



16 August 2018

Mr Barry McVee
Branch Secretary
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services
Union of Australia - Communications Division - Western Australian Communications Division
Branch
By email: cwuwa@inet.net.au
CC: sfermanis@pkfmack.com.au

Dear Mr McVee,

**Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied
Services Union of Australia - Communications Division - Western Australian
Communications Division Branch
Financial Report for the year ended 31 March 2018 - [FR2018/12]**

I acknowledge receipt of the financial report of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia - Communications Division - Western Australian Communications Division Branch (CEPU-CWA). The documents were lodged with the Registered Organisations Commission (the ROC) on 25 June 2018.

The financial report has now been filed.

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

Please note that the financial report for the year ending 31 March 2019 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged, however I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these concerns have been addressed prior to filing next year's report.

Designated Officer's Certificate

Content of Designated Officer's Certificate

Section 268 of the RO Act requires the certificate by the designated officer to certify that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with section 266.

I note that the reporting unit lodged two (2) types of Designated Officer's Certificates, however the dates provided in them differ in relation to the dates the full report was provided to members and the dates the full report was presented to a meeting in accordance with s. 266 of the RO Act.

Please ensure in future years that only one (1) Designated Officer's Certificate is lodged with the ROC. The Designated Officer's Certificate should only be completed and signed after the full report has been presented to a general meeting, or presented to a meeting of the committee of management, in accordance with section 266 of the RO Act. The Designated Officer's Certificate should be in the format of the 'sample certificate' which is published on page 8 of the ROC's 2017-2018 Model Financial Statements published on 19 July 2018 and which can be found on the ROC's website at <http://www.roc.gov.au/resources-and-decisions/fact-sheets-templates-and-webinars#financial-reporting>.

Committee of Management Statement

Reference to s.272 & 273

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

The CEPU-CWA Committee of Management statement at reference (e)(vi) refers to the 'Registered Organisations Commission'. In future, please ensure this reference is to the 'Fair Work Commission'.

Auditor's Statement

Please advise the auditor that section 255 of the RO Act now provides that the Reporting Guidelines are issued by the 'Commissioner' and not the 'General Manager'.

Reporting Requirements

New Reporting Guidelines will apply to organisations and branches with financial years commencing on or after 1 July 2017. Updates and information on the new guidelines will be provided through the ROC website and the [subscription service](#).

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

If you have any queries regarding this letter, please contact me on (02) 8293 4654 or via email at david.vale@roc.gov.au.

Yours faithfully



David Vale
Registered Organisations Commission

25 June 2018

Ref: 5.01/001

Sam Gallichio
Regulatory Compliance Branch
Fair Work Commission
GPO Box 1994
MELBOURNE VIC 3001

Dear Sir,

**Lodgement of Financial Statements and Accounts – Western
Australian Branch, Communications Division, CEPU – for year
ending 31 March 2018**

I, Barry McVee, being the Secretary of the Communications Electrical,
Electronic, Energy, Information, Postal, Plumbing and Allied Services
Union of Australia, Communications Division, WA Branch certify:

- That the document lodged herewith is a copy of the full Financial Report, for the year ending 31st March 2018, in accordance with s.268 of the Registered Organisations Act;
- That the Full Financial Report was placed on our website (www.cwuwa.org) for members on 18th May 2018. The AGM Meeting Notice was placed on the website on the same date in accordance with s265(6); and
- The full report was passed by our Branch Committee of Management on Wednesday 16th May 2018; and
- That the full report was endorsed at the Annual General Meeting on Wednesday 20th June 2018, in accordance with s266 of the Fair Work (Registered Organisations) Act.

Please contact me if you have any queries.

Yours sincerely



Barry McVee
Branch Secretary
CEPU Communications Division
WA Branch



**COMMUNICATIONS
ELECTRICAL
PLUMBING
UNION**

**COMMUNICATIONS
DIVISION
Western Australia**

ABN 41 035 284 629

196 Lord Street
PERTH 6000

PO Box 8354
Perth Business Centre
PERTH 6849

PHONE: 08 9227 9911
FAX: 08 9227 9397
EMAIL: cwuwa@iinet.net.au



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

**Communications Electrical Plumbing Union
Communications Division WA**

Financial Report

For the year ended 31 March 2018

Communications Electrical Plumbing Union

Communications Division WA

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNICATIONS ELECTRICAL PLUMBING UNION COMMUNICATIONS DIVISION WA

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Communications Electrical Plumbing Union Communications Division WA (the Reporting Unit), which comprises the statement of financial position as at 31 March 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Committee of Management statement.

In our opinion the accompanying financial report presents fairly, in all material aspects, the financial position of Communications Electrical Plumbing Union - Communications Division WA as at 31 March 2018, and its financial performance and its cash flows for the year ended on that date in accordance with:

- (a) the Australian Accounting Standards; and
- (b) any other requirements imposed by Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act).

We declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities 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 Reporting Unit in accordance with the auditor independence requirements of 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 ethical responsibilities in accordance with the Code.

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

Information Other than the financial Report and Auditor's Report Thereon

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Committee of Management for the Financial Report

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that presents fairly in accordance with Australian Accounting Standards and the RO Act and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Reporting Unit'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 intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

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 this 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 audit 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 Reporting Unit'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.
- 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 Reporting Unit'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 Reporting Unit 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 entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Unit 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.

I declare I am an approved auditor, a member of member of CPA Australia and the Institute of Chartered Accountants in Australia and I hold a current Public Practice Certificate.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 257(7) of the RO Act, We are required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act.

We have no items to report in this regard.

Report on the Recovery of Wages Activity financial report

Opinion on the recovery of wages activity financial report

The scope of our work extended to the recovery of wages activity and we have audited the recovery of wages activity financial report for the year ended 31 March 2018.

In our opinion, the financial statements and notes and recovery of wages activity financial report properly and fairly report all information required by the reporting guidelines of the General Manager, including:

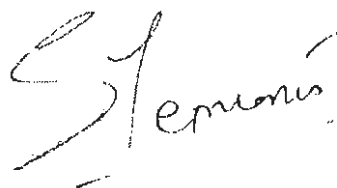
- a. any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
- b. any donations or other contributions deducted from recovered money.

Responsibilities

The Committee of Management is responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with the reporting guidelines of the General Manager. Our responsibility is to express an opinion on the recovery of wages activity financial report, based on our audit conducted in accordance with Australian Auditing Standards.



PKF MACK



SIMON FERMANIS
PARTNER

16 MAY 2018
WEST PERTH,
WESTERN AUSTRALIA

**Communications Electrical Plumbing Union
Communications Division WA**

Prescribed Designated Officer Certificate

For the year ended 31 March 2018

I, Barry McVee, being the officer responsible of the Communications Electrical Plumbing Union - Communications Division WA, certify:

- That the documents lodged herewith are copies of the full report for the Communications Electrical Plumbing Union - Communications Division WA for the year ended 31 March 2018 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 16 May 2018; and
- That the full report was presented to a meeting of the committee of management of the reporting unit on 16 May 2018 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer



Name of prescribed designated officer

BARRY McVEE

Title of prescribed designated officer

BRANCH SECRETARY

Date

16. 05. 2018

Communications Electrical Plumbing Union Communications Division WA

Operating Report

For the year ended 31 March 2018

The committee presents its report on the reporting unit for the financial year ended 31 March 2018.

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

The principal activity of the Communications Electrical Plumbing Union - Communications Division WA during the financial year was as a communication union. There were no significant changes in the Reporting Unit's activity during the financial year.

Significant changes in financial affairs

There were no significant changes in the nature of the Reporting Unit's principal activity during the financial year.

Right of members to resign

All members of the Reporting Unit have the right to resign from the Reporting Unit in accordance with Rule 14 of the Reporting Unit Rules (and Section 174 of the Fair Work (Registered Organisations) Act 2009); namely by providing notice addressed and delivered to the Secretary of the Reporting Unit, including via email.

Officers or members who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee

To the best of our knowledge and belief, no officer of the Reporting Unit, by virtue of their office of Communications Electrical Plumbing Union - Communications Division WA is:

- a. A trustee of a superannuation entity or exempt public sector superannuation scheme; or
- b. An exempt public sector superannuation scheme; and
- c. Where a criterion for the officer being the trustee or director is that the office is an officer of a registered organisation.

Bryan Watkins, branch president of the Postal Industry Section W.A., is a director of a superannuation trustee company.

Number of members

Number of members on the register of members on 31 March 2018 was 1,740 (2017: 1,776)

Number of employees

As at 31 March 2018, the Reporting Unit employed two full time Elected Officials, one part time employee and one full time employee.

**Communications Electrical Plumbing Union
Communications Division WA**

**Operating Report (continued)
For the year ended 31 March 2018**

Names of Committee of Management members and period positions held during the financial year

The names of each person who has been a member of the committee of management of the Reporting Unit at any time during the reporting period, and the period for which he or she held such a position is as follows

Telecommunications & Information Technology Industry Section

Peter John Noble	Branch Vice-President	01/04/2017 – 31/03/2018
Colleen Mary Noonan	Branch Vice-President / Affirmative Action	01/04/2017 – 31/03/2018
John Edward Kus	Committee of Management	01/04/2017 – 31/03/2018
Andrew Gomersall	Committee of Management	01/04/2017 – 22/02/2018
Norman John Tredrea	Committee of Management	01/04/2017 – 31/03/2018
Mark Kelley	Committee of Management	01/04/2017 – 14/12/2017
Machiel Van der Stelt	Committee of Management	01/04/2017 – 31/03/2018
Clinton Thomas	Committee of Management	01/04/2017 – 31/03/2018

Postal Industry Section

Barry McVee	(Branch Secretary)	01/04/2017 – 31/03/2018
Bryan David Watkins	(Branch President)	01/04/2017 – 31/03/2018
Roy Waller	(Branch Vice President)	01/04/2017 – 31/03/2018
John Vagg	(Committee of Management Member)	01/04/2017 – 31/03/2018
Stephen Plichta	(Committee of Management Member)	01/04/2017 – 31/03/2018
John Evangelista	(Committee of Management Member)	01/04/2017 – 31/03/2018
Christine Rabey	(Committee of Management Member)	01/04/2017 – 31/03/2018
Matthew Wilson	(Committee of Management Member)	01/04/2017 – 31/03/2018

Signature of designated officer: 

Name and title of designated officer: Barry McVee Branch Secretary

Dated: 16.05.2018

**Communications Electrical Plumbing Union
Communications Division WA**

Committee of Management Statement

For the year ended 31 March 2018

On 16 May 2018 the Branch Executive Council of the Communications Electrical Plumbing Union - Communications Division WA passed the following resolution in relation to the general purpose financial report for the year ended 31 March 2018:

The Communications Electrical Plumbing Union - Communications Division WA declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Reporting Unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the Reporting Unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the 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; and
 - (ii) the financial affairs of the Reporting Unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the Reporting Unit have been kept and maintained in accordance with the RO Act; and
 - (iv) The organisation does not consist of two or more reporting units; and
 - (v) where information has been sought in any request by a member of the reporting unit or the Commissioner duly made under section 272 of the RO Act has been provided to the member or the Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Registered Organisations Commission under section 273 of the RO Act, there has been compliance.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period.

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

Signature of designated officer: 

Name and title of designated officer: Barry McVee Branch Secretary

Dated: 16. 05. 2018

**Communications Electrical Plumbing Union
Communications Division WA**

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2018

	Notes	2018 \$	2017 \$
Revenue			
Membership subscription	2	725,734	736,251
Capitation fees	2	-	-
Levies	2	-	-
Interest	2	18,727	18,514
Other revenue	2	58,489	53,457
Total revenue		802,950	808,222
Other Income			
Grants and/or donations	2	-	-
Share of net profit from associate		-	-
Net gain from sale of assets		-	-
Total other income		-	-
Total revenue and other income		802,950	808,222
Expenses			
Employee expenses	3	(514,367)	(470,507)
Capitation fees	3	(161,360)	(163,600)
Affiliation fees	3	(1,780)	(2,267)
Administration expenses	3	(84,525)	(87,383)
Grants or donations	3	-	-
Depreciation and amortisation	3	(13,319)	(12,868)
Legal costs	3	-	(1,146)
Audit fees	17	(16,555)	(16,527)
Share of net loss from associate		-	-
Write down and impairment of assets		-	-
Net losses from sale of assets		-	-
Other expenses	3	(39,578)	(31,378)
Total expenses		(831,484)	(785,676)
Surplus / (deficit) for the year		(28,534)	22,546
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss			
Gain on revaluation of land & buildings		(226,546)	-
Total comprehensive income for the year		(255,080)	22,546

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

**Communications Electrical Plumbing Union
Communications Division WA**

Statement of Financial Position

As at 31 March 2018

	Notes	2018 \$	2017 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	784,596	769,220
Trade and other receivables	5	11,087	10,312
Other current assets	6	48,468	49,445
Total current assets		<u>844,151</u>	<u>828,977</u>
Non-Current Assets			
Land and buildings	7	1,100,000	1,335,383
Plant and equipment	8	5,028	8,421
Total non-Current assets		<u>1,105,028</u>	<u>1,343,804</u>
Total assets		<u>1,949,179</u>	<u>2,172,781</u>
LIABILITIES			
Current Liabilities			
Trade payables and accruals	9	21,199	19,253
Other payables	10	46,121	43,867
Employee provisions	11	279,234	255,226
Total current liabilities		<u>346,554</u>	<u>318,346</u>
Non-Current Liabilities			
Employee provisions	11	8,553	5,283
Total non-current liabilities		<u>8,553</u>	<u>5,283</u>
Total liabilities		<u>355,107</u>	<u>323,629</u>
Net assets		<u>1,594,072</u>	<u>1,849,152</u>
EQUITY			
General funds	12	1,028,102	1,254,648
Retained earnings		565,970	594,504
Total equity		<u>1,594,072</u>	<u>1,849,152</u>

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

**Communications Electrical Plumbing Union
Communications Division WA**

Statement of Changes in Equity

For the year ended 31 March 2018

	Notes	General Funds \$	Retained earnings \$	Total equity \$
Balance as at 1 April 2016		1,254,648	571,958	1,826,606
Surplus for the year		-	22,546	22,546
Gain on revaluation of land & buildings		-	-	-
Closing balance as at 31 March 2017		1,254,648	594,504	1,849,152
Deficit for the year		-	(28,534)	(28,534)
Loss on revaluation of land & buildings		(226,546)	-	(226,546)
Closing balance as at 31 March 2018		1,028,102	565,970	1,594,072

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

**Communications Electrical Plumbing Union
Communications Division WA**

Statement of Cash Flows

For the year ended 31 March 2018

	Notes	2018 \$	2017 \$
OPERATING ACTIVITIES			
Cash received			
Members		710,709	735,679
Interest		18,727	19,573
Other		58,489	53,457
Receipts from other controlled entities		-	-
Cash used			
Employees		(487,089)	(473,797)
Suppliers		(284,370)	(327,985)
Payments to other controlled entities		-	-
Net cash from operating activities	13	<u>16,466</u>	<u>6,927</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		-	-
Proceeds from sale of land and buildings		-	-
Other		-	-
Cash used			
Purchase of plant and equipment		(1,090)	-
Purchase of land and buildings		-	-
Investment on term deposit		-	(240)
Net cash used by investing activities		<u>(1,090)</u>	<u>(240)</u>
FINANCING ACTIVITIES			
Cash received			
Contributed equity		-	-
Other		-	-
Cash used			
Repayment of borrowings		-	-
Other		-	-
Net cash from (used by) investing activities		<u>-</u>	<u>-</u>
Net increase in cash held		15,376	6,687
Cash & cash equivalents at the beginning of the financial year		769,220	762,533
Cash & cash equivalents at the end of the financial year	4	<u>784,596</u>	<u>769,220</u>

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

**Communications Electrical Plumbing Union
Communications Division WA**

Recovery of Wages Activity

For the year ended 31 March 2018

	2018 \$	2017 \$
Cash assets in respect of recovered money at beginning of year	-	-
Receipts		
Amounts recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
Total receipts	-	-
Payments		
Deductions of amounts due in respect of membership for:		
12 months or less	-	-
Greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:		
The reporting unit:		
name of account	-	-
name of fund	-	-
Name of other reporting unit of the organisation:		
name of account	-	-
name of fund	-	-
Name of other entity:		
name of account	-	-
name of fund	-	-
Deductions of fees or reimbursement of expenses	-	-
Payments to workers in respect of recovered money	-	-
Total payments	-	-
Cash assets in respect of recovered money at end of year	-	-
Number of workers to which the monies recovered relates	-	-
Aggregate payables to workers attributable to recovered monies but not yet distributed		
Payable balance	-	-
Number of workers the payable relates to	-	-
Fund or account operated for recovery of wages	-	-

**Communications Electrical Plumbing Union
Communications Division WA**

Notes to the Financial Statements

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Note 3	Expenses
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Note 5	Trade and other receivables
Note 6	Other current assets
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Note 8	Plant and equipment
Note 9	Trade creditors and accruals
Note 10	Other payables
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Note 13	Cash flow reconciliation
Note 14	Contingent liabilities, assets and commitments
Note 15	Related party disclosures
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Note 19	Fair value measurement
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Note 21	Section 272 Fair Work (Registered organisations) Act 2009

Notes to the Financial Statements

For the year ended 31 March 2018

Note 1 Summary of significant accounting policies

Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, the Communications Electrical Plumbing Union Communications Division WA (the Reporting Unit) is a not-for-profit entity.

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

a) Comparative amounts

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

b) Significant accounting judgements and estimates

The following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Employee entitlements

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Estimation of useful lives of assets

The Reporting Unit determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Notes to the Financial Statements

For the year ended 31 March 2018

Note 1 Summary of significant accounting policies (continued)

c) New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

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

The accounting policies adopted are consistent with those of the previous financial year.

Future Australian Accounting Standards Requirements

The following Australian Accounting Standards have been issued early but are not yet effective. The following have not been adopted in preparation of the financial statements at the reporting date but will be adopted at application date. The impact of the adoption has not yet been determined.

AASB No.	Title	Application date of standard *	Issue date
AASB 9	Financial Instruments	1 January 2018	December 2014
AASB 2010-7	Amendments arising from Accounting Standards arising from AASB 9 (December 2010)	1 January 2018	September 2012
AASB 2014-1	Amendments to Australian Accounting Standards Part E - Financial Instruments	Part E - 1 January 2018	June 2014
AASB 2014-5	Amendments to Australian Accounting Standard Arising From AASB 15	1 January 2018	December 2014
AASB 2014-7	Amendments to Australian Accounting Standard Arising From AASB 9 (December 2014)	1 January 2018	December 2014
AASB 2015-8	Amendments to Australian Accounting Standards – Effective Date of AASB 15	1 January 2018	October 2015
AASB 2016-3	Amendments to Australian Accounting Standards – Clarifications to AASB 15	1 January 2018	May 2016
AASB 2016-8	Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities	1 January 2019	December 2016
AASB 2017-7	Amendments to Australian Accounting Standards –Long-term Interests in Associates and Joint Ventures	1 January 2019	December 2017
AASB 15	Revenues from Contracts with Customers	1 January 2018	October 2015
AASB 16	Leases	1 January 2019	February 2016
AASB 17	Insurance Contracts	1 January 2021	July 2017
AASB 1058	Income of Not-for-Profit Entities [Appendix D]	1 January 2019	December 2016

Notes to the Financial Statements

For the year ended 31 March 2018

Note 1 Summary of significant accounting policies (continued)

d) Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates. Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Donation income is recognised when it is received.

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

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

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

e) Government grants

Government grants are not recognised until there is reasonable assurance that the Reporting Unit will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Reporting Unit recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Reporting Unit should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Reporting Unit with no future related costs are recognised in profit or loss in the period in which they become receivable.

Notes to the Financial Statements

For the year ended 31 March 2018

Note 1 Summary of significant accounting policies (continued)

f) Gains and losses

Sale of assets

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

g) Capitation fees and levies

Capitation fees and levies are to be recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

h) Employee benefits

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

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

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

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

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

i) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other lease are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and liability is recognised at the same time and for the same amount.

Notes to the Financial Statements

For the year ended 31 March 2018

Note 1 Summary of significant accounting policies (continued)

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight line basis which is representative of the pattern of benefits derived from the leased assets.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

j) Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

k) Cash and cash equivalents

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

l) Trade and other receivables

Trade and other receivables are recognised at amortisation cost, less any provision for impairment. The amounts are usually due for settlement no more than 30 days after recognition. Collectability of debtors is reviewed on an ongoing basis. Debts, which are known to be uncollectable, are written off.

m) Financial instruments

Financial assets and financial liabilities are recognised when the Reporting Unit becomes a party to the contractual provisions of the instrument.

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

Notes to the Financial Statements

For the year ended 31 March 2018

Note 1 Summary of significant accounting policies (continued)

n) Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Notes to the Financial Statements

For the year ended 31 March 2018

Note 1 Summary of significant accounting policies (continued)

Available-for-sale

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Loan and receivables

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

Effective interest method

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

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

Impairment of financial assets

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

Notes to the Financial Statements

For the year ended 31 March 2018

Note 1 Summary of significant accounting policies (continued)

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

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

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

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

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

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

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Notes to the Financial Statements

For the year ended 31 March 2018

Note 1 Summary of significant accounting policies (continued)

Derecognition of financial assets

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

o) Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Notes to the Financial Statements

For the year ended 31 March 2018

Note 1 Summary of significant accounting policies (continued)

Other financial liabilities

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

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

Derecognition of financial liabilities

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

p) Contingent liabilities and contingent assets

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

q) Land, buildings, plant and equipment

Asset recognition threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations—Land and Buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the profit/loss. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Notes to the Financial Statements

For the year ended 31 March 2018

Note 1 Summary of significant accounting policies (continued)

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following rates:

	2018	2017
Buildings	40 years	40 years
Plant and equipment	3 to 7 years	3 to 7 years
Motor Vehicles	4 years	4 years

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

r) Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its costs, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

s) Intangibles

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Notes to the Financial Statements

For the year ended 31 March 2018

Note 1 Summary of significant accounting policies (continued)

Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

t) Impairment for non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Reporting Unit were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

u) Taxation

The Reporting Unit is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

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

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

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

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

v) Fair value measurement

The Reporting Unit measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 19.

Notes to the Financial Statements

For the year ended 31 March 2018

Note 1 Summary of significant accounting policies (continued)

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

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

The principal or the most advantageous market must be accessible by the Reporting Unit. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Reporting Unit uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

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

**Communications Electrical Plumbing Union
Communications Division WA**

Notes to the Financial Statements

For the year ended 31 March 2018

Note 1 Summary of significant accounting policies (continued)

w) Trade and other payables

These amounts represent liabilities for goods or services provided to the Reporting Unit by a third party during the financial year which remain unpaid at year end. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

y) Going concern

Communications Electrical Plumbing Union - Communications Division WA is not reliant on any financial support to continue on a going concern basis.

The Reporting Unit has not agreed to provide any financial support to any other party-related or non-related to ensure they can continue on a going concern basis.

Note 2 Revenue

	2018	2017
	\$	\$
Membership subscription	725,734	736,251
Capitation fees	-	-
Levies	-	-
Interest	18,727	18,514
Other revenue	58,489	53,457
Grants	-	-
Donations	-	-
	<u>802,950</u>	<u>808,222</u>

Note 3 Expenses

Employee expenses

Holders of office:

Wages and salaries	235,128	228,287
Superannuation	38,598	37,041
Leave and other entitlements	9,234	(2,191)
Separation and redundancies	-	-
Other employee expenses	18,852	20,589
Subtotal employee expenses holders of office	<u>301,812</u>	<u>283,726</u>

Employees other than office holders:

Wages and salaries	159,724	153,659
Superannuation	23,941	23,244
Leave and other entitlements	18,045	(1,100)
Separation and redundancies	-	-
Other employee expenses	10,845	10,978
Subtotal employee expenses employees other than office holders	<u>212,555</u>	<u>186,781</u>
Total employee expenses	<u>514,367</u>	<u>470,507</u>

**Communications Electrical Plumbing Union
Communications Division WA**

Notes to the Financial Statements

For the year ended 31 March 2018

Note 3 Expenses (continued)

	2018	2017
	\$	\$
<u>Capitation fees</u>		
CEPU Divisional Conference	161,360	163,600
Total capitation fees	161,360	163,600
<u>Affiliation fees</u>		
Australian Labour Party	1,780	2,267
Unions WA	-	-
Total affiliation fees	1,780	2,267
<u>Administration expenses</u>		
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	2,414	5,574
Contractors / consultants	-	-
Property expenses	21,269	27,635
Office expenses	24,044	23,138
Information communications technology	8,975	4,333
Rental (printer)	1,797	2,202
Other	26,026	24,501
Total administration expense	84,525	87,383
<u>Grants or donations</u>		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total grants or donations	-	-
<u>Depreciation</u>		
Depreciation		
Land and buildings	8,836	8,836
Property, plant and equipment	4,483	4,032
Total depreciation	13,319	12,868
<u>Legal costs</u>		
Litigation	-	-
Other legal matters	-	1,146
Total legal costs	-	1,146

**Communications Electrical Plumbing Union
Communications Division WA**

Notes to the Financial Statements

For the year ended 31 March 2018

Note 3 Expenses (continued)	2018	2017
	\$	\$
Other expenses		
Penalties - via RO Act or RO Regulations	-	-
Other expenses	39,578	31,378
Total other expenses	39,578	31,378

Note 4 Cash and cash equivalents

Cash on hand	195	195
Cash at bank	71,133	69,025
Short term deposits	713,268	700,000
Total cash and cash equivalents	784,596	769,220

The weighted average interest rate at 31 March 2018 is 2.38% (2017: 2.38%).

Note 5 Trade and other receivables

Receivables from other reporting units

CEPU Divisional Conference	-	-
Total receivables from other reporting units	-	-

Less provision for doubtful debts

CEPU Divisional Conference	-	-
Total provision for doubtful debts	-	-
Net receivable from other reporting units	-	-

Other receivables

Membership fees	33,675	18,650
Provision for doubtful debts – membership fees	(26,529)	(12,279)
Accrued interest	3,941	3,941
Total other receivables	11,087	10,312
Total net trade and other receivables	11,087	10,312

Note 6 Other current assets

Term deposit	10,896	10,896
Prepaid expenses	37,572	38,549
Total other current assets	48,468	49,445

**Communications Electrical Plumbing Union
Communications Division WA**

Notes to the Financial Statements

For the year ended 31 March 2018

Note 7 Land and buildings

	2018	2017
	\$	\$
Fair value	1,100,000	1,380,000
Accumulated depreciation	-	(44,617)
Total land and buildings	<u>1,100,000</u>	<u>1,335,383</u>

Reconciliation of the opening and closing balances of Land and buildings

As at 1 April

Gross book value	1,380,000	1,380,000
Accumulated depreciation and impairment	(44,617)	(35,781)
Net book value 1 April	<u>1,335,383</u>	<u>1,344,219</u>
Revaluation	(226,546)	-
Impairment	-	-
Depreciation expense	(8,837)	(8,836)
Net book value 31 March	<u>1,100,000</u>	<u>1,335,383</u>
Net book value as of 31 March represented by:		
Gross book value	1,100,000	1,380,000
Accumulated depreciation and impairment	-	(44,617)
Net book value 31 March	<u>1,100,000</u>	<u>1,335,383</u>

Valuations of land and buildings

The revalued land and buildings consist of one property at 196, Lord Street, Perth. Management determined that this constitute one class of asset under AASB 13, based on the nature, characteristics and risks of the property

Fair value of the properties was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property. As at 31 March 2018, the properties' fair values are based on valuations performed by National Property Valuers, an accredited independent valuer.

Significant unobservable valuation input	Range
Price per square metre	\$2,000

A significant increase (decrease) in estimated price per square metre in isolation would result in a significantly higher (lower) fair value.

See note 19 for further information on fair value measurement.

**Communications Electrical Plumbing Union
Communications Division WA**

Notes to the Financial Statements

For the year ended 31 March 2018

Note 8 Plant and equipment

	2018 \$	2017 \$
Motor vehicles:		
At cost	65,160	65,160
Accumulated depreciation	(65,160)	(65,160)
	-	-
Plant and equipment:		
At cost	110,690	109,600
Accumulated depreciation	(105,662)	(101,179)
	5,028	8,421
Total plant and equipment	5,028	8,421

Reconciliation of the opening and closing balances of plant and equipment

2018	Motor vehicles	Plant and equipment	Total
As at 1 April 2017			
Gross book value	65,160	109,600	174,760
Accumulated depreciation and impairment	(65,160)	(101,179)	(166,339)
Net book value 1 April 2017	-	8,421	8,421
Additions:			
By purchase	-	1,090	1,090
Depreciation expense	-	(4,483)	(4,483)
Net book value 31 March 2018	-	5,028	5,028
Net book value as of 31 March 2018 represented by:			
Gross book value	65,160	110,690	175,850
Accumulated depreciation and impairment	(65,160)	(105,662)	(170,822)
Net book value 31 March 2018	-	5,028	5,028
2017	Motor vehicles	Plant and equipment	Total
As at 1 April 2016			
Gross book value	65,160	109,600	174,760
Accumulated depreciation and impairment	(65,160)	(97,148)	(162,308)
Net book value 1 April 2016	-	12,452	12,452
Additions:			
By purchase	-	-	-
Depreciation expense	-	(4,031)	(4,031)
Net book value 31 March 2017	-	8,421	8,421
Net book value as of 31 March 2017 represented by:			
Gross book value	65,160	109,600	174,760
Accumulated depreciation and impairment	(65,160)	(101,179)	(166,339)
Net book value 31 March 2017	-	8,421	8,421

**Communications Electrical Plumbing Union
Communications Division WA**

Notes to the Financial Statements

For the year ended 31 March 2018

	2018 \$	2017 \$
Note 9 Trade creditors and accruals		
Trade creditors and accruals	10,030	7,390
Subtotal trade creditors	<u>10,030</u>	<u>7,390</u>
Payables to other reporting units		
CEPU Divisional Conference	11,169	11,863
Subtotal payables to other reporting units	<u>11,169</u>	<u>11,863</u>
Total trade payables	<u><u>21,199</u></u>	<u><u>19,253</u></u>

Settlement is usually made within 30 days.

Note 10 Other payables

Superannuation	5,342	6,301
Consideration to employers for payroll deductions	-	-
Legal costs	-	-
Unearned revenue	12,727	10,586
GST net payable	3,603	3,291
Other payables	24,449	23,659
Total other payables	<u><u>46,121</u></u>	<u><u>43,867</u></u>

Settlement is usually made within 90 days.

Total other payables are expected to be settled in:

No more than 12 months	46,121	43,867
More than 12 months	-	-
Total other payables	<u><u>46,121</u></u>	<u><u>43,867</u></u>

**Communications Electrical Plumbing Union
Communications Division WA**

Notes to the Financial Statements

For the year ended 31 March 2018

	2018	2017
	\$	\$
Note 11 Employee provisions		
Office holders:		
Annual leave	67,186	69,949
Long service leave	171,369	159,372
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—office holders	238,555	229,321
Employees other than office holders:		
Annual leave	16,446	4,617
Long service leave	32,786	26,571
Separation and redundancies	-	-
Other	-	-
Subtotal employee provisions—employees other than office holders	49,232	31,188
Total employee provisions	287,787	260,509
Current	279,234	255,226
Non-current	8,553	5,283
Total employee provisions	287,787	260,509

Note 12 Other Specific disclosures - Funds

Compulsory levy/voluntary contribution fund – if invested in assets

- -

General funds

Asset revaluation reserve

Balance as at start of year	1,254,648	1,254,648
Transferred to reserve	-	-
Transferred out of reserve (*)	(226,546)	-
Balance as at end of year	1,028,102	1,254,648

(*) Refer to Note 7 for Valuations of land and buildings.

**Communications Electrical Plumbing Union
Communications Division WA**

Notes to the Financial Statements

For the year ended 31 March 2018

	2018	2017
	\$	\$
Note 13 Cash flow reconciliation		
Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement:		
Cash and cash equivalents as per:		
Cash flow statement	784,596	769,220
Statement of Financial Position	784,596	769,220
Difference	<u>-</u>	<u>-</u>
Reconciliation of profit/(loss) to net cash from operating activities:		
Surplus / (deficit) for the year	(28,534)	22,546
Adjustments for non-cash items		
Depreciation/amortisation	13,319	12,868
Impairment of receivables	14,250	-
Changes in assets/liabilities		
(Increase)/decrease in trade and other receivables	(15,025)	487
(Increase)/decrease in other assets	977	(3,192)
Increase/(decrease) in payables and accruals	1,946	(17,090)
Increase/(decrease) in other payables	2,255	(5,402)
Increase/(decrease) in employee provisions	27,278	(3,290)
Net cash from (used by) operating activities	<u>16,466</u>	<u>6,927</u>
<u>Cash flow information</u>		
Cash inflows		
Communications Electrical Plumbing Union	787,925	808,710
Communications Division WA		
Total cash inflows	<u>787,925</u>	<u>808,710</u>
Cash outflows		
Communications Electrical Plumbing Union	(772,549)	(802,023)
Communications Division WA		
Total cash outflows	<u>(772,549)</u>	<u>(802,023)</u>

**Communications Electrical Plumbing Union
Communications Division WA**

Notes to the Financial Statements

For the year ended 31 March 2018

Note 14 Contingent liabilities, assets and commitments

Operating lease commitments – as lessee

The operating lease is for a photocopier that is leased by the Reporting Unit and it was renewed for more five years with the contract expiring on 02 May 2021. The Reporting Unit pays the lease through fixed monthly instalments.

Future minimum rentals payable under non-cancellable operating leases as at 31 December are as follows:

	2018	2017
	\$	\$
Within one year	2,156	2,156
After one year but not more than five years	4,474	6,661
More than five years	-	-
	<u>6,630</u>	<u>8,817</u>

Operating lease commitments – as lessor

The Reporting Unit had no operating lease commitments during the 2018 and 2017 financial years.

Capital commitments

The Reporting Unit had no capital commitments during the 2018 and 2017.

Finance lease commitments

The Reporting Unit had no finance lease commitments during the 2018 and 2017 financial years.

Other contingent assets of liabilities

At reporting date there are no known contingent liabilities or assets that would have a material effect on the presentation of the annual financial statements.

Note 15 Related party disclosures

Related parties transactions for the reporting period

CEPU Divisional Conference

- This is the National Office of CEPU.

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

	2018	2017
	\$	\$
CEPU Divisional Conference - National Office		
Revenue received from National Office		
National Office reimbursements	2,136	4,001
Expenses paid to National Office		
Capitation fees	161,360	163,600

**Communications Electrical Plumbing Union
Communications Division WA**

Notes to the Financial Statements

For the year ended 31 March 2018

Note 15 Related party disclosures (continued)

	2018 \$	2017 \$
CEPU Divisional Conference - National Office		
Amounts owed by National Office		
Reimbursements owed by National Office	-	-
Amounts owed to National Office		
Capitation fees	11,169	11,863
Loans from/to National Office	-	-
Assets transferred from/to National Office	-	-
Terms and conditions of transactions with related parties		
<p>The revenue to and expenses from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for reimbursement and capitation fees at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2018, the Reporting Unit has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2017: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.</p>		
Note 16 Key management personnel		
(a) Remuneration for the reporting period		
<p>The key management personnel are the Officials.</p>		
Short-term employee benefits		
Salary (including leave taken)	235,128	228,287
Annual leave accrued - movement	(2,763)	(3,227)
Performance bonus	-	-
Total short-term employee benefits	232,365	225,060
Post-employment benefits:		
Superannuation	38,598	37,041
Total post-employment benefits	38,598	37,041
Other long-term benefits:		
Long-service leave accrued - movement	11,997	1,036
Total other long-term benefits	11,997	1,036
Termination benefits	-	-
Total	282,960	263,137

**Communications Electrical Plumbing Union
Communications Division WA**

Notes to the Financial Statements

For the year ended 31 March 2018

Note 16 Key management personnel (continued)

2018	2017
\$	\$

(b) Transactions with key management personnel and their close family members

Loans to/from key management personnel	-	-
Other transactions with key management personnel	-	-

Note 17 Remuneration of auditor

Value of the services provided

Financial statement audit services	16,555	16,527
Other services	-	-
Total remuneration of auditor	<u>16,555</u>	<u>16,527</u>

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

Note 18 Financial instruments

Financial risk management objectives

The Reporting Unit's activities do not expose it to many financial risks and therefore are not actively managing these risks.

Categories of financial instruments

Financial Assets

Cash and cash equivalents	784,596	769,220
Total	<u>784,596</u>	<u>769,220</u>
Held-to-maturity investments		
Term deposit	10,896	10,896
Total	<u>10,896</u>	<u>10,896</u>
Loans and receivables:		
Trade and other receivables	7,146	6,371
Total	<u>7,146</u>	<u>6,371</u>
Carrying amount of financial assets	<u>802,638</u>	<u>786,487</u>

**Communications Electrical Plumbing Union
Communications Division WA**

Notes to the Financial Statements

For the year ended 31 March 2018

Note 18 Financial instruments (continued)

	2018	2017
	\$	\$
<u>Financial Liabilities</u>		
Other financial liabilities:		
Trade payables and accruals	21,199	19,253
Other payables	33,394	33,281
Carrying amount of financial liabilities	54,593	52,534
Net income and expense from financial assets		
Cash and cash equivalent		
Interest revenue	18,727	18,188
Exchange gains / (losses)	-	-
Impairment	-	-
Gain / (loss) on disposal	-	-
Net gain / (loss) from held-to-maturity	18,727	18,188
Held-to-maturity		
Interest revenue	-	326
Exchange gains / (losses)	-	-
Impairment	-	-
Gain / (loss) on disposal	-	-
Net gain / (loss) from held-to-maturity	-	326
Loans and receivables		
Interest revenue	-	-
Exchange gains / (losses)	-	-
Impairment	-	-
Gain / (loss) on disposal	-	-
Net gain / (loss) from loans and receivables	-	-
Net gain / (loss) from financial assets	18,727	18,514

The net income/expense from financial assets not at fair value through profit or loss is \$18,727 (2017: \$18,514).

**Communications Electrical Plumbing Union
Communications Division WA**

Notes to the Financial Statements

For the year ended 31 March 2018

Note 18 Financial instruments (continued)

	2018 \$	2017 \$
Net income and expenses from financial liabilities		
Other financial liabilities		
Change in fair value	-	-
Interest expense	-	-
Exchange gains / (losses)	-	-
Net gain / (loss) from other financial liabilities	<u>-</u>	<u>-</u>
Net gain / (loss) from financial liabilities	<u>-</u>	<u>-</u>

The net income/expense from financial liabilities not at fair value through profit or loss is Nil (2017: Nil)

Credit risk

The Reporting Unit is not exposed to any significant credit risk however it actively monitors all receivables to ensure receipt.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Branch Committee of Management. The Reporting Unit manages liquidity risk by maintaining adequate reserves and banking facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Contractual maturities for financial liabilities

The following tables detail the Reporting Unit's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

2018	On demand \$	< 1 year \$	1 – 2 years \$	2 – 5 years \$	> 5 years \$	Total \$
Trade creditors and accruals	-	21,199	-	-	-	
Other payables	-	33,394	-	-	-	
Total	<u>-</u>	<u>54,593</u>	<u>-</u>	<u>-</u>	<u>-</u>	

Communications Electrical Plumbing Union
Communications Division WA

Notes to the Financial Statements

For the year ended 31 March 2018

Note 18 Financial instruments (continued)

2017	On demand \$	< 1 year \$	1 – 2 years \$	2 – 5 years \$	> 5 years \$	Total \$
Trade creditors and accruals	-	19,253	-	-	-	19,253
Other payables	-	33,281	-	-	-	33,281
Total	-	52,534	-	-	-	52,534

Market risk

The Reporting Unit is not exposed to any significant market risks, including interest rate risk, price risk and currency risk, and therefore a sensitivity analysis is immaterial.

Note 19 Fair value measurement

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

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- Long-term fixed-rate and variable-rate receivables/creditors are evaluated by the Reporting Unit based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 31 March 2018 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The following table contains the carrying amount and related fair values for the Reporting Unit's financial assets and liabilities:

	Carrying amount 2018 \$	Fair value 2018 \$	Carrying amount 2017 \$	Fair value 2017 \$
Financial assets				
Cash and cash equivalents	784,596	784,596	769,220	769,220
Trade and other receivables	7,146	7,146	6,371	6,371
Other assets	10,896	10,896	10,896	10,896
Total	802,638	802,638	786,487	786,487
Financial liabilities				
Trade payables and accruals	21,199	21,199	19,253	19,253
Other payables	33,394	33,394	33,281	33,281
Total	54,593	54,593	52,534	52,534

**Communications Electrical Plumbing Union
Communications Division WA**

Notes to the Financial Statements

For the year ended 31 March 2018

Note 19 Fair value measurement (continued)

Fair value hierarchy

The following tables provide an analysis of financial and non-financial assets and liabilities that are measured at fair value, by fair value hierarchy.

Fair value hierarchy – 31 March 2018

	Date of valuation	Level 1	Level 2	Level 3
	\$	\$	\$	\$
Assets measured at fair value				
Land and buildings	31/03/18	-	1,100,000	-
Total		-	1,100,000	-

Fair value hierarchy – 31 March 2017

Assets measured at fair value				
Land and buildings	15/04/15	-	1,335,219	-
Total		-	1,335,219	-

Note 20 Events after the reporting period

There were no events that occurred after 31 March 2018, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Reporting Unit.

Note 21 Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or the Commissioner:

- (1) A member of a reporting unit, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).



24 April 2018

Mr Barry McVee
Branch Secretary
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services
Union of Australia - Communications Division - Western Australian Communications Division Branch
By Email: cwuwa@iinet.net.au

Dear Mr McVee,

**Re: Lodgement of Financial Report - [FR2018/12]
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia - Communications Division - Western Australian Communications Division Branch (the reporting unit) ended on 31 March 2018. This is a courtesy letter to remind you of the reporting unit's obligations regarding financial reporting.

Loans Grants and Donations Statement

The reporting unit is required to lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 of the RO Act requires this statement to be lodged with Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, that is on or before 29 June 2018.

The attached fact sheet *Loans Grants and Donations* (FS 009) summarises the requirements of the Loans Grants and Donations Statement. A sample statement of loans, grants or donations is available on our [website](#).

It should be noted that s.237 is a civil penalty provision. If a loan, grant or donation over \$1000 has been made, failure to lodge a statement of loans, grants and donations (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

Financial report

The RO Act sets out a particular chronological order in which your financial report must be prepared, audited, provided to members, presented to a meeting and then lodged with the ROC. The attached document *Summary of Financial Reporting timelines* (FS 008) summarises these requirements.

We emphasise that the reporting unit is required to present its audited financial report to a meeting (either of members or of the committee of management, depending on your rules) no later than 30 June 2018 (s.266). The full financial report must be lodged with the ROC within 14 days of that meeting (s.268).

When assessing your financial report, we will continue to focus closely on timelines as well as how loans, grants and donations are reported. The financial report must break down the amounts of grants and donations and these figures will be compared to the loans, grants and donations statement (see attached *Loans Grants and Donations* fact sheet FS 009).

You can visit our website for more information regarding [financial reporting](#), and fact sheets regarding [financial reporting processes and requirements](#). A model set of financial statements developed by the ROC is also available on our website. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards.

It should be noted that s.268 of the RO Act is a civil penalty provision. Failure to lodge the full financial report (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention (s.268).

Auditor's report

When assessing the financial report we will also focus on the structure and content of the auditor's report to ensure that it complies with the revisions made to the Auditing Standards which came into effect from 15 December 2016. Please find [here](#) a link to guidance note *Illustrative Auditor's Report* (GN 004) relating to these requirements (which can also be located on our website).

REMINDER

YOUR AUDITOR MUST BE REGISTERED (s.256)

You must ensure that your auditor is registered by the Registered Organisations Commissioner. A list of registered auditors is available on our [website](#).

Contact

Should you require any clarification in relation to the above, please email regorgs@roc.gov.au.

Yours faithfully,

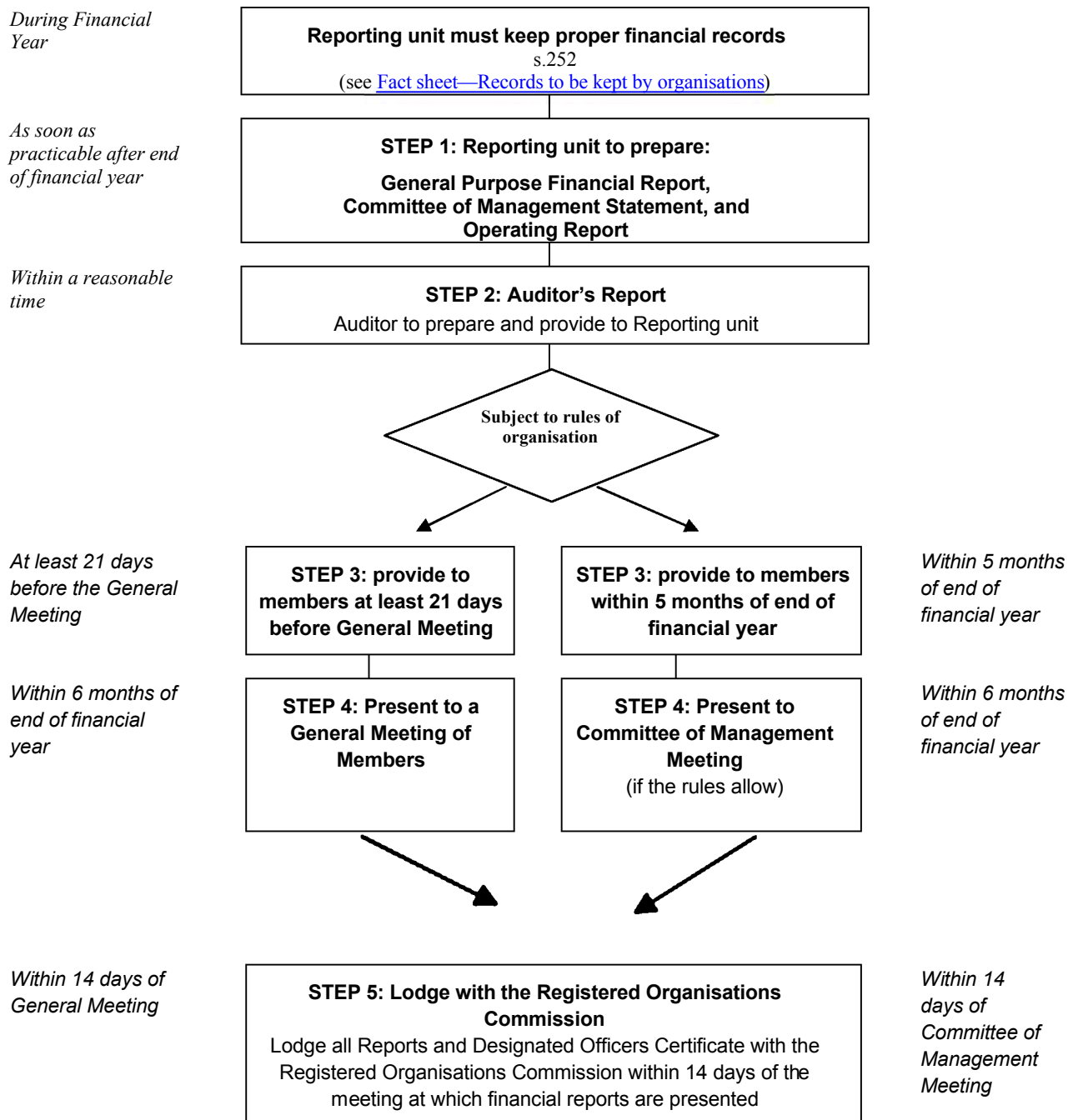


Sam Gallichio
Registered Organisations Commission

Fact sheet

Summary of financial reporting timelines – s.253 financial reports

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





Fact sheet

Loans, Grants & Donations

The Loans, Grants & Donations Requirements

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

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

The Loans, Grants & Donations Statement

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

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



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

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

Common misconceptions

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

Misconception	Requirement
✘ Only reporting units must lodge the Statement.	✔ All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
✘ Employees can sign the Statement.	✔ The statement must be signed by an elected officer of the relevant branch.

	Statements can be lodged with the financial report.		The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.
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Grants & Donations within the Financial Report

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

As such, the note in the financial report relating to grants and donations will have four lines. In the [ROC's Model Statements](#) the note appears as follows:

Note 4E: Grants ~~OR~~ donations*

Grants:	[Current year]	[Previous year]
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total grants or donations	-	-

The Commissioner's Reporting Guidelines requires that these line items appear in the financial report even if the figures are NIL.

Implications for filing the Financial Report

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

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

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

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report.

Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the website.

Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the ROC on regorgs@roc.gov.au

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This fact sheet is not intended to be comprehensive. It is designed to assist in gaining an understanding of the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice