



FAIR WORK  
AUSTRALIA

18 October 2011

Mr Barry Willcocks  
Secretary  
Textile, Clothing and Footwear Union of Australia, Western Australian Branch

email: [nationaloffice@tcfvic.org.au](mailto:nationaloffice@tcfvic.org.au)

Dear Mr Willcocks

**Re: Financial Reports for the Textile, Clothing and Footwear Union of Australia, Western Australian Branch for years ended 31 December 2006, 2007 and 2008 – FR2006/651, FR2007/613 & FR2008/543**

I acknowledge receipt of the financial reports for the Textile, Clothing and Footwear Union of Australia, Western Australian Branch (the Branch) for the years ended 31 December 2006, 2007 and 2008. The revised reports were lodged with Fair Work Australia on 28 September 2011.

The financial reports have now been filed.

I make the following comments in relation to the 2008 financial report 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.

### **Audit Report**

#### **Scope**

Paragraph 27 of Australian Auditing Standard 700 (ASA 700) requires the introductory paragraph of an auditor's report to identify the title of each of the financial statements that comprise the financial report and to refer to the summary of significant accounting policies, other explanatory notes and the Committee of Management Statement.

The introductory paragraph of the Audit Report excludes the Committee of Management Statement from its scope. Future reports from the Branch are required to include an audit report with an introductory statement which satisfies the requirements of ASA 700 and the scope of which includes all of the financial statements, the notes and the Committee of Management Statement.

### **Committee of Management Statement**

Consistent with other branches

Item 25(e)(iv) of the General Manager's Reporting 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.

Section 242 of the *Fair Work (Registered Organisations) Act 2009* (the Act) determines what constitutes a 'reporting unit' for the purposes of the Act:

Organisations not divided into branches

(2) Where an organisation is not divided into branches, the reporting unit is the whole of the organisation.

Organisations divided into branches

(3) Where an organisation is divided into branches, each branch will be a reporting unit unless a certificate issued by the General Manager stating that the organisation is, for the purpose of compliance with this Part, divided into reporting units on an alternative basis (see section 245) is in force.

If the records have been kept in a consistent manner to each of the organisation's reporting units, the following statement can be made in the Committee of Management Statement:

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.

### **Notes to the financial statements**

Notice under section 272(5) of the Act

As you are aware the notes to the General Purpose Financial Report are required to include a notice drawing attention to the fact that information prescribed by the *Fair Work (Registered Organisations) Regulations 2009* is available to members on request. Note 3 to the financial statements reproduces the wording from outdated legislation. Instead the wording should read as follows:

- (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).

Please ensure that future notes contain this extract of the Act word for word.

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

Yours sincerely

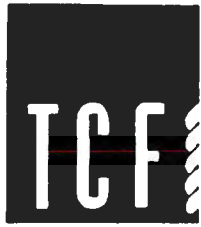


Kevin Donnellan

Tribunal Services and Organisations

Fair Work Australia

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# THE TEXTILE CLOTHING & FOOTWEAR UNION OF WESTERN AUSTRALIA

Registered Office: **5th Floor, 25 Barrack St Perth WA 6000**  
Postal Address: **GPO Box 2556 Perth WA 6001**  
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Fax: (08) 9221 2774  
ABN 40 773 308 986

19 September 2011

The General Manager  
Fair Work Australia  
GPO Box X2206,  
Perth, Western Australia 6001

Dear Sir

**Re: Financial Statements Year Ended 31/12/2007**  
**Textile Clothing and Footwear Union of Australia (Western Australia Branch)**

Please find attached for filing with the General Manager of Fair Work Australia the above accounts.

The necessary certificate is set out hereunder:

**Secretary's Certificate**

I, the undersigned, BARRY WILLCOCKS, Secretary of the Textile Clothing and Footwear Union of Australia (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 5 August 2011; and
- that the full report was presented to the Committee of Management of the Textile Clothing and Footwear Union of Australia (Western Australian Branch) on the 31 July 2011 and again on the 11 September 2011; in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

BARRY WILLCOCKS

SECRETARY

Date: 26/9/11

Operating Report of THE TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH  
(2007 Financial Year – 12 Months ended December 2007)

1. Review of units principal:

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

- a) During 2007 the branch has watched over and protected the interests of members, maintained reasonable hours of labour and fair wage rates and settled industrial disputes by negotiation, conciliation and arbitration.

In addition the safety nets of awards underpinning employment was updated in accordance with national wage decisions and for the process of modernization.

- b) Where industrial matters cannot be resolved through negotiation it may be necessary for them to be referred to the AIRC for conciliation and/or arbitration. In this respect no matters were referred to the AIRC. The bulk of the matters were dealt with by on site negotiations.
- c) The result of these activities have been general increases in wages, allowances and conditions of about 3.5% per annum depending on the industry and employer. There have also been considerable improvements in the flexibility of working arrangements that has benefited many members, particularly female members who may have to combine work with family responsibilities.
- d) The TCFU also handles matters involving work related injuries and has ongoing files being processed during each week of the 2007 financial year.
- e) There have been no significant changes in the activities of the TCFU during the 2007 financial year.

2. Details of significant changes in units financial affairs

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

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

Members of the TCFU are entitled to resign pursuant to schedule 1B clause 174 Registration and Accountability of Organizations. The TCFU strictly adheres to the resignation from membership provisions, contained therein. Those rights include:

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

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

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

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

5. Details of membership of the Committee of Management

Mary Miovski	Branch President
Lorraine Rudd	Branch Secretary
Roslyn Ball	Branch Vice President
Leone Dudek	Branch Trustee
Lilia Taylor	Branch Trustee
Ani Pantene Walker	Branch Member

6. Other

- The report is signed and dated
- The number of members of the TCFU WA Branch at 31 December 2007 is 20
- The Branch does not have any employees
- At point (1) the report contains a review of principal activities
- At point (2) are details of significant change of activities that being nil
- At point (4) are details of superannuation trustees
- At point (5) are details of membership of the Committee of Management

SIGNED

*R Ball*

DATED 24/08/2008.

BRANCH SECRETARY

**Textile, Clothing and Footwear Union of Australia, Western  
Australian Branch**

Financial Report

For the financial year ended 31 December 2007

**Textile, Clothing and Footwear Union of Australia, Western Australian Branch**

***Financial Report  
For the Financial Year Ended 31 December 2007***

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## Textile, Clothing and Footwear Union of Australia, Western Australian Branch

### Branch Committee's Statement

I, Reslyn Ball, being a member of the Branch Committee of the Textile, Clothing and Footwear Union of Australia, Western Australian Branch, do declare on behalf of the Committee and in accordance with a resolution passed by the Committee on 24th August 2008, that in the opinion of the Committee:

- a) The financial statement and notes comply with the Australian Accounting Standards;
- b) The financial statement and notes comply with the reporting guidelines of the Industrial Registrar;
- c) The financial statement and notes give a true and fair view of the financial performance, financial position and cash flows of the Branch for the financial year to which they relate;
- d) 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
- e) During the year ended 31 December 2007 and since the end of that year;
  - (i) Meetings of the Branch Committee were held in accordance with the rules of the Textile, Clothing and Footwear Union of Australia including the rules of the Branch;
  - (ii) The financial affairs of the Branch have been managed in accordance with the rules of the Textile, Clothing and Footwear Union of Australia including the rules of the Branch;
  - (iii) The financial records of the Branch have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations;
  - (iv) The information sought in any request of a member of the Branch or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
  - (v) There has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.



Secretary

Date: 21 May 2008  
Perth, WA





## **Independent audit report to the members of Textile, Clothing and Footwear Union of Australia, Western Australian Branch**

### **Report on the financial report**

We have audited the accompanying financial report of Textile, Clothing and Footwear Union of Australia, Western Australian Branch ("the Entity"), which comprises the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes.

#### *Branch Committee's responsibility for the financial report*

The Branch Committee of the Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's responsibility*

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

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

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the entity's financial position, and of its performance and cash flows.

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



### *Qualification*

The financial report of Textile, Clothing and Footwear Union of Australia, Western Australian Branch as at 31 December 2006, was audited by another auditor, Ernst & Young whose report dated 24 August 2008, expressed a qualified audit opinion on membership contributions as membership contributions are a significant source of revenue for the Entity. For the 31 December 2006 year, the Entity determined that it was impracticable to establish control over the collection of membership contributions prior to entry in the financial records. Accordingly, as the evidence available to Ernst & Young regarding revenue from this source was limited, their audit procedures with respect to membership contributions was restricted to the amounts recorded in the financial records. They therefore were unable to express an opinion whether revenue from membership contributions the Entity received were complete. We are therefore unable to obtain sufficient appropriate audit evidence for membership contributions for the year ended 31 December 2006.

### *Auditor's opinion*

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves regarding the comparative amounts for membership contributions, the financial report presents fairly, in accordance with the Workplace Relation Act 1996, including compliance with Australian Accounting Standards (including the Australian Accounting Interpretations) and other mandatory financial reporting requirements in Australia and the entity's rules, the financial position of Textile, Clothing and Footwear Union of Australia, Western Australian Branch as of 31 December 2007 and of its financial performance and its cash flows for the year then ended.

KPMG

KPMG

Matthew Beevers

Name: Matthew Beevers

Qualifications: Chartered Accountant (94498)

Position: Partner

Perth

Dated: 31 May 2010

# Textile, Clothing and Footwear Union of Australia, Western Australian Branch

## Income Statement

For the year ended 31 December 2007

	<u>Note</u>	<u>2007</u> \$	<u>2006</u> \$
REVENUE FROM CONTINUING OPERATIONS			
Membership Contributions		7,530	7,621
Interest		338	664
TOTAL REVENUE AND INCOME		7,868	8,285
EXPENDITURE			
Organiser Refunds – SDA Union		252	25,000
Fee refund & forwarding		-	5,000
Wages and related expenses		-	9,390
Legal fee		-	4,774
Committee and meeting fees		1,250	2,380
Affiliation – Unions WA (Trades and Labour Council)		-	821
Audit fees		(2,840)	580
Bank Fees & Government Charges		-	125
Commission on contributions collected		208	344
Insurance		-	(170)
Mortality fund		-	280
Printing and stationery		-	155
Sundry expenses		3,207	357
Sustentation fees		-	325
TOTAL EXPENDITURE		2,077	49,361
SURPLUS / (DEFICIT) FOR YEAR		5,792	(41,076)

The accompanying notes form an integral part of these accounts

# Textile, Clothing and Footwear Union of Australia, Western Australian Branch

## Balance Sheet

As at 31 December 2007

	<u>Note</u>	<u>2007</u> \$	<u>2006</u> \$	
CURRENT ASSETS				
Cash and cash equivalents	7 (a)	52,253	44,280	The accompanying notes form an integral part of these accounts
Prepayments		425	861	
Receivables		1,830	3,953	
		<hr/>	<hr/>	
TOTAL CURRENT ASSETS		54,508	49,094	
		<hr/>	<hr/>	
TOTAL ASSETS		54,508	49,094	
		<hr/>	<hr/>	
CURRENT LIABILITIES				
Payables		1,530	-	
Accrued Liabilities		2,730	4,638	
		<hr/>	<hr/>	
TOTAL CURRENT LIABILITIES		4,260	4,638	
		<hr/>	<hr/>	
TOTAL LIABILITIES		4,260	4,638	
		<hr/>	<hr/>	
NET ASSETS		50,248	44,456	
		<hr/>	<hr/>	
TOTAL MEMBERS FUNDS		50,248	44,456	
		<hr/>	<hr/>	

# Textile, Clothing and Footwear Union of Australia, Western Australian Branch

## Statement of Cash Flows

For the year ended 31 December 2007

	<u>Note</u>	<u>2007</u> \$ Inflows (Outflows)	<u>2006</u> \$ Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Membership Contributions		9,200	7,359
Payments to Suppliers		(1,565)	(52,085)
Interest Received		338	664
NET CASH PROVIDED / (USED) IN OPERATING ACTIVITIES	7(b)	7,973	(44,062)
NET INCREASE / (DECREASE) IN CASH HELD		7,973	(44,062)
CASH AT THE BEGINNING OF THE FINANCIAL YEAR		44,280	88,342
CASH AT THE END OF THE FINANCIAL YEAR	7(a)	52,253	44,280

The accompanying notes form an integral part of these accounts

# **Textile, Clothing and Footwear Union of Australia, Western Australian Branch**

## **Statement of Changes in Equity For the year ended 31 December 2007**

	\$
<b>Members' Funds at 1 January 2006</b>	85,532
Deficit for the year	(41,076)
<b>Members' Funds as at 31 December 2006</b>	<u>44,456</u>
Surplus for the year	5,792
<b>Members' Funds as at 31 December 2007</b>	<u><u>50,248</u></u>

The accompanying notes form an integral part of these accounts

# Textile, Clothing and Footwear Union of Australia, Western Australian Branch

## Notes to and forming part of the accounts For the year ended 31 December 2007

### 1. BASIS OF PREPARATION

#### (a) Reporting entity

The Textile, Clothing and Footwear Union of Australia, Western Australian Branch (the "Union") is a union domiciled in Australia. The address of the Union's registered office is 5<sup>th</sup> Floor 25 Barrack Street, Perth 6000. The financial statements of the Union is as at and for the year ended 31 December 2007.

#### (b) Statement of compliance

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

The financial statements were approved by the Branch Committee on 21 May 2010

#### (c) Basis of measurement

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

#### (d) Functional and presentation currency

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

#### (e) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and 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.

### 2. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the 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 Union becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Union's contractual rights to the cash flows from the financial assets expire or if the Union transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Union's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Accounting for finance income is discussed in note 2(c)(ii).

## **Textile, Clothing and Footwear Union of Australia, Western Australian Branch**

### **Notes to and forming part of the accounts For the year ended 31 December 2007**

#### **2. SIGNIFICANT ACCOUNTING POLICIES (cont.)**

- (b) Impairment
- (i) Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

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

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in Union that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss.

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

- (c) Revenue
- (i) Member contributions

Gross contributions by members are shown. Commissions deducted by employers as payment for collection services are shown separately as an expense. Contributions by members have been brought to account on an accruals basis.

- (ii) Interest Income

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

- (d) Income tax

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

- (e) Goods and service tax

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

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

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



# **Textile, Clothing and Footwear Union of Australia, Western Australian Branch**

## **Notes to and forming part of the accounts For the year ended 31 December 2007**

### **2. SIGNIFICANT ACCOUNTING POLICIES (cont.)**

#### **(f) New standards and interpretations not yet adopted**

The following standards, amendments to standards and interpretations have been identified as those which may impact the Union in the period of initial application. They are available for early adoption at 31 December 2007, but have not been applied in preparing this financial report:

- Revised AASB 101 Presentation of Financial Statements introduces as a financial statement (formerly "primary" statement) the "statement of comprehensive income". The revised standard does not change the recognition, measurement or disclosure of transactions and events that are required by other AASBs. The revised AASB 101 will become mandatory for the Union's 31 December 2009 financial statements. The Union has not yet determined the potential effect of the revised standard on the Group's disclosures.

### **3. INFORMATION TO BE PROVIDED TO MEMBERS OR A REGISTRAR**

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

- 1 A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.
- 2 An organisation shall, on application made under subsection (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such manner, and within such time, as is prescribed.
- 3 A Registrar may only make an application under subsection (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

### **4. RIGHT OF MEMBERS TO RESIGN**

Under Section 174, Schedule 1B of the Workplace Relations Act 1996,

- 1 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.

### **5. TRUSTEES OF SUPERANNUATION ENTITIES**

During the year ended 31 December 2007, the Union did not have any officers or members who held the following posts;

- 1 a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- 2 a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme

### **6. SEGMENT INFORMATION**

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

## Textile, Clothing and Footwear Union of Australia, Western Australian Branch

### Notes to and forming part of the accounts For the year ended 31 December 2007

#### 7. NOTES TO THE STATEMENT OF CASH FLOWS

##### (a) Reconciliation of Cash

For the purposes of the statement of cash flows cash includes cash on hand and in banks and short term deposits with an original maturity at these months or less, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

	<u>2007</u>	<u>2006</u>
	\$	\$
Cash	52,253	44,280

##### (b) Reconciliation of operating result to net cash flows from operating activities

	<u>2007</u>	<u>2006</u>
	\$	\$
Operating result	5,792	(41,076)
Changes in net assets and liabilities		
Decrease / (Increase) in accounts receivable and prepayments	2,559	(3,003)
(Decrease)/ increase in payables	(378)	17
Net cash from operating activities	7,973	(44,062)

#### 9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT Overview

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

- credit risk
- liquidity risk
- market risk.

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

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

Risk management policies are established to identify and analyse the risks faced by the Union, 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 Union's activities. The Union, through their training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

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

### Notes to and forming part of the accounts For the year ended 31 December 2007

#### 9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

## Textile, Clothing and Footwear Union of Australia, Western Australian Branch

### Credit risk

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

#### *Trade and other receivables*

The Union's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Union's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk. All of the Union's customers are based in Western Australia.

The Union does not require a credit policy as all receivables relate to deductions for members working at their customers enterprises. As such terms are not created, rather membership contributions are remitted on a periodic basis.

The Union has not established an allowance for impairment as historical data and the payment reputation of the customers does not indicate an impairment issues.

#### *Exposure to credit risk*

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

<i>In AUD</i>	<i>Note</i>	<b>Carrying amount</b>	
		<b>2007</b>	<b>2006</b>
Cash and cash equivalents		52,253	44,280

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

<i>In AUD</i>	<b>Carrying amount</b>	
	<b>2007</b>	<b>2006</b>
Australia	1,830	3,953

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

<i>In AUD</i>	<b>Carrying amount</b>	
	<b>2007</b>	<b>2006</b>
Member employers	1,830	3,953

The Union's most significant customer, an Australian Company, accounts for \$740 of the trade receivables carrying amount at 31 December 2007 (2006: \$-).

#### *Impairment losses*

None of the Union's receivables are past due (2006: nil). The aging of the Union trade receivables at the reporting date was:

<i>In AUD</i>	<b>Gross 2007</b>	<b>Impairment 2007</b>	<b>Gross 2006</b>	<b>Impairment 2006</b>
Not past due	1,821	-	3,944	-
Past due 0-30 days	-	-	-	-
Past due 31-120 days	9	-	9	-
	1,830	-	3,953	-

## Notes to and forming part of the accounts For the year ended 31 December 2007

### 9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (cont.)

Based on historic default rates, the Union believes that no impairment allowance is necessary in respect of trade receivables not past due or past due by up to 30 days; all of the balance, which includes the

## Textile, Clothing and Footwear Union of Australia, Western Australian Branch

amount owed by the Union's most significant customer (see above), relates to customers that have a good credit history with the Union.

### Liquidity risk

Liquidity risk is the risk that the Union will not be able to meet its financial obligations as they fall due. The Union'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 Union's reputation.

Typically the Union 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 Union 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:

31 December 2007

<i>In AUD</i>	Carrying amount	Contractual cash flows	12mts or less	1-2 yrs	2-5 yrs	More than 5 yrs
<b>Non-derivative financial liabilities</b>						
Trade and other payables	4,262	4,262	-	-	-	-
	4,262	4,262	-	-	-	-

31 December 2006

<i>In AUD</i>	Carrying amount	Contractual cash flows	12mts or less	1-2 yrs	2-5 yrs	More than 5 yrs
<b>Non-derivative financial liabilities</b>						
Trade and other payables	4,187	4,187	-	-	-	-
	4,187	4,187	-	-	-	-

### Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Union'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 Union adopts a policy of ensuring that its exposure to changes in interest rates is limited by investing in high return deposits with no fixed term.

## Textile, Clothing and Footwear Union of Australia, Western Australian Branch

### Notes to and forming part of the accounts For the year ended 31 December 2007

#### 9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (cont.)

##### *Profile*

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

<i>In AUD</i>	<b>Carrying amount</b>	
	<b>2007</b>	<b>2006</b>
<b>Variable rate instruments</b>		
Financial assets	54,508	49,094

##### *Fair value sensitivity analysis for fixed rate instruments*

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

#### 9. REMUNERATION OF THE BRANCH COMMITTEE

The following persons held office through the financial year 1<sup>st</sup> January 2007 to 31<sup>st</sup> December 2007.

<b>Position</b>	<b>Name</b>	<b>Surname</b>
Branch President	Mary	Miovski
Branch Vice President	Roslyn	Ball
Branch Secretary	Lorraine	Rudd
Branch Trustee	Leonie	Dudek
Branch Trustee	Lilia	Taylor
Branch Member	Ani Patene	Walker

The total remuneration paid or payable, directly or indirectly, from the Branch or any related party to all the members of the Branch Committee was \$nil. (2006 : nil)

**From:** [Vivienne Wiles](#)  
**To:** [DONNELLAN, Kevin](#)  
**Subject:** RE: FR2006/651, FR2007/613, FR2008/543, FR2009/10219 & FR2010/2823 - Financial years ended 31 December 2006-2010 - Textile, Clothing and Footwear Union of Australia, Western Australian Branch  
**Date:** Tuesday, 27 September 2011 2:26:07 PM  
**Importance:** High

---

Dear Kevin,

I have been advised by the WA Branch regarding the status of outstanding financial reports as follows:

- 2006, 2007 and 2008 Reports – have been signed off as required, and will soon be lodged with FWA<sup>1</sup>
- 2009 Report – needs to be sent to members for period of time then accepted by second meeting of Committee of Management (approximately 4 weeks)
- 2010 Report – preparation nearly completed and will need to be taken through COM/member process as above

Regards

Vivienne Wiles  
(National Industrial Officer)  
Textile Clothing & Footwear Union of Australia (National Office)  
(t) 03 9639 2955 (f) 03 9639 2944  
(m) 0419 334 102 (e) [vwiles@tcfvic.org.au](mailto:vwiles@tcfvic.org.au)

---

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**From:** DONNELLAN, Kevin [<mailto:Kevin.Donnellan@fwa.gov.au>]  
**Sent:** Monday, 26 September 2011 12:38 PM  
**To:** Vivienne Wiles  
**Subject:** FR2006/651, FR2007/613, FR2008/543, FR2009/10219 & FR2010/2823 - Financial years ended 31 December 2006-2010 - Textile, Clothing and Footwear Union of Australia, Western Australian Branch

Dear Vivienne, could you provide an update on the current progress of the above matters.

Regards

KEVIN DONNELLAN  
Tribunal Services and Organisations

Fair Work Australia  
Tel: 03 8661 7764  
Fax: 03 9655 0410  
[kevin.donnellan@fwa.gov.au](mailto:kevin.donnellan@fwa.gov.au)

11 Exhibition St, Melbourne Victoria 3000  
GPO Box 1994, Melbourne Victoria 3001

[www.fwa.gov.au](http://www.fwa.gov.au)

---

**From:** DONNELLAN, Kevin  
**Sent:** Thursday, 11 August 2011 12:14 PM

**To:** 'Vivienne Wiles'

**Subject:** FR2006/651, FR2007/613, FR2008/543, FR2009/10219 & FR2010/2823 - Financial years ended 31 December 2006-2010 - Textile, Clothing and Footwear Union of Australia, Western Australian Branch

Thank you Vivienne.

KEVIN DONNELLAN  
Tribunal Services and Organisations

Fair Work Australia  
Tel: 03 8661 7764  
Fax: 03 9655 0410  
[kevin.donnellan@fwa.gov.au](mailto:kevin.donnellan@fwa.gov.au)

11 Exhibition St, Melbourne Victoria 3000  
GPO Box 1994, Melbourne Victoria 3001

[www.fwa.gov.au](http://www.fwa.gov.au)

---

**From:** Vivienne Wiles [mailto:vwiles@tcfvic.org.au]

**Sent:** Thursday, 11 August 2011 10:36 AM

**To:** DONNELLAN, Kevin

**Subject:** RE: FR2006/651, FR2007/613, FR2008/543, FR2009/10219 & FR2010/2823 - Financial years ended 31 December 2006-2010 - Textile, Clothing and Footwear Union of Australia, Western Australian Branch

Dear Kevin,

I been advised by the WA Branch that:

- The 2006, 2007 and 2008 Financial Reports were presented to a meeting of the Branch Committee of Management on 31 July 2011;
- Copies of the 2006, 2007 and 2008 Financial Reports have subsequently been sent to members for a period of 21 days;
- After this they will be presented and accepted at the earliest Branch Committee of Management to be convened and then filed in FWA.
- The 2009 and 2010 Financial Reports are still in the process of being prepared.

Regards

Vivienne Wiles  
(National Industrial Officer)  
Textile Clothing & Footwear Union of Australia (National Office)  
(t) 03 9639 2955 (f) 03 9639 2944  
(m) 0419 334 102 (e) [vwiles@tcfvic.org.au](mailto:vwiles@tcfvic.org.au)

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---

**From:** DONNELLAN, Kevin [mailto:Kevin.Donnellan@fwa.gov.au]

**Sent:** Wednesday, 10 August 2011 4:12 PM

**To:** Vivienne Wiles

**Subject:** FR2006/651, FR2007/613, FR2008/543, FR2009/10219 & FR2010/2823 - Financial years ended 31 December 2006-2010 - Textile, Clothing and Footwear Union of Australia, Western Australian Branch

Dear Vivienne, could you provide me with an update of the above reports.

Regards

KEVIN DONNELLAN  
Tribunal Services and Organisations

Fair Work Australia  
Tel: 03 8661 7764  
Fax: 03 9655 0410  
[kevin.donnellan@fwa.gov.au](mailto:kevin.donnellan@fwa.gov.au)

11 Exhibition St, Melbourne Victoria 3000  
GPO Box 1994, Melbourne Victoria 3001

[www.fwa.gov.au](http://www.fwa.gov.au)

---

**From:** Vivienne Wiles [mailto:vwiles@tcfvic.org.au]  
**Sent:** Tuesday, 12 July 2011 2:11 PM  
**To:** DONNELLAN, Kevin  
**Subject:** RE: FR2006/651, FR2007/613, FR2008/543, FR2009/10219 & FR2010/2823 - Financial years ended 31 December 2006-2010 - Textile, Clothing and Footwear Union of Australia, Western Australian Branch

Kevin,

I have been advised by the WA Branch of the following:

- 2006 to 2009 Financial Reports are to be presented to the Branch Committee of Management on 31/7/2011;
- Copies will then be sent to all members and re-presented to a second Committee of Management meeting in August (most likely 21/8);
- 2010 Report is close to completion – will aim to present this report with the others to the 31/7 COM meeting, but depends on whether finalised in time.

Hope this assists,

Regards

Vivienne Wiles  
(National Industrial Officer)  
Textile Clothing & Footwear Union of Australia (National Office)  
(t) 03 9639 2955 (f) 03 9639 2944  
(m) 0419 334 102 (e) [vwiles@tcfvic.org.au](mailto:vwiles@tcfvic.org.au)

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**From:** DONNELLAN, Kevin [mailto:Kevin.Donnellan@fwa.gov.au]  
**Sent:** Tuesday, 12 July 2011 9:21 AM  
**To:** Vivienne Wiles  
**Subject:** FR2006/651, FR2007/613, FR2008/543, FR2009/10219 & FR2010/2823 - Financial years ended 31 December 2006-2010 - Textile, Clothing and Footwear Union of Australia, Western Australian Branch

Thanks very much Vivienne.

Regards

KEVIN DONNELLAN



Tribunal Services and Organisations

Fair Work Australia  
Tel: 03 8661 7764  
Fax: 03 9655 0410  
[kevin.donnellan@fwa.gov.au](mailto:kevin.donnellan@fwa.gov.au)

11 Exhibition St, Melbourne Victoria 3000  
GPO Box 1994, Melbourne Victoria 3001

[www.fwa.gov.au](http://www.fwa.gov.au)

---

**From:** Vivienne Wiles [mailto:vwiles@tcfvic.org.au]  
**Sent:** Tuesday, 12 July 2011 9:21 AM  
**To:** DONNELLAN, Kevin  
**Subject:** RE: FR2006/651, FR2007/613, FR2008/543, FR2009/10219 & FR2010/2823 - Financial years ended 31 December 2006-2010 - Textile, Clothing and Footwear Union of Australia, Western Australian Branch

Dear Kevin,

I will speak with the WA Branch and respond asap regarding the status of the Reports.  
As I understand it, the 2006 to 2009 Reports were to be presented to the Committee of Management in the next few weeks, and the 2010 Report is in the process of being prepared.  
But I will confirm this with you once I receive a response.

Regards

Vivienne Wiles  
(National Industrial Officer)  
Textile Clothing & Footwear Union of Australia (National Office)  
(t) 03 9639 2955 (f) 03 9639 2944  
(m) 0419 334 102 (e) [vwiles@tcfvic.org.au](mailto:vwiles@tcfvic.org.au)

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**From:** DONNELLAN, Kevin [mailto:Kevin.Donnellan@fwa.gov.au]  
**Sent:** Monday, 11 July 2011 5:13 PM  
**To:** NationalOffice  
**Subject:** FR2006/651, FR2007/613, FR2008/543, FR2009/10219 & FR2010/2823 - Financial years ended 31 December 2006-2010 - Textile, Clothing and Footwear Union of Australia, Western Australian Branch

Dear Vivienne, could you provide an update on the current progress of the outstanding financial reports for the TCFUA, Western Australian Branch.

Regards

KEVIN DONNELLAN  
Tribunal Services and Organisations

Fair Work Australia  
Tel: 03 8661 7764  
Fax: 03 9655 0410  
[kevin.donnellan@fwa.gov.au](mailto:kevin.donnellan@fwa.gov.au)

11 Exhibition St, Melbourne Victoria 3000  
GPO Box 1994, Melbourne Victoria 3001

**From:** DONNELLAN, Kevin  
**To:** ["jmustica@inet.net.au"](mailto:jmustica@inet.net.au)  
**Cc:** ["tcfua@tcfua.org.au"](mailto:tcfua@tcfua.org.au)  
**Subject:** FR2006/651, FR2007/613, FR2008/543, FR2009/10219 & FR2010/2823 - Financial years ended 31 December 2006 - 2010 - Textile, Clothing and Footwear Union of Australia, Western Australian Branch  
**Date:** Tuesday, 10 May 2011 2:24:00 PM

---

Hello Jim and Barry Willcocks, could you provide FWA with an update on the current status of the above financial returns.

Regards

KEVIN DONNELLAN  
Tribunal Services and Organisations

Fair Work Australia  
Tel: 03 8661 7764  
Fax: 03 9655 0410  
[kevin.donnellan@fwa.gov.au](mailto:kevin.donnellan@fwa.gov.au)

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GPO Box 1994, Melbourne Victoria 3001

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---

**From:** DONNELLAN, Kevin  
**Sent:** Monday, 18 April 2011 5:01 PM  
**To:** 'jmustica@inet.net.au'  
**Subject:** FR2009/10219 - Financial year ended 31 December 2009 - Textile, Clothing and Footwear Union of Australia, Western Australian Branch

Hello Jim, could you provide an update in relation to the outstanding matters.

Regards

KEVIN DONNELLAN  
Tribunal Services and Organisations

Fair Work Australia  
Tel: 03 8661 7764  
Fax: 03 9655 0410  
[kevin.donnellan@fwa.gov.au](mailto:kevin.donnellan@fwa.gov.au)

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GPO Box 1994, Melbourne Victoria 3001

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---

**From:** DONNELLAN, Kevin  
**Sent:** Friday, 18 March 2011 12:47 PM  
**To:** 'jmustica@inet.net.au'  
**Subject:** FR2009/10219 - Financial year ended 31 December 2009 - Textile, Clothing and Footwear Union of Australia, Western Australian Branch

Dear Jim, could you provide an update in relation to the outstanding matters.

Regards

KEVIN DONNELLAN  
Tribunal Services and Organisations

Fair Work Australia  
Tel: 03 8661 7764  
Fax: 03 9655 0410

[kevin.donnellan@fwa.gov.au](mailto:kevin.donnellan@fwa.gov.au)

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---

**From:** jmustica@inet.net.au [mailto:jmustica@inet.net.au]  
**Sent:** Sunday, 20 February 2011 9:00 PM  
**To:** 'DONNELLAN@smtp1.air.gov.au'; DONNELLAN, Kevin  
**Subject:** Re: FR2009/10219 - Financial year ended 31 December 2009 - Textile, Clothing and Footwear Union of Australia, Western Australian Branch

Apologies for delayed response Kevin

I will follow this up tomorrow and give you an update

Best Regards  
Jim Mustica

**On Tue Feb 15 12:43 , 'DONNELLAN, Kevin' sent:**

Dear Jim, could you pass this on to the Branch.

Regards

**KEVIN DONNELLAN**  
Tribunal Services and Organisations

**Fair Work Australia**  
Tel: 03 8661 7764  
Fax: 03 9655 0410  
[kevin.donnellan@fwa.gov.au](mailto:kevin.donnellan@fwa.gov.au)

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**From:** DONNELLAN, Kevin  
**To:** ["jmustica@iinet.net.au"](mailto:jmustica@iinet.net.au)  
**Subject:** FR2006/651, FR 2007/613, FR2008/543 & FR2009/10219 - Financial years ended 31 December 2006 - 2009 - Textile, Clothing and Footwear Union of Australia, Western Australian Branch  
**Date:** Wednesday, 9 February 2011 10:26:00 AM

---

Hello Jim, could you provide an update on the current progress of the above matters.

Regards

KEVIN DONNELLAN  
Tribunal Services and Organisations

Fair Work Australia  
Tel: 03 8661 7764  
Fax: 03 9655 0410  
[kevin.donnellan@fwa.gov.au](mailto:kevin.donnellan@fwa.gov.au)

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GPO Box 1994, Melbourne Victoria 3001

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---

**From:** jmustica@iinet.net.au [mailto:jmustica@iinet.net.au]  
**Sent:** Monday, 24 January 2011 7:57 PM  
**To:** DONNELLAN, Kevin  
**Subject:** Fwd: Re: FR2006/651, FR 2007/613, FR2008/543 & FR2009/10219 - Financial years ended 31 December 2006 - 2009 - Textile, Clothing and Footwear Union of Australia, Western Australian Branch

Hi Kevin

Having said that, I've found that the 2006 and 2007 Full Reports were presented to a Committee of Management Meeting  
on Sunday the 24 August 2008

It's just that they weren't followed up with publication to the members and subsequent re-presenting to a later Committee  
of Management Meeting (the Second Meeting)

Can we, therefore, consider that the 2006 and 2007 Full Reports have been presented to the first meeting and it is just the  
2008 and 2009 Full Reports that need to be presented at Sunday's Committee of Management Meeting (the First Meeting)?  
If we can, all 4 years' can then be published to members (mailed out) and, after at least 21 days, re-presented to the  
Committee of Management (the Second Meeting)

I hope that this is not too confusing

Thank you &  
Best Regards  
Jim

----- Original Message -----  
**From:** 'jmustica@iinet.net.au'

**To: 'DONNELLAN, Kevin'**

**Sent: Mon Jan 24 15:21**

**Subject: Fwd: Re: FR2006/651, FR 2007/613, FR2008/543 & FR2009/10219 - Financial years ended 31 December 2006 - 2009 - Textile, Clothing and Footwear Union of Australia, Western Australian Branch**

Hello Kevin

A TCFUWA Committee of Management Meeting is scheduled for this Sunday the 30 Jan 2011

The plan is to present the 2006, 2007, 2008 and 2009 Full Reports to the new Committee.

Cheers

Jim

**On Mon Jan 17 8:43 , 'DONNELLAN, Kevin' sent:**

Hello Jim, could you provide me with a report on the current status of the above outstanding reports.

Regards

**KEVIN DONNELLAN**

Tribunal Services and Organisations

**Fair Work Australia**

Tel: 03 8661 7764

Fax: 03 9655 0410

[kevin.donnellan@fwa.gov.au](mailto:kevin.donnellan@fwa.gov.au)

11 Exhibition St, Melbourne Victoria 3000

GPO Box 1994, Melbourne Victoria 3001

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---

**From: DONNELLAN, Kevin**

**Sent: Thursday, 16 December 2010 9:37 AM**

**To: 'jmustica@iinet.net.au'**

**Subject: FR2006/651, FR 2007/613, FR2008/543 & FR2009/10219 - Financial years ended 31 December 2006 - 2009 - Textile, Clothing and Footwear Union of Australia, Western Australian Branch**

Hello Jim, could you provide me with an update on the current progress of the above reports.

Regards

**KEVIN DONNELLAN**

Tribunal Services and Organisations

**Fair Work Australia**

Tel: 03 8661 7764

Fax: 03 9655 0410

[kevin.donnellan@fwa.gov.au](mailto:kevin.donnellan@fwa.gov.au)

11 Exhibition St, Melbourne Victoria 3000

GPO Box 1994, Melbourne Victoria 3001

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---

**From:** DONNELLAN, Kevin  
**Sent:** Tuesday, 9 November 2010 9:12 AM  
**To:** 'jmustica@inet.net.au'  
**Subject:** TCFUWA financial reports

Hello Jim, could you give me a call about the current status of the outstanding reports.

Regards

**KEVIN DONNELLAN**  
Tribunal Services and Organisations

**Fair Work Australia**  
Tel: 03 8661 7764  
Fax: 03 9655 0410  
[kevin.donnellan@fwa.gov.au](mailto:kevin.donnellan@fwa.gov.au)

11 Exhibition St, Melbourne Victoria 3000  
GPO Box 1994, Melbourne Victoria 3001

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---

**From:** jmustica@inet.net.au [mailto:jmustica@inet.net.au]  
**Sent:** Monday, 20 September 2010 4:53 PM  
**To:** 'DONNELLAN@smtp2.air.gov.au'; DONNELLAN, Kevin  
**Subject:** Re: TCFUWA financial reports

Thanks Kevin

I know that the date hasn't been set as yet but the suggestion is for the 21 Oct 2010

I'll confirm the date with you as soon as it is finalised

Cheers  
Jim

**On Mon Sep 20 14:08 , 'DONNELLAN, Kevin' sent:**

Hello Jim, I note the decision of 8 September 2010 regarding the conduct of election for the Western Australian Branch. Has the Returning Officer set dates for the closing of the ballot as yet.

Regards

**KEVIN DONNELLAN**  
Tribunal Services and Organisations

**Fair Work Australia**  
Tel: 03 8661 7764  
Fax: 03 9655 0410  
[kevin.donnellan@fwa.gov.au](mailto:kevin.donnellan@fwa.gov.au)

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GPO Box 1994, Melbourne Victoria 3001

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---

**From:** DONNELLAN, Kevin

**Sent:** Wednesday, 1 September 2010 11:51 AM  
**To:** 'jmustica@inet.net.au'  
**Subject:** TCFUWA financial reports

Hello Jim, I have reviewed the draft reports for 2006 to 2008 and apart from some minor matters looks fine. The timescales for the documents are also fine. I have had a look at the TCFUA rules and rule 45(b) satisfies a 5% rule so that the financial reports can be sent to a further meeting of the Committee of Management before distribution of the reports to members. Could you contact me on the number below once the TCFUA, WA Branch election has been declared by the AEC.

Regards

**KEVIN DONNELLAN**  
Tribunal Services and Organisations

**Fair Work Australia**  
Tel: 03 8661 7764  
Fax: 03 9655 0410  
[kevin.donnellan@fwa.gov.au](mailto:kevin.donnellan@fwa.gov.au)

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GPO Box 1994, Melbourne Victoria 3001

[www.fwa.gov.au](http://www.fwa.gov.au)

---

**From:** jmustica@inet.net.au [mailto:jmustica@inet.net.au]  
**Sent:** Tuesday, 31 August 2010 7:37 PM  
**To:** DONNELLAN@smtp1.air.gov.au; DONNELLAN, Kevin  
**Cc:** naomi.kelly@sdawa.asn.au  
**Subject:** RE: TCFUWA

Thanks Kevin

Full reports are attached

We won't be doing anything (with regard to presenting to a meeting etc) without your direction

Thank you again for your help

Cheers  
Jim

**On Tue Aug 31 7:28 , 'DONNELLAN, Kevin' sent:**

Hello Jim, as discussed, if you could forward the full reports in draft prior to the presentation to a meeting.

Regards

**KEVIN DONNELLAN**  
Tribunal Services and Organisations

**Fair Work Australia**  
Tel: 03 8661 7764  
Fax: 03 9655 0410  
[kevin.donnellan@fwa.gov.au](mailto:kevin.donnellan@fwa.gov.au)

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GPO Box 1994, Melbourne Victoria 3001

[www.fwa.gov.au](http://www.fwa.gov.au)

---

**From:** jmustica@iinet.net.au [mailto:jmustica@iinet.net.au]  
**Sent:** Monday, 30 August 2010 6:01 PM  
**To:** DONNELLAN, Kevin  
**Cc:** naomi.kelly@sdawa.asn.au  
**Subject:** TCFUWA

Hi Kevin

As discussed today, I will tomorrow e-mail you copies of the 2006, 2007 and 2008 TCFUWA Financial Statements, Operating Reports (all Authorised), Audit Reports (all Authorised), and Committee of Management Statements (all Authorised).

The hold-up has resulted because the Designated Officers Certificates' (for the 3 years') have not been authorised (the previous Committee of Management is out of term).

I understand that the National Office of the TCFU has recently (twice) unsuccessfully made applications to hold elections and that they are again due to do so but we are about 6 weeks from being able to have the Designated Officers Certificates' signed off by the new Branch Secretary

Thank you &  
Best Regards

Jim Mustica

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**From:** DONNELLAN, Kevin  
**To:** ["jmustica@inet.net.au"](mailto:jmustica@inet.net.au)  
**Subject:** 2006, 2007, 2008 & 2009 financial reports  
**Date:** Monday, 26 July 2010 12:40:00 PM  
**Attachments:** [TCFU 31 Dec 09.pdf](#)

---

Hello Jim, could you provide me with an update in relation to the above matters.

Regards

KEVIN DONNELLAN  
Tribunal Services and Organisations

Fair Work Australia  
Tel: 03 8661 7764  
Fax: 03 9655 0410  
[kevin.donnellan@fwa.gov.au](mailto:kevin.donnellan@fwa.gov.au)

11 Exhibition St, Melbourne Victoria 3000  
GPO Box 1994, Melbourne Victoria 3001

[www.fwa.gov.au](http://www.fwa.gov.au)

---

**From:** DONNELLAN, Kevin  
**Sent:** Tuesday, 6 July 2010 5:33 PM  
**To:** 'jmustica@inet.net.au'  
**Subject:** 2006, 2007 & 2008 Designated Officer's Certificates

Hello Jim, could you provide an update in relation to the 2006, 2007, 2008 and 2009 reports.

Regards

KEVIN DONNELLAN  
Tribunal Services and Organisations

Fair Work Australia  
Tel: 03 8661 7764  
Fax: 03 9655 0410  
[kevin.donnellan@fwa.gov.au](mailto:kevin.donnellan@fwa.gov.au)

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**From:** jmustica@inet.net.au [mailto:jmustica@inet.net.au]  
**Sent:** Thursday, 17 June 2010 3:39 PM  
**To:** DONNELLAN@smtp1.air.gov.au; DONNELLAN, Kevin  
**Subject:** Re: 2006, 2007 & 2008 Designated Officer's Certificates

Hi Kevin

I appreciate your help on this

Attached is a copy of the draft 2009 financials (only received in the last week)

I'll fax you copies of the 2007 and 2008 Operating Reports - if that's ok (please advise your fax #) otherwise I can e-mail copies to you tomorrow

My Mobile # is 0412 610 851

Cheers  
Jim

**On Wed Jun 16 16:50 , 'DONNELLAN, Kevin' sent:**

Hello Jim, could you give me a call on 03 86617764. Kevin

---

**From:** jmustica@inet.net.au [mailto:jmustica@inet.net.au]  
**Sent:** Wednesday, 16 June 2010 3:50 PM  
**To:** jmustica@inet.net.au; DONNELLAN@smtp1.air.gov.au; DONNELLAN, Kevin  
**Subject:** RE: 2006, 2007 & 2008 Designated Officer's Certificates

Hi Kevin

My understanding is that currently, the TCFU Committee Members are ~~Out of term~~

Cheers  
Jim

**On Wed Jun 16 13:33 , "DONNELLAN, Kevin" sent:**

Hello Jim, do you have a current Secretary, Treasurer, or President. Regards Kevin

---

**From:** jmustica@inet.net.au [mailto:jmustica@inet.net.au]  
**Sent:** Wednesday, 16 June 2010 3:11 PM  
**To:** DONNELLAN, Kevin  
**Cc:** 'Vivienne Wiles'; 'Martin Pritchard'; Michele O 'Neil'; 'Jane Westgarth '  
**Subject:** 2006, 2007 & 2008 Designated Officer's Certificates

Hello Kevin

Apologies for delayed response

The 2006, 2007 & 2008 Designated Officer's Certificates' will be arranged once the new Committee of Management for the TCFU WA has been elected (I'm not sure of the time-line there but I will let you know when I find out).

Cheers  
Jim

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This footnote also confirms that this email message has been swept for the presence of computer viruses.

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**Textile, Clothing and Footwear Union of Australia, Western  
Australian Branch**

**Financial Report**

For the financial year ended 31 December 2007

**Textile, Clothing and Footwear Union of Australia, Western Australian Branch**

***Financial Report***  
***For the Financial Year Ended 31 December 2007***

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Statement of Changes in Equity.....	7
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## Textile, Clothing and Footwear Union of Australia, Western Australian Branch

### Branch Committee's Statement

I, Reahyn Ball, being a member of the Branch Committee of the Textile, Clothing and Footwear Union of Australia, Western Australian Branch, do declare on behalf of the Committee and in accordance with a resolution passed by the Committee on 24th August 2008, that in the opinion of the Committee:

- a) The financial statement and notes comply with the Australian Accounting Standards;
- b) The financial statement and notes comply with the reporting guidelines of the Industrial Registrar;
- c) The financial statement and notes give a true and fair view of the financial performance, financial position and cash flows of the Branch for the financial year to which they relate;
- d) 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
- e) During the year ended 31 December 2007 and since the end of that year;
  - (i) Meetings of the Branch Committee were held in accordance with the rules of the Textile, Clothing and Footwear Union of Australia including the rules of the Branch;
  - (ii) The financial affairs of the Branch have been managed in accordance with the rules of the Textile, Clothing and Footwear Union of Australia including the rules of the Branch;
  - (iii) The financial records of the Branch have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations;
  - (iv) The information sought in any request of a member of the Branch or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
  - (v) There has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.



Secretary

Date: 21 May 2008  
Perth, WA



## **Independent audit report to the members of Textile, Clothing and Footwear Union of Australia, Western Australian Branch**

### **Report on the financial report**

We have audited the accompanying financial report of Textile, Clothing and Footwear Union of Australia, Western Australian Branch ("the Entity"), which comprises the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes.

#### *Branch Committee's responsibility for the financial report*

The Branch Committee of the Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's responsibility*

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

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

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the entity's financial position, and of its performance and cash flows.

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



### *Qualification*

The financial report of Textile, Clothing and Footwear Union of Australia, Western Australian Branch as at 31 December 2006, was audited by another auditor, Ernst & Young whose report dated 24 August 2008, expressed a qualified audit opinion on membership contributions as membership contributions are a significant source of revenue for the Entity. For the 31 December 2006 year, the Entity determined that it was impracticable to establish control over the collection of membership contributions prior to entry in the financial records. Accordingly, as the evidence available to Ernst & Young regarding revenue from this source was limited, their audit procedures with respect to membership contributions was restricted to the amounts recorded in the financial records. They therefore were unable to express an opinion whether revenue from membership contributions the Entity received were complete. We are therefore unable to obtain sufficient appropriate audit evidence for membership contributions for the year ended 31 December 2006.

### *Auditor's opinion*

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves regarding the comparative amounts for membership contributions, the financial report presents fairly, in accordance with the Workplace Relation Act 1996, including compliance with Australian Accounting Standards (including the Australian Accounting Interpretations) and other mandatory financial reporting requirements in Australia and the entity's rules, the financial position of Textile, Clothing and Footwear Union of Australia, Western Australian Branch as of 31 December 2007 and of its financial performance and its cash flows for the year then ended.

KPMG

KPMG

Matthew Beevers

Name: Matthew Beevers

Qualifications: Chartered Accountant (94498)

Position: Partner

Perth

Dated: 21 May 2010

# Textile, Clothing and Footwear Union of Australia, Western Australian Branch

## Income Statement

For the year ended 31 December 2007

	<u>Note</u>	<u>2007</u> \$	<u>2006</u> \$
REVENUE FROM CONTINUING OPERATIONS			
Membership Contributions		7,530	7,621
Interest		338	664
TOTAL REVENUE AND INCOME		<u>7,868</u>	<u>8,285</u>
EXPENDITURE			
Organiser Refunds – SDA Union		252	25,000
Fee refund & forwarding		-	5,000
Wages and related expenses		-	9,390
Legal fee		-	4,774
Committee and meeting fees		1,250	2,380
Affiliation – Unions WA (Trades and Labour Council)		-	821
Audit fees		(2,840)	580
Bank Fees & Government Charges		-	125
Commission on contributions collected		208	344
Insurance		-	(170)
Mortality fund		-	280
Printing and stationery		-	155
Sundry expenses		3,207	357
Sustentation fees		-	325
TOTAL EXPENDITURE		<u>2,077</u>	<u>49,361</u>
SURPLUS / (DEFICIT) FOR YEAR		<u>5,792</u>	<u>(41,076)</u>

The accompanying notes form an integral part of these accounts



# Textile, Clothing and Footwear Union of Australia, Western Australian Branch

## Balance Sheet

As at 31 December 2007

	<u>Note</u>	<u>2007</u> \$	<u>2006</u> \$	
CURRENT ASSETS				
Cash and cash equivalents	7 (a)	52,253	44,280	The accompanying notes form an integral part of these accounts
Prepayments		425	861	
Receivables		1,830	3,953	
		<hr/>	<hr/>	
TOTAL CURRENT ASSETS		54,508	49,094	
		<hr/>	<hr/>	
TOTAL ASSETS		54,508	49,094	
		<hr/>	<hr/>	
CURRENT LIABILITIES				
Payables		1,530	-	
Accrued Liabilities		2,730	4,638	
		<hr/>	<hr/>	
TOTAL CURRENT LIABILITIES		4,260	4,638	
		<hr/>	<hr/>	
TOTAL LIABILITES		4,260	4,638	
		<hr/>	<hr/>	
NET ASSETS		50,248	44,456	
		<hr/>	<hr/>	
TOTAL MEMBERS FUNDS		50,248	44,456	
		<hr/>	<hr/>	

# Textile, Clothing and Footwear Union of Australia, Western Australian Branch

## Statement of Cash Flows

For the year ended 31 December 2007

	<u>Note</u>	<u>2007</u> \$ Inflows (Outflows)	<u>2006</u> \$ Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Membership Contributions		9,200	7,359
Payments to Suppliers		(1,565)	(52,085)
Interest Received		338	664
NET CASH PROVIDED / (USED) IN OPERATING ACTIVITIES	7(b)	7,973	(44,062)
NET INCREASE / (DECREASE) IN CASH HELD		7,973	(44,062)
CASH AT THE BEGINNING OF THE FINANCIAL YEAR		44,280	88,342
CASH AT THE END OF THE FINANCIAL YEAR	7(a)	52,253	44,280

The accompanying notes form an integral part of these accounts

# **Textile, Clothing and Footwear Union of Australia, Western Australian Branch**

## **Statement of Changes in Equity For the year ended 31 December 2007**

	\$
<b>Members' Funds at 1 January 2006</b>	85,532
Deficit for the year	(41,076)
<b>Members' Funds as at 31 December 2006</b>	<u>44,456</u>
Surplus for the year	5,792
<b>Members' Funds as at 31 December 2007</b>	<u><u>50,248</u></u>

The accompanying notes form an integral part of these accounts

# Textile, Clothing and Footwear Union of Australia, Western Australian Branch

## Notes to and forming part of the accounts For the year ended 31 December 2007

### 1. BASIS OF PREPARATION

#### (a) Reporting entity

The Textile, Clothing and Footwear Union of Australia, Western Australian Branch (the "Union") is a union domiciled in Australia. The address of the Union's registered office is 5<sup>th</sup> Floor 25 Barrack Street, Perth 6000. The financial statements of the Union is as at and for the year ended 31 December 2007.

#### (b) Statement of compliance

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

The financial statements were approved by the Branch Committee on 21 May 2010

#### (c) Basis of measurement

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

#### (d) Functional and presentation currency

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

#### (e) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and 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.

### 2. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the 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 Union becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Union's contractual rights to the cash flows from the financial assets expire or if the Union transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Union's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Accounting for finance income is discussed in note 2(c)(ii).

# **Textile, Clothing and Footwear Union of Australia, Western Australian Branch**

## **Notes to and forming part of the accounts For the year ended 31 December 2007**

### **2. SIGNIFICANT ACCOUNTING POLICIES (cont.)**

- (b) Impairment
- (i) Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

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

Individually significant financial assets are tested for impairment on a individual basis. The remaining financial assets are assessed collectively in Union that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss.

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

- (c) Revenue
- (i) Member contributions

Gross contributions by members are shown. Commissions deducted by employers as payment for collection services are shown separately as an expense. Contributions by members have been brought to account on an accruals basis.

- (ii) Interest Income

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

- (d) Income tax

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

- (e) Goods and service tax

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

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

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

# **Textile, Clothing and Footwear Union of Australia, Western Australian Branch**

## **Notes to and forming part of the accounts For the year ended 31 December 2007**

### **2. SIGNIFICANT ACCOUNTING POLICIES (cont.)**

#### **(f) New standards and interpretations not yet adopted**

The following standards, amendments to standards and interpretations have been identified as those which may impact the Union in the period of initial application. They are available for early adoption at 31 December 2007, but have not been applied in preparing this financial report:

- Revised AASB 101 Presentation of Financial Statements introduces as a financial statement (formerly "primary" statement) the "statement of comprehensive income". The revised standard does not change the recognition, measurement or disclosure of transactions and events that are required by other AASBs. The revised AASB 101 will become mandatory for the Union's 31 December 2009 financial statements. The Union has not yet determined the potential effect of the revised standard on the Group's disclosures.

### **3. INFORMATION TO BE PROVIDED TO MEMBERS OR A REGISTRAR**

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

- 1 A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.
- 2 An organisation shall, on application made under subsection (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such manner, and within such time, as is prescribed.
- 3 A Registrar may only make an application under subsection (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

### **4. RIGHT OF MEMBERS TO RESIGN**

Under Section 174, Schedule 1B of the Workplace Relations Act 1996,

- 1 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.

### **5. TRUSTEES OF SUPERANNUATION ENTITIES**

During the year ended 31 December 2007, the Union did not have any officers or members who held the following posts;

- 1 a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- 2 a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme

### **6. SEGMENT INFORMATION**

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

## Textile, Clothing and Footwear Union of Australia, Western Australian Branch

### Notes to and forming part of the accounts For the year ended 31 December 2007

#### 7. NOTES TO THE STATEMENT OF CASH FLOWS

##### (a) Reconciliation of Cash

For the purposes of the statement of cash flows cash includes cash on hand and in banks and short term deposits with an original maturity at these months or less, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

	<u>2007</u>	<u>2006</u>
	\$	\$
Cash	52,253	44,280

##### (b) Reconciliation of operating result to net cash flows from operating activities

	<u>2007</u>	<u>2006</u>
	\$	\$
Operating result	5,792	(41,076)
Changes in net assets and liabilities		
Decrease / (Increase) in accounts receivable and prepayments	2,559	(3,003)
(Decrease)/ increase in payables	(378)	17
Net cash from operating activities	7,973	(44,062)

#### 9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT Overview

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

- credit risk
- liquidity risk
- market risk.

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

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

Risk management policies are established to identify and analyse the risks faced by the Union, 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 Union's activities. The Union, through their training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

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

### Notes to and forming part of the accounts For the year ended 31 December 2007

#### 9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

## Textile, Clothing and Footwear Union of Australia, Western Australian Branch

### Credit risk

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

#### Trade and other receivables

The Union's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Union's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk. All of the Union's customers are based in Western Australia.

The Union does not require a credit policy as all receivables relate to deductions for members working at their customers enterprises. As such terms are not created, rather membership contributions are remitted on a periodic basis.

The Union has not established an allowance for impairment as historical data and the payment reputation of the customers does not indicate an impairment issues.

#### Exposure to credit risk

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

In AUD	Note	Carrying amount	
		2007	2006
Cash and cash equivalents		52,253	44,280

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

In AUD	Carrying amount	
	2007	2006
Australia	1,830	3,953

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

In AUD	Carrying amount	
	2007	2006
Member employers	1,830	3,953

The Union's most significant customer, an Australian Company, accounts for \$740 of the trade receivables carrying amount at 31 December 2007 (2006: \$-).

#### Impairment losses

None of the Union's receivables are past due (2006: nil). The aging of the Union trade receivables at the reporting date was:

In AUD	Gross 2007	Impairment 2007	Gross 2006	Impairment 2006
Not past due	1,821	-	3,944	-
Past due 0-30 days	-	-	-	-
Past due 31-120 days	9	-	9	-
	1,830	-	3,953	-

## Notes to and forming part of the accounts For the year ended 31 December 2007

### 9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (cont.)

Based on historic default rates, the Union believes that no impairment allowance is necessary in respect of trade receivables not past due or past due by up to 30 days; all of the balance, which includes the



## Textile, Clothing and Footwear Union of Australia, Western Australian Branch

amount owed by the Union's most significant customer (see above), relates to customers that have a good credit history with the Union.

### Liquidity risk

Liquidity risk is the risk that the Union will not be able to meet its financial obligations as they fall due. The Union'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 Union's reputation.

Typically the Union 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 Union 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:

31 December 2007

<i>In AUD</i>	Carrying amount	Contractual cash flows	12mts or less	1-2 yrs	2-5 yrs	More than 5 yrs
<b>Non-derivative financial liabilities</b>						
Trade and other payables	4,262	4,262	-	-	-	-
	4,262	4,262	-	-	-	-

31 December 2006

<i>In AUD</i>	Carrying amount	Contractual cash flows	12mts or less	1-2 yrs	2-5 yrs	More than 5 yrs
<b>Non-derivative financial liabilities</b>						
Trade and other payables	4,187	4,187	-	-	-	-
	4,187	4,187	-	-	-	-

### Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Union'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 Union adopts a policy of ensuring that its exposure to changes in interest rates is limited by investing in high return deposits with no fixed term.

# Textile, Clothing and Footwear Union of Australia, Western Australian Branch

## Notes to and forming part of the accounts For the year ended 31 December 2007

### 9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (cont.)

#### *Profile*

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

	<b>Carrying amount</b>	
<i>In AUD</i>	<b>2007</b>	<b>2006</b>
<b>Variable rate instruments</b>		
Financial assets	54,508	49,094

#### *Fair value sensitivity analysis for fixed rate instruments*

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

### 9. REMUNERATION OF THE BRANCH COMMITTEE

The following persons held office through the financial year 1<sup>st</sup> January 2007 to 31<sup>st</sup> December 2007.

<b>Position</b>	<b>Name</b>	<b>Surname</b>
Branch President	Mary	Miovski
Branch Vice President	Roslyn	Ball
Branch Secretary	Lorraine	Rudd
Branch Trustee	Leonie	Dudek
Branch Trustee	Lilia	Taylor
Branch Member	Ani Patene	Walker

The total remuneration paid or payable, directly or indirectly, from the Branch or any related party to all the members of the Branch Committee was \$nil. (2006 : nil)