

Section 268 Fair Work (Registered Organisations) Act 2009

**DECLARATION – CORRECTING REPORT TO CEPU ELECTRICAL, ENERGY AND
SERVICES DIVISION – DIVISIONAL COUNCIL OPERATING REPORTS**

I Allen Hicks of Suite 408, Level 4, 30-40 Harcourt Parade, Rosebery, in the state of New South Wales, declare:

1. I am the Divisional Secretary of the Communications, Electrical, Electronic, Energy Information Postal Plumbing and Allied Services Union of Australia, Electrical, Energy and Services Division (CEPU, Electrical Division), an organisation registered under the *Fair Work (Registered Organisations) Act 2009* (the Act).
2. Pursuant to s.268 of the Act, for the periods ended 31 December 2010, 31 December 2011, 31 December 2012, 31 December 2013, 31 December 2014, 31 December 2015 and 31 December 2016 the full financial reports, including the operating report of the CEPU Electrical, Energy and Services Divisional Council, were lodged with the Fair Work Commission in the following matters:

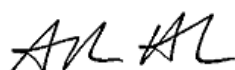
R2010/2828	31 December 2010
R2011/2834	31 December 2011
R2012/526	31 December 2012
R2013/425	31 December 2013
R2014/390	31 December 2014
R2015/368	31 December 2015
R2016/341	31 December 2016

3. Independent audits into the membership figures reported in the committee of management operating reports for these reporting periods found the following variances with the reported membership figures:

YE 31 Dec	2010	2011	2012	2013	2014	2015	2016
Reported membership	65,000	65,000	70,078	71,707	71,220	66,083	64,418
Audited membership	67,167	69,573	70,992	71,830	70,941	66,477	64,493

4. On 7 February 2018, in response to the audit findings, the CEPU Electrical Division, Divisional Council authorised the further amendment of the committee of management operating reports for the above reporting periods to reflect the membership figures resulting from the audits.
5. This has been published on the CEPU website for the information of members.

Signed:



Name: Mr Allen Hicks
Date: 8 March 2018



8 May 2017

Mr David Mier
Divisional Assistant Secretary,
Electrical, Energy and Services Division
CEPU

By email: Annette@etuaustralia.org.au
cc. Auditor: info@mgisq.com.au

Dear Mr Mier

Re: Lodgement of Financial Statements and Accounts – Electrical, Energy and Services Division - for year ended 31 December 2016 (FR2016/341)

I refer to the financial report for the Electrical, Energy and Services Division for the year ended 31 December 2016. The report was lodged with the Fair Work Commission on 11 April 2017, but was transferred to the Registered Organisations Commission ('ROC') on 1 May 2017.

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

The financial report has been filed based on a primary review. This involved confirming whether 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 December 2017 may be subject to an advanced compliance review.

I make the following comment 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.

New Format for Auditor's Statement

The Auditing and Assurance Standards Board (AUASB) has released new requirements for auditor reports effective for financial reporting periods ending on or after 15 December 2016. The Auditor's Statement for the organisation/branch was not prepared in accordance with the new format required by ASA 700 *Forming an Opinion and Reporting on a Financial Report*.

Please ensure that the auditor's statement in relation to next year's financial report is prepared in accordance with ASA 700.

Reporting Requirements

On the ROC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The 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](#).

Should you wish to discuss this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (02) 6746 3283 or 0429 462 979 or by email at stephen.kellett@fwc.gov.au

Yours sincerely

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Stephen Kellett
Financial Reporting

From: KELLETT,Stephen
Sent: Monday, 8 May 2017 12:03 PM
To: 'Annette@etuaustralia.org.au'
Cc: 'info@mgisq.com.au'
Subject: Attention Mr David Mier - financial reporting - CEPU, Electrical Division - y/e 31 Dec 2016 - filing [SEC=UNCLASSIFIED]

UNCLASSIFIED

Dear Annette,

Please see attached a copy of my amended letter in relation to the above, replacing the letter previously sent. I have also copied the letter to the attention of the Auditor.

Yours faithfully

STEPHEN KELLETT
Financial Reporting
Tel: (02) 6746 3283
Email: stephen.kellett@roc.gov.au

The Registered Organisations Commission
Level 13, 175 Liverpool Street, Sydney NSW 2000
www.roc.gov.au



Australian Government

Registered Organisations Commission



CEPU ELE FR2016
341 (primary final).pdf

From: KELLETT,Stephen
Sent: Tuesday, 2 May 2017 4:44 PM
To: 'Annette@etuaustralia.org.au'
Subject: Attention Mr David Mier - financial reporting - y/e 31 Dec 2016 - filing
[SEC=UNCLASSIFIED]

UNCLASSIFIED

Dear Annette,

Please see attached my letter in relation to the above.

Yours faithfully

STEPHEN KELLETT
Financial Reporting
Tel: (02) 6746 3283
Email: stephen.kellett@roc.gov.au

The Registered Organisations Commission
Level 13, 175 Liverpool Street, Sydney NSW 2000
www.roc.gov.au



Australian Government
Registered Organisations Commission



CEPU ELE FR2016
341 (primary final).pdf

From: Annette Moran [<mailto:Annette@etuaustralia.org.au>]

Sent: Tuesday, 11 April 2017 1:04 PM

To: Orgs

Subject: ON CMS FR2016/341 CEPU Electrical, Energy and Services Division - Lodgement of Full Financial Report YE 31 Dec 2016

FR2016/341

Please find attached the full Financial Report of the CEPU Electrical Energy and Services Division as at 31 December 2016.

Kind regards,

Annette Moran
Governance & Compliance Officer

Please note: I work Mondays to Thursdays – if you require assistance on a Friday please contact the office.



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The Electrical Trades Union has virus scanning devices on our system but in no way do we represent that this communication (including any files attached) is free from computer viruses or other faults or defects. We will not be held liable to you or to any other person for loss and damage (including direct, consequential or economic loss or damage) however caused and whether by negligence or otherwise which may result directly or indirectly from the receipt or use of this communication or attached files.



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Electrical Trades Union of Australia

Proud to be Union

11 April 2017

Mr David Vale
Principal Adviser
Regulatory Compliance Branch – NSW Fair Work Commission
Level 8, Terrace Towers
80 William Street
EAST SYDNEY NSW 2011

Dear Mr Vale

Lodgement of Full Financial Report of the CEPU – EE & S Division YE 31 December 2016

In accordance with s268 of the *Fair Work (Registered Organisations) Act 2009 (RO Act)*, please find attached the full financial report of the CEPU Electrical, Energy and Services Division for the year ended 31 December 2016.

If you have any queries regarding this report please contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read 'David Mier', is written over a light grey rectangular background.

David Mier
DIVISIONAL ASSISTANT SECRETARY

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

Section 268 Fair Work (Registered Organisations) Act 2009 (RO Act)

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

I, David Mier, being the Divisional Assistant Secretary of the Communications, Electrical, Electronic, Energy Information Postal Plumbing and Allied Services Union of Australia, Electrical, Energy and Services Division (CEPU, Electrical Division) declare:

- that the documents lodged herewith are copies of the full report referred to in s.268 of the RO Act for the Divisional Council of the CEPU, Electrical Division, for the period ended 31 December 2016; and
- the full report was provided to members of the reporting unit on the 11 April 2017 in accordance with s.265 of the RO Act; and
- the full report was presented to the Divisional Executive of the CEPU, Electrical Division on the 11 April 2017 in accordance with s.266 of the RO Act.



Signed: _____
Name: Mr David Mier
Date: 11 April 2017
Office Held: Divisional Assistant Secretary, CEPU Electrical, Energy & Services Division

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

ABN: 60 429 406 804

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

CONTENTS

	Page No
General Fund	
Independent Auditor's Report.....	1
Committee of Management's Operating Report.....	3
Committee of Management Statement.....	6
Auditor's Independence Declaration	7
Statement of Profit and Loss and Other Comprehensive Income	8
Statement of Financial Position.....	9
Statement of Changes in Equity.....	10
Statement of Cash Flows	11
Statement of Receipts and Payments for Recovery of Wages.....	12
Notes to the Financial Statements	13
Objects of the Union	42
Audit Report - Additional Information	43
Additional Information	44

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA –
ELECTRICAL, ENERGY AND SERVICES DIVISION**

Report on the Financial Report

We have audited the accompanying financial report of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division (the Union), which comprises the statement of financial position as at 31 December 2016, statement of profit and loss and other comprehensive income, statement of changes in equity, the statement of cash flows and the statutory receipts and payments for recovery of wages for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes and the Committee of Management's declaration.

Committee of Management's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of the Union for the year ended 31 December 2016 included on the Union's website. The Union's Committee of Management is responsible for the integrity of the Union's website. We have not been engaged to report on the integrity of this website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to / from these statements. If users of this report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

Independence

In conducting our audit, we followed applicable independence requirements of Australian Professional Ethical Pronouncements.

Declarations

We declare that we are an approved auditor as defined in Regulation 4 of the *Fair Work (Registered Organisations) Regulations 2009*.

We declare that we are members of the Institute of Chartered Accountants in Australia and hold a current Public Practice Certificate.

Auditor's Opinion

In our opinion:

- (1) The financial statements of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division are in accordance with the *Fair Work (Registered Organisations) Act 2009*, including:
 - (i) giving a true and fair view of the Union's financial position as at 31 December 2016 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards.
- (2) The financial report also complies with International Financial Reporting Standards as detailed in Note 1.
- (3) The Union has kept satisfactory accounting records for the financial year including records of:
 - (i) the sources and nature of the Union's income, including sustentation fees and other income from branches; and
 - (ii) the nature of and reasons for the Union's expenditure.
- (4) All the information and explanations that officers or employees of the Union were required to provide have been provided.
- (5) There was no deficiency, failure or shortcoming in any matters referred to in (1) to (4) above.
- (6) The Union's use of the going concern basis of accounting used in the preparation of the Union's financial statements is appropriate.
- (7) The Union did not undertake wages recovery during the year

M.C.F

MGI Audit (Q) Pty Ltd



G I Kent
Director
Chartered Accountant and holder of a Certificate of Public Practice

Rosebery

11 April 2017

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

**COMMITTEE OF MANAGEMENT OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

Operating Report

In accordance with section 254 of the *Fair Work (Registered Organisations) Act 2009* the Committee of Management presents its Operating Report on the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division (the Union), for the year ended 31 December 2016.

Principal Activities

The principal activity of the Union was to act on behalf of members in pursuit of the Objects of the Union (detailed at page 42 of the financial report).

Operating Results

The Surplus for the financial year amounted to \$192,515 (2015: Deficit \$292,103).

Review of Operations

A review of the operations of the Union during the financial year found that there was no significant change in the nature or the results of the operations during the year.

Significant Changes in the Unions Affairs

No significant changes to in the Union affairs occurred during the financial year.

After Balance Date Events

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

Future Developments

Likely developments in the operations of the Union are the expected result of those operations in future financial years have not been included in this report as such information is likely to result in unreasonable prejudice to the Union.

Environmental Issues

The Union's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Members' Right to Resign

The right of members to resign from the Union is set out in the Rules of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division and on the reverse side of the application to join form.

Officers or Members who are Superannuation Fund Trustees/ Director of a Company that is a Superannuation Fund Trustee

Those who hold a position of trustee or director of an entity, scheme or company as described in s.254 (2) (d) of the *Fair Work (Registered Organisations) Act 2009*, where a criterion of such entity is that the holder of such position must be a member or official of a registered organisation are as follows:

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

**COMMITTEE OF MANAGEMENT OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

**Officers or Members who are Superannuation Fund Trustees / Director of a Company that is a
Superannuation Fund Trustee (Continued)**

- John Adley – Member of the Divisional Executive
– Director of EISS - Energy Industry Superannuation Scheme
- Neville Betts – Member of the Divisional Executive
– Director of EISS - Energy Industries Superannuation Scheme
(ceased 24 August 2016)
- Robert Donnelly – Member of the Divisional Council
– Alternate Director of EISS - Energy Industry Superannuation Scheme
- Steve Butler – Member of the Divisional Executive
– Director of EISS - Energy Industries Superannuation Scheme
- Allen Hicks – Member of the Divisional Executive
– Alternate Director of CBUS Construction & Building Industry Superannuation
Scheme
- Peter Simpson – Member of the Divisional Executive
– Director of Energy Super

Number of Employees

The number of persons who were, at the end of the period to which the report relates, employees of the consolidated group, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis is 13.3 (2015: 13.3).

Wages Recovery

There were no wages recoveries for the year.

Number of Members

The number of persons that were, at the end of the financial year to which the report relates, recorded in the register of members for s.230 of the Act and who are taken to be members of the Union under s.244 of the Act is: 64,418 (2015: 66,083). The 2015 Operating Report reported the membership as 65,468. After an independent audit this number was changed to 66,083).

Members of the Committee of Management

Name	Position	Period of Appointment
John Adley	SA Branch Secretary	1 Jan 2016 to 31 Dec 2016
Ivan Balta	VIC Branch Assistant Branch Secretary	28 Jul 2016 to 31 Dec 2016
Neville Betts	NSW Branch Assistant Secretary	1 Jan 2016 to 1 Sep 2016
Steve Butler	Divisional Vice President (NSW Branch Secretary)	1 Jan 2016 to 31 Dec 2016
Trevor Gauld	TAS Branch Secretary	1 Jan 2016 to 31 Dec 2016
Troy Gray	VIC Branch Secretary	1 Jan 2016 to 31 Dec 2016
Wes Hayes	VIC Branch Assistant Branch Secretary	1 Jan 2016 to 28 Jul 2016
Allen Hicks	Divisional Secretary	1 Jan 2016 to 31 Dec 2016
Chris McGaw	QLD Branch President	1 Jan 2016 to 31 Dec 2016
Dave McKinley	NSW Branch Assistant Secretary	22 Dec 2016 to 31 Dec 2016
Les McLaughlan	WA Branch Secretary	1 Jan 2016 to 31 Dec 2016
Peter Simpson	Divisional Vice President (QLD Branch Secretary)	1 Jan 2016 to 31 Dec 2016

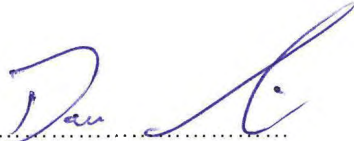
**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND
SERVICES DIVISION**

**COMMITTEE OF MANAGEMENT OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

Other Information

There is no other information that the Union considers relevant.

This report is made in accordance with a resolution of the Committee of Management and is signed for and on behalf of the Committee Members by:



D Mier

Divisional Assistant Secretary

11 April 2017

Rosebery

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

**COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016**

On 11 April 2017, the Divisional Executive of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2016:

The Committee of Management declares in relation to the GPFR that in its opinion:

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

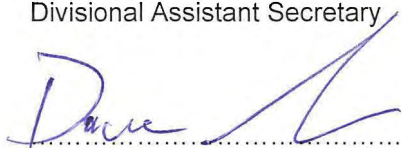
For the Divisional Executive

David Mier

Title of Office held:

Divisional Assistant Secretary

Signature:



Date:

11 April 2017

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE COMMITTEE OF MANAGEMENT OF COMMUNICATIONS, ELECTRICAL, ELECTRONIC,
ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF
AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION**

As lead auditor for the audit of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division for the year ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

M.C.I

MGI Audit (Q) Pty Ltd



G I Kent
Director

Rosebery

11 April 2017

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

**STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 \$	2015 \$
Revenue	2	4,465,915	4,020,147
Employee benefits expense	3(l)	(2,099,050)	(2,031,899)
Depreciation and amortisation expenses	3(b)	(87,291)	(82,966)
Finance costs	3(a)	(1,256)	(1,103)
Affiliation fees	3(k)	(357,961)	(377,048)
Conference and meeting expenses	3(d)	(104,364)	(164,809)
Legal expenses	3(h)	(206,033)	(210,629)
Grants and Donations	3(f)	(70,850)	(19,198)
Campaign Expenses	3(c)	(267,197)	(343,386)
Consideration to employers for payroll deductions	3(m)	-	-
Other operating expenses	3(n)	(1,079,398)	(1,081,212)
Surplus/(Deficit) before income tax		192,515	(292,103)
Income tax expense	1(a)	-	-
Surplus/(Deficit) for the year		192,515	(292,103)
Other Comprehensive Income			
Other comprehensive income (net of income tax)			-
Total comprehensive income for the year		192,515	(292,103)
Surplus/(Deficit) attributable to:			
Members of the Union		192,515	(292,103)
Total comprehensive income attributable to:			
Members of the union		192,515	(292,103)

The accompanying notes form part of these financial statements

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

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	2,623,892	2,829,543
Trade and other receivables	5	<u>932,030</u>	<u>421,369</u>
TOTAL CURRENT ASSETS		<u>3,555,922</u>	<u>3,250,912</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	<u>1,180,318</u>	<u>1,258,319</u>
TOTAL NON-CURRENT ASSETS		<u>1,180,318</u>	<u>1,258,319</u>
TOTAL ASSETS		<u>4,736,240</u>	<u>4,509,231</u>
CURRENT LIABILITIES			
Trade and other payables	7	339,978	357,291
Provisions	8	<u>457,274</u>	<u>454,707</u>
TOTAL CURRENT LIABILITIES		<u>797,252</u>	<u>811,998</u>
NON-CURRENT LIABILITIES			
Provisions	8	<u>257,616</u>	<u>208,376</u>
TOTAL NON-CURRENT LIABILITIES		<u>257,616</u>	<u>208,376</u>
TOTAL LIABILITIES		<u>1,054,868</u>	<u>1,020,374</u>
NET ASSETS		<u>3,681,372</u>	<u>3,488,857</u>
MEMBERS EQUITY			
Retained Earnings		<u>3,681,372</u>	<u>3,488,857</u>
		<u>3,681,372</u>	<u>3,488,857</u>

The accompanying notes form part of these financial statements

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 January 2015	3,727,135	53,825	3,780,960
Deficit attributable to members of the Union	(292,103)		(292,103)
Other Comprehensive Income	-	-	-
Transfer to/ (from) reserves	53,825	(53,825)	-
Balance at 31 December 2015	3,488,857	-	3,488,857
Balance at 1 January 2016	3,488,857	-	3,488,857
Surplus attributable to members of the Union	192,515		192,515
Other Comprehensive Income	-	-	-
Balance at 31 December 2016	3,681,372	-	3,681,372

The accompanying notes form part of these financial statements

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 \$	2015 \$
Cash Flows from Operating Activities			
Receipts from Branches and Other Customers		4,371,520	4,157,553
Interest received		45,256	58,300
Payments to employees & suppliers		(4,611,880)	(4,590,771)
Finance costs		(1,256)	(1,103)
Net cash provided by operating activities	9(b)	<u>(196,360)</u>	<u>(376,021)</u>
Cash Flows from Investing Activities			
Payment for property, plant & equipment		(9,291)	(38,254)
Proceeds from sale of property, plant & equipment		-	14,545
Net cash used in investing activities		<u>(9,291)</u>	<u>(23,709)</u>
Cash Flows from Financing Activities			
		-	-
Net decrease in cash held		(205,651)	(399,730)
Cash at beginning of the financial year		<u>2,829,543</u>	<u>3,229,273</u>
Cash at end of the financial year	9(a)	<u><u>2,623,892</u></u>	<u><u>2,829,543</u></u>

The accompanying notes form part of these financial statements

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

**STATEMENT OF RECEIPTS AND PAYMENTS FOR RECOVERY OF WAGES
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 \$	2015 \$
Cash assets in respect of recovery money at beginning of year			
Receipts			
Amount recovered from employers in respect of wages etc.		-	-
Interest received on recovered money		-	-
		<hr/>	<hr/>
Total Receipts		<hr/> -	<hr/> -
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 Union			-
- other entity			-
Deductions of fees or reimbursements of expenses		-	-
Payments to workers in respect of recovered money		-	-
		<hr/>	<hr/>
Total Payments		<hr/> -	<hr/> -
Cash assets in respect of recovery money at end of year		<hr/> <hr/> -	<hr/> <hr/> -

The accompanying notes form part of these financial statements

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements cover the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division (the Union) as an individual entity. The Union is a trade union which is incorporated and domiciled in Australia.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Fair Work (Registered Organisations) Act 2009*. The Union is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements are in Australian dollars and have been rounded to the nearest dollar.

The financial statements were authorised for issue on 11 April 2017 by the Divisional Executive of the Union.

(a) Income Tax

The Union is exempt from income tax by virtue of s50.1 of the *Income Tax Assessment Act 1997* however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

(b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are measured on the cost basis and therefore carried at cost less accumulated depreciation and any impairment losses in the event that the carrying amount of the land and buildings are greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated reversible amount and impairment losses are recognised either in profit or loss.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

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

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Property, Plant and Equipment (Continued)

Plant and equipment (Continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with that item will flow to the Union and the costs of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including capitalised leased assets, is depreciated on a straight line basis over their estimated useful lives to the Union commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of assets are:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Buildings	5%
Plant and equipment	5% - 40%
Motor Vehicles	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income.

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown with financial liabilities in current liabilities on the statement of financial position.

(d) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Union becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Union commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value, plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at 'fair value through profit or loss', in which case, transactions costs are expensed to profit or loss immediately.

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial Instruments (Continued)

Classification and subsequent measurement

Finance instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

1. The amount at which the financial asset or financial liability is measured at initial recognition;
2. less principal repayments;
3. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method and
4. less any reduction for impairment.

The effective interest rate method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliability predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate adjustments to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after reporting date. (All other loans and receivables are classified as non-current assets).

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after reporting date. (All other investments are classified as current assets).

If during the period the Union sold or reclassified more than an insignificant amount of the held-to maturity investments before maturity, the entire held-to-maturity investment category would be tainted and reclassified as available-for-sale.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial Instruments (Continued)

Classification and subsequent measurement (Continued)

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by the Divisional Executive. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after reporting date. (All other financial assets are classified as current assets).

(v) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions.

Impairment

At the end of each reporting period, the Union assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Union no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

(e) **Impairment of Assets**

At each reporting date, the Union reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less cost to sell and value in use, is compared to the asset's carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Union estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Employee Benefits

Provision is made for the Union's liability for employee benefits (Annual Leave, RDO, Retirement Allowance and Long Service Leave) arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Under the Unions rules, those employees who have undertaken 3 or more years of continuous service are entitled to have their Long Service Leave balance paid upon termination (on a pro-rata basis). The Union does not have an unconditional right to deferred settlement (for those employees with greater than 3 or more consecutive years of service), resulting in Long Service Leave entitlements to be reported at reporting date as current liabilities.

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

(g) Provisions

Provisions are recognised when the Union has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(h) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, that are transferred to the Union are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased asset or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Union will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

(i) Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any discounts and rebates allowed.

Sustentation revenue from State Branches is recognised on an accrual basis and is recorded as revenue in the year to which it relates.

Publication revenue from State Branches is recognised on an accrual basis and is recorded as revenue in the year to which it relates.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

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

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

(k) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Union during the reporting period which remain unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

(l) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

(m) Goods and services tax (GST)

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

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(n) Comparative Figures

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

(o) Critical accounting estimates and judgement

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

Key Estimates – Impairment

The Union assess impairment at each reporting date by evaluating conditions specific to the Union that may lead to the impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Critical accounting estimates and judgement (Continued)

Key Judgements

Useful lives of property, plant and equipment

Property, plant and equipment are depreciated over the useful life of the asset and the depreciation rates are assessed when the asset are acquired or when there is a significant change that affects the remaining useful life of the asset.

Provision for impairment of receivables

The value of the provision for impairment of receivables is estimated by considering the ageing of receivables, communication with the debtors and prior history.

On-cost for employee entitlement provision

The Branch revised its estimate for on-costs for employee provision during the year to include superannuation, workcover and payroll tax.

No impairment has been recognised in respect of the current year.

(p) New, Revised or Amending Accounting Standards and Interpretations

The union has adopted all of the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

Any new revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(q) New Accounting Standards for application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the company. The committee of management have decided not to early adopt any of the new and amended pronouncements. The committee of managements' assessment of the new and amended pronouncements that are relevant to the union but applicable in future reporting periods is set out below:

- AASB 9: Financial Instruments: AASB 9 (December 2014) is a new Principal standard which replaces AASB 139. This new Principal version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.

AASB 9 is effective for annual periods beginning on or after 1 January 2018. However, the standard is available for early application. The own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments.

AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139.

The main changes are described below.

- a. Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) New Accounting Standards for application in Future Periods (Continued)

- b. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.
- c. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

Changes introduced by AASB 9 in respect of financial liabilities are limited to the measurement of liabilities designated at fair value through profit or loss (FVPL) using the fair option.

Where the fair value option is used for financial liabilities, the change in fair value is to be accounted for as follows:

- The change attributable to changes in credit risk are presented in other comprehensive income (OCI)
- The remaining changes is presented in profit or loss

AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains or losses attributable to changes in the entity's own credit risk would be recognised in OCI. These amounts recognised in OCI are not recycled to profit or loss if the liability is ever repurchased at a discount.

The final version of AASB 9 introduced a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a timely basis.

- AASB 2016-2: The standard amends AASB 107 *Statement of Cash Flows* (August 2015) to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.
- AASB 2016-4: Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities. This standard amends AASB 136 to remove references to depreciated replacement cost as a measure of value in use for not-for-profit entities and clarify that not-for-profit entities holding non-cash-generating specialised assets at fair value in accordance with AASB 13 [under the revaluation model in AASB 116 and AASB 138] no longer need to consider AASB 136. Not –for-profit entities holding such assets at cost will determine recoverable amounts using current replacement cost in AASB 13.
- AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 January 2018).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) **New Accounting Standards for application in Future Periods (Continued)**

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

- AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019). When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

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

This Standard will require retrospective restatement, as well as enhanced disclosures regarding leases.

- AASB 1058 – Income for Not-for-Profit Entities – AASB 1058 and AASB 2016-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities* will defer income recognition in some circumstances for NFP entities, particularly where there is a performance obligation or any other liability. In addition, certain components in an arrangement, such as donations, may be separated from other types of income and recognised immediately. The standard also expands the circumstances in which NFP entities are required to recognise income for goods and services received for consideration that is significantly less than the fair value of the asset principally to enable the entity to further its objectives (discounted goods and services), including for example, peppercorn leases.

AASB 1004 *Contributions* is also amended, with many of its requirements being revised and relocated to AASB 1058. The scope of AASB 1004 is effectively limited to address issues specific to government entities and contributions by owners in a public sector entity context.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) New Accounting Standards for application in Future Periods (Continued)

AASB 1058 will be effective for annual period beginning on or after 1 January 2019. Early application is permitted, provided AASB 15 *Revenue from Contracts with Customers* is applied on or before the date of initial application.

The union is still determining whether any adoption of these standards will have any impact on the future reporting periods. Although the committee of management anticipates that the adoption of these standards may have an impact on the union's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

(r) Gains

Sale of assets

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

(s) Capitation fees and levies

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

(t) 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.

(u) Going Concern

The Union has not entered into an agreement with another reporting unit for financial support to continue on a going concern basis.

The Union has not entered into any agreements to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

(v) Acquisition of Assets and Liabilities

The Union did not acquire any assets or liabilities during the year as a result of:

- (a) an amalgamation under Part 2 of Chapter 3 of the RO Act in with the organisation (of which the reporting unit form part) was the amalgamated organisation; or
- (b) a restructure of the branches of the organisation; or
- (c) a determination by the General Manager under subsection 245(1) of the RO Act of an alternative reporting structure for the organisation; or
- (d) a revocation by the General Manager under subsection 245(1).

The Union did not acquire any assets or liabilities during the year as a part of a business combination.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Fair Value Measurement

The Union 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 15.

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 Union 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 Union 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 Union 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.

(x) Recovery of Wages

The Union has not undertaken any recovery of wages activities during the year or the comparative year.

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016 \$	2015 \$
NOTE 2 – REVENUE		
(a) Sustentation Fees		
- CEPU – QLD/ NT Electrical Branch	1,000,784	1,039,345
- CEPU – WA Electrical Branch	537,166	420,550
- CEPU – NSW Electrical Branch	831,323	922,391
- CEPU – SA Electrical Branch	238,650	247,763
- CEPU – VIC Electrical Branch	1,175,756	758,181
- CEPU – TAS Electrical Branch	110,030	100,521
	<u>3,893,709</u>	<u>3,488,751</u>
(b) Interest income	45,256	58,300
(c) Other Income		
Publication Income		
- CEPU – QLD/ NT Electrical Branch	82,736	88,850
- CEPU – WA Electrical Branch	40,920	42,156
- CEPU – NSW Electrical Branch	56,499	98,188
- CEPU – SA Electrical Branch	17,704	24,140
- CEPU - VIC Electrical Branch	93,618	86,860
- CEPU – TAS Electrical Branch	8,598	10,982
	<u>300,075</u>	<u>351,176</u>
Secretarial Fees		
- CEPU – National Council	23,908	10,273
National Apprenticeship Officer Wage Contribution		
- CEPU – QLD/ NT Electrical Branch	8,746	8,746
- CEPU – WA Electrical Branch	4,543	4,543
- CEPU – NSW Electrical Branch	10,378	10,378
- CEPU – SA Electrical Branch	2,229	2,229
- CEPU - VIC Electrical Branch	11,165	11,165
- CEPU – TAS Electrical Branch	946	946
	<u>38,007</u>	<u>38,007</u>
Levies	-	-
Sponsorship Income	20,000	18,545
Sundry Income	144,960	55,095
Total other income	<u>526,950</u>	<u>473,096</u>
(d) Grants or Donations	-	-
Total Revenue	<u>4,465,915</u>	<u>4,020,147</u>

The Union did not receive other financial support from any reporting unit to ensure that the provision of the principal activities are possible.

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 3 – EXPENSES	2016	2015
	\$	\$
(a) Finance Cost – External (Bank fees and Charges)	1,256	1,103
(b) Depreciation and amortisation		
- Motor vehicles	18,432	15,615
- Plant and equipment	4,516	3,008
- Buildings	64,343	64,343
	<u>87,291</u>	<u>82,966</u>
(c) Campaign expenses		
Campaign expenses comprise of:		
- Apprentice Campaigns	11,992	-
- Political Campaigns	220,952	303,865
- Other Campaigns	34,253	39,521
	<u>267,197</u>	<u>343,386</u>
(d) Conference and meeting expenses		
- General	91,879	120,615
- Divisional	12,485	44,194
- National	-	-
	<u>104,364</u>	<u>164,809</u>
(e) Compulsory Levies	-	-
(f) Grants and Donations		
- Grants	-	-
- Donations	70,850	19,198
	70,850	19,198
Split of Grants and Donations:		
Grants:		
- Total paid that were \$1,000 or less	-	-
- Total paid that exceeded \$1,000	-	-
Donations:		
- Total paid that were \$1,000 or less	2,850	1,698
- Total paid that exceeded \$1,000	68,000	17,500
	<u>70,850</u>	<u>19,198</u>
(g) Capitation fees	-	-
(h) Legal Costs		
- Litigation	130,015	135,707
- Other Legal Matters	76,018	74,922
	<u>206,033</u>	<u>210,629</u>
(i) Fees/allowances – meetings and conferences	-	-
(j) Penalties – via RO Act or RO Regulations	-	-

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 3 – EXPENSES (CONTINUED)	Note	2016	2015
		\$	\$
(k) Affiliation fees			
- ACTU		313,500	204,000
- ACTU IR Levy		-	110,000
- CEPU National Office		-	29,341
- Public Services International		-	6,584
- Industrial Global Union		26,415	26,432
- Building and Woodworkers' International		14,212	-
- APHEDA		700	691
- Energy Skills Australia		91	-
- Australia Palestine Advocacy Network		400	-
- Trade Unions for Energy Democracy		2,643	-
		357,961	377,048
(l) Employee benefits expense			
Holders of Office:			
- Salaries and wages		312,345	327,873
- Leave and other entitlements		65,920	59,498
- Superannuation		57,238	55,214
- Separation and redundancies		-	-
- Other employee expenses		-	-
		435,503	442,585
Employees other than office holders:			
- Salaries and wages		1,080,213	1,076,331
- Leave and other entitlements		262,389	243,013
- Superannuation		201,868	185,592
- Separation and redundancies		-	-
- Other employee expenses		-	-
		1,544,470	1,504,936
Add: Payroll tax expense		119,077	84,378
Total Employee benefits expense		2,099,050	2,031,899
(m) Consideration to employers for payroll deductions		-	-
(n) Other Operating Expenses			
Advertising and Promotion		375,845	266,777
Computer Expenses		50,105	38,395
Audit and Accounting Expenses		24,875	26,350
Printing and Stationery		13,026	19,376
Rent and Occupancy Costs		111,318	113,371
Staff Training and Welfare		11,218	10,892
Subscriptions		36,785	24,544
Telephone and Fax		36,105	37,364
Travel Expenses		261,427	267,658
Motor Vehicle Expenses		9,349	11,995
Financial Support – CEPU – TAS Electrical Branch		-	100,521
Other Expenses		149,345	163,969
		1,079,398	1,081,212

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 \$	2015 \$
NOTE 4 – CASH AND CASH EQUIVALENTS			
Cash on hand		418	418
Cash at bank		2,623,474	2,829,125
		<u>2,623,892</u>	<u>2,829,543</u>

NOTE 5 – TRADE AND OTHER RECEIVABLES

Receivables from other reporting units			
- CEPU NSW Electrical Division		-	421,369
- CEPU NSW Postal & Telecommunications Branch		28,391	-
- CEPU SA Electrical Division		130,405	-
- CEPU VIC Electrical Division		747,905	-
- ETU – NSW Branch		18,843	-
		<u>925,544</u>	<u>421,369</u>
Total Receivable from other reporting units		<u>925,544</u>	<u>421,369</u>
Other receivables		<u>6,486</u>	<u>-</u>
Total trade and other receivables		<u>932,030</u>	<u>421,369</u>

(a) Provision for Impairment of Receivables

(i) Movement in the provision for impairment of receivables is as follows:

Opening balance – 1 January	-	97,450
Charge for the year	-	-
Amounts collected	-	(61,044)
Amounts written off	-	36,406
Closing balance – 31 December	<u>-</u>	<u>-</u>

(ii) Provision for impairment consists of the following:

CEPU – NSW Electrical Division	-	-
CEPU – NSW Postal & Telecommunications Branch	<u>-</u>	<u>-</u>
	-	-

(iii) Doubtful debts expense relating to other reporting units comprises of:

CEPU – NSW Electrical Division	-	-
CEPU – NSW Postal & Telecommunications Branch	<u>-</u>	<u>-</u>
	-	-

Credit Risk – Trade and Other Receivables

The Union has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Union.

On a geographical basis, the Union's trade and other receivables are all based in Australia.

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 5 – TRADE AND OTHER RECEIVABLES (CONTINUED)

The following table details the Union's trade and other receivables exposed to credit risk. Amounts are considered 'past due' when the debt has not been settled, within the terms and conditions agreed between the Union and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Union.

The balance of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross Amount	Past due and impaired	Past due but not impaired (days overdue)			Within initial trade terms
			< 30	31-60	60+	
2016	\$	\$				\$
Receivables from other reporting units	925,544	-	-	-	925,544	-
Other trade receivables	6,486	-	-	-	6,486	-
Total	932,030	-	-	-	932,030	-
2015						
Receivables from other reporting units	421,369	-	-	-	421,369	-
Other trade receivables		-	-	-	-	-
Total	421,369	-	-	-	421,369	-

Collateral held as security

The Union does not hold collateral with respect to its receivables at 31 December 2016 (2015: Nil)

	2016 \$	2015 \$
NOTE 6 – PROPERTY, PLANT AND EQUIPMENT		
Furniture, fittings and office equipment:		
At cost	42,266	32,976
Accumulated depreciation	(31,589)	(27,073)
Total furniture, fittings and office equipment	10,677	5,903
Buildings:		
At cost	1,286,857	1,286,857
Accumulated depreciation	(142,612)	(78,269)
Total buildings	1,144,245	1,208,588
Motor vehicles:		
At cost	73,729	73,729
Accumulated depreciation	(48,333)	(29,901)
Total motor vehicles	25,396	43,828
Improvements:		
At cost	77,727	77,727
Accumulated depreciation	(77,727)	(77,727)
Total improvements	-	-
Other property, plant and equipment:		
At cost	117,311	117,311
Accumulated depreciation	(117,311)	(117,311)
Total other property, plant and equipment	-	-
Total property, plant & equipment	1,180,318	1,258,319

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 6 – PROPERTY, PLANT AND EQUIPMENT

(a) Movement in Carrying Amounts

Movements in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the prior financial year

	Buildings	Motor Vehicles	Furniture, Fittings and Office Equipment	Other Property, Plant and Equipment	Total
Balance at 1 January 2015	1,272,931	35,744	8,911	-	1,317,586
Additions		38,254	-	-	38,254
Disposals		(14,555)	-	-	(14,555)
Depreciation expense	(64,343)	(15,615)	(3,008)	-	(82,966)
Carrying amount at 31 December 2015	1,208,588	43,828	5,903	-	1,258,319

(b) Movement in Carrying Amounts

Movements in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year

	Buildings	Motor Vehicles	Furniture, Fittings and Office Equipment	Other Property, Plant and Equipment	Total
Balance at 1 January 2016	1,208,588	43,828	5,903	-	1,258,319
Additions	-	-	9,290	-	9,290
Disposals	-	-	-	-	-
Depreciation expense	(64,343)	(18,432)	(4,516)	-	(87,291)
Carrying amount at 31 December 2016	1,144,245	25,396	10,677	-	1,180,318

NOTE 7 – TRADE AND OTHER PAYABLES

	2016	2015
	\$	\$
Trade payables		
- Trade payables and accruals	39,333	52,458
Other payables		
- Sundry creditors	49,143	26,378
- Superannuation payable	25,734	25,529
- PAYGW payable	43,969	40,768
- Payroll tax payable	1,251	1,250
- FBT payable	6,409	14,910
- GST payable (net)	147,124	105,808
- Consideration to employers for payroll deductions	-	-
- Legal costs		
- Litigation	-	-
- Other Legal Matters	7,559	32,730
	7,559	32,730

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 \$	2015 \$
NOTE 7 – TRADE AND OTHER PAYABLES (CONTINUED)		
Payables to other reporting units		
- CEPU – WA Electrical Division	-	1,360
- CEPU – National Council	-	56,100
- CEPU – NSW Electrical Division	19,456	-
	<u>19,456</u>	<u>57,460</u>
Total Trade and other Payables	<u>339,978</u>	<u>357,291</u>

NOTE 8 – PROVISIONS

	Annual Leave \$	Long Service Leave \$	RDO \$	Retirement Allowance \$	Total \$
Opening balance at 1 January 2016	262,096	254,859	44,230	101,898	663,083
Additional provisions raised during the year	151,743	62,200	22,182	3,566	239,691
Amounts used	(148,865)	-	(39,019)	-	(187,884)
Balance at 31 December 2016	<u>264,974</u>	<u>317,059</u>	<u>27,393</u>	<u>105,464</u>	<u>714,890</u>

Analysis of total provisions

Current					
Provision for annual leave			264,974		262,096
Provision for long service leave			164,907		148,381
RDO Provision			27,393		44,230
			<u>457,274</u>		<u>454,707</u>
Non-current					
Provision for long service leave			152,152		106,478
Retirement Allowance			105,464		101,898
			<u>257,616</u>		<u>208,376</u>

Non-current provisions represent leave entitlements owing to employees for either their retirement allowance or those who have not completed 3 years of continuous service with the Union.

Holders of Office

- Annual leave	70,711	88,527
- Long service leave	43,258	33,969
- Separations and redundancies	-	-
- Other	4,984	12,607
	<u>118,953</u>	<u>135,103</u>

Employees other than office holders

- Annual leave	194,264	173,568
- Long service leave	273,800	220,889
- Separations and redundancies	105,464	101,898
- Other	22,409	31,625
	<u>595,937</u>	<u>527,980</u>

Total Provisions	<u>714,890</u>	<u>663,083</u>
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COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 9 – CASH FLOW INFORMATION

	2016	2015
	\$	\$

(a) Reconciliation of Cash and Cash Equivalents

For the purposes of the Statement of cash flows, cash and cash equivalents includes cash on hand, at banks and deposits or any other cash held that can be readily convertible to known amount of cash and be subject to an insignificant risk of changes in value. Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the statement of financial position as follows:

Cash on hand	418	418
Cash at bank	2,623,474	2,829,125
	2,623,892	2,829,543

(b) Reconciliation of Net Cash Provided by Operating Activities to Surplus after Income Tax

Surplus/ (Deficit) after income tax	192,515	(292,103)
- Loss on disposal of property, plant and equipment	-	(10)
Non cash flows in surplus after income tax		
- Depreciation & amortisation	87,291	82,966
Changes in assets and liabilities		
(Increase)/ decrease in trade receivables	(491,205)	(200,479)
Increase/ (decrease) in trade payables and accruals	(78,085)	(140,132)
Increase/ (decrease) in provisions	51,808	141,737
Increase/ (decrease) in GST	41,316	32,000
Net cash provided by operating activities	(196,360)	(376,021)

(c) Credit standby arrangements

CBA MasterCard Facility		
Used facility	-	-
Unused facility	50,000	50,000
Total facility	50,000	50,000

(d) Cash flows to/from other reporting units

Included in the statement of cash flows under operating activities are the following receipts from and payments to other reporting units

Receipts from other reporting units

- CEPU – QLD/NT Electrical Branch	1,255,342	1,318,953
- CEPU – WA Electrical Branch	661,268	549,424
- CEPU – NSW Electrical Branch	1,417,206	706,706
- CEPU – SA Electrical Branch	166,720	440,955
- CEPU – VIC Electrical Branch	800,742	1,034,155
- CEPU – TAS Electrical Branch	141,416	73,612
- CEPU – National Council	-	22,600
- CEPU – NSW P & T Branch	42,921	99,136
- CEPU – NSW T & S Branch	14,583	13,378
- CEPU – VIC Plumbing Division	3,043	6,000
- CEPU – Plumbing Division	20,000	9,771
- Total receipts from other reporting units	4,523,241	4,274,690

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 9 – CASH FLOW INFORMATION (CONTINUED)	Note	2016	2015
		\$	\$
Payments to other reporting units			
- CEPU – TAS Electrical Branch		-	(7,364)
- CEPU – VIC (Plumbing) Branch		(12,600)	(13,045)
- CEPU – National Council		(413,990)	(364,915)
- CEPU – Plumbing Division		-	-
- CEPU – QLD/NT Electrical Branch		-	-
- CEPU – SA Electrical Branch		(2,029)	(4,474)
- CEPU – VIC Electrical Branch		(5,000)	(27,000)
- CEPU – WA Electrical Branch		(6,335)	(7,743)
- CEPU - VIC T&S Branch		-	(248)
- Total Payments to other reporting units		(439,954)	(424,789)
Net cash received from to other reporting units		4,083,287	3,849,901

The above disclosure includes any applicable GST.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

(a) Operating lease commitments			
Payable – minimum lease payments		7,140	7,140
- not later than 12 months		-	-
- between 12 months and 5 years		20,230	27,370
- greater than 5 years		-	-
Minimum lease payments		27,370	34,510

At 31 December 2016, the Union held a lease relating to photocopiers, which expires on October 2020. (2015: the Union held a photocopier lease).

(b) Contingent liabilities and commitments

The Union does not have any contingent liabilities and commitments at 31 December 2016 (2015: Nil).

(c) Capital expenditure commitments

There are no capital expenditure commitments at 31 December 2016 (2015: Nil).

NOTE 11 – AUDITORS REMUNERATION

Amounts received or due and receivable by the auditor of the Union for:

(a) audit of the financial report of the Union and preparation of financial statements		24,000	24,000
(b) other services		875	2,350
		24,875	26,350

NOTE 12 – RELATED PARTY TRANSACTIONS

Transactions with other branches of Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Divisions/ Branches are on terms and conditions no more favourable than those available to other parties unless otherwise stated.

(a) CEPU – NSW P & T Branch

- Revenue			
Reimbursement of Payroll Tax		42,921	99,136

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 12 – RELATED PARTY TRANSACTIONS (CONTINUED)	Note	2016 \$	2015 \$
(b) CEPU – NSW T & S Branch			
- <i>Revenue</i>			
Reimbursement of Payroll Tax		14,583	13,378
(c) CEPU – QLD/ NT Electrical Branch			
- <i>Revenue</i>			
Sustentation fees		1,000,784	1,039,345
Reimbursement of National Journal costs		82,736	88,850
Contribution for political campaigns		8,594	34,856
Reimbursement of wage costs		8,746	8,746
Other reimbursements			
Divisional Council & Officers Expenses		4,911	8,463
Subscription		13,129	12,445
Accommodation		16,093	2,703
Travel		6,226	-
(d) CEPU – WA Electrical Branch			
- <i>Revenue</i>			
Sustentation fees		537,166	420,550
Reimbursement of National Journal Costs		40,920	42,156
Reimbursement of wage costs		4,543	4,543
Contribution for political campaigns		3,761	17,428
Other reimbursements			
Divisional Council & Officers Expenses		2,149	-
Subscription		6,504	8,943
Accommodation		3,481	4,090
Conference fee		1,969	-
Other		660	1,847
- <i>Expenditure</i>			
Donations		5,000	5,000
Reimbursements accommodation and travel cost		1,335	2,039
(e) CEPU – NSW Electrical Branch			
- <i>Revenue</i>			
Sustentation fees		831,323	922,391
Reimbursement of National Journal costs		56,499	98,188
Reimbursement of wage costs		10,378	10,378
Contribution for political campaigns		8,069	-
Other reimbursements			
Subscription		3,125	-
Accommodation		1,950	-
Other		4,611	4,944

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 12 – RELATED PARTY TRANSACTIONS (CONTINUED)	Note	2016 \$	2015 \$
(f) CEPU – SA Electrical Branch			
- <i>Revenue</i>			
Sustentation fees		238,650	247,763
Reimbursement of National Journal costs		17,704	24,140
Contribution for political campaigns		1,979	8,044
Reimbursement of wage costs		2,229	2,229
Other reimbursements			
Divisional Council & Officers Expenses		1,131	-
Subscription		4,943	3,911
Accommodation		3,477	1,452
- <i>Expenditure</i>			
Reimbursements accommodation and travel cost		2,028	4,067
(g) CEPU – VIC Electrical Branch			
- <i>Revenue</i>			
Sustentation fees		1,175,756	758,181
Reimbursement of National Journal costs		93,618	86,860
Contribution for political campaigns		8,569	42,786
Reimbursement of wage costs		11,165	11,165
Other reimbursements			
Divisional Council & Officers Expenses		9,505	-
Subscription		7,091	7,091
Accommodation		800	-
Travel		6,226	-
Other		382	927
- <i>Expenditure</i>			
OH&S services cost		-	20,000
Donations		5,000	5,000
(h) CEPU – TAS Electrical Branch			
- <i>Revenue</i>			
Sustentation fees		110,030	100,521
Reimbursement of National Journal costs		8,598	10,982
Reimbursement of wage costs		946	946
Other reimbursements			
Divisional Council & Officers Expenses		484	-
Subscription		4,170	2,727
Accommodation		3,485	891
Other		-	5,919
- <i>Expenditure</i>			
Various expense reimbursements		-	7,243
(i) CEPU – Plumbing Division			
- <i>Revenue</i>			
Reimbursement of political campaigns		18,182	8,883

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 12 – RELATED PARTY TRANSACTIONS (CONTINUED)	Note	2016 \$	2015 \$
(j) CEPU VIC – Plumbing Division			
- <i>Revenue</i>			
Subscription		2,727	5,456
Other		39	-
- <i>Expenditure</i>			
Office rent		12,601	12,107
(k) CEPU – Plumbing Division			
- <i>Revenue</i>			
Advertising		18,182	-
(l) ETU – NSW Branch			
- <i>Revenue</i>			
Reimbursement of Advertising costs		28,337	-
Contribution for political campaigns		-	40,241
Reimbursement of wage costs		-	10,378
Other reimbursements			
Divisional Council & Officers Expenses		5,227	5,225
Subscription		3,186	2,930
Accommodation		390	927
Travel		6,226	-
(m) CEPU – National Office			
- <i>Revenue</i>			
Secretarial fees		23,908	10,273
Other reimbursements			
Accommodation		980	-
Internal membership audit reimbursement		13,300	-
Other		6,277	-
- <i>Expenditure</i>			
ACTU IR Levy		-	110,000
ACTU Affiliation Fees		336,106	204,000
Special levy		-	27,375
Legal costs		63,233	38,990
Internal membership audit reimbursement		27,257	-
CHAFTA Campaign Costs		10,000	-

Note: The above transactions are all exclusive of GST

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 13 – KEY MANAGEMENT PERSONNEL

	2016	2015
	\$	\$

Key management personnel comprise those individuals who have the authority and responsibility for planning, directing and controlling the activities of the Union. During the year, the key management personnel of the Union were remunerated as follows:

Short-term employment benefits	378,265	387,371
Post-employment benefits	57,238	55,214
Termination benefits	-	-
Other long-term benefits	-	-
	435,503	442,585

No payments have been made to key management personnel or close family members other than the remuneration paid as being employees of the Union.

(a) Key Management Personnel of the Union

The following persons were key management personnel of the Union during the year

Name	Position
John Adley	Member of Divisional Executive
Neville Betts	Member of Divisional Executive
Steve Butler	Member of Divisional Executive
Allen Hicks	Member of Divisional Executive
Peter Simpson	Member of Divisional Executive

NOTE 14 – EVENTS AFTER BALANCE DATE

There are no events subsequent to the balance sheet date that have impacted on the values disclosed in the financial statements.

NOTE 15 – FINANCIAL RISK MANAGEMENT

The Union's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows

	Note	2016	2015
		\$	\$
Financial Assets			
Cash and cash equivalents	4	2,623,892	2,829,543
Receivables	5	932,030	421,369
Total financial assets		3,555,922	3,250,912
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	7	339,978	357,291
Total financial liabilities		339,978	357,291

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 15 – FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial Risk Management Policies

The Committee of Management monitors the Union's financial risk management policies and exposures and approves financial transactions entered into. It also reviews the effectiveness of internal controls relating to commodity price risk, counterparty credit risk, currency risk, financing risk and interest rate risk. The Committee of Management meets quarterly to review the financial exposure of the Union.

The main risk the Union is exposed to through its financial instruments are credit risk, liquidity risk and market risk, consisting of interest rate risk.

(a) Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss for the Union.

The Union does not have any material credit risk exposures as its major source of revenue is the receipt of membership fees and dues.

Credit Risk Exposures

The maximum exposures to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of provisions) as presented in the statement of financial position.

Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed in Note 5.

The Union has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties. Details with respect to credit risk of accounts receivable and other debtors are provided in Note 5.

Credit risk related to balances with banks and other financial institutions is managed by the Committee of Management in accordance with approved policies. Such policies require that surplus funds are only invested with counterparties with a strong reputation and backed by the Commonwealth Government's bank guarantee. At 31 December 2016, all funds were held by financial institutions backed by the Commonwealth Government's bank guarantee.

(b) Liquidity Risk

Liquidity risk arises from the possibility that the Union might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The Union manages this risk through the following mechanisms:

- preparing forward looking cash flow estimates;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect an undiscounted contractual maturity analysis for non-derivative financial liabilities. The Union does not hold directly any derivative financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 15: FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial Liability and Financial Asset Maturity Analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$
Financial liabilities due for payment								
Trade and other payables	339,978	357,291	-	-	-	-	339,978	357,291
Total Financial Liabilities	<u>339,978</u>	<u>357,291</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>339,978</u>	<u>357,291</u>
Financial assets - cash flow realisable								
Cash and cash equivalents	2,623,892	2,829,543	-	-	-	-	2,623,892	2,829,543
Trade and other receivables	932,030	421,369	-	-	-	-	932,030	421,369
Total anticipated inflows	<u>3,555,922</u>	<u>3,250,912</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,555,922</u>	<u>3,250,912</u>
Net inflow of financial instruments	<u>3,215,944</u>	<u>2,893,621</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,215,944</u>	<u>2,893,621</u>

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 15 – FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market Risk

i. Interest Rate Risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Union is also exposed to earnings volatility on floating rate instruments.

Interest rate risk is managed using a mixed of fixed and floating rate financial instruments. The effective interest rate exposure to interest rate financial instruments are as follows:

	Note	Weighted Average Effective Interest Rate		2016 \$	2015 \$
		2016	2015		
		%	%		
Floating rate instruments					
Cash and cash equivalents		1.35%	2.31	2,623,892	2,829,543

ii. Foreign Exchange Risk

The Union is not exposed to fluctuations in foreign currencies.

iii. Price Risk

The Union is not exposed to any material commodity price risk.

Sensitivity Analysis

The following table illustrates sensitivities to the Union's exposures to changes in interest rates and equity prices. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit \$	Equity \$
Year ended 31 December 2016		
+1% in interest rates	+26,239	+26,239
-1% in interest rates	-20,219	-20,219
Year ended 31 December 2015		
+1% in interest rates	+28,295	+28,295
-1% in interest rates	-26,206	-26,206

No sensitivity analysis has been performed on foreign exchange risk or price as the Union has no material exposures to currency or commodity risk.

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 15 – FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (Continued)

Fair values

Fair value estimation

The fair values of financial assets and liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties at an arm's length transaction.

Fair value may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair values is extracted from the market, with more reliable information available from markets that are actively traded.

In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Union. Most of these instruments, which are carried at amortised cost (i.e. accounts receivable), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the Union.

	Footnote	2016		2015	
		Carrying value	Fair value	Carrying value	Fair value
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	(i)	2,623,892	2,623,892	2,829,543	2,829,543
Accounts and other receivables	(i)	932,030	932,030	421,369	421,369
Total financial assets		3,555,922	3,555,922	3,250,912	3,250,912
Financial liabilities					
Accounts and other payables	(i)	339,978	339,978	357,291	357,291
Total financial liabilities		339,978	339,978	357,291	357,291

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, accounts receivable and other debtors and accounts payable and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is outside the scope of AASB 139.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 15 – FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (Continued)

Fair values (Continued)

Fair Value Hierarchy

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

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

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 December 2016

The Union does not have assets or liabilities that are recorded using a fair value technique.

Fair value hierarchy – 31 December 2015

The Union does not have assets or liabilities that are recorded using a fair value technique.

NOTE 16 – SEGMENT INFORMATION

The Union operates solely in one reporting business segment being the provision of trade union services.

The Union operates from one reportable geographical segment being Australia.

NOTE 17 – UNION DETAILS

The principal place of business is:

CEPU – Electrical Division
Suite 408, Level 4
30 - 40 Harcourt Pde
Rosebery NSW 2018

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 18 - INFORMATION TO BE PROVIDED TO MEMBERS OR GENERAL MANAGER

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 General Manager of Fair Work Commission:

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

The purposes for which the Union is established are:

- (a) Implementation of the decisions of the Divisional Executive and Divisional Council.
- (b) Implementation of the union's organising agenda, including direct assistance and strategic advice on particular industry or organising projects, the training and development of officials and assistance to branches.
- (c) Industrial support including representation of member grievances, advice on legal and legislative matters, pursuing relevant changes to the conditions of eligibility rules of the Division, and responding to other unions' rules applications where they impact on membership of the CEPU.
- (d) The administration of federal awards, the variations of awards and making applications to vary federal awards of the division: Co-ordination of National Enterprises negotiations on behalf of branches.
- (e) National media and communications to members and to the broader community via media releases in support of campaigns, video development, and targeted publications, including the national magazine ETU National.
- (f) Developing national policies and representing the division nationally on skills training, licensing, education of members and industrial relations law reforms.

The Divisional office has consulted with the ACTU on the development of policy on wages, redundancy and family leave. The national office has participated in ACTU policy committees in OH&S, VET, union education and superannuation.

The Divisional office has also been involved in lobbying and negotiations with different levels of Government and key industry organisations around issues of importance to CEPU members, e.g. in submission to government inquiries, skilled career paths, skill shortages, quality and accreditation and workforce issues, occupational health and safety and electrical licensing. There has been no significant changes in the nature of these activities.

GPO Box 1087
Brisbane Qld 4001 Australia
t: +61 7 3002 4800
f: +61 7 3229 5603

PO Box 3360 Australia Fair
Southport Qld 4215 Australia
t: +61 7 5591 1661
f: +61 7 5591 1772

e: info@mgisq.com.au
www.mgisq.com.au

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

OPINION ON ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

The additional financial information presented on page 44 is consistent with the financial statements of the Union for the year ended 31 December 2016. Such additional financial information has been subject to auditing procedures in order to express an opinion on the revenue and expenses of the Union. Our auditing procedures involve testing on a test basis a sample of transactions throughout the year.

Audit Opinion

In our opinion, the additional information on page 44 presents fairly in all material respects the revenues and expenses of the Union for the year ended 31 December 2016.

M. C. I

MGI Audit (Q) Pty Ltd



G I Kent
Director

Rosebery

11 April 2017

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

ADDITIONAL INFORMATION IN EXPLAINING THE FINANCIAL RESULTS OF THE UNION

	2016 \$	2015 \$
REVENUE		
General Fund		
Sustentation Fees	3,893,709	3,488,751
Interest Income	45,256	58,300
Publication Income	300,075	351,176
Secretarial Fees	23,908	10,273
National Apprenticeship Officer Wage Reimbursement	38,007	38,007
Sponsorship Income	20,000	18,545
Other Income	144,960	55,095
	<u>4,465,915</u>	<u>4,020,147</u>
EXPENDITURE		
General Fund		
Advertising and Promotion	375,842	266,777
Affiliation Fees	357,961	377,048
Audit and Accounting Fees	24,875	26,350
Bad and Doubtful Debts	-	-
Bank Charges	1,256	1,103
Computer Expenses	50,105	38,395
Consulting and Professional Fees	86,257	91,822
Depreciation	87,291	82,966
Donations	70,850	19,198
Entertainment	188	-
Interest Expense – External	-	-
Insurance	24,793	24,140
Lease Rentals on Operating Lease	-	-
Leave Entitlements Expense	204,623	215,306
Legal Fees	206,033	210,629
Meetings and Conferences	104,364	164,809
Motor Vehicle Expenses	9,349	11,995
Other Employee Costs	33,417	27,922
Payroll and Fringe Benefits Tax	119,077	84,378
Postage	5,016	7,776
Printing and Stationery	13,026	19,376
Rent and Occupancy Costs	111,318	113,371
Repairs and Maintenance	20,500	29,727
Salaries	1,486,811	1,463,487
Staff Training and Welfare	10,747	10,892
Subscriptions	36,785	24,544
Sundry Expenses	11,531	10,504
Superannuation Contributions	259,106	240,806
Telephone and Fax	33,654	37,364
Campaign Expenses	267,197	343,386
Financial Support – TAS Electrical Branch	-	100,521
Travel Expenses	261,428	267,658
	<u>4,273,400</u>	<u>4,312,250</u>
Total Expenses		
	<u>4,273,400</u>	<u>4,312,250</u>
Surplus/ (Deficit) before income tax	<u>192,515</u>	<u>(292,103)</u>



24 January 2017

The Divisional Secretary
 Communications, Electrical, Electronic, Energy, Information,
 Postal, Plumbing and Allied Services Union of Australia
 Electrical, Energy and Services Division
 By Email: edno@nat.cepu.asn.au

Dear Divisional Secretary,

**Re: Lodgement of Financial Report - [FR2016/341]
 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 - Electrical, Energy and Services Division (the reporting unit) ended on 31 December 2016.

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

Also you are reminded of the obligation to prepare and lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 requires this statement to be lodged with the FWC within 90 days of the end of the reporting unit's financial year, that is on or before 31 March 2017.

The new Registered Organisations Commission

The Registered Organisations Commission (the ROC) will be established in 2017.

Statements of loans, grants and donation and financial reports must be lodged with the Fair Work Commission until the ROC is established. Once the ROC is established, they must be lodged with the ROC.

It is not yet known when in 2017 the ROC will be established. The Fair Work Commission will be providing information on the transition to the ROC through its subscription service and its website. For details about the subscription service, go to [Subscriptions](#) and subscribe to the Registered organisations information service.

Where to lodge Statements of Loans Grants and Donations and Financial Reports

	Before the ROC is established	From establishment of the ROC
Where to lodge	Lodge your statement of loans grants donations and your financial report with the Fair Work Commission	Lodge your statement of loans grants donations and your financial report and with the ROC
How to lodge	The easiest way to lodge is via email: orgs@fwc.gov.au	Lodgement methods are not yet known

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

Telephone : (03) 8661 7777
 Email : orgs@fwc.gov.au
 Internet : www.fwc.gov.au

Our focus this year: timelines and disclosure of loans, grants and donations

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

Timelines

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

As stated above, section 237 requires the loans, grants and donations statement to be lodged with the FWC within 90 days of the end of the reporting unit's financial year, that is on or before 31 March 2017. A sample statement of loans, grants or donations is available at [sample documents](#).

Fact sheets, guidance notes and model statements

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

Civil penalties may apply

It should be noted that s.268 and s.237 are civil penalty provisions. If a loan, grant or donation over \$1000 has been made, failure to lodge a statement of loans, grants and donations may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

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

Contact

Should you wish to seek any clarification in relation to the above, email orgs@fwc.gov.au.

Yours sincerely,

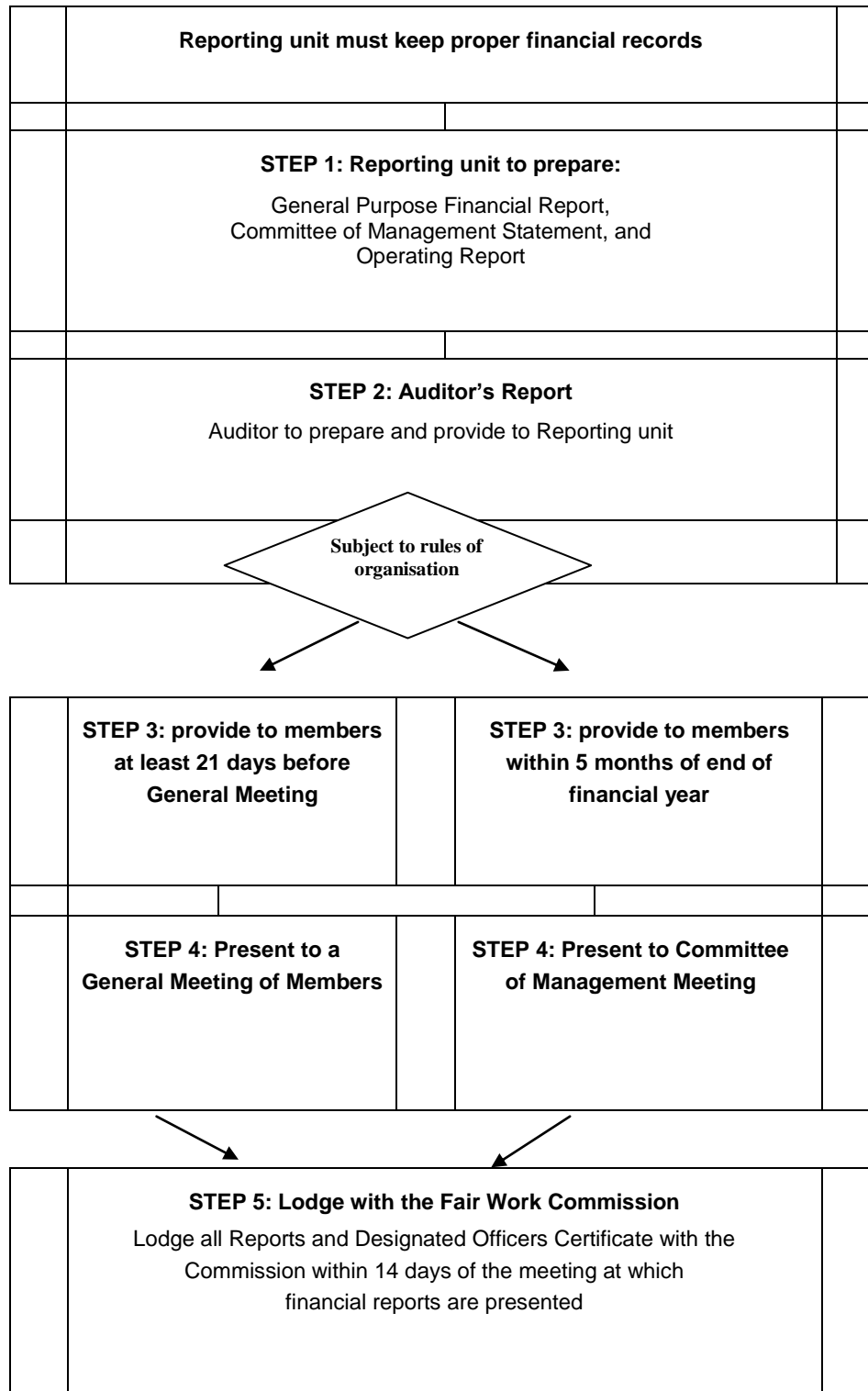


Marianne Kay
Adviser
Regulatory Compliance Branch

Financial reporting timelines

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

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



Fact Sheet - Loans, Grants & Donations

The Loans, Grants & Donations Requirements

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

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

The Loans, Grants & Donations Statement

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







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

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

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

Common misconceptions

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

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

Grants & Donations within the Financial Report

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

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

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

Note 4E: Grants or donations*

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

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

Implications for filing the Financial Report

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

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

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

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

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

Further information

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