



24 August 2018

Mr Brian Bintley
Branch Secretary
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied
Services Union of Australia - Plumbing Division - Western Australian Divisional Branch

By e-mail: info@pteu.asn.au

Dear Mr Bintley

**Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied
Services Union of Australia - Plumbing Division - Western Australian Divisional Branch
Financial Report for the year ended 31 March 2018 - FR2018/13**

I acknowledge receipt of the financial report for the year ended 31 March 2018 for the
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied
Services Union of Australia - Plumbing Division - Western Australian Divisional Branch (CEPU-
PWAB). The financial report was lodged with the Registered Organisations Commission (ROC)
on 18 July 2018.

The financial report has now been filed. You are not required to take any further action in
respect of the report lodged.

Whilst the 2017 report has been filed the following should be addressed in the preparation of the
next financial report.

1. Committee of Management Statement

Reference to s.272 & s.273

Following the enactment of the *Fair Work (Registered Organisations) Amendment Act 2016*, with
effect from 1 May 2017, section 272 refers to Commissioner of the ROC instead of the General
Manager, Fair Work Commission. However, section 273 continues to refer to the Fair Work
Commission (FWC).

The CEPU-PWAB Committee of Management statement, at reference (d)(v), refers to the
'Registered Organisations Commission'. In future, this reference should be to the 'Fair Work
Commission'.

2. Operating Report

Significant changes in financial affairs

Section 254(2)(b) of the RO Act requires an Operating Report to give details of any significant
changes in the reporting unit's financial affairs during the year. The CEPU-PWAB Operating

Report makes a statement in relation to significant changes in the reporting units 'state of affairs' but not in relation to the 'financial affairs' of the Branch.

In future, please include a statement as required by section 254(2)(b) of the RO Act.

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) 9603 0707 or by email at ken.morgan@roc.gov.au

Yours faithfully

A handwritten signature in black ink, appearing to read 'K. Morgan', with a stylized flourish at the end.

KEN MORGAN
Financial Reporting Advisor
Registered Organisations Commission

**Communications, Electrical, Electronic,
Energy, Information, Postal, Plumbing and
Allied Services Union of Australia**

**Plumbing Division
– Western Australia Branch –**

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2018**

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA
PLUMBING DIVISION – WESTERN AUSTRALIA BRANCH**

**Operating Report
For the year ended 31 March 2018**

Principal activities

The principal activities of the CEPU Western Australia Branch during the financial year were to provide representation and support to its members. The branch has been operated as a 'stand-alone' entity since 1 July 2013, albeit, its rules re-establishing it were not registered by FWC until 3 February 2014.

Review of results

The net result of operations for the year was a loss of \$51,366 (2017: loss of \$72,845). The organisation represents its members in industrial and other matters, focusing particularly on training and educational projects to advance the industry. During the year, it also paid particular attention to corporate governance, ensuring that it complies with legislative requirements. As at reporting date, the organisation has a net equity deficit of \$214,993 (2017: \$163,627). The organisation is however placed to meet the future needs of the industry and moreover its members, through financial support from other branches.

Significant Changes in the State of Affairs

In the opinion of the Members of the Committee of Management, there were no significant changes in the organisation's state of affairs during the financial year.

Resignation of Members

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.

Number of Members

As at 31 March 2018, the number of members of the organisation recorded in the register of members was 541.

Number of Employees

As at 31 March 2018, the number of full time equivalent employees was 2 (2017: 2).

Committee of Management

The Committee of Management members are as follows:-

G. McDonald (President)	B. Darby	J. Daly	G. Brandis
B. Bintley (Secretary)	C. Costello	N. Hancock (resigned 20/2/2017)	M. Morete

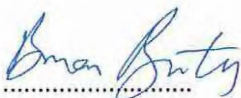
All committee members held their positions throughout the full year in accordance with the rules of the organisation.

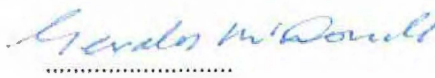
No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.

Future Developments

In the opinion of the Committee of Management, there is not likely to be any future development that will materially affect the Union's operation in subsequent years.

Signed in accordance with a resolution of the Committee of Management.


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Dated this 20th day of June 2018

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA
PLUMBING DIVISION – WESTERN AUSTRALIA BRANCH**

CERTIFICATE OF COMMITTEE OF MANAGEMENT

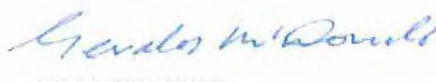
The Committee of Management of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Plumbing Division – Western Australia Branch passed the following resolution on 20th June 2018 in relation to the general purpose financial report of the reporting unit for the financial year ended 31 March 2018.

The Committee of Management declares in relation to the general purpose financial report that in its opinion:

- (a) the financial statements and notes comply with the Reporting Guidelines of the Commissioner, Registered Organisations Commission and Australian Accounting Standards;
- (b) 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;
- (c) 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;
- (d) during the financial year to which the general purpose financial report 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;
 - 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;
 - iii. the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009;
 - iv. the information sought in any request of a member of the reporting unit or the Commissioner, Registered Organisations Commission duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or the Commissioner, Registered Organisations Commission;
 - v. there have been no orders for inspection of financial records made by the Registered Organisations Commission under section 273 of the Fair Work (Registered Organisations) Act 2009 during the year; and
 - vi. where the Union comprises of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable in a manner consistent with each of the other reporting units of the organisation.
- (e) in relation to recovery of wages activity no revenue has been derived from undertaking recovery of wages activity during the reporting period.

Resolved by the Committee of Management:


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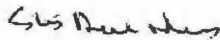
Dated this 20th day of June 2018

AUDITOR'S INDEPENDENCE DECLARATION

**TO THE COMMITTEE OF MANAGEMENT OF COMMUNICATIONS, ELECTRICAL, ELECTRONIC,
ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF
AUSTRALIA PLUMBING DIVISION – WESTERN AUSTRALIA BRANCH**

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2018 there have been:-

- (i) no contraventions of the auditor independence requirements in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Stannards Accountants and Advisors



MB Shulman
Registered Company Auditor (163888)
Holder of Current Public Practice Certificate
Approved Auditor (FWC Act and Regulations – AA2018/45)

Dated this 20 day of March 2018

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA
PLUMBING DIVISION – WESTERN AUSTRALIA BRANCH**

**INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018**

	2018 \$	2017 \$
Revenue		
Membership Subscriptions	286,791	277,557
Capitation Fees	-	-
Directors Fees	-	5,499
Donations	-	-
Grants	-	-
Sponsorships	18,182	-
Levies	-	-
Interest Income	-	8
Other Income	-	-
Total Revenue	304,973	283,064
Expenses		
Affiliations	-	1,959
Audit Fees:-		
<i>Financial Statements Audit</i>	4,800	5,000
<i>Other Services</i>	4,000	-
Advertising	-	-
Bank Charges	591	340
Computers/IT	2,252	677
Consideration to employers for making payroll deductions	-	-
Depreciation	6,500	6,561
Donations	1,000	1,000
Dues & Subscriptions	1,057	110
Fees/allowance – meetings and conferences	-	-
Grants	-	-
Legal Fees – Other Matters (Litigation: \$nil)	-	-
Levies (Compulsory) – excluding National Office per capita	-	-
Conferences and Meeting Expenses	159	88
Membership Database	(482)	4,902
Office Supplies	13	240
Penalties – RO Act or RO Regulations	-	-
Postage	260	-
Printing	2,844	4,010
Per Capita Payments – National Office	18,688	21,695
Travel & Accommodation	5,605	50
Telephone	3,547	2,545
Motor Vehicle Operating Expenses:-		
<i>MV Insurance & Registration</i>	2,282	4,100
<i>MV Parking & Tolls</i>	1,146	1,119
<i>MV Repair & Maintenance</i>	2,748	4,584
<i>MV Petrol</i>	6,779	6,446

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA
PLUMBING DIVISION – WESTERN AUSTRALIA BRANCH**

**INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018 (cont'd)**

	2018 \$	2017 \$
Employment Expenses:-		
<i>Wages & Salaries</i>	245,484	229,421
<i>Meal Allow (Tea Money)</i>	2,600	2,600
<i>Superannuation</i>	21,129	21,687
<i>Salary Sacrifice – Superannuation</i>	6,672	6,849
<i>FBT</i>	3,361	4,674
<i>Provision – Annual Leave</i>	(6,008)	1,670
<i>Provision – Long Service Leave & Retirement</i>	7,653	21,102
<i>Workers' Compensation</i>	2,920	2,385
<i>Management Service Fee</i>	5,351	-
<i>Insurance</i>	2,471	-
<i>Entertainment</i>	917	-
<i>Other Employer Expenses</i>	-	95
<i>Staff Amenities</i>	-	-
Total Expenses	356,339	355,909
Net (Loss) / Profit	(51,366)	(72,845)

The accompanying notes form part of this Financial Report

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA
PLUMBING DIVISION – WESTERN AUSTRALIA BRANCH**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018**

	2018 \$	2017 \$
(Loss) / Profit for the year	(51,366)	(72,845)
Other comprehensive income for the year	-	-
Total comprehensive (loss) /income for the year	(51,366)	(72,845)
Total comprehensive (loss) / income attributable to: Members of the organisation	(51,366)	(72,845)

The accompanying notes form part of this Financial Report

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA
PLUMBING DIVISION – WESTERN AUSTRALIA BRANCH**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018**

	Notes	2018 \$	2017 \$
Current Assets			
Cash on Hand	3	11,530	12,755
Trade and Other Receivables	4	13,050	11,539
Prepayments		-	2,192
Loan – CEPU Vic	6	-	358
Accrued Income		42,241	-
Total Current Assets		66,821	26,844
Non Current Assets			
Property, Plant and Equipment	5	4,551	11,051
Total Non Current Assets		4,551	11,051
Total Assets		71,372	37,895
Current Liabilities			
Accrued Expenses and Other Payables		4,431	3,094
Trade Payables	7	6,048	20,187
GST Payable		7,218	856
Non Interest Bearing Liabilities	8	215,441	94,947
Provisions	9	13,574	19,582
Total Current Liabilities		246,712	138,666
Non Current Liabilities			
Provisions	9	39,653	62,856
Total Non Current Liabilities		39,653	62,856
Total Liabilities		286,365	201,522
Net Assets Deficiency		(214,993)	(163,627)
Equity			
Accumulated Deficit		(214,993)	(163,627)
Total Equity Deficit		(214,993)	(163,627)

The accompanying notes form part of this Financial Report

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA
PLUMBING DIVISION – WESTERN AUSTRALIA BRANCH**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

	2018 \$	2017 \$
Accumulated (Deficit) – Beginning of the Year	(163,627)	(90,782)
(Loss) / Profit for the Year	(51,366)	(72,845)
Total Accumulated (Deficit) / Profit – End of the Year	(214,993)	(163,627)

The accompanying notes form part of this Financial Report

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
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PLUMBING DIVISION – WESTERN AUSTRALIA BRANCH**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	2018 Inflows/ (Outflows) \$	2017 Inflows/ (Outflows) \$
Cash flows from Operating Activities			
Membership Fees		244,550	277,557
Other Receipts		16,671	-
Interest Received		-	8
Payments to Creditors and Employees		(364,610)	(310,548)
Net Cash Provided by Operating Activities	11(b)	(103,389)	(32,983)
Cash flows from Investing Activities			
Payments for Property, Plant and Equipment		-	(660)
Net Cash Provided by / (Used in) Investing Activities		-	(660)
Cash flows from Financing Activities			
Monies received from/(paid to) CEPU – Plumbing Div - National Office		58,000	-
Monies received from/(paid to) CEPU – Plumbing Div - Victoria Branch		44,164	14,622
Net Cash Provided by/(Used) in Financing Activities		102,164	14,622
Net Increase/(Decrease) in Cash and Cash Equivalents		(1,225)	(19,021)
Cash and Cash Equivalents at Beginning of Year		12,755	31,776
Cash and Cash Equivalents at End of Year	11(a)	11,530	12,755

The accompanying notes form part of this Financial Report

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA
PLUMBING DIVISION – WESTERN AUSTRALIA BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. Statement of Significant Accounting Policies

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Fair Work (Registered Organisations) Regulations 2009 and Fair Work (Registered Organisations) Act 2009. The Union is a 'not for profit' entity.

Basis of Preparation

The financial report complies with Australian Accounting Standards which include Australian Equivalents to International Financial Reporting Standards (AIFRS).

In accordance with generally accepted accounting principles for these types of organisations, membership contributions are accounted for on an accruals basis. The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. A going concern basis of accounting has been adopted notwithstanding the net equity deficiency of the Union (given financial support of other branches) – see further Note 19.

Cost is based on fair values of consideration given in exchange for assets.

The accounting policies set out below have been consistently applied, unless otherwise stated.

Accounting Policies

(a) Property, Plant and Equipment

All classes of property, plant and equipment are measured at cost and depreciated as set out below:-

Depreciation

Depreciation is calculated using the prime cost and diminishing value methods and is brought to account over the estimated economic lives of all buildings, motor vehicles, equipment, furniture and fittings. Depreciation rates applied are:

	2018	2017
Furniture and Office Equipment	33.33%	33.33%
Motor Vehicles	25.00%	25.00%

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
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PLUMBING DIVISION – WESTERN AUSTRALIA BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018 (cont'd)**

1. Statement of Significant Accounting Policies (cont'd)

Accounting Policies (cont'd)

(b) Employee Benefits

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled in full within one year together with entitlements arising from wages and salaries, have been measured at the amounts expected to be paid when the liability is settled plus relates on-costs. Other employee benefits payable have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Retiring allowance, applicable only to officials, is accrued in accordance with clause 51.4 & 51.5 of the Rules.

Long service leave provisions in relation to officials is recognised in the accounts, in accordance with clause 51.7 and 51.9 of the Rules. Long service leave for non-officials is accrued based on probability of pay-out and years of service.

Contributions made by the Union to employee superannuation funds are charged as expenses when incurred.

The number of employees at the end of the year was 2.

(c) Revenue Recognition

Members subscriptions are shown net of refunds and are accounted for on an accruals basis.

Any contribution received in advance for the next period reflected as unearned income.

Interest revenue is recognised on an accrual basis.

Revenue arising from the disposal of non-current assets is recognised when the organisation and the buyer are both committed to a contract.

All other revenue is recognised on an accruals basis.

(d) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the assets or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(e) Cash and Cash Equivalents

For the purposes of the Cash Flow Statement, cash and cash equivalents include cash on hand, cash at bank and investments in money market instruments.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA
PLUMBING DIVISION – WESTERN AUSTRALIA BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018 (cont'd)**

1. Statement of Significant Accounting Policies (cont'd)

Accounting Policies (cont'd)

(f) Trade and other Receivables

Trade and other receivable are recognised initially at fair value and are generally due for settlement within 30 days.

The collectability of debts is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivable is established when there is objective evidence that the Union will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the income statement as an expense.

(g) Trade and other Payables

Trade payables and other accounts payable are recognised when the Union becomes obliged to make future payments resulting from the purchase of goods and services. Trade accounts payable are normally settled within 30 days.

(h) Critical Accounting Estimates and Judgements

The Committee of Management evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Union.

Key Estimates – Impairment

The Union assesses impairment at each reporting date by evaluating conditions specific to it that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined and reflected in the Financial Report.

(i) Fair value measurement

The Union measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Union would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs).

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
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PLUMBING DIVISION – WESTERN AUSTRALIA BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018 (cont'd)**

1. Statement of Significant Accounting Policies (cont'd)

Accounting Policies (cont'd)

(i) Fair value measurement (cont'd)

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(j) Capitation Fees

These fees are recognised on an accruals basis, and recorded as an expense in the year to which they relate.

(k) New Accounting Standards for Application in Future Periods

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Union, together with an assessment of the potential impact of such pronouncements on the Union when adopted in future periods, are discussed below:

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Union on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Hedge accounting requirements are required to be prospectively applied.

The initial application of AASB 9 is not expected to have an impact on the financial statements.

- AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods commencing on or after 1 January 2018).

When effective, this Standard will replace the current accounting requirements in AASB 118 and the related interpretations. The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. Revenue is recognised through a five-step process that notably involves identifying a contract with customer and the related performance obligations and recognising revenue (as a portion of transaction price allocated to such performance obligations) as and when the performance obligation is satisfied. The standard is not expected to impact the Union's financial statements.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA
PLUMBING DIVISION – WESTERN AUSTRALIA BRANCH**

1. Statement of Significant Accounting Policies (cont'd)

Accounting Policies (cont'd)

(k) New Accounting Standards for Application in Future Periods

- AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional disclosure requirements.

The Transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect or retrospective application as an adjustment to opening equity on the date of initial application.

Although the Committee anticipate that the adoption of AASB 16 will impact the Union's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 2014-10: *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-10: *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128*).

This Standard amends AASB 10: *Consolidated Financial Statements* with regards to a parent losing control over a subsidiary that is not a "business" as defined in AASB 3: *Business Contributions* to an associate or joint venture, and requires that:

- a gain or loss (including any amounts in other comprehensive income (OCI)) be recognised only to the extent of the unrelated investor's interest in that associate or joint venture;
- the remaining gain or loss be eliminated against the carrying amount of the investment in that associate or joint venture; and
- any gain or loss from remeasuring the remaining investment in the former subsidiary at fair value also be recognised only to the extent of the unrelated investor's interest in the associate or joint venture. The remaining gain or loss should be eliminated against the carrying amount of the remaining investment.

The application of AASB 2014-10 will not impact the Union's financial statements.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018 (cont'd)**

2. Information to be provided to Members or Commissioner, Registered Organisations Commission

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

- (1) A Member of an organisation, or the Commissioner, Registered Organisations Commission, may apply to the organisation for specified prescribed information in relation to the organisation 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 organisation.
- (3) An organisation must comply with an application made under subsection (1).

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	2018	2017
3. Cash and Cash Equivalents	\$	\$
Cheque Account	11,530	12,755
	<u>11,530</u>	<u>12,755</u>
4. Trade and Other Receivables		
Trade Receivables – CEPU (Vic)	13,050	11,539
Other Receivables	-	-
	<u>13,050</u>	<u>11,539</u>
There were no impaired receivables (2017: \$nil) All receivables were less than 30 days old.		
5. Property, Plant and Equipment		
Office Equipment		
At Cost	2,486	2,486
Less: Accumulated Depreciation	(2,486)	(2,003)
Total Office Equipment	<u>-</u>	<u>483</u>
Motor Vehicles		
At Cost	24,067	24,067
Less: Accumulated Depreciation	(19,516)	(13,499)
Total Motor Vehicles	<u>4,551</u>	<u>10,568</u>
Total Property, Plant and Equipment	<u>4,551</u>	<u>11,051</u>

	WDV 1/4/17	Additions	Disposals	Depreciation	WDV 31/3/18
	\$	\$	\$	\$	\$
Office Equipment	483	-	-	(483)	-
Motor Vehicles	10,568	-	-	(6,017)	4,551
Total	<u>11,051</u>	<u>-</u>	<u>-</u>	<u>(6,500)</u>	<u>4,551</u>

6. Receivables		
Loan – CEPU Plumbing Div Vic Branch	-	358
This amount was interest free and unsecured	-	358
7. Trade Creditors		
Trade Creditors – CEPU National Office	-	1,700
Trade Creditors – CEPU Plumbing Div VIC Branch	578	-
Other Payables	5,470	18,487
	<u>6,048</u>	<u>20,187</u>
8. Non Interest Bearing Liabilities		
Amount Payable to CEPU Plumbing Div National Office	148,163	71,475
Amount Payable to CEPU Plumbing Div Vic Branch	67,278	23,472
These amounts are interest free and unsecured	<u>215,441</u>	<u>94,947</u>

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9. Provisions	2018 \$	2017 \$
<i>Current</i>		
Annual Leave – Elected Officials	10,807	10,883
Annual Leave – Other Staff	2,767	8,699
	<u>13,574</u>	<u>19,582</u>
<i>Non Current</i>		
Long Service Leave – Elected Officials	34,582	29,908
Long Service Leave – Other Staff	5,071	32,948
	<u>39,653</u>	<u>62,856</u>

There was no separation or redundancy or other provision for elected officials and employees at reporting date (2017: \$nil).

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Union does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Union does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

10. Employee Benefits

Employee benefits paid/accrued during the year / period	Elected Officials		Other Staff		Total	
	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$
Wages and Salaries and Allowances	115,565	115,112	106,663	116,909	222,228	232,021
Annual Leave	(76)	3,659	(5,932)	(1,989)	(6,008)	1,670
Long Service Leave	4,674	10,843	2,979	10,259	7,653	21,102
Separations and redundancies	-	-	<u>25,856</u>	-	<u>25,856</u>	-
	<u>120,163</u>	<u>129,614</u>	<u>129,566</u>	<u>125,179</u>	<u>249,729</u>	<u>254,793</u>
Superannuation	<u>14,200</u>	<u>14,200</u>	<u>13,601</u>	<u>14,336</u>	<u>27,801</u>	<u>28,536</u>
Total	<u>134,363</u>	<u>143,814</u>	<u>143,167</u>	<u>139,515</u>	<u>277,530</u>	<u>283,329</u>

Termination costs of \$25,856 were incurred this year for Other Staff (2017: \$nil).

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11. Cash Flow Information

	2018 \$	2017 \$
a. Reconciliation of Cash		
Cash at the end of the reporting period is reconciled to the related items in the statement of financial position as follows:-		
Cash at Bank	11,530	12,755
b. Reconciliation of Net Cash Provided by Operating Activities to Net Profit		
<u>Net (Loss) / Profit</u>	(51,366)	(72,845)
<u>Non Cash and Other Items</u>		
Depreciation	6,500	6,561
Provision for Employee Benefits	(29,211)	22,772
Per Capita Charge	18,688	21,695
<u>Changes in Operating Assets and Liabilities</u>		
(Increase) / Decrease in Other Receivables	(1,511)	809
(Increase) / Decrease in Accrued Income	(42,241)	-
Decrease / (Increase) in Prepayments	2,192	(268)
(Decrease) in Trade Creditors, Accruals and GST Payables	(6,440)	(11,707)
	(103,389)	(32,983)

12. Related Party Information

- a. The names or persons who formed part of the Committee of Management at any time during the year were:-

President

G. McDonald

Committee Members

B. Darby

G. Brandis

C. Costello

J. Daly

N. Hancock (resigned 20/2/2017)

M. Morete

Secretary

B. Bintley

- b. Amounts received or due and receivable by members of the Committee of Management as wages and allowances were \$120,163 (2017: \$129,614). Annual leave provisions accruing to these personnel, long service leave and retirement allowances are disclosed in Note 9. There were no bonuses or termination benefits paid to those personnel. There were no loans to/from those personnel. Amounts paid on behalf of the Secretary, Assistant Secretary and Committee Members to the Building Union Superannuation Scheme in respect to the retirement of Committee of Management members were \$14,200 (2017: \$14,200).

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018 (cont'd)**

12. Related Party Information (cont'd)

c. Amounts paid by the Branch to key personnel, B. Bintley, M. Rose and P. Mier were: -

Remuneration of Key Officers	Short-Term Remuneration		Post – Employment Benefits		Other Benefits	
	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$
B. Bintley	120,163	129,614	14,200	14,200	-	-
M. Rose	63,703	125,179	8,680	14,336	25,856*	-
P. Mier	40,007	-	4,921	-	-	-

*Termination costs of \$25,856 was received by M Rose during the year.

The officeholders received no 'non cash' benefits. No officeholder of the Branch during the year and/or in the prior period had any material personal interest in a matter that he/she has or did acquire, or a relative of the officeholder has or did acquire.

No officeholder or officer of the Branch (this year or last year) received any remuneration in their own name because they were a member of, or held position with a Board or other organisation because:-

- i) The officeholder held such a position with the Board or other organisation only because they were an officeholder of the Branch; or
- ii) They were nominated for the position by the Branch; or
- iii) They received remuneration from any third party, in connection with the performance of their duties as an officeholder of the Branch.

d. All transactions between the Committee Members and the Union were conducted on normal commercial terms in respect of subscriptions and supply of other goods and services.

e. Transactions with Federal Office, Branches and Related entities.

Per Capital Payment	2018	2017
During the year, the Western Australia Branch of the Union incurred to the Federal Office a per capital payment calculated in accordance with the rules.	\$	\$
	18,688	21,695

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12. Related Party Information (cont'd)

f. Related Party balances at year end (unsecured and interest free)

Amounts receivable/(payable) at reporting date – Federal office and other branches	<u>2018</u> \$	<u>2017</u> \$
Federal Office	(148,163)	(71,475)
Victoria Branch	(54,806)	(11,575)
CEPU National	-	(1,700)
	<u>(202,969)</u>	<u>(84,750)</u>
Balance Reconciliation- related entities (loans and trade receivables/trade payables)		
Federal Office		
Carrying amount at beginning of the year	(71,475)	(49,780)
Per capita charge	(18,688)	(21,695)
Receipts	(58,000)	(20,000)
Payments made	-	20,000
Carrying amount at end of the year	<u>(148,163)</u>	<u>(71,475)</u>
Victoria Branch		
Carrying amount at beginning of the year	(11,575)	3,047
Receipts	(56,281)	(26,519)
Payments made	13,050	11,897
Carrying amount at end of the year	<u>(54,806)</u>	<u>(11,575)</u>
CEPU National		
Carrying amount at beginning of the year	(1,700)	-
Receipts	-	(1,700)
Payments made	1,700	-
Carrying amount at end of the year	<u>-</u>	<u>(1,700)</u>

13. Donations

	<u>2018</u> \$	<u>2017</u> \$
Political Party	-	-
Other	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
Donations < \$1,000	1,000	1,000
Donations > \$1,000	-	-
	<u>1,000</u>	<u>1,000</u>

14. Affiliation Fees

	<u>2018</u> \$	<u>2017</u> \$
Political Party	-	-
Other – CEPU National Council	-	1,959
	<u>-</u>	<u>1,959</u>
Affiliation Fees < \$1,000	-	413
Affiliation Fees > \$1,000	-	1,546
	<u>-</u>	<u>1,959</u>

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15. Commitments

Capital expenditure commitments as at 31 March 2018 were \$nil (2017: \$nil).

16. Contingent Liability

There was no contingent liability at 31 March 2018 (2017: \$nil).

17. Segment Reporting

The Union Provides services to members employed in executing plumbing, gas fitting, pipe fittings and domestic engineering works in the state of Western Australia.

18. Union's Details

The principal place of business of the branch is:

401 Oxford Street
MT HAWTHORN WA 6016

19. Other Matters

The Union does not have any formal agreement to provide financial support to another reporting unit to ensure its ability to continue as a going concern. The Union's ongoing continuation as a going concern is subject to ongoing (approved) financial support provided to it by PTEU Federal and Victorian Branches. Such support is to be provided indefinitely.

The Union has not acquired or disposed of an asset or liability as a result of an amalgamation, restructure or alternative reporting unit determination or revocation.

The Union has not acquired or disposed of assets or liabilities as part of a business combination.

Amounts accrued as trade payables in respect of legal costs were \$nil (2017: \$nil).

Amounts accrued as trade payables in respect of consideration to employers for making payroll deductions were \$nil (2017: \$nil).

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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20. Financial Instruments

a. Financial Risk Management

The entity's financial instruments consist of deposits with banks, non interest bearing liability and accounts receivables and payable.

The entity does not have any derivative instruments at 31 March 2018.

The purpose of the financial instruments is to raise finances for the operations of the entity.

i Treasury Risk Management

The Committee of Management meets on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

ii Financial Risk

The main risks the entity is exposed to through its financial instruments are liquidity risk, interest rate risk and credit risk.

Foreign Currency

The entity is not exposed to fluctuations in foreign currency.

Liquidity Risk

The entity manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of provisions for impairment of those assets as disclosed in the statement of financial position and notes to the financial statements.

The entity has no material credit risk exposure to a group of debtors under financial transactions entered into by the entity.

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FOR THE YEAR ENDED 31 MARCH 2018 (cont'd)**

20. Financial Instruments (cont'd)

iii. Interest Rate Risk

The Union's exposure to interest rate risks and the effective interest rates of financial assets and liabilities both recognised and unrecognised are as follows:

	Financial Instruments	Floating Interest Rate		Fixed Interest Rate maturing in: less than 1 year		Fixed Interest Rate maturing in: 1 year or more		Non Interest Bearing		Total Carrying Amount as per Statement of Financial Position		Weighted Average Effecting Interest Rate	
		2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$	2018 %	2017 %
(i)	Financial Assets:-												
	Cash and Cash Equivalents	11,530	12,755	-	-	-	-	-	-	11,530	12,755	2.1	2.1
	Receivables	-	-	-	-	-	-	13,050	11,897	13,050	11,897		
	Other Financial Assets	-	-	-	-	-	-	-	-	-	-		
	Total	11,530	12,755	-	-	-	-	13,050	11,897	24,580	24,652		
(ii)	Financial Liabilities:-												
	Interest Bearing Debt	-	-	-	-	-	-	-	-	-	-		
	Payables:-												
	Non Interest Bearing Liabilities	-	-	-	-	-	-	233,138	119,084	233,138	119,084		
	Total	-	-	-	-	-	-	233,138	119,084	233,138	119,084		
	Net Financial Assets/(Liabilities)	11,530	12,755	-	-	-	-	(220,088)	(107,187)	(208,558)	(94,432)		

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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20. Financial Instruments (cont'd)

b. Net Fair Values

The net fair value of the investments in commercial bills/securities at 31 March 2018 is estimated at \$nil (carrying amount \$nil). The net fair value of the Union's other financial assets and financial liabilities are not expected to be significantly different from the class of asset and liabilities as disclosed and recognised in the statement of financial position as at 31 March 2018.

c. Sensitivity Analysis

Interest rate risk

The entity has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk.

Interest rate sensitivity analysis

At 31 March 2018, the effect on profit and equity as a result of changes in the interest, with all other variable remaining constant, would be as follows:

	2018	2017
	\$	\$
Change in profit		
Increase in interest rate by 2%	231	255
Decrease in interest rate by 2%	(231)	(255)
Change in equity		
Increase in interest rate by 2%	231	255
Decrease in interest rate by 2%	(231)	(255)

d. Fair Value Hierarchy

The Union measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- freehold land and buildings.

The Union does not subsequently measure any assets or liabilities at fair value on a non-recurring basis.

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

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20. Financial Instruments (cont'd)

d. Fair Value Hierarchy (cont'd)

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation Techniques

The Union selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected are consistent with one or more of the following valuation approaches:-

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Union gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018 (cont'd)**

20. Financial Instruments (cont'd)

d. Fair Value Hierarchy (cont'd)

The following tables provide the fair values of the Union's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation with the fair value hierarchy.

	Note	31 March 2018			Total \$
		Level 1 \$	Level 2 \$	Level 3 \$	
Recurring fair value measurements					
<i>Financial assets</i>					
Financial assets at fair value through profit or loss:		-	-	-	-
Available-for-sale financial assets:		-	-	-	-
Total financial assets recognised at fair value		-	-	-	-
<i>Non-financial assets</i>					
Freehold land & buildings		-	-	-	-
Total non-financial assets recognised at fair value		-	-	-	-

	Note	31 March 2017			Total \$
		Level 1 \$	Level 2 \$	Level 3 \$	
Recurring fair value measurements					
<i>Financial assets</i>					
Financial assets at fair value through profit or loss:		-	-	-	-
Available-for-sale financial assets:		-	-	-	-
Total financial assets recognised at fair value		-	-	-	-
<i>Non-financial assets</i>					
Freehold land & buildings		-	-	-	-
Total non-financial assets recognised at fair value		-	-	-	-

e. Valuation Techniques and Inputs Used to Measure Level 2 Fair Values

Description	Fair Value at 31 March 2018 \$	Fair Value at 31 March 2017 \$	Valuation Technique(s)	Inputs Used
<i>Non-financial assets</i>				
Financial assets at fair value through profit or loss:	-	-	Market approach using recent observable market data or income approach using discounted cash flows	Price per square metre, market borrowing rate
Available-for-sale financial assets:	-	-	Market approach using recent observable market data or discounted cashflows	Price per share, market borrowing rate
	-	-		

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FOR THE YEAR ENDED 31 MARCH 2018 (cont'd)**

20. Financial Instruments (cont'd)

f. Disclosed Fair Value Measurements

The following assets and liabilities are not measured at fair value in the statement of financial position, but their fair values are disclosed in the notes:-

- accounts receivable and other debtors;
- accounts payable and other payables; and
- hire purchase liabilities.

The following table provides the level of the fair value hierarchy within which the disclosed fair value measurements are categorised in their entirety and a description of the valuation techniques(s) and inputs used:

Description	Fair Value at Hierarchy Level	Valuation Technique(s)	Inputs Used
<i>Assets</i>			
Accounts receivable and other debtors	3	Income approach using discounted cash flow methodology	Market interest rates for similar assets
Description	Fair Value at Hierarchy Level	Valuation Technique(s)	Inputs Used
<i>Liabilities</i>			
Accounts payable and other payables	3	Income approach using discounted cash flow methodology	Market interest rates for similar assets
Hire purchase liabilities	2	Income approach using discounted cash flow methodology	Current commercial borrowing rates for similar instruments

21. Events Subsequent to Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Union, the results of those operations, or the state of affairs of the Union in future financial years.

To the Members of Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division – Western Australia Branch

Report on the Audit of the Financial Report

Auditor's Opinion

We have audited the accompanying general purpose financial report of the Branch, which comprises the statement of financial position as at 31 March, 2018, and the statement of comprehensive income, statement of cash flows, statement of changes in equity for the year then ended, a summary of significant accounting policies, other explanatory notes and the Committee of Management Statement.

In our opinion under the Fair Work (Registered Organisations) Act 2009, the general purpose financial report is presented fairly in accordance with any of the following that apply in relation to the reporting unit:

- a) Australian Accounting Standards, and Australian Accounting Interpretations;
- b) in relation to recovery of wages activity;
 - (i) that the scope of the audit encompassed recovery of wages activity
 - (ii) that the financial statements and notes and recovery of wages activity fairly report all information required by the reporting guidelines of the Commissioner, Registered Organisations Commission, including;
 - 1. Any fees charged to or reimbursements of expenses claimed from members and others for recovery of wages activity; and
 - 2. Any donations or other contributions deducted from recovered money; and
- c) Any other requirements imposed by these Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

In our opinion, there were kept by the organisation satisfactory accounting records detailing the source and nature of all income and the nature of all expenditure.

As part of our audit of the organisation for the year ended 31 March 2018, we are of the opinion that the Committee of Management's use of the going concern basis of accounting in the preparation of its financial statements is appropriate.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibility under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Branch in accordance with the independence requirements of Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other responsibilities in accordance with the Code.

We confirm that the independence declaration by the *Corporations Act 2001*, which has been given to the Committee of Management, would be in the same terms if given to the Committee as at the time of this auditor's report.

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

**INDEPENDENT AUDIT REPORT
(Cont'd)**

Committee of Management Responsibility for the Financial Report

The Branch Committee of Management are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Reporting Guidelines of the Commissioner, Registered Organisations Commission. This responsibility includes establishing and maintaining internal controls relevant to the preparation and true 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 estimates that are responsible in the circumstances.

In preparing the financial report, the Committee of Management are responsible for assessing the Branch's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intends to liquidate the Branch or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Branch's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the auditing 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 Branch's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.

**INDEPENDENT AUDIT REPORT
(Cont'd)**

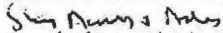
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Branch's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Branch to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Branch to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Branch audit. We remain solely responsible for our audit opinion.

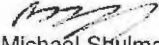
We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Committee of Management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Committee of Management, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We can describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>.


Stannards Accountants and Advisors


Michael Shulman
Registered Company Auditor (163888)
Holder of Current Public Practice Certificate
Approved Auditor (FWC Act and Regulations – AA2018/45)

Dated: 2016/18

CEPU (PLUMBING DIVISION) WESTERN AUSTRALIA BRANCH

s.268 *Fair Work (Registered Organisations) Act 2009*

Certificate By Prescribed Designated Officer¹

Certificate for the year ended 31 March 2018

I, *Brian Bintley*, being the *Secretary* of the *CEPU (PLUMBING DIVISION) WESTERN BRANCH* certify:

- that the documents lodged herewith are copies of the full report for the *CEPU (PLUMBING DIVISION) WESTERN BRANCH* for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on *22nd June 2018* and
- that the full report was presented to *a meeting of the committee of management* of the reporting unit on *17th July 2018* in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:



BRIAN BINTLEY

WA SECRETARY

Dated: 17th July 2018

¹ Regulation 162 of the *Fair Work (Registered Organisations) Regulations 2009* defines a 'prescribed designated officer' of a reporting unit for the purposes of s.268(c) as:

- (a) the secretary; or
- (b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.