The financial records of the Branch have been kept and maintained in accordance with the Fair Work (Registered Organisations) Regulations 2009 and the Fair Work (Registered Organisations) Act 2009;
 - (iv) The information sought in any request of a member of the Branch or The General Manager of Fair Work Australia duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or the General Manager of Fair Work Australia;
 - (v) There has been no recovery of wages activity undertaken during the period per section 255 of the Fair Work (Registered Organisations) Act 2009; and
 - (vi) There has been compliance with any order for inspection of financial records made by Fair Work Australia under section 273 of the Fair Work (Registered Organisations) Act 2009.



Joseph Warrington Bullock
Branch Secretary

Perth, WA



Martin Brian Pritchard
Assistant Branch Secretary

The Shop, Distributive and Allied Employees' Association
Western Australian Branch
Statement of financial position
As at 30 June 2011

	Note	2011 \$	2010 \$
Assets			
Cash and cash equivalents	7	79,352	17,014
Trade and other receivables	8	1,803	22,781
Total current assets		<u>81,155</u>	<u>39,795</u>
Total assets		<u>81,155</u>	<u>39,795</u>
Liabilities			
Trade and other payables	9	13,927	24,640
Total current liabilities		<u>13,927</u>	<u>24,640</u>
Total liabilities		<u>13,927</u>	<u>24,640</u>
Net assets		<u>67,228</u>	<u>15,155</u>
Accumulated funds		<u>67,228</u>	<u>15,155</u>
Total accumulated funds		<u>67,228</u>	<u>15,155</u>

The notes of pages 6 to 17 are an integral part of these financial statements.

The Shop, Distributive and Allied Employees' Association
Western Australian Branch
Statement of comprehensive income
For the year ended 30 June 2011

	2011 \$	2010 \$
Revenue		
Donations	904,628	607,183
Total revenue	904,628	607,183
Expenditure		
Affiliation dues	(461,385)	(403,612)
International Fund	(138,415)	(121,084)
Personnel expenses	(249,761)	(81,785)
Audit fees - KPMG	(1,133)	(1,100)
Bank charges	(1,913)	(732)
Total Expenditure	(852,607)	(608,313)
Interest income	52	7
Net finance income	52	7
Profit/(deficit) for the year	52,073	(1,123)
Total comprehensive income for the year	52,073	(1,123)

The Shop, Distributive and Allied Employees' Association
Western Australian Branch
Statement of changes in equity
For the year ended 30 June 2011

2011

	Accumulated Funds
	\$
Balance at 1 July 2010	15,155
Profit for the year	<u>52,073</u>
Total comprehensive income for the year	<u>52,073</u>
Balance at 30 June 2011	<u>67,228</u>

2010

	Accumulated Funds
	\$
Balance at 1 July 2009	16,278
Deficit for the year	<u>(1,123)</u>
Total comprehensive loss for the year	<u>(1,123)</u>
Balance at 30 June 2010	<u>15,155</u>

The Shop, Distributive and Allied Employees' Association
Western Australian Branch
Statement of cash flows
For the year ended 30 June 2011

	Note	2011 \$	2010 \$
Cash flows from operating activities			
Cash receipts from customers		995,091	524,696
Cash paid to suppliers and employees		(932,805)	(523,279)
Cash generated from operations		62,286	1,417
Interest received		52	7
Net cash from operating activities	7	62,338	1,424
 Net increase in cash and cash equivalents		62,338	1,424
Cash and cash equivalents at 1 July		17,014	15,590
Cash and cash equivalents at 30 June	7	79,352	17,014

The Shop, Distributive and Allied Employees' Association

Western Australian Branch

Notes to the financial statements

1 Reporting entity

The Shop, Distributive and Allied Employees' Association Western Australian Branch (the "Entity") is an Entity 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.

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 (AASB) adopted by the Australian Accounting Standards Board (AASB) and Corporations Act 2001. The financial statements comply with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

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 Fair Work (Registered Organisations) Act 2009.

The financial report was approved by the Members of the Committee of Management on 31 August 2011.

(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 in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, 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.

The Shop, Distributive and Allied Employees' Association

Western Australian Branch

Notes to the financial statements

3. Significant accounting policies

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

(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.

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.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position, when, and only when, the Entity has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

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

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) Impairment

(i) *Financial assets*

A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

All individually significant financial assets are assessed for specific impairment on an individual basis. The remaining financial assets are collectively assessed for impairment by grouping together with similar risk characteristics.

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 asset's original effective interest rate. Losses are recognised in profit or loss.

The Shop, Distributive and Allied Employees' Association

Western Australian Branch

Notes to the financial statements

3. Significant accounting policies (cont.)

(b) Impairment (cont.)

(i) Financial assets (cont.)

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 the statement of comprehensive income.

(c) Revenue

(i) Donations

Federal affiliation fees comprise donations from The Shop Distributive and Allied Employees Association of Western Australia (SDAWA) based on 10% of the membership fees earned by the SDAWA in the previous financial year. The international fund levy comprise of a donation from the SDAWA based on 3% of the membership fees earned by the SDAWA in the previous year. The fees are recognised on a straight-line basis over the year to match the costs of the services provided.

(d) Finance income and expenses

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

(e) 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 operating activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

The Shop, Distributive and Allied Employees' Association

Western Australian Branch

Notes to the financial statements

3. Significant accounting policies (cont.)

(f) Income tax

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

(g) New Standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after July 2010, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Entity, except for AASB 9 *Financial Instruments*, which becomes mandatory for the Entity's 2014 financial statements and could change the classification and measurement of financial assets. The Entity does not plan to adopt this standard early and the extent of the impact has not been determined.

(h) Fair values

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

The Shop, Distributive and Allied Employees' Association

Western Australian Branch

Notes to the financial statements

4 Information to be provided to members or The General Manager of Fair Work Australia

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of Sub-Sections (1), (2) and (3) of Section 272, which reads as follows:

- (i) A member of an organisation, or the General Manager of Fair Work Australia, may apply to the organisation for specified prescribed information in relation to the organisation.
- (ii) An organisation shall, on application made under subsection (1) by a member of the organisation or the General Manager of Fair Work Australia, make the specified information available to the member or the General Manager of Fair Work Australia in such manner, and within such time, as is prescribed.
- (iii) The General Manager of Fair Work Australia may only make an application under subsection (1) at the request of a member of the organisation concerned, and the General Manager of Fair Work Australia shall provide to member information received because of an application made at the request of the member.

5 Right of member to resign

Under Section 174, Schedule 1 of the Fair Work (Registered Organisations) Act 2009,

- (i) A member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.

6 Financial instruments & financial risk management

(a) Overview

The Entity has exposure to the following risks from their 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, the Entity's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

The Committee of Management has overall responsibility for the establishment and oversight of the Entity's risk management framework and for developing and monitoring risk management policies.

The Shop, Distributive and Allied Employees' Association

Western Australian Branch

Notes to the financial statements

6 Financial instruments & financial risk management (cont.)

(a) Overview (cont.)

The Entity's 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.

(b) Credit risk

Credit risk is the risk of financial loss to the Entity if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Entity's receivables from The Shop Distributive and Allied Employees Association of Western Australia.

Trade and Other Receivables

The Entity's trade and other receivables are due from The Shop Distributive and Allied Employees Association of Western Australia and its credit exposure is directly related to the credit risk of The Shop Distributive and Allied Employees Association of Western Australia. Historically all receivables due have been paid and therefore there is no indication of any impairment issues.

Cash and cash equivalents

The Entity mitigates credit risk by depositing funds with the Australian financial institutions with appropriate credit ratings.

The Shop, Distributive and Allied Employees' Association
Western Australian Branch

Notes to the financial statements

6 Financial instruments & financial risk management (cont.)

(b) Credit risk (cont.)

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	
	2011	2010
	\$	\$
Trade and other receivables	1,803	22,781
Cash and cash equivalents	79,352	17,014
	81,155	39,795

The Entity's maximum exposure to credit risk for trade and other receivables at the reporting date by geographic region was:

	Carrying amount	
	2011	2010
	\$	\$
Australia	1,803	22,781

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

	Carrying amount	
	2011	2010
	\$	\$
Australian Taxation Office	1,788	1,788
Other	15	20,993
Total	1,803	22,781

The Shop, Distributive and Allied Employees' Association

Western Australian Branch

Notes to the financial statements

6 Financial instruments & financial risk management (cont)

(b) Credit risk (cont)

Impairment losses

Some of the Entity's receivables in 2011 were past due (2010: 8%). The aging of the Entity's trade receivables at the reporting date was:

	Gross 2011 \$	Impairment 2011 \$	Gross 2010 \$	Impairment 2010 \$
Not past due	15	-	20,993	-
Past due 0-60 days	-	-	-	-
Past due 60-120 days	1,788	-	1,788	-
	1,803	-	22,781	-

(c) Liquidity risk

Liquidity risk is the risk that the Entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. 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:

	Carrying amount \$	Contractual cash flows \$	12mths or less \$	1-2 yrs \$	2-5 yrs \$	More than 5 yrs \$
30 June 2011						
Non-derivative financial liabilities						
Trade and other payables	13,927	13,927	13,927	-	-	-
	13,927	13,927	13,927	-	-	-

The Shop, Distributive and Allied Employees' Association

Western Australian Branch

Notes to the financial statements

6 Financial instruments & financial risk management (cont)

(c) Liquidity risk (cont.)

	Carrying amount	Contractual cash flows	12mths or less	1-2 yrs	2-5 yrs	More than 5 yrs
30 June 2010	\$	\$	\$	\$	\$	\$
Non-derivative financial liabilities						
Trade and other payables	24,640	24,640	24,640	-	-	-
	<u>24,640</u>	<u>24,640</u>	<u>24,640</u>	<u>-</u>	<u>-</u>	<u>-</u>

(d) 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 to the 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	
	2011	2010
	\$	\$
Variable rate instruments		
Financial assets	<u>79,352</u>	<u>17,014</u>

An increase/(decrease) in interest rates of 100 basis points would have the effect of increasing/(decreasing) reported profit by \$794/(\$794) (2010: \$170/(\$170)).

The Shop, Distributive and Allied Employees' Association
Western Australian Branch

Notes to the financial statements

7 Cash and cash equivalents

	2011	2010
	\$	\$
Cash at bank	79,352	17,014
Cash and cash equivalents in the statement of cash flows	<u>79,352</u>	<u>17,014</u>

The Entity's exposure to interest rate risk and sensitivity analysis for financial assets and liabilities are disclosed in note 6.

Reconciliation of cash flows from operating activities

	2011	2010
	\$	\$
Cash flows from operating activities		
Profit/(deficit) for the year	52,073	(1,123)
Net finance income	(52)	(7)
Operating profit before changes in working capital	<u>52,021</u>	<u>(1,130)</u>
Change in trade and other receivables	20,978	(20,883)
Change in trade and other payables	(10,713)	23,430
	<u>62,286</u>	<u>1,417</u>
Interest received	52	7
Net cash from operating activities	<u>62,338</u>	<u>1,424</u>

8 Trade and other receivables

	2011	2010
	\$	\$
Trade receivables	1,788	1,788
Other receivables	15	20,993
	<u>1,803</u>	<u>22,781</u>

The Entity's exposure to credit risk and impairment losses related to trade and other receivables are disclosed in note 6.

The Shop, Distributive and Allied Employees' Association

Western Australian Branch

Notes to the financial statements

9 Trade and other payables

	2011	2010
	\$	\$
Other payables	13,927	24,640
	<u>13,927</u>	<u>24,640</u>

The Entity's exposure to liquidity risk related to trade and other payables is disclosed in note 6.

10 Related party transactions

Affiliation dues, international fund contributions and branch levies are paid to the national office of The Shop, Distributive and Allied Employees Association at rates determined by the national office. During the year, cash outflows to the national office amounted to \$599,800 (2010: \$524,696).

All donations are received from the SDAWA. During the year, cash inflows from SDAWA amounted to \$904,628 (2010: \$638,677).

11 Remuneration of Committee of Management (Key management personnel)

The following persons held office through the entire period 1 July 2010 to 30 June 2011 unless otherwise indicated

Branch President	Rita Mahony
Branch Vice President	Position vacant (01/07/2010 – 03/08/2010)
	Amanda Adams (04/08/2010 – 30/06/2011)
Branch Secretary	Joseph Bullock
Branch Assistant Secretary	Martin Pritchard
Branch Treasurer	Catherine Doust
Branch Member	Margaret Zurakowski
Branch Member	Grace Thomson
Branch Member	Tony Hoh
Branch Member	Patricia Glasson
Branch Member	Wendy Morrow
Branch Member	Earle Wendt
Branch Member	Jacqueline Taft
National Council Delegate	Thomas Mark Bishop
National Council Delegate	Joseph Bullock

The Shop, Distributive and Allied Employees' Association

Western Australian Branch

Notes to the financial statements

11 Remuneration of Committee of Management (Key management personnel) (cont.)

National Council Delegate	Rita Mahony
National Council Delegate	Martin Pritchard
National Council Delegate	Tony Hoh

The total remuneration paid or payable, directly or indirectly, from the Branch and any other related party to all the members of the Committee of Management was nil (2010: nil).

12 Subsequent events

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Committee of Management of the Entity, to affect significantly the operations of the Entity, the results of those operations, or the state of affairs of the Entity in future financial years.

13 Auditors remuneration

	2011	2010
<i>In AUD</i>		
Audit Services		
Auditors of the Entity		
<i>KPMG Australia:</i>		
Audit of Financial Reports	1,030	1,000
Accounting Assistance	103	100
	<hr/> 1,133	<hr/> 1,100



Independent audit report to the members of The Shop Distributive and Allied Employees' Association Western Australian Branch

Report on the financial report

We have audited the accompanying financial report of The Shop Distributive and Allied Employees' Association Western Australian Branch (the Entity), which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, notes 1 to 13 comprising a summary of significant accounting policies and other explanatory information, and the statement by Committee of Management.

The financial report has been prepared for distribution to the members of the Entity for the purpose of fulfilling the requirements of subsection 265(1) and 265(5) of the Fair Work (Registered Organisations) Act 2009) in relation to the financial report and independent auditor's report.

Committee of Management's responsibility for the financial report

The Committee of Management of the Entity is responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards, and for such internal control as the Entity's Committee of Management determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error. In note 2, the Committee of Management's also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply 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. Those 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 Entity's 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, 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 obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board.

Auditor's opinion

In our opinion, the financial report of The Shop Distributive and Allied Employees' Entity Western Australian Branch is properly drawn up:

- (a) the financial report presents fairly, in all material respects, in accordance with Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009, the financial position of The Shop, Distributive and Allied Employees' Association Western Australian Branch as of 30 June 2011 and of its financial performance and its cash flows for the year then ended; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2.

KPMG

KPMG

Matthew Beevers

Position: *Partner*

Qualifications: Chartered Accountant (94498)

Perth

Dated: 31 August 2011

Operating Report of THE SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES'
ASSOCIATION, WESTERN AUSTRALIAN BRANCH
(2010/2011) Financial Year)

1. Review of the units principal activities, including activities during the financial year, results of those activities and significant changes in the nature of the activities.

- (a) The Fair Work legislation has emphasized the importance of the constitutional break from the conciliation and arbitration power to the corporations power first entailed in Work Choices and latter continued through Fair Work legislation.

While the Rudd/Gillard Government have promoted a more flexible and productive workforce, they continued the belief that the best place to supervise industrial relations is at the Federal level. As a result in Western Australia the major emphasis on promoting the wages and working conditions of SDA members has swung from the WA State registered system to Fair Work Australia. As a result SDA Branch partnered Enterprise Agreements have proliferated whereas State registered agreements have declined. Given the current industrial relations policies of the major political parties it is unlikely there will be a major reversion to the State systems from the federal system. The federally registered SDA Branch will continue to play the major role in advancing the interest of retail employees in Western Australia.

- (b) The SDA is a party to 89 enterprise agreements which are actively monitored on behalf of members. Of the 89 agreements, 38 were negotiated or renegotiated during the 2010/2011 financial year. The majority of these agreements have been approved and registered.

The enterprise agreements provide improved wages, conditions and flexibilities for members in addition to the modern award and legislative safety net standards.

- (c) The transitioning of wages, loadings and penalties in industrial relations agreements and instruments from the pre existing Workplace Relations Act to the Fair Work Act has introduced complexities and has involved Branch officials in lengthy discussions with Fair Work Australia, employees, employer bodies and our colleagues in other States.
- (d) The Fair Work Act focuses dispute resolution on the parties to industrial instruments i.e. the employee, the employer and the union. The union has embarked on lengthy discussions with many employers on behalf of members which have been effective in resolving member problems without the need to refer as many matters to Fair Work Australia.

- (e) Disputes about flexibilities of working arrangements including family responsibilities and rosters have increased as the retail industry has come under financial strain from global financial pressures and continually seeks efficiencies from its labour force. It is pleasing that the majority of disputes have been resolved through the processes of discussion and negotiation.

At the Federal level the national retailers association sought to reduce the three hour minimum shift provision in both the Modern Retail Award and the Modern Fast Food Award. The SDA opposed the applications to reduce the working conditions of its members and assisted in the cases to oppose the national retailers association.

The national retailers associations' application to amend the Modern Retail Award to allow school students to work minimum shifts of 1.5 hours between 3.00 and 6.30 p.m. was granted by Fair Work Australia but was stayed due to an appeal by the SDA.

- (f) The SDA supports members and handles matters involving work related injuries and has had an average of 49 ongoing files at any one time during the 2010/2011 financial year.
- (g) Seventeen training courses were conducted during the 2010/2011 financial year.

2. Details of significant changes in units financial affairs:

During the year the Branch continued to accept responsibility for a proportion of the wage costs of officials of the state registered Shop, Distributive and Allied Employees' Association of Western Australia to recognize the work performed by these officials on behalf of the Branch.

3. Detail of the right of members to resign under S174 of the Fair Work (Registered Organisations) Act 2009.

Members of the SDA are entitled to resign pursuant to section 174 Termination of Membership. The SDA strictly adheres to the resignation from membership provisions, contained therein. These 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 Secretary of the Branch is an alternate employee 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 –

COMMITTEE OF MANAGEMENT 1ST JULY 2010 – 30TH JUNE 2011

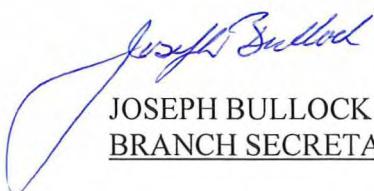
Branch President	Rita Mahony
Branch Vice President	Position Vacant (1/7/2010 – 3/8/2010) Amanda Adams (4/8/2010 – 30/6/2011)
Branch Secretary	Joseph Bullock
Branch Assistant Secretary	Martin Pritchard
Branch Treasurer	Catherine Doust
Branch Members ((7)	Margaret Zurakowski Grace Giles Patricia Glasson Tony Hoh Wendy Morrow Jacqueline Taft Earle Wendt

6. Other

- The report is signed and dated
- The number of members of the SDA WA Branch at 30/06/2011 is 20026
- The Branch employs 22 employees
- At point (1) the report contains a review of principal activities
- At point (2) are details of significant change of activities
- At point (3) are details of the rights of members to resign
- At point (4) are details of superannuation trustees
- At point (5) are details of membership of the Committee of Management

SIGNED

DATED 3/8/11



JOSEPH BULLOCK
BRANCH SECRETARY.