



30 December 2016

Mr Peter O'Keeffe  
Branch Secretary  
Shop, Distributive and Allied Employees Association – Western Australian Branch  
Level 5, 25 Barrack Street  
PERTH WA 6000

via email: [Peter.O'Keeffe@sdawa.asn.au](mailto:Peter.O'Keeffe@sdawa.asn.au)

Dear Mr O'Keeffe

**Shop, Distributive and Allied Employees Association Western Australian Branch Financial Report for the year ended 30 June 2016 - [FR2016/226]**

I acknowledge receipt of the financial report for the year ended 30 June 2016 for the Shop, Distributive and Allied Employees Association Western Australian Branch (**the reporting unit**). The financial report was lodged with the Fair Work Commission (**FWC**) on 15 December 2016.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009 (RO Act)* have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2017 may be subject to an advanced compliance review.

I make the following comment 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. The FWC will confirm this concern has been addressed prior to filing next year's report.

**Notes to the financial statement**

Revenue Accounting Policy

Note 1.5 *Revenue* states that;

*'Donations sufficient to meet the expenses of the Reporting Unit were received only from the Shop, Distributive and Allied Employees' Association, of Western Australia (SDAWA). These expenses include the federal affiliation fee and the international fund levy. The federal affiliation fee is based on 10% of the membership fees earned by the SDAWA in the previous financial year. The international fund levy is based on 1.5% of the membership fees earned by the SDAWA in the previous year. Donations are recognised when the donation is received.'*

Note 10A *Related Party Transactions for the Reporting Period* then states that:

*'All donations and levies are received from the SDAWA. During the year, donations from SDAWA amounted to \$1,071,012 (2015: \$1,167,589). As at 30 June 2016, the amount of \$197,776 (2015: \$51,340) was owed by the SDAWA. This amount is included in trade receivables in note 5B.'*

As per the stated accounting policy, if donations are recognised when the donation is received, the reporting unit would be unable to have a trade receivable from the SDAWA. It would appear that the reporting unit is not adhering to its accounting policy for donations.

In future please ensure that donations are brought to account in accordance with the accounting policy or if appropriate, change the accounting policy to reflect the actual method of recording such Revenue. Any change of accounting policy will need to be disclosed in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. You may need to discuss this with your auditor.

### **Reporting Requirements**

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8656 4681 or by email at [joanne.fenwick@fwc.gov.au](mailto:joanne.fenwick@fwc.gov.au).

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Joanne Fenwick', with a long horizontal flourish extending to the right.

Joanne Fenwick  
Financial Reporting Specialist  
Regulatory Compliance Branch



:NK  
13<sup>th</sup> December 2016

The General Manager  
Fair Work Commission  
GPO Box 1994  
MELBOURNE VIC 3001

Dear Madam

**RE: Financial Documents – 30 June 2016**  
**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 2016.

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

Yours faithfully,



**PETER O'KEEFFE**  
**BRANCH SECRETARY**

Enc

G:\ADMINISTRATION\SDA WA Branch\Financial\2016\SDA WA Branch Financial Statements 2016 - Letter to Federal Commission.doc

All correspondence to be addressed to the Branch Secretary

**THE UNION FOR  
WORKERS IN  
RETAIL.  
FAST FOOD.  
WAREHOUSING.**

**Shop, Distributive and Allied Employees' Association (Western Australia Branch)**

ABN 49 055 257 014

Branch Secretary: **Peter O'Keeffe**

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**

Website: **www.sdawa.asn.au**

**Designated Officer's Certificate**

s268 Fair Work (Registered Organisations) Act 2009

I, Peter O'Keeffe 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 for the Shop, Distributive and Allied Employees' Association, Western Australian Branch for the period ended 30 June 2016 referred to in s268 of the Fair Work (Registered Organisations) Act 2009; and

That the full report, was provided via post to members of the reporting unit on or before 23<sup>rd</sup> September 2016; and

That the full report was presented to a meeting of the Committee of Management of the reporting unit on 7<sup>th</sup> December 2016 in accordance with s266 of the the *Fair Work (Registered Organisations) Act 2009*.

Signature: 

Peter O'Keeffe  
Branch Secretary

Date: 13 | 12 | 16

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



## FINANCIAL STATEMENTS 2015–16

### Contents

Independent Audit Report	2
Operating Report	4
Committee of Management Statement	9
Statement of Comprehensive Income	10
Statement of Financial Position	11
Statement of Changes in Equity	12
Cash Flow Statement	13
Notes to and Forming Part of the Financial Statements	14



## **Independent auditor's 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 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes 1 to 14 comprising a summary of significant accounting policies and other explanatory information and the Committee of Management statement.

#### *Committee of Management's responsibility for the financial report*

The Committee of Management of the Entity is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009* and for such internal control as the Committee of Management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

#### *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 of the financial report that gives a true and fair view 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 the *Fair Work (Registered Organisations) Act 2009* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Entity's financial position and of its performance.

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 complied with the independence requirements of the *Accounting Professional and Ethical Standards Board*.



*Auditor's opinion*

In our opinion:

- (a) the financial report presents fairly, in all material respects, in accordance with the requirements imposed by 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 2016 and of its financial performance and its cash flows for the year then ended; and
- (b) the financial report complies with Australian Accounting Standards and the *Fair Work (Registered Organisations) Regulations 2009*.

**Report on other regulatory requirements**

- (a) In our opinion, the Committee of Management's use of the going concern basis of accounting in the preparation of the financial report is appropriate; and
- (b) I am an approved auditor as defined by Regulation 4 of the *Fair Work (Registered Organisations) Regulations 2009*, a member of the Institute of Chartered Accountants in Australia and hold a current Public Practice Certificate.

KPMG

KPMG

Matthew Beevers  
*Partner*

Qualifications: Chartered Accountant (94498)

235 St Georges Terrace  
Perth, WA, 6000

7 September 2016

**Shop, Distributive and Allied Employees' Association, Western Australian Branch**  
**OPERATING REPORT**

*for the year ended 30 June 2016*

The committee presents its report on the reporting unit for the financial year ended 30 June 2016.

**(1) Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year**

**a) Major cases which the WA Branch either ran or were associated with:**

- *Coles Kewdale Distribution Centre Incentive Dispute*
  - *The WA Branch assisted a member to file an application to deal with a dispute arising under the Coles Kewdale Distribution Centre WA Agreement 2014. The dispute related to Coles' decision to freeze the rate at which the incentive was paid at 2014 rates, in circumstances where from about 1990, the incentive had increased in accordance with increases to rates of wage under relevant enterprise agreements. On 29 July 2016, Deputy President Bull of the Fair Work Commission dismissed the application. The WA Branch has engaged the services of a respected employment and labour law barrister, and Slater & Gordon lawyers, to appeal the decision. A notice of appeal was filed on 15 August 2016, and it is expected a hearing will take place in late 2016.*
- *Masters Easter Saturday dispute*
  - *The WA Branch assisted a member to file an application to deal with a dispute arising under the Masters Agreement 2014. The Masters Agreement includes public holiday benefits for WA employees on Easter Saturday, even though WA does not have a gazetted public holiday on Easter Saturday. The dispute related to Masters' decision in 2016 to not provide Easter Saturday benefits to its WA employees. As a result of the application, Masters agreed to rectify the matter and give eligible employees Easter Saturday benefits.*
- *ALDI Jandakot Distribution Centre Right of Entry Dispute*
  - *The WA Branch filed an application to deal with a right of entry dispute. ALDI managers were sitting next to SDA organisers in the ALDI DC when organisers were on-site to hold discussions with employees. In the SDA's view, this was to discourage employees from approaching the SDA organisers. The Fair Work Commission held a conference in which ALDI agreed to rectify the matter by having an ALDI manager stationed outside the lunchroom, rather than immediately next to SDA organisers.*
- *Inghams*
  - *The WA Branch is presently involved in enterprise bargaining negotiations with Inghams for a replacement to the Inghams Enterprises Pty Ltd Distribution Enterprise Agreement 2012. During these negotiations, the WA Branch successfully applied for a protected action ballot order. The SDA members voted to approve the ballot, but industrial action was not taken. The WA Branch has also filed a scope order application, to bring in a group of 'Weigh/Label' employees, who are covered under Inghams processing agreement. It is anticipated that a hearing will be listed for the scope order application in late October 2016.*



**Shop, Distributive and Allied Employees' Association, Western Australian Branch**  
**OPERATING REPORT (continued)**

*for the year ended 30 June 2016*

**(1) Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year (continued)**

- *Four yearly review of modern awards - District/Location Allowances*
    - *The WA Branch's applications for location allowances are being dealt with in the context of the Fair Work Commission's four-yearly review of modern awards. However, this review is expected to carry over well into 2017. The location allowance applications are waiting on a date for hearing. The National office is dealing with other four yearly award review related applications.*
  - *Termination of Independent Retail Establishments Agreement*
    - *The WA Branch filed an application under section 225 of the Fair Work Act to terminate the expired Independent Retail Establishments Agreement 2002. The application is currently being dealt with by the Fair Work Commission.*
  - *Pharmacy matters*
    - *The WA Branch assisted a member to file an application under section 225 of the Fair Work Act to terminate the expired Community Pharmacy Multiple Business Agreement (Western Australia). The application was successful and the Agreement was terminated.*
    - *The WA Branch is also supporting the Shop, Distributive and Allied Employees' Association of Western Australia (Association) in a case opposing an application by the Pharmacy Guild of Western Australia to create a new state award that has inferior penalty provisions to the current state award. The matter has been adjourned until October 2016.*
  - *Campaigns*
    - *The WA Branch has been running the 'At What Cost?' campaign to ensure that any proposed changes to trading hours are subjected to a full public Parliamentary inquiry, where the costs of both previous and proposed changes on the whole community can be considered, alongside the benefits delivered to big retailers. This campaign has involved television, print, and radio advertising.*
- b) *In addition to the above matters the WA Branch lodged about twenty five unfair dismissal claims and two general protections claims with the Fair Work Commission. All of those matters were settled to the satisfaction of the member. There was one underpayments claim lodged in the Industrial Magistrates Court which is yet to be resolved. There were also a number of matters relating to dismissals and or underpayments which were settled to the satisfaction of the member without the need to lodge proceedings in the Commission. Further, the early intervention of industrial officers and organisers in industrial disputes which may have resulted in termination saved the employment of many members.*

## **Shop, Distributive and Allied Employees' Association, Western Australian Branch**

### **OPERATING REPORT (continued)**

*for the year ended 30 June 2016*

#### **(1) Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year (continued)**

- c) *The Union employed 22 organisers during the financial year with one of their functions being to visit retail, fast food and wholesale stores and distribution centres on a regular basis to recruit and service members. Organisers provided a valuable daily "hands on" service to members and were instrumental in solving industrial questions and problems as they arose.*
- d) *The WA Branch's members were covered by about 103 enterprise agreements (including agreements past their nominal expiry date but still in force). Five agreements were negotiated by the National office and or the WA Branch and approved by the FWC during the 2015/16 financial year.*

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

- e) *The WA Branch has maintained its relationship with Slater & Gordon Lawyers, which has ensured members have had, and will continue to have, proper support and legal representation.*

*The WA Branch supports members and handles matters involving work related injuries commonly known as "workers' compensation", and has had between 40 and 50 ongoing files at any one time during the 2015/2016 financial year. The majority of those claims were settled in conjunction with Slater & Gordon.*

- f) *The WA Branch continued to provide training courses for its delegates during the 2015/2016 financial year.*
- g) *There have been no significant changes in the WA Branch's principal activities.*

#### **(2) Significant changes in financial affairs**

*There were no significant changes in the state of affairs of the reporting unit that occurred during the year under review.*

#### **(3) Right of members to resign**

*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.*

**Shop, Distributive and Allied Employees' Association, Western Australian Branch**  
**OPERATING REPORT (continued)**

*for the year ended 30 June 2016*

**(4) Officers or members who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee**

*Not applicable to any officers or members of the WA Branch.*

**(5) Names of Committee of Management members and period positions held during the financial year**

*The following persons held office through the entire period 1 July 2015 to 30 June 2016 unless otherwise indicated:*

<i>Branch President</i>	<i>Joseph Bullock</i>
<i>Branch Vice President</i>	<i>Tony Hoh (01/07/15 – 19/08/15)</i>
<i>Branch Vice President</i>	<i>Pamela Bowman (20/08/15 – 30/06/16)</i>
<i>Branch Secretary</i>	<i>Peter O'Keeffe</i>
<i>Branch Assistant Secretary</i>	<i>Ben Harris</i>
<i>Branch Treasurer</i>	<i>Rita Mahony (01/07/15 – 19/08/15)</i>
<i>Branch Treasurer</i>	<i>Tony Hoh (20/08/15 – 30/06/16)</i>
<i>Committee Member</i>	<i>Margaret Zurakowski</i>
<i>Committee Member</i>	<i>Grace Thomson</i>
<i>Committee Member</i>	<i>Teegan Adams</i>
<i>Committee Member</i>	<i>Trevor Cook</i>
<i>Committee Member</i>	<i>Pamela Bowman (01/07/15 – 19/08/15)</i>
<i>Committee Member</i>	<i>Tennille Brymer (20/08/15 – 30/06/16)</i>
<i>Committee Member</i>	<i>Michele Moyes (20/08/15 – 30/06/16)</i>
<i>Committee Member</i>	<i>Kerrie Pugh (20/08/15 – 30/06/16)</i>

**(6) Number of members**

*The number of persons in the register of members is 23,038.*

**(7) Number of employees**

*The reporting unit employed 27 employees during the year.*

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

**OPERATING REPORT (continued)**

*for the year ended 30 June 2016*

**Other**

- *The report is signed and dated by the designated officer*
- *At point (1) the report contains a review of principal activities*
- *At point (2) are details of significant change of financial affairs*
- *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*
- *At point (6) are details of number of members*
- *At point (7) are details of number of employees*

Signature of designated officer: ..... 

Name and title of designated officer: Peter O'Keeffe, Branch Secretary

Dated: 6<sup>th</sup> September 2016

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

**COMMITTEE OF MANAGEMENT STATEMENT**

*for the year ended 30 June 2016*

On the 6<sup>th</sup> September 2016 the Committee of Management of the Shop, Distributive and Allied Employees' Association, Western Australian Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2016:

The Committee of management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
  - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
  - (v) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
  - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period

This declaration is made in accordance with a resolution of the Committee of Management.

Signature of designated officer:  .....

Name and title of designated officer: Peter O'Keeffe, Branch Secretary

Dated: 6<sup>th</sup> September 2016

**Shop, Distributive and Allied Employees' Association, Western Australian Branch**  
**STATEMENT OF COMPREHENSIVE INCOME**  
*for the year ended 30 June 2016*

	Notes	2016 \$	2015 \$
<b>Revenue</b>			
Membership subscription		-	-
Capitation fees	3A	-	-
Levies	3B	72,040	46,673
Interest	3C	109	127
<b>Total revenue</b>		<u>72,149</u>	<u>46,800</u>
<b>Other Income</b>			
Grants and/or donations	3D	998,972	1,120,916
<b>Total other income</b>		<u>998,972</u>	<u>1,120,916</u>
<b>Total income</b>		<u>1,071,121</u>	<u>1,167,716</u>
<b>Expenses</b>			
Employee expenses	4A	(296,273)	(432,038)
Capitation fees	4B	-	-
Affiliation fees	4C	(701,381)	(687,552)
Administration expenses	4D	(72,040)	(46,673)
Grants or donations	4E	-	-
Legal costs	4F	-	-
Audit fees	11	(1,250)	(1,255)
Other expenses	4G	-	(163)
<b>Total expenses</b>		<u>(1,070,944)</u>	<u>(1,167,681)</u>
<b>Profit for the year</b>		<u>177</u>	<u>35</u>
<b>Other comprehensive income</b>			
Items that will not be subsequently reclassified to profit or loss		-	-
<b>Total comprehensive income for the year</b>		<u>177</u>	<u>35</u>

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

**Shop, Distributive and Allied Employees' Association, Western Australian Branch**  
**STATEMENT OF FINANCIAL POSITION**  
*as at 30 June 2016*

	Notes	2016 \$	2015 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5A	89,592	286,734
Trade and other receivables	5B	199,776	53,424
<b>Total current assets</b>		<b>289,368</b>	<b>340,158</b>
<b>Total assets</b>		<b>289,368</b>	<b>340,158</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade payables	6A	-	51,348
Other payables	6B	10,833	10,384
Employee provisions	7A	-	68
<b>Total current liabilities</b>		<b>10,833</b>	<b>61,800</b>
<b>Non-Current Liabilities</b>			
Employee provisions	7A	-	-
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>10,833</b>	<b>61,800</b>
<b>Net assets</b>		<b>278,535</b>	<b>278,358</b>
<b>EQUITY</b>			
General funds	8A	-	-
Retained earnings (accumulated surplus)		278,535	278,358
<b>Total equity</b>		<b>278,535</b>	<b>278,358</b>

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

**Shop, Distributive and Allied Employees' Association, Western Australian Branch**  
**STATEMENT OF CHANGES IN EQUITY**  
*for the year ended 30 June 2016*

	Notes	General funds \$	Retained earnings \$	Total equity \$
<b>Balance as at 1 July 2014</b>		-	278,323	278,323
Profit for the year		-	35	35
Other comprehensive income for the year		-	-	-
<b>Closing balance as at 30 June 2015</b>		-	<b>278,358</b>	<b>278,358</b>
Profit for the year		-	177	177
Other comprehensive income for the year		-	-	-
<b>Closing balance as at 30 June 2016</b>		-	<b>278,535</b>	<b>278,535</b>

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



**Shop, Distributive and Allied Employees' Association, Western Australian Branch**  
**CASH FLOW STATEMENT**  
*for the year ended 30 June 2016*

	Notes	2016 \$	2015 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Receipts from other reporting units	9B	-	-
Cash receipts from customers		<b>924,609</b>	1,121,173
Interest		<b>109</b>	127
Other		-	-
		<b>924,718</b>	1,121,300
<b>Cash used</b>			
Employees		<b>(296,273)</b>	(432,038)
Suppliers		<b>(52,166)</b>	(29,018)
Payment to other reporting units	9B	<b>(773,421)</b>	(734,225)
<b>Net cash (used in) operating activities</b>	9A	<b>(197,142)</b>	(73,981)
<b>Net increase (decrease) in cash held</b>		<b>(197,142)</b>	(73,981)
Cash & cash equivalents at the beginning of the reporting period		<b>286,734</b>	360,715
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	5A	<b>89,592</b>	286,734

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

## **Index to the Notes of the Financial Statements**

Note 1	Summary of significant accounting policies
Note 2	Events after the reporting period
Note 3	Income
Note 4	Expenses
Note 5	Current assets
Note 6	Current liabilities
Note 7	Provisions
Note 8	Equity
Note 9	Cash flow
Note 10	Related party disclosures
Note 11	Remuneration of auditors
Note 12	Financial instruments
Note 13	Fair value measurements
Note 14	Section 272 <i>Fair Work (Registered Organisations) Act 2009</i>

## Note 1 Summary of significant accounting policies

### 1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the Shop, Distributive and Allied Employees' Association, Western Australian Branch is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

### 1.2 Comparative amounts

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

### 1.3 Significant accounting judgements and estimates

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

### 1.4 New Australian Accounting Standards

#### ***Adoption of New Australian Accounting Standard requirements***

No accounting standard has been adopted earlier than the application date stated in the standard.

The accounting policies adopted are consistent with those of the previous financial year except for the following standards and amendments, which have been adopted for the first time this financial year:

- *AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments* contains three main parts and makes amendments to a number of Standards and Interpretations.  
Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1.  
Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards.  
Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 Hedge Accounting into AASB 9 *Financial Instruments*.

The nature and effects of the changes required by this standard has no material impact on the financial statements of the Reporting Unit.

- AASB 2015-3 *Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality* completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards  
The nature and effects of the changes required by this standard has no material impact on the financial statements of the Reporting Unit.

### ***Future Australian Accounting Standards Requirements***

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact on Shop, Distributive and Allied Employees' Association, Western Australian Branch include AASB 9 Financial Instruments and AASB 15 Revenue from Contracts with Customers, which both become mandatory from the Reporting Unit's 2019 financial statements, and AASB 16 Leases which will become mandatory from the Reporting Unit's 2020 financial statements. The Reporting Unit does not plan to adopt these standards early and the extent of the impact has not been determined.

#### **1.5 Revenue**

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

Donations sufficient to meet the expenses of the Reporting Unit were received only from the Shop, Distributive and Allied Employees' Association, of Western Australia (SDAWA). These expenses include the federal affiliation fee and the international fund levy. The federal affiliation fee is based on 10% of the membership fees earned by the SDAWA in the previous financial year. The international fund levy is based on 1.5% of the membership fees earned by the SDAWA in the previous year. Donations are recognised when the donation is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Interest revenue is recognised on an accrual basis using the effective interest method.

#### **1.6 Employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the Reporting Unit in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. The Reporting Unit recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

## **1.7 Cash**

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts.

## **1.8 Financial instruments**

Financial assets and financial liabilities are recognised when the Shop, Distributive and Allied Employees' Association, Western Australian Branch becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

## **1.9 Financial assets**

Financial assets are classified as loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

### ***Loan and receivables***

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

### ***Effective interest method***

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

### ***Impairment of financial assets***

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

### ***De-recognition of financial assets***

The Reporting Unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

## **1.10 Financial Liabilities**

Financial liabilities are classified as other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

### ***Other financial liabilities***

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

#### ***De-recognition of financial liabilities***

The Reporting Unit derecognises financial liabilities when, and only when, the Reporting Units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

### **1.11 Contingent Liabilities and Contingent Assets**

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

### **1.12 Taxation**

The Shop, Distributive and Allied Employees' Association, Western Australian Branch is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

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

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

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

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

### **1.13 Fair value measurement**

The fair values of financial instruments measured at amortised cost are disclosed in Note 13A.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by The Shop, Distributive and Allied Employees' Association, Western Australian Branch. The fair value

of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Shop, Distributive and Allied Employees' Association, Western Australian Branch uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Shop, Distributive and Allied Employees' Association, Western Australian Branch determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Shop, Distributive and Allied Employees' Association, Western Australian Branch has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

#### **1.14 Going concern**

The Committee of Management have prepared the financial report on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business and at the amounts stated in the financial report.

The Reporting Unit made a profit of \$177 for the year ended 30 June 2016 (30 June 2015: \$35), had an operating cash outflow of \$197,142 (30 June 2015: outflow of \$73,981) and a net current asset position of \$278,535 (30 June 2015: \$278,358). The principal source of income is from The Shop, Distributive and Allied Employees' Association of Western Australia. Whilst past practice has been for The Shop, Distributive and Allied Employees' Association of Western Australia to donate sufficient funds to the Reporting Unit to meet its operating costs, if this income was discontinued, the Reporting Unit has the ability to directly charge its members fees which would be sufficient to meet its operating costs.



The Shop, Distributive and Allied Employees' Association, Western Australian Branch is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

The Shop, Distributive and Allied Employees' Association, Western Australian Branch has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

## Note 2 Events after the reporting period

There were no events that occurred after 30 June 2016, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of The Shop, Distributive and Allied Employees' Association, Western Australian Branch.

	2016	2015
	\$	\$
<b>Note 3 Income</b>		
<b>Note 3A: Capitation fees</b>		
<i>Nil</i>	-	-
<b>Total capitation fees</b>	<u>-</u>	<u>-</u>
<b>Note 3B: Levies</b>		
ACTU IR Campaign	23,578	23,745
ALP 2016 Election Donation	27,385	-
100% Pay Week of Action	8,643	7,709
Subscriptions and printing	932	12,927
Intranet	11,502	-
ACTU congress Accommodation	-	2,292
<b>Total levies</b>	<u>72,040</u>	<u>46,673</u>
<b>Note 3C: Interest</b>		
Deposits	109	127
<b>Total interest</b>	<u>109</u>	<u>127</u>
<b>Note 3D: Grants or donations</b>		
Grants	-	-
Donations	998,972	1,120,916
<b>Total grants or donations</b>	<u>998,972</u>	<u>1,120,916</u>

	2016	2015
	\$	\$
<b>Note 4 Expenses</b>		
<b>Note 4A: Employee expenses</b>		
<b>Holders of office:</b>		
Wages and salaries	1,600	108,528
Superannuation	152	15,030
Leave and other entitlements	-	13,307
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Subtotal employee expenses holders of office</b>	<u>1,752</u>	<u>136,865</u>
<b>Note 4A: Employer expenses (continued)</b>		
<b>Employees other than office holders:</b>		
Wages and salaries	268,963	269,502
Superannuation	25,558	25,603
Leave and other entitlements	-	68
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Subtotal employee expenses employees other than office holders</b>	<u>294,521</u>	<u>295,173</u>
<b>Total employee expenses</b>	<u>296,273</u>	<u>432,038</u>
<b>Note 4B: Capitation fees</b>		
<i>Nil</i>	-	-
<b>Total capitation fees</b>	<u>-</u>	<u>-</u>
<b>Note 4C: Affiliation fees</b>		
Shop, Distributive and Allied Employees Association	701,381	597,871
International Fund	-	89,681
<b>Total affiliation fees/subscriptions</b>	<u>701,381</u>	<u>687,552</u>
<b>Note 4D: Administration expenses</b>		
Consideration to employers for payroll deductions	-	-
Compulsory levies		
Shop, Distributive and Allied Employees Association – ACTU IR Campaign	23,578	23,745
Shop, Distributive and Allied Employees Association – ALP 2016 Election Donation	27,385	-
Shop, Distributive and Allied Employees Association – 100% Pay Week of Action	8,643	7,709
Shop, Distributive and Allied Employees Association – Subscriptions and printing	932	12,927
Intranet	11,502	-

	2016	2015
	\$	\$
<b>Note 4D: Administrative expenses (continued)</b>		
Shop, Distributive and Allied Employees Association - ACTU congress Accommodation	-	2,292
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	-	-
<b>Total administration expense</b>	<b>72,040</b>	<b>46,673</b>

**Note 4E: Grants or donations**

Grants:

Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-

Donations:

Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-

<b>Total grants or donations</b>	<b>-</b>	<b>-</b>
----------------------------------	----------	----------

**Note 4F: Legal costs**

Litigation	-	-
Other legal matters	-	-
<b>Total legal costs</b>	<b>-</b>	<b>-</b>

**Note 4G: Other expenses**

Penalties - via RO Act or RO Regulations	-	-
Bank Charges	-	163
<b>Total other expenses</b>	<b>-</b>	<b>163</b>

**Note 5 Current Assets**

**Note 5A: Cash and Cash Equivalents**

Cash at bank	89,592	286,734
<b>Total cash and cash equivalents</b>	<b>89,592</b>	<b>286,734</b>

	2016	2015
	\$	\$
<b>Note 5B: Trade and Other Receivables</b>		
<b>Receivables from other reporting units</b>		
NIL	-	-
<b>Total receivables from other reporting units</b>	-	-
<b>Less provision for doubtful debts</b>		
NIL	-	-
<b>Total provision for doubtful debts</b>	-	-
<b>Receivable from other reporting units (net)</b>	-	-
<b>Other receivables:</b>		
GST receivable from the Australian Taxation Office	-	-
Other trade receivables	199,776	53,424
<b>Total other receivables</b>	199,776	53,424
<b>Total trade and other receivables (net)</b>	199,776	53,424

## **Note 6 Current Liabilities**

### **Note 6A: Trade payables**

Trade creditors and accruals	-	51,348
Operating lease rentals	-	-
<b>Subtotal trade creditors</b>	-	51,348
<b>Payables to other reporting units</b>		
Nil	-	-
<b>Subtotal payables to other reporting units</b>	-	-
<b>Total trade payables</b>	-	51,348

Settlement is usually made within 30 days.

### **Note 6B: Other payables**

Superannuation	2,033	2,076
Consideration to employers for payroll deductions	-	-
Legal costs		
Litigation	-	-
Other legal matters	-	-
GST payable	-	(3)
Other	8,800	8,311
<b>Total other payables</b>	10,833	10,384

	2016	2015
	\$	\$
<b>Note 6B: Other payables (continued)</b>		
Total other payables are expected to be settled in:		
No more than 12 months	10,833	10,384
More than 12 months	-	-
<b>Total other payables</b>	<u>10,833</u>	<u>10,384</u>

## Note 7 Provisions

### Note 7A: Employee Provisions

#### Office Holders:

Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions—office holders</b>	<u>-</u>	<u>-</u>

### Note 7A: Employee Provisions (continued)

#### Employees other than office holders:

Annual leave	-	-
Long service leave	-	68
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions—employees other than office holders</b>	<u>-</u>	<u>68</u>
<b>Total employee provisions</b>	<u>-</u>	<u>68</u>

Current	-	68
Non-current	-	-
<b>Total employee provisions</b>	<u>-</u>	<u>68</u>

## Note 8 Equity

### Note 8A: Other Specific disclosures - Funds

#### Compulsory levy/voluntary contribution fund – if invested in assets

*Nil* -      -

#### Other funds required by rules

*Nil* -      -

**Balance as at start of year** -      -  
Transferred to reserve -      -

	2016	2015
	\$	\$
<b>Note 8A: Other Specific disclosures – Funds (continued)</b>		
Transferred out of reserve	-	-
<b>Balance as at end of year</b>	<u>-</u>	<u>-</u>

## **Note 9 Cash Flow**

### **Note 9A: Cash Flow Reconciliation**

#### **Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:**

#### **Cash and cash equivalents as per:**

Cash flow statement	89,592	286,734
Balance sheet	89,592	286,734
<b>Difference</b>	<u>-</u>	<u>-</u>

#### **Reconciliation of profit to net cash from operating activities:**

Profit for the year	177	35
---------------------	-----	----

#### **Changes in assets/liabilities**

(Increase) in net receivables	(146,352)	(48,259)
(decrease) in trade and other payables	(50,899)	(24,433)
(decrease) in employee provisions	(68)	(1,324)
<b>Net cash (used by) operating activities</b>	<u>(197,142)</u>	<u>(73,981)</u>

### **Note 9B: Cash flow information**

#### **Cash inflows**

Cash inflows from/(used in) other reporting units

#### **Total cash inflows**

-	-
<u>-</u>	<u>-</u>

#### **Cash outflows**

Cash outflows from/(used in) other reporting units

#### **Total cash outflows**

773,421	734,225
<u>773,421</u>	<u>734,225</u>

## **Note 10 Related Party Disclosures**

### **Note 10A: Related Party Transactions for the Reporting Period**

All donations and levies are received from the SDAWA. During the year, donations from SDAWA amounted to \$1,071,012 (2015: \$1,167,589). As at 30 June 2016, the amount of \$197,776 (2015: \$51,340) was owed by the SDAWA. This amount is included in trade receivables in note 5B.

2016	2015
\$	\$

**Note 10A: Related Party Transactions for the Reporting Period (continued)**

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

**Revenue received from The Shop, Distributive and Allied Employees' Association of Western Australia includes the following:**

Donations	1,071,012	1,167,589
-----------	-----------	-----------

**Revenue received from the Shop, Distributive and Allied Employees Association includes the following:**

National Council Reimbursement	47,328	-
--------------------------------	--------	---

**Expenses paid to the Shop, Distributive and Allied Employees' Association includes the following:**

ACTU IR Campaign	23,578	23,745
ALP 2016 Election Donation	27,385	-
100% Pay Week of Action	8,643	7,709
Subscriptions and printing	932	12,927
Intranet	11,502	-
ACTU Congress Accommodation	-	2,292
Affiliation fees/International fund	701,381	687,552

**Amounts owed by The Shop, Distributive and Allied Employees' Association of Western Australia include the following:**

Donations	197,743	51,340
-----------	---------	--------

**Note 10B: Key Management Personnel Remuneration for the Reporting Period**

**Short-term employee benefits**

Salary (including annual leave taken)	1,600	108,528
Annual leave accrued	-	13,307
Performance bonus	-	-

<b>Total short-term employee benefits</b>	<b>1,600</b>	<b>121,835</b>
---	--------------	----------------

**Post-employment benefits:**

Superannuation	152	15,030
----------------	-----	--------

<b>Total post-employment benefits</b>	<b>152</b>	<b>15,030</b>
---------------------------------------	------------	---------------

**Other long-term benefits:**

Long-service leave	-	-
--------------------	---	---

<b>Total other long-term benefits</b>	<b>-</b>	<b>-</b>
---------------------------------------	----------	----------

2016	2015
\$	\$

**Note 10B: Key Management Personnel Remuneration for the Reporting Period (continued)**

<b>Termination benefits</b>	-	-
<b>Total</b>	<u>1,752</u>	<u>136,865</u>

**Note 11 Remuneration of Auditors**

<b>Value of the services provided</b>		
Financial statement audit services	1,132	1,140
Accounting Assistance	118	115
<b>Total remuneration of auditors</b>	<u>1,250</u>	<u>1,255</u>

No other services were provided by the auditors of the financial statements.

**Note 12 Financial Instruments**

The Reporting Unit has exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Reporting Unit's exposure to each of the above risks, the Reporting Unit'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 Reporting Unit's risk management framework and for developing and monitoring risk management policies.

The Reporting Unit's risk Management policies are established to identify and analyse the risks faced by the Reporting Unit, 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 Reporting Unit's activities. The Reporting Unit, 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 Reporting Unit's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Reporting Unit.

**Note 12A: Categories of Financial Instruments**

**Financial Assets**

Loans and receivables:

Cash and cash equivalents	89,592	286,734
Trade and other receivables	199,776	53,424
<b>Total</b>	<u>289,368</u>	<u>340,158</u>
<b>Carrying amount of financial assets</b>	<u>289,368</u>	<u>340,158</u>



	2016	2015
	\$	\$

**Note 12A: Categories of Financial Instruments (continued)**

**Financial Liabilities**

Other financial liabilities:

Trade and other payables	10,833	61,732
<b>Total</b>	<b>10,833</b>	<b>61,732</b>
<b>Carrying amount of financial liabilities</b>	<b>10,833</b>	<b>61,732</b>

**Note 12B: Net Income and Expense from Financial Assets**

<b>Loans and receivables</b>		
Interest revenue	109	127
<b>Net gain/(loss) from loans and receivables</b>	<b>109</b>	<b>127</b>
<b>Net gain/(loss) from financial assets</b>	<b>109</b>	<b>127</b>

The net income/expense from financial assets not at fair value from profit and loss is \$109 (2015: \$127).

**Note 12C: Credit Risk**

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

*Trade and Other Receivables*

The Reporting Unit'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 Reporting Unit mitigates credit risk by depositing funds with the Australian financial institutions with appropriate credit ratings.

**The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.**

<b>Financial and other assets</b>		
Trade and other receivables	199,776	53,424
Cash and cash equivalents	89,592	286,734
<b>Total</b>	<b>289,368</b>	<b>340,158</b>

In relation to the entity's gross credit risk, no collateral is held.

**Note 12C: Credit Risk (continued)****Credit quality of financial instruments not past due or individually determined as impaired**

	Not Past Due Nor Impaired 2016 \$	Past due or impaired 2016 \$	Not Past Due Nor Impaired 2015 \$	Past due or impaired 2015 \$
Trade Receivables	199,776	-	53,424	-
<b>Total</b>	<b>199,776</b>	<b>-</b>	<b>53,424</b>	<b>-</b>

**Ageing of financial assets that were past due but not impaired for 2016**

	0 to 30 days \$	31 to 60 days \$	61 to 90 days \$	90+ days \$	Total \$
Trade and other receivables	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Ageing of financial assets that were past due but not impaired for 2015**

	0 to 30 days \$	31 to 60 days \$	61 to 90 days \$	90+ days \$	Total \$
Trade and other receivables	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note 12D: Liquidity Risk**

Liquidity risk is the risk that the Reporting Unit will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Reporting Unit'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 Reporting Unit's reputation.

Typically the Reporting Unit 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 Reporting Unit does not maintain any lines of credit.

**Contractual maturities for financial liabilities 2016**

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade and other payables	-	10,833	-	-	-	10,833
<b>Total</b>	<b>-</b>	<b>10,833</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,833</b>

## Note 12D: Liquidity Risk (continued)

Maturities for financial liabilities 2015

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade and other payables	-	61,732	-	-	-	61,732
Total	-	61,732	-	-	-	61,732

## Note 12E: Market Risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Reporting Unit'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.

### Sensitivity analysis of the risk that the entity is exposed to for 2016

	Risk variable	Change in risk variable %	Effect on Profit and loss \$	Equity \$
Interest rate risk	-	[+ 1%]	895	-
Interest rate risk	-	[- 1%]	(895)	-

### Sensitivity analysis of the risk that the entity is exposed to for 2015

	Risk variable	Change in risk variable %	Effect on Profit and loss \$	Equity \$
Interest rate risk	-	[+ 1%]	2,867	-
Interest rate risk	-	[- 1%]	(2,867)	-

## Note 13 Fair Value Measurement

### Note 13A: Financial Assets and Liabilities

Management of the Reporting Unit assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

#### **Note 14 Section 272 Fair Work (Registered Organisations) Act 2009**

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or General Manager:

- (1) A member of a reporting unit, or the General Manager, 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).



8 December 2016

Mr Dustin Rafferty  
Legal Officer  
Shop, Distributive and Allied Employees Association-Western Australian Branch

Sent via email: Peter.O'Keeffe@sdawa.asn.au

Dear Mr Rafferty,

### **Lodgement of Financial Report - Reminder to lodge**

The Fair Work Commission's (the Commission) records disclose that the financial year of the Shop, Distributive and Allied Employees Association-Western Australian Branch (the reporting unit) ended on the 30 June 2016.

As you would be aware, the *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires that a reporting unit prepare a financial report in accordance with the RO Act, make it available to the members and then must lodge the financial report within 14 days after the general meeting of members, or if the rules of the reporting unit allow, the Committee of Management meeting (s.268).

The maximum period of time allowed under the RO Act for the full financial report to be presented to a general meeting of members or a committee of management meeting is six months after the expiry date of its financial year (s.253, s254, s265, s.266, s.268). The full report must be lodged with the Commission within 14 days of that meeting.

The Commission encourages your reporting unit to lodge its financial report at the earliest opportunity in order to ensure compliance with its obligations. Failure of a reporting unit to lodge its financial report is a breach of a civil penalty provision of the RO Act. This can result in the General Manager instituting an inquiry or investigation into a reporting unit's non-compliance under Chapter 11, Part 4 of the RO Act. The actions available to the General Manager following an investigation include issuing Federal Court legal proceedings for breach of a civil penalty provision. The orders available to the Federal Court include imposition of a pecuniary penalty on the organisation or individual officer, whose conduct led to the contravention, of up to \$54,000 per contravention on the organisation and up to \$10,800 per contravention on an officer whose conduct led to the contravention.

Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

We encourage you to lodge the full financial report directly to [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au). That is the official email address for electronic lodgements of material related to registered organisations matters.

Should you seek any clarification in relation to the above, please contact me on (03) 8656 4699 or via email at [Sam.Gallichio@fwc.gov.au](mailto:Sam.Gallichio@fwc.gov.au).

Yours sincerely,



Sam Gallichio  
Adviser  
Regulatory Compliance Branch



15 July 2016

Mr Peter O'Keeffe  
Branch Secretary  
Shop, Distributive and Allied Employees Association-Western Australian Branch  
By email: [sda@sdawa.asn.au](mailto:sda@sdawa.asn.au)

Dear Mr O'Keeffe,

**Re: Lodgement of Financial Report - [FR2016/226]  
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Shop, Distributive and Allied Employees Association-Western Australian Branch (the reporting unit) ended on 30 June 2016.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date under s.268 of the RO Act, that being within 14 days after the meeting referred to in s.266 of the RO Act.

### **Timelines**

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

### **Fact sheets, guidance notes and model statements**

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. This includes a model set of financial statements which have been developed by the FWC. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. The model statement, Reporting Guidelines and other resources can be accessed through our website under [Financial Reporting](#) in the Compliance and Governance section.

### **Loans, grants and donations: our focus this year**

Also you are reminded of the obligation to prepare and lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 requires this statement to be lodged with the FWC within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2016. A sample statement of loans, grants or donations is available at [sample documents](#).

Over the past year we have noted issues in organisations' financial reports relating to timelines and how loans, grants and donations are reported. We will be focusing closely on these areas this year. Please find attached below fact sheets relating to these requirements or alternatively visit our website for information regarding [financial reporting timelines](#) and [loans, grants and donations](#).

It is requested that the financial report and any Statement of Loans, Grant or Donations be lodged electronically by emailing [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au).

11 Exhibition Street  
Melbourne VIC 3000  
GPO Box 1994  
Melbourne VIC 3001

Telephone : (03) 8661 7777  
Email : [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au)  
Internet : [www.fwc.gov.au](http://www.fwc.gov.au)

## Civil penalties may apply

**It should be noted that s.268 is a civil penalty provision.** Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

## Contact

Should you wish to seek any clarification in relation to the above, email [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au).

Yours sincerely,



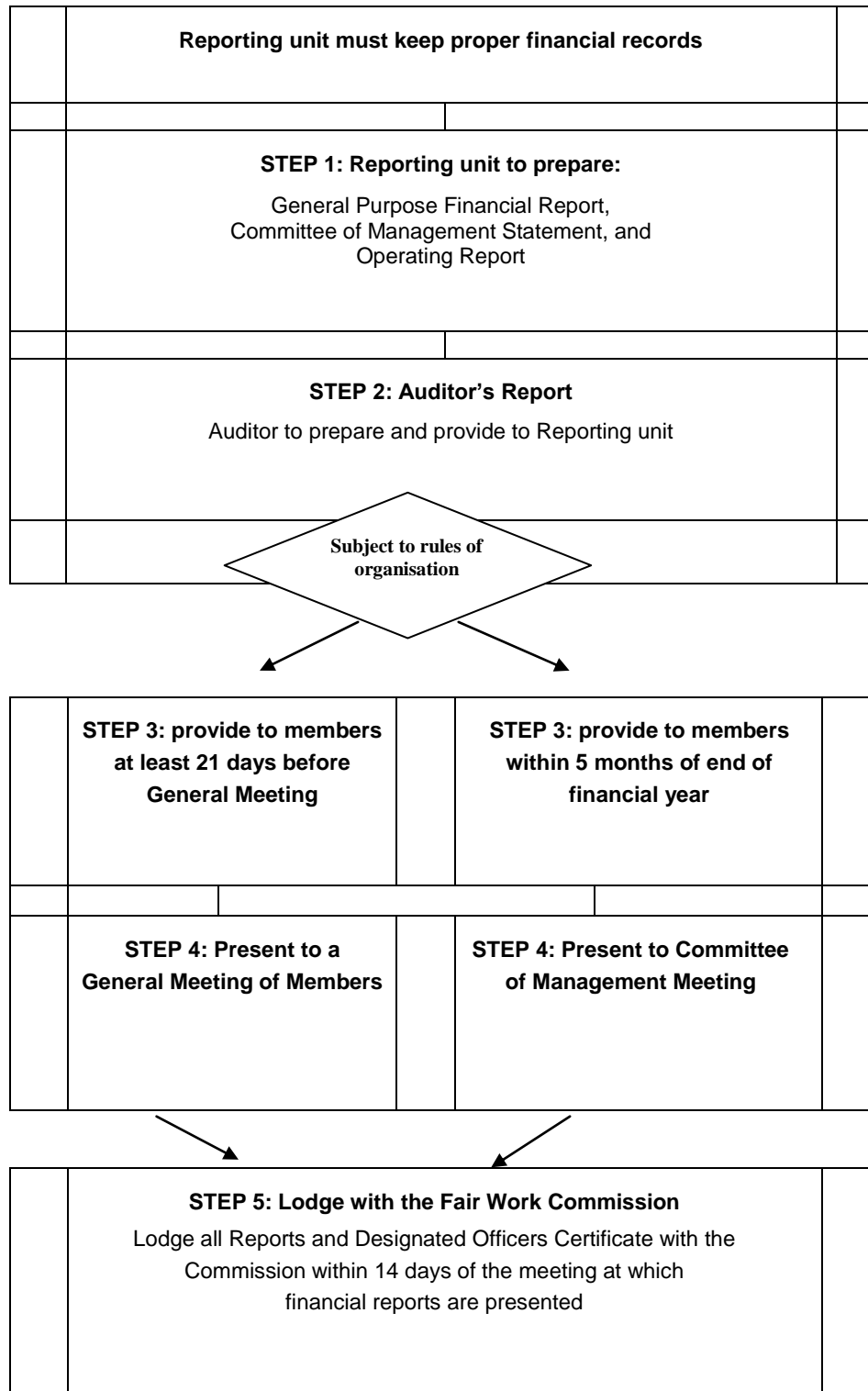
Anastasia Kyriakidis  
Adviser  
Regulatory Compliance Branch



# Financial reporting timelines

Financial reports are to be lodged with the Fair Work Commission (the Commission) within 14 days of the meeting at which the financial reports have been presented, by completing the steps as outlined below.

See Fact sheet—Financial reporting for an explanation of each of these steps.



# Fact Sheet - Loans, Grants & Donations

## The Loans, Grants & Donations Requirements

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the General Manager's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

## The Loans, Grants & Donations Statement

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceed \$1000. The following information must be supplied to the Commission for each relevant loan, grant or donation:







- the amount,
- the purpose,
- the security (if it is a loan),
- the name and address of the person to whom it was made,\* and
- the arrangements for repaying the loan.\*

\*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the Commission has a [Template Loans, Grants and Donations Statement](#) on its website. The Commission encourages branches and organisations to lodge the statement even if all of the figures are NIL.

## Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
 Only reporting units must lodge the Statement.	 All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
 Employees can sign the Statement.	 The statement must be signed by an elected officer of the relevant branch.
 Statements can be lodged with the financial report.	 The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.

## Grants & Donations within the Financial Report

Item 16(e) of the [General Manager's Reporting Guidelines](#) requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines.

In the [Commission's Model Statements](#) the note appears as follows:

### Note 4E: Grants or donations\*

Grants:	2016	2015
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
<b>Total grants or donations</b>	<b>-</b>	<b>-</b>

Item 17 of the General Manager's Reporting Guidelines requires that these line items appear in the financial report even if the figures are NIL.

### Implications for filing the Financial Report

During their review of the 2016 financial report staff of the Commission will confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their 2015 financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the [Commission's website](#).

### Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the Regulatory Compliance Branch on [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au)