



AUSTRALIAN INDUSTRIAL REGISTRY

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990

Ref: FR2004/222-[128V-CPTW]

Mr Paul W Kelly
Branch Secretary
WA Postal & Telecommunications Branch
CEPU Communications Division
196 Lord Street
PERTH WA 6000

Dear Mr Kelly

Re: CEPU - Communications Division - Western Australian Postal and Telecommunications Branch- Financial Reporting Obligations under *Workplace Relations Act 1996*

This is a courtesy letter to remind you of the financial reporting obligations of the abovenamed body under the *Workplace Relations Act 1996* ('the Act') for the financial year ended 31 March, 2004.

While the accounting, auditing and reporting obligations have changed with the introduction of the *Registration and Accountability of Organisations Schedule* (the RAO Schedule) which generally came into operation on 12 May 2003, Part IX, Division 11 of the Act continues to apply in relation to a financial year of an organisation that ends on 31 March, 2004. The corresponding obligations set out in the RAO Schedule apply to each financial year of an organisation that starts on or after 1 July 2003.

Now that the financial year for 31 March, 2004 has ended, it is timely that you put in train the various steps of the financial reporting requirements. To assist you with this process I have enclosed for your information a notice summarising these requirements including the time-scales prescribed by the legislation.

Please note that a branch of an organisation may be exempted from the accounting, auditing and reporting obligations in respect of a financial year by satisfying a Registrar that the branch did not have any financial affairs during the financial year. An application under subsection 271A(1) of the Act must be made within 90 days (unless extended by a Registrar) after the end of the financial year.

Please do not hesitate to contact me on (02) 8374 6618 if you wish to discuss the financial reporting requirements, especially if you anticipate any difficulty in meeting any step in the time-scales prescribed.

Yours sincerely

Belinda Penna

E-mail: belinda.penna@air.gov.au
2 April, 2004

COMMUNICATIONS DIVISION

Postal and Telecommunications Branch

Western Australia

196 Lord Street PERTH WA 6000



CEPU

COMMUNICATIONS
ELECTRICAL
PLUMBING
UNION

PWK/PD 7 September 2004

Ms Belinda Penna
Assistant Manager
Australian Industrial Registry
Level 8 Terrace Towers
80 William Street
EAST SYDNEY NSW 2011



BRANCH SECRETARY:
PAUL KELLY

Dear Ms Penna

I, Bryan David Watkins, being the Acting Branch Secretary of the CEPU Communications Division, Postal and Telecommunications Branch, Western Australia hereby certify that the documents being lodged are copies of the documents presented to the meeting of the Branch Committee of Management held on 6 September 2004.

The 2004 Annual Financial Returns were prepared by Auditor's Horwath Perth Partnership following the close of our financial year on 31 March 2004. The financial documents were presented to and endorsed by the Branch Committee of Management at its meeting on 28 June 2004, a summary was circulated to Branch Members at their home addresses on 13 July 2004 and ratified at the Branch Committee of Management meeting on 6 September 2004.

The motions which were carried are printed for your information :-

Meeting dated 28 June 2004 – Moved Anthony Lee and seconded Bryan Watkins - Branch Committee of Management Statement (Page 4 of Audit documents.)

Moved Anthony Lee and seconded by Bryan Watkins "that the Branch Committee of Management authorizes the Branch Secretary to forward to Members, at their home addresses, a summary of the Branch Balance Sheet and Financial Accounts with a notation that a full copy is available from the Union Office upon request, in line with traditional practice."

Meeting dated 6 September 2004 – Moved Bryan Watkins and seconded Trish Hargrave "that the Branch Committee of Management accepts and endorses the 2004 Annual Report and Financial Statements, and the Summary which has been forwarded to the home address of all financial Members of the CEPU Communications Division, Postal and Telecommunications Branch, Western Australia."

No loans, grants or donations were made during the financial year ended 31 March 2004.

Regards

.....
B D WATKINS
ACTING SECRETARY

Horwath

Independent audit report to members of the
Communications Electrical Plumbing Union
Postal and Telecommunications Branch

Horwath Perth

Chartered Accountant
A member of Horwath International
120 Boscawen Street, Perth WA 6000
Tel: (08) 9328 3222 Fax: (08) 9227 9397
Email: horwathperth@horwath.com.au

Horwath

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Scope

The financial report and board members' responsibility

The financial report comprises the statement of financial performance, statement of financial position, statement of cash flows, accompanying notes to the financial statements, and the statement by the Trustee declaration for the Communications Electrical Plumbing Union (CEPU), Communications Division Postal and Telecommunications Branch (the "Union") for the year ended 31 March 2004.

The Union's Committee of Management is responsible for the preparation and true and fair presentation of the financial report. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the Union. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Union's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Committee of Management.

Audit opinion

In our opinion the financial report of the CEPU Communications Division Postal and Telecommunications Division is in accordance with:

(a) the Workplace Relations Act 1996 and the Regulations under the Trade Unions Act, 1902, including:
(i) giving a true and fair view of the Union's financial position as at 31 March 2004 and of its performance for the year ended on that date; and

(ii) complying with Accounting Standards in Australia; and

(b) other mandatory financial reporting requirements in Australia.

In our opinion no person has contravened or failed to comply with Section 273 of the Workplace Relations Act 1996.

Dated at Perth on this the 28th day of June 2004.

HORWATH PERTH
Chartered Accountants


A G BEVAN
Partner

COMMUNICATIONS DIVISION

Postal and Telecommunications Branch
Western Australia
196 Lord Street PERTH WA 6000



CEPU
COMMUNICATIONS
ELECTRICAL
PLUMBING
UNION

BRANCH SECRETARY:
PAUL KELLY

PWK/PD 14 July 2004

ANNUAL REPORT AND BALANCE SHEET

TO BE PRESENTED TO THE BRANCH COMMITTEE OF MANAGEMENT
AT THE MEETING TO BE HELD ON MONDAY 2 AUGUST 2004

The 2003/2004 Branch financial year has come and gone.

Unfortunately, there are very few positives out of the year in an industrial sense.

At the time of writing this report the CEPU is still in dispute with Australia Post regarding the proposed new EBA. This has been a very significant round of talks with attacks on Posties traditional jobs with the proposals for dedicated outdoor delivery, attacks on Retail jobs with attempts to franchise numerous retail outlets, increased use of contractors and casuals putting full time permanent jobs at risk. On top of this, the CEPU is mindful of the need for a reasonable wage outcome over the coming years coupled with job security.

Having said all that, I am still confident, with the support of the membership so strong, that we will end up with an Agreement soon.

Talks regarding a new Telstra EBA are due to start soon. However, the main concerns at Telstra are still job security and the increased amount of pressure being placed upon workers as a result of inadequate staffing, training and support.

Following the attack on jobs by Telstra in the last 12 months, in the form of forced redundancies, members have been living constantly with the stress of not knowing if they come next for the axe. It's time Telstra put the feelings of their employees before the share price.

Also, as a result of the major players in the industry utilizing more and more contractors, the Union now has to deal a lot more with private industry employees. Recently we became involved in industrial action with members working in the Pay T.V. industry, striking for a better deal. We can expect this to become more common whilst the attitude of employers remains the same.

Our biggest chance of changing some of the problems we face is to elect a Labor Government at the upcoming federal election.

I would like to take this opportunity to thank the Telecommunications & Services Branch, in particular Gary Carson and Jean McQuilkin, for all their support over the last 12 months.

Also, I would like to thank our Branch President and Branch Committee of Management for all their support and especially from a personal point of view, thanks to Assistant Branch Secretary Bryan Watkins for his support.

Last but by no means least, a very big thanks to Pam and Colleen for their tremendous contributions during the year.

Regards


P W KELLY
BRANCH SECRETARY

COMMUNICATIONS ELECTRICAL PLUMBING UNION
COMMUNICATIONS DIVISION
POSTAL AND TELECOMMUNICATIONS BRANCH
WESTERN AUSTRALIA
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2004

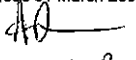
	2004 \$	2003 \$
Income		
Members contributions	570,848	596,147
Less:		
Divisional Office portion of contributions	(144,925)	(148,751)
Discount on contributions	(1,424)	(1,307)
Dishonoured contributions	(1,091)	(1,356)
Members' contributions attributable to WA Branch	423,407	444,733
Profit on sale of non-current assets	-	7,595
Reimbursements	5,149	7,198
Interest	27,921	25,849
Other income	(1,736)	7,360
Total Income	454,741	492,735
Expenditure		
Affiliation fees	13,658	14,115
Annual leave	(1,262)	(12,066)
Audit fees	6,783	6,700
Bad debts	-	2,678
Bank charges	4,276	5,264
Committee of management	1,440	1,280
Computer expenses	472	295
Death benefit fund	2,000	-
Depreciation	18,408	17,982
Doubtful debts	1,347	1,746
Fringe benefits tax	13,265	8,488
General	3,225	6,379
General insurance	9,335	10,076
Hardship due to illness	1,000	-
Legal costs	3,803	-
Long service leave	15,956	(13,317)
Memberships/subscriptions/dues	3,087	2,500
Motor vehicle	8,611	9,125
Office accommodation	-	243
Payroll tax	16,907	16,458
Payroll commissions	7,617	8,092
Petty cash	1,941	2,237
Postage and delivery	7,693	4,856
Printing and stationery	5,979	5,492
Rates and electricity	3,424	3,482
Redundancy expense	1,049	-
Refund expense	731	304
Repairs and maintenance	5,404	6,476
Reversal fees	618	270
Salaries - officials	150,780	145,462
Salaries - administration	72,024	112,295
Security	406	817
Sick leave	15,945	(13,385)
Superannuation	28,151	26,929
Telephone and fax	16,596	14,912
Travel	4,942	6,522
Total Expenditure	445,608	400,687
Net Surplus/(Deficit)	9,133	92,048

COMMUNICATIONS ELECTRICAL PLUMBING UNION
COMMUNICATIONS DIVISION
POSTAL AND TELECOMMUNICATIONS BRANCH
WESTERN AUSTRALIA
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2004

	2004 \$	2003 \$
CURRENT ASSETS		
Cash	625,533	583,781
Receivables	9,804	4,518
Inventory	500	500
Other	5,348	5,722
TOTAL CURRENT ASSETS	641,185	594,521
NON CURRENT ASSETS		
Property, plant and equipment	223,190	240,569
TOTAL NON CURRENT ASSETS	223,190	240,569
TOTAL ASSETS	864,375	835,090
CURRENT LIABILITIES		
Accounts payable	20,606	32,142
Provisions	144,249	266,625
TOTAL CURRENT LIABILITIES	164,855	298,767
NON CURRENT LIABILITIES		
Provisions	154,470	405
TOTAL NON CURRENT LIABILITIES	154,470	405
TOTAL LIABILITIES	319,324	299,172
NET ASSETS	\$ 545,051	\$ 535,918
ACCUMULATED FUNDS		
Balance at the beginning of the year	535,918	443,870
Net surplus / (deficit) for the year	9,133	92,048
NET ACCUMULATED FUNDS	\$ 545,051	\$ 535,918

NOTICE TO MEMBERS

Members of the Union, upon request to the Union Office, can obtain a full copy of the Annual Report, Accounts and Statements of the Communications Electrical Plumbing Union, Communications Division, Postal and Telecommunications Branch, Western Australia, for the year ended 31 March 2004.


HORWATH PERTH
Chartered Accountants

**Communications Electrical Plumbing Union
Communications Division
Postal and Telecommunications Branch**

**Financial Report
31 March 2004**

**Communications Electrical Plumbing Union
Communications Division
Postal and Telecommunications
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**Independent audit report to members of the
Communications Electrical Plumbing Union
Communications Division
Postal and Telecommunications Branch**

Horwath Perth

ABN 13 412 308 092

Chartered Accountants

A member of Horwath International

128 Hay Street Subiaco WA 6008

PO Box 700 West Perth WA 6872

Email horwath@perth.horwath.com.au

Telephone (08) 9380 8400

Facsimile (08) 9380 8499

Scope

The financial report and board members' responsibility

The financial report comprises the statement of financial performance, statement of financial position, statement of cash flows, accompanying notes to the financial statements, and the statement by The Trustee declaration for the Communications Electrical Plumbing Union ("CEPU") Communications Division Postal and Telecommunications Branch (the "**Union**") for the year ended 31 March 2004.

The Union's Committee of Management is responsible for the preparation and true and fair presentation of the financial report. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the Union. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Union's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Committee of Management.



While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Audit opinion

In our opinion the financial report of the CEPU Communications Division Postal and Telecommunications Division is in accordance with:

- (a) the Workplace Relations Act 1996 and the Regulations under the Trade Unions Act, 1902, including:
 - (i) giving a true and fair view of the Union's financial position as at 31 March 2004 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia; and
- (b) other mandatory financial reporting requirements in Australia.

In our opinion no person has contravened or failed to comply with Section 273 of the Workplace Relations Act 1996.

Dated at Perth on this the 28th day of June 2004.

HORWATH PERTH
Chartered Accountants

A G BEVAN
Partner

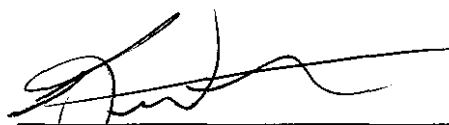
**Communications Electrical Plumbing Union
Communications Division
Postal and Telecommunications
Branch Committee of Management Statement
Workplace Relations Act 1996**

We, Anthony Lee and Bryan Watkins, being two members of the Branch Committee of Management of the Communications Electrical Plumbing Union, Communications Division, Postal and Telecommunications Branch, Western Australia, do state on behalf of the Branch Committee of Management and in accordance with a resolution passed by the Branch Committee of Management, that -

1. In the opinion of the Branch Committee of Management, the attached accounts show a true and fair view of the financial affairs of the organisation as at 31 March 2004.
2. In the opinion of the Branch Committee of Management, meetings of the Branch Committee of Management were held during the year ended 31 March 2004 in accordance with the rules of the organisation.
3. To the knowledge of any member of the Branch Committee of Management, there have been no instances where records of the organisation or other documents, (not being documents containing information made available to a member of the organisation under Section 274(2) of the Workplace Relations Act 1996) or copies of those records or documents, or copies of the rules of the organisation, have not been furnished or made available to members in accordance with the requirements of the Workplace Relations Act 1996, the regulations thereto, or the rules of the organisation.
4. The organisation has complied with Sections 279 and 327 of the Act in relation to the financial accounts in respect of the year ended 31 March 2003 and the auditors report thereon.



Anthony Lee
Branch President



Bryan Watkins
Branch Assistant Secretary

Dated at Perth this 28th day of JUNE 2004.

**Communications Electrical Plumbing Union
Communications Division
Postal and Telecommunications
Accounting Officer's Statement
Workplace Relations Act 1996**

I, Paul William Kelly, being the officer responsible for keeping the accounting records of the Communications Electrical Plumbing Union, Communications Division, Postal and Telecommunications Branch, Western Australia, certify that as at 31 March 2004 the number of financial members of the organisation was 2,121.

In my opinion :

1. The attached accounts show a true and fair view of the financial affairs of the organisation as at 31 March 2004.
2. A record has been kept of all monies paid by, or collected from, members and all monies so paid or collected have been credited to the bank account to which those monies are to be credited, in accordance with the rules of the organisation.
3. All expenditure incurred by the organisation was either approved or ratified in accordance with the rules of the organisation.
4. With regard to funds of the organisation raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of such funds for purposes other than those for which the funds were intended.
5. All loans or other financial benefits granted to persons holding office in the organisation were authorised in accordance with the rules.
6. The register of members of the organisation was maintained in accordance with the Act.



P W Kelly
WA Branch Secretary

Dated at Perth this 28th day of June 2004.

**Communications Electrical Plumbing Union
Communications Division
Postal and Telecommunications
Statement of Financial Performance
For the year ended 31 March 2004**

	Notes	2004 \$	2003 \$
Revenue from ordinary activities	2	599,666	641,487
Employee expenses		(282,643)	(245,918)
Depreciation and amortisation expense	3	(18,408)	(17,962)
Divisional Office portion of contributions	13	(144,925)	(148,751)
Other expenses from ordinary activities		(144,557)	(136,808)
Profit/(loss) from ordinary activities		9,133	92,048

The accompanying notes form part of these financial statements.

**Communications Electrical Plumbing Union
Communications Division
Postal and Telecommunications
Statement of Financial Position
As at 31 March 2004**

	Notes	2004 \$	2003 \$
Current assets			
Cash assets	4	625,533	583,781
Receivables	5	9,804	4,518
Inventory	6	500	500
Other	7	5,348	5,722
Total current assets		<u>641,185</u>	<u>594,521</u>
Non-current assets			
Plant and equipment	8	223,190	240,569
Total non-current assets		<u>223,190</u>	<u>240,569</u>
Total assets		864,375	835,090
Current liabilities			
Payables	9	20,606	32,142
Provisions	10	144,249	128,505
Total current liabilities		<u>164,855</u>	<u>160,647</u>
Non-current liabilities			
Provisions	10	154,470	138,525
Total non-current liabilities		<u>154,470</u>	<u>138,525</u>
Total liabilities		319,324	299,172
Net assets		<u>545,051</u>	<u>535,918</u>
Accumulated funds			
Opening accumulated funds		535,918	443,870
Net profit/(loss) for the year		9,133	92,048
Total accumulated funds		<u>545,051</u>	<u>535,918</u>

The accompanying notes form part of these financial statements.

**Communications Electrical Plumbing Union
Communications Division
Postal and Telecommunications
Statement of Cash Flows
For the year ended 31 March 2004**

	Notes	2004 \$	2003 \$
Cash flows from operating activities			
Receipts from members		572,264	646,843
Payments to suppliers and employees		(560,614)	(642,400)
Interest received		22,605	28,702
Other receipts		8,526	18,161
Net cash provided by/(used in) operating activities	11(b)	<u>42,781</u>	<u>51,306</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(1,029)	(22,709)
Net cash provided by/(used in) investing activities		<u>(1,029)</u>	<u>(22,709)</u>
Net increase/(decrease) in cash held		41,752	28,597
Cash at the beginning of the financial year		583,781	555,184
Cash at the end of the financial year	11(a)	<u><u>625,533</u></u>	<u><u>583,781</u></u>

The accompanying notes form part of these financial statements.

**Communications Electrical Plumbing Union
Communications Division
Postal and Telecommunications
Notes to the Financial Statements
For the year ended 31 March 2004**

Note 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, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and in accordance with the Workplace Relations Act 1996.

The financial report covers Communications Electrical Plumbing Union Communications Division Postal and Telecommunications as an individual entity. The organisation is a member of a federally registered union domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money valuations. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the organisation in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a) Members dues and subscriptions

Members dues and subscriptions are accounted for on an accruals basis.

b) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rate applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax ("GST").

c) Income tax

No provision for income tax is necessary as "Trade Unions" are exempt from income tax under section 50-15 of the *Income Tax Assessment Act 1997*.

d) Cash

For the purposes of the statement of cash flows, the organisation considers cash to include cash on hand, at banks or financial institutions and on deposit, net of any outstanding overdrafts.

e) Property, plant and equipment

Each class of property, plant and equipment are carried at cost or fair value less, where applicable, any accumulated depreciation.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by the organisation to ensure it is not in excess of the recoverable amount of those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amount.

**Communications Electrical Plumbing Union
Communications Division
Postal and Telecommunications
Notes to the Financial Statements
For the year ended 31 March 2004**

Note 1: Statement of significant accounting policies (continued)

Depreciation

The depreciation amount of all fixed assets is calculated using the straight line basis over the estimated useful lives of the assets to the organisation commencing from the time the asset is ready for use.

The depreciation rates used for each class of depreciable assets are:

<u>Class of asset</u>	<u>Depreciation rate</u>
Plant and equipment	15 - 30%

f) Employee entitlements

A provision is made for the organisation's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Contributions are made by the organisation to an employee superannuation fund and are charged as expense when incurred.

g) Interest rate risk

The organisation's exposure to interest rate risk, which is the risk that financial instruments value will fluctuate as a result of changes in market interest rates, is considered negligible.

h) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognise financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements. The organisation does not have any material credit risk exposure to any single debtor or group of debtors under the financial instruments entered into by the organisation.

i) Net fair values

The net fair values of assets and liabilities approximate their carrying values. No financial assets and financial liabilities are readily traded on organised markets in standardised form. The aggregate net fair value and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

j) Comparative figures

Where required, comparative figures have been adjusted to conform with changes in presentation for the current year.

**Communications Electrical Plumbing Union
Communications Division
Postal and Telecommunications
Notes to the Financial Statements
For the year ended 31 March 2004**

Note 1: Statement of significant accounting policies (continued)

Information to be provided to Members or Registrar

- "274(1) [Application for information] A member of the organisation, or a Registrar may apply to the organisation for specified prescribed information in relation to the organisation.
- "274(2) [Provision of information] 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.
- "274(3) [Function of Registrar] 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.

Communications Electrical Plumbing Union
Communications Division
Postal and Telecommunications
Notes to the Financial Statements
For the year ended 31 March 2004

	2004 \$	2003 \$
Note 2: Revenue		
Operating activities		
Membership subscriptions	570,848	593,484
Other income	897	22,154
Total revenue from operating activities	<u>571,745</u>	<u>615,638</u>
Non-operating activities		
Interest received	27,921	25,849
Total revenue from non-operating activities	<u>27,921</u>	<u>25,849</u>
Total revenue	<u>599,666</u>	<u>641,487</u>
Note 3: Profit from ordinary activities		
Profit from ordinary activities has been determined after the following expenses:		
Depreciation of property, plant and equipment	18,408	17,962
Bad and doubtful debts	1,347	4,424
Remuneration of auditor	6,783	6,700
Note 4: Cash assets		
Cash at bank	85,696	63,504
Cash on hand	170	170
Term deposits and savings investment accounts	539,667	520,107
	<u>625,533</u>	<u>583,781</u>
Note 5: Receivables		
Membership contributions in arrears	5,654	4,337
Less: provision for doubtful debts	(3,375)	(2,028)
Other	7,525	2,209
	<u>9,804</u>	<u>4,518</u>
Note 6: Inventory		
Stationery	<u>500</u>	<u>500</u>
Note 7: Prepayments		
Prepayments	<u>5,348</u>	<u>5,722</u>

Communications Electrical Plumbing Union
Communications Division
Postal and Telecommunications
Notes to the Financial Statements
For the year ended 31 March 2004

	2004 \$	2003 \$
Note 8: Plant and equipment		
Land and buildings - at cost	222,550	222,550
Less: accumulate depreciation	(45,103)	(42,421)
	<u>177,447</u>	<u>180,129</u>
Motor vehicles - at cost	49,623	49,623
Less: accumulated depreciation	(19,642)	(7,236)
	<u>29,981</u>	<u>42,387</u>
Plant and equipment at cost	63,392	62,363
Less accumulated depreciation	(47,629)	(44,309)
	<u>15,763</u>	<u>18,054</u>
Total plant and equipment	<u>223,190</u>	<u>240,570</u>

a) Movement in carrying amounts

	Land & buildings	Motor vehicles	Plant and equipment	Total
Balance at the beginning of the year	180,128	42,386	18,054	240,568
Additions	-	-	1,029	1,029
Disposals	-	-	-	-
Depreciation expense	(2,682)	(12,405)	(3,320)	(18,407)
Carrying amount at the end of the year	<u>177,446</u>	<u>29,981</u>	<u>15,763</u>	<u>223,190</u>

Note 9: Payables

Trade creditors	2,745	20,151
Audit fee	5,900	5,600
Employee entitlements	(227)	479
GST and PAYG liability	5,849	2,832
Membership in advance	6,339	5,213
	<u>20,606</u>	<u>34,275</u>

Note 10: Provisions

Current		
Employee benefits	<u>144,249</u>	<u>128,505</u>
Non-current		
Employee entitlements	<u>154,470</u>	<u>138,525</u>

Number of employees at year end	4	4
---------------------------------	---	---

Communications Electrical Plumbing Union
Communications Division
Postal and Telecommunications
Notes to the Financial Statements
For the year ended 31 March 2004

	2004 \$	2003 \$
Note 11: Cash flow information		
a) Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash at bank	85,696	63,504
Cash on hand	170	170
Term deposits and savings investment accounts	539,667	520,107
	<u>625,533</u>	<u>583,781</u>

b) Reconciliation of cash flows from operating activities to profit/(loss)

Operating profit/(loss)	9,133	92,048
Depreciation	18,408	17,962
Profit on sale of plant and equipment	-	(7,595)
<i>Changes in assets and liabilities</i>		
(Increase)/decrease in receivables	(4,295)	3,508
(Increase)/decrease in prepayments	374	(1,238)
(Increase)/decrease in inventories	-	113
Increase/(decrease) in creditors and accruals	(12,527)	(16,470)
Increase/(decrease) in payables and provisions	31,688	(37,022)
Net cash provided by/(used in) operating activities	<u>42,781</u>	<u>51,306</u>

Note 12: Remuneration and retirements benefits

Remuneration of officers

Remuneration received or receivable by all officers of the committee of management:

From the organisation or any related party in connection with the management of the organisation

<u>1,440</u>	<u>1,280</u>
--------------	--------------

Note 13: Related party disclosure

Transactions with Divisional Office

During the year the Branch paid 25% of gross member contributions received to Divisional Office
Amount owed to Divisional Office at year end

144,925	148,751
-	11,521
<u>144,925</u>	<u>160,272</u>

**Communications Electrical Plumbing Union
Communications Division
Postal and Telecommunications
Notes to the Financial Statements
For the year ended 31 March 2004**

Note 14: Segment information

The Branch provides union membership services throughout the region of Western Australia to all of its members.

Note 15: Subsequent events

At the date of the Statement by the Committee, no matter or circumstance not otherwise dealt with in the financial statements has significantly or may significantly affect the operations of the Branch, the results of those operations or the state of affairs of the Branch in subsequent financial years.

**Communications Electrical Plumbing Union
Communications Division
Postal and Telecommunications
Disclaimer**

The additional financial report data presented on pages 17 - 18 is in accordance with the books and records which have been subjected to the auditing procedures applied in our statutory audit for the year ended 31 March 2004. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy of reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Communications Electrical Plumbing Union Communications Division Postal and Telecommunications), in respect of such data, including any errors or omissions therein however caused.

HORWATH PERTH
Chartered Accountants

**Communications Electrical Plumbing Union
Communications Division
Postal and Telecommunications
Income and Expenditure Statement
For the year ended 31 March 2004**

	2004 \$	2003 \$
Income		
Members contributions	570,848	596,147
<i>Less:</i>		
Divisional Office portion of contributions	(144,925)	(148,751)
Discount on contributions	(1,424)	(1,307)
Dishonoured contributions	(1,091)	(1,356)
Members' contributions attributable to WA Branch	<u>423,407</u>	<u>444,733</u>
Profit on sale of non-current assets	-	7,595
Reimbursements	5,149	7,198
Interest	27,921	25,849
Other income	(1,736)	7,360
Total income	<u>454,741</u>	<u>492,735</u>
Expenditure		
Affiliation fees	13,658	14,115
Annual leave	(1,262)	(12,066)
Audit fees	6,783	6,700
Bad debts	-	2,678
Bank charges	4,276	5,264
Committee of management	1,440	1,280
Computer expenses	472	295
Death benefit fund	2,000	-
Depreciation	18,408	17,962
Doubtful debts	1,347	1,746
Fringe benefits tax	13,265	6,488
General	3,225	6,379
General insurance	9,335	10,076
Hardship due to illness	1,000	-
Legal costs	3,803	-
Long service leave	15,956	(13,317)
Memberships/subscriptions/dues	3,087	2,500
Motor vehicle	8,611	9,125
Office accomodation	-	243
Payroll tax	16,907	16,458
Payroll commissions	7,617	8,092
Petty cash	1,941	2,237
Postage and delivery	7,693	4,856
Printing and stationery	5,979	5,492
Rates and electricity	3,424	3,482
Redundancy expense	1,049	-
Refund expense	731	304
Repairs and maintenance	5,404	6,476
Reversal fees	618	270

**Communications Electrical Plumbing Union
Communications Division
Postal and Telecommunications
Income and Expenditure Statement
For the year ended 31 March 2004**

	2004 \$	2003 \$
Expenditure (continued)		
Salaries - officials	150,780	145,462
Salaries - administration	72,024	112,295
Security	406	817
Sick leave	15,945	(13,385)
Superannuation	28,151	26,929
Telephone and fax	16,596	14,912
Travel	4,942	6,522
	<u>445,608</u>	<u>400,687</u>
Net profit/(loss)	<u>9,133</u>	<u>92,048</u>

 **McKerrow, Peter**

From: McKERROW, Peter
Sent: Thursday, 30 September 2004 10:01 AM
To: 'tony.bevan@perth.horwath.com.au'
Subject: CEPU Postal and Telecommunications Branch - audit report

Mr A G Bevan
Partner
Horwarth Perth
Chartered Accountants

Dear Mr Bevan

Audit Report - CEPU, Communications Division, Western Australian, Postal and Telecommunications Branch - 31 March 2004

I refer to our phone conversation of 29 September 2004.

This Branch recently lodged a copy of its financial statements and the audit report of your firm in the Industrial Registry.

I would appreciate your comments on the audit opinion which does not appear to address all the matters on which an opinion must be stated under section 276(4) of the *Workplace Relations Act 1996*.

The opinion states:

In our opinion, the financial report of the CEPU Communications Division Postal and Telecommunications Division is in accordance with:

(a) the Workplace Relations Act 1996 and the Regulations under the Trade Unions Act, including:

- (i) giving a true and fair view of the Union's financial position as at 31 March 2004 and of its performance for the year ended on that date; and*
- (ii) complying with Accounting Standards in Australia; and*

(b) other mandatory financial reporting requirements in Australia.

In our opinion no person has contravened or failed to comply with section 273 of the Workplace Relations Act 1996.

Section 276(4)(a)(i) of the *Workplace Relations Act 1996* requires an auditor to express an opinion on each of the matters set out in that provision. I note that your opinion does not appear to address those matters.

Your opinion appears to partially address the requirements of s276(4)(a)(ii)(A) by referring to the "financial position" of the union but omits to address the matters referred to in s276(4)(a)(ii)(B).

The opinion does not appear to address the matters referred to in s276(4)(b).

As you would appreciate, the expression of the auditor's opinion under s276(4)(a) and the statement under s276(4)(b) underpin the financial reporting process and provide members of the organisation with essential information about its financial management and the provision of information by its officers and employees.

I have inserted the text of s276 below.

I understand from our conversation that you believe you see no impediment to providing an opinion on these matters. If so, could you please do so in writing addressed to the Deputy Industrial Registrar, Australian Industrial Registry, Level 8, 80 William St, East Sydney NSW 2011 or by fax to (02) 93806990 and quote FR2004/222.

I will copy this correspondence and your response to the Branch Secretary for his information.

Please contact me on (02) 8374 6666 if you have any queries.

Yours sincerely,

Peter McKerrow
Assistant Manager
Australian Industrial Registry Sydney

WORKPLACE RELATIONS ACT 1996

- SECT 276

Powers and duties of auditors

(1) An auditor of an organisation shall inspect and audit the accounting records kept by the organisation in relation to each financial year and shall, within the prescribed period after the end of the year, make a report in relation to the year to the organisation.

(2) An auditor, or a person authorised by an auditor for the purposes of this subsection, is:

(a) entitled at all reasonable times to full and free access to all records and other documents of the organisation relating directly or indirectly to the receipt or payment of moneys, or to the acquisition, receipt, custody or disposal of assets, by the organisation; and

(b) entitled to seek from any officer or employee of the organisation such information and explanations as the auditor or authorised person wants for the purposes of the audit.

(3) Where an auditor authorises a person for the purposes of subsection (2), the auditor shall serve on the organisation a notification that sets out the name and address of the person.

(4) An auditor shall, in a report under this section in relation to a financial year, state:

(a) whether in the auditor's opinion:

(i) there were kept by the organisation in relation to the year satisfactory accounting records, including:

(A) records of the sources and nature of the income of the organisation (including income from members); and

(B) records of the nature and purposes of the expenditure of the organisation; and

(ii) the accounts and statements prepared under section 273 in relation to the year were properly drawn up so as to give a true and fair view of:

(A) the financial affairs of the organisation as at the end of the year; and

(B) the income and expenditure, and any surplus or deficit, of the organisation for the year; and

(b) whether all the information and explanations that, under subsection (2), officers or employees of the organisation were required to provide were provided;

and, in addition, the auditor shall state in the report particulars of any deficiency, failure or shortcoming in relation to a matter referred to in paragraph (a) or (b).

(5) If:

(a) an auditor, in the course of performing duties as auditor of an organisation, becomes aware that there has

in a breach of this Act; and

(b) the auditor is of the opinion that the matter cannot be adequately dealt with by comment in a report;
the auditor shall immediately report the matter, in writing, to a Registrar.

McKERROW, Peter

From: Tony.Bevan@perth.horwath.com.au
Sent: Thursday, 30 September 2004 4:08 PM
To: McKERROW, Peter
Cc: Raegen.Tompkin@perth.horwath.com.au; Connie.Keightley@perth.horwath.com.au
Subject: Re: CEPU Postal and Telecommunications Branch - audit report



pic05097.jpg

Peter,
Thank you for your email.
I will provide a response early next week.
Basically, you are right the format of the audit report does not meet the requirements of the Act. If it meets with your approval I will provide you with an amended audit report.
Thanks.
Regards,

Tony Bevan CA
Partner

(Embedded image moved to file: pic05097.jpg)
Horwath Perth
128 Hay Street
Subiaco, WA 6008

www.horwath.com.au

* tony.bevan@perth.horwath.com.au
(08 9380 8400 Main
% 08 9380 7068 Fax
(08 9380 8402 Direct

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**Horwath Perth**

ABN 13 412 308 092

Chartered Accountants

A member of Horwath International

128 Hay Street Subiaco WA 6008

PO Box 700 West Perth WA 6872

Email horwath@perth.horwath.com.au

Telephone (08) 9380 8400

Facsimile (08) 9388 7068

9CEP04/AUD/CKE/01055141.doc

5 October 2004

Mr Peter McKerrow
Australian Industrial Registry
Level 8, Terrace Towers
80 William Street
EAST SYDNEY NSW 2011

Dear Peter

**COMMUNICATIONS ELECTRICAL PLUMBING UNION
AUDIT FOR THE YEAR ENDED 31 MARCH 2004**

As requested, please find attached revised audit reports for the Communications Electrical Plumbing Union Postal and Telecommunications Branch and Telecommunications Services Branch for the year ended 31 March 2004.

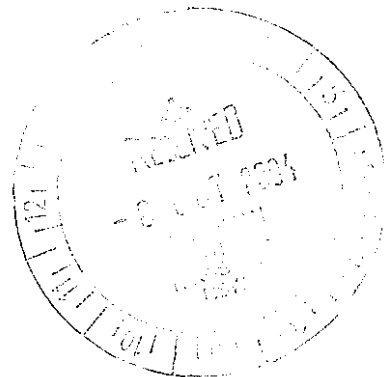
We trust that this meets all the requirements under the Act.

Regards

HORWATH PERTH
Chartered Accountants

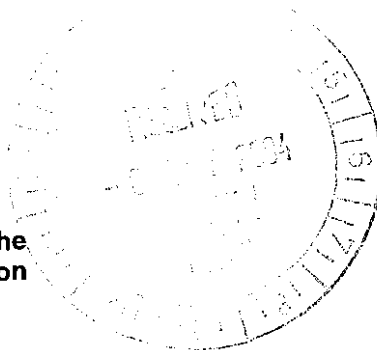

TONY BEVAN
Partner

Encl.





**Independent audit report to members of the
Communications Electrical Plumbing Union
Communications Division
Postal and Telecommunications Branch**



Horwath Perth

ABN 13 412 308 092

Chartered Accountants

A member of Horwath International

128 Hay Street Subiaco WA 6008

PO Box 700 West Perth WA 6872

Email horwath@perth.horwath.com.au

Telephone (08) 9380 8400

Facsimile (08) 9388 7068

Scope

The financial report and board members' responsibility

The financial report comprises the statement of financial performance, statement of financial position, statement of cash flows, accompanying notes to the financial statements, and the statement by The Trustee declaration for the Communications Electrical Plumbing Union ("CEPU") Communications Division Postal and Telecommunications Branch (the "Union") for the year ended 31 March 2004.

The Union's Committee of Management is responsible for the preparation and true and fair presentation of the financial report. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the Union. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Union's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Committee of Management.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Audit opinion

In our opinion:

- (a) Satisfactory accounting records have been kept by the organisation so far as appears from our examination of these books, including:
 - (i) Records of the sources and nature of the income of the organisation (including income from members); and
 - (ii) Records of the nature and purpose of the expenditure of the organisation.
- (b) The accompanying financial report as set out on pages 4 to 15 are prepared under Section 273 of the Workplace Relations Act 1996 have been properly drawn up so as to give a true and fair view of:
 - (i) The financial affairs of the organisation as at 31 March 2004; and
 - (ii) The income and expenditure and any surplus or deficit of the organisation for the year;
- (c) The financial report has been made out in accordance with Australian accounting standards, other mandatory professional reporting requirements and statutory requirements.
- (d) We have received all the information and explanations necessary for the purposes of our audit.

In our opinion no person has contravened or failed to comply with Section 273 of the Workplace Relations Act 1996.

Dated at Perth on this the 28th day of June 2004.

HORWATH PERTH
Chartered Accountants


A G BEVAN
Partner



Australian Government
Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990

Mr Tony Bevan
Partner
Howarth Perth
Chartered Accountants
PO Box 700
WEST PERTH WA 6872

Dear Mr Bevan

**CEPU Communications Division Western Australia - Postal & Telecommunications Branch
and Telecommunications and Services Branch - Audit for the year ended 31 March 2004**

Receipt is acknowledged of letter dated 5 October 2004, enclosing revised audit reports for the CEPU Communications Division Western Australian Postal & Telecommunications Branch and the Telecommunications and Services Branch for the year ended 31 March 2004.

The reports meet the requirements of the Act, and have been filed.

Thank you for your attention to this matter.

Yours sincerely,

A handwritten signature in cursive script, appearing to read 'Belinda Penna'.

Belinda Penna
for Deputy Industrial Registrar

11 October 2004



Australian Government
Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990

Mr Paul Kelly
Branch Secretary
CEPU Communications Division
WA P&T Divisional Branch
196 Lord Street
PERTH WA 6000

Dear Mr Kelly

**Re: Lodgement of Financial Documents for the CEPU Communications Division, WA Postal
& Telecommunications Branch for the year ending 31 March 2004 (FR2004/222)**

Receipt is acknowledged of the abovementioned financial statements and accounts which were lodged in the Registry on 10 September 2004.

In examining the documents for compliance with the legislation, it was apparent that the auditor's opinion had not addressed all matters required under the legislation. As discussed with your office, the auditor agreed to provide an amended report. I have enclosed a copy of this report and copies of email correspondence between the Registry and the auditor for your information.

Following the receipt of this additional information the documents have now been filed, and may be viewed on the internet at www.e-airc.gov.au/128vcptw/financial.

I would like to take this opportunity to remind you that information about the new financial reporting obligations under the Registration and Accountability of Organisations Schedule (Schedule 1B to the *Workplace Relations Act 1996*) which now apply to your organisation can be found at www.airc.gov.au/fact_sheets/factsheets.html.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Belinda Penna'.

Belinda Penna
for Deputy Industrial Registrar

11 October 2004