

15<sup>th</sup> November, 2017

Mr Chris Enright  
Executive Director  
Registered Organisations Commission  
GPO Box 2983  
MELBOURNE VIC 3001

By email: [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au)

Dear Mr Enright

**CEPU Plumbing Division – Divisional Council  
Operating Reports as at 30 June 2010 to 20 June 2016  
– Reporting of Membership Numbers**

I refer to the above and enclose by way of lodging:

- Declaration correcting the divisional membership figures reported in the operating reports for the reporting periods ending 30 June 2010 to 20 June 2016.

As you are aware, the CEPU has instigated independent audits of the membership figures reported in the divisional committee of management annual operating reports for the past 7 years.

As a consequence of these audits, the Divisional Council, in a meeting held 5<sup>th</sup> November, 2017, authorised the submission of a declaration to the Registered Organisations Commission (ROC) to correct the figures reported in the operating reports for the total divisional members for the reporting periods ending 30 June 2010 to 20 June 2016.

These amended figures have now been published to our website for the information of members.

Please do not hesitate to contact me should you wish to discuss this matter.

Yours faithfully



Earl Setches  
Divisional Secretary

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

*Fair Work (Registered Organisations) Act 2009*

**DECLARATION - CORRECTING REPORT TO  
CEPU Plumbing Division – Divisional Council  
OPERATING REPORT**

lodged pursuant to s.268


I, Earl Setches, of 52 Victoria Street, Carlton South, in the state of Victoria 3053, declare:

- I am the Divisional Secretary of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Plumbing Division, a division of an organisation registered under the *Fair Work (Registered Organisations) Act 2009* (the Act).
- Pursuant to s.268 of the Act, for the periods ended 30 June 2010 to 30 June 2016, the full financial reports, including the operating reports, of the division were lodged with the Fair Work Commission (FWC) in FR2010/2555, FR2011/2570, FR2012/255, FR2013/159, FR2014/100, FR2015/329 and FR2016/239 respectively.
- Independent audits of the membership figures reported in the divisional committee of management operating reports for the reporting periods 30 June 2010 to 30 June 2016 found the following variances with the figures reported in the operating reports:

As at 30 Jun	2010	2011	2012	2013	2014	2015	2016
Reported	13,175	12,225	11,920	11,587	12,742	11,440	11,805
Audited	15,287	16,142	16,375	17,256	18,165	19,258	19,505
Variance	2,112	3,917	4,455	5,669	5,423	7,818	7,700

- On 15<sup>TH</sup> November, 2017, in response to the audit findings, the Divisional Council authorised the Divisional Secretary to amend the divisional committee of management operating reports for the years ended 30 June 2010 to 30 June 2016 to reflect the membership figures resulting from the audit.

Signed:

  
\_\_\_\_\_

Name: Mr Earl Setches

Date: 15<sup>th</sup> November, 2017



FAIR WORK  
COMMISSION

23 November 2015

Mr Earl Setches  
Divisional Secretary, Plumbing Division  
CEPU  
52 Victoria Street  
CARLTON SOUTH VIC 3053

Dear Mr Setches

**Re: Lodgement of Financial Statements and Accounts - Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union, Plumbing Division - for year ended 30 June 2015 (FR2015/329)**

I refer to the above financial statements and accounts which were lodged with the Fair Work Commission on 12 November 2015. The report has now been filed. You are not required to take any further action in respect of the report lodged.

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

Please note that the financial report for the year ending 30 June 2016 may be subject to an advanced compliance review.

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

Activities under Reporting Guidelines not disclosed

Reporting Guideline 15 states that if any activities identified in Reporting Guideline 14 have not occurred in the reporting period, a statement to this effect (or a nil balance) must be included in the notes to the financial report. I note that for "membership subscriptions" [RG14(a)] no such disclosure was made.

Disclosure of capitation fees to another reporting unit

Reporting Guideline 17 states that if any activities identified in Reporting Guideline 16 have not occurred in the reporting period, a statement to this effect (or a nil balance) must be included in the notes to the financial report. I note that for "capitation" expense [RG16(b)] no such disclosure was made.<sup>1</sup>

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<sup>1</sup> Divisional rule 40.6 provides that Divisional funds may be applied to the following purpose:- "*Making capitation and/or sustentation payments to the National Council as determined by them*". This means that capitation is a potential expense and its non-occurrence in any year should be disclosed.

### Disclosure of payables in respect of legal costs

Reporting Guideline 20(b) requires a payable in relation to legal costs to be disclosed by litigation and by other legal matters. Reporting Guideline 21 states that if the activities identified in item 20 have not occurred in the reporting period, a statement to this effect (or a nil balance) must be included in the financial report. I note that for payables<sup>2</sup> for litigation and other legal matters no such disclosure was made.

In future years please ensure that appropriate disclosures are made in relation to these items in accordance with the Reporting Guidelines.

### Reporting Requirements

On the FWC 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 FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, 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 the matter raised in this letter, I may be contacted on 6746 3283 or by email at [stephen.kellett@fwc.gov.au](mailto:stephen.kellett@fwc.gov.au).

Yours sincerely



Stephen Kellett  
Senior Adviser  
Regulatory Compliance Branch

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<sup>2</sup> i.e. as distinct from *expenses* for litigation and other legal matters, which were disclosed in the Statement of Comprehensive Income

**From:** KELLETT, Stephen

**Sent:** Monday, 23 November 2015 5:56 PM

**To:** 'Junha Jang'

**Subject:** Attention Mr Earl Setches - financial reporting - Plumbing Divisional office - y/e 30 June 2015 - filing

Dear JJ,

Please see attached my letter, addressed to the Divisional Secretary, in relation to the above. I also attach, for your reference, an annotated copy of the Reporting Guidelines, identifying where the report complied with or did not comply with, the Reporting Guidelines. Please don't hesitate to discuss.



s253-Reporting-Guidelines-4th-edition (an329 (primary final).pdf)

Yours sincerely

STEPHEN KELLETT  
Regulatory Compliance Branch  
**FAIR WORK COMMISSION**

80 William Street  
EAST SYDNEY NSW 2011

(ph) (02) 6746 3283  
(email) [stephen.kellett@fwc.gov.au](mailto:stephen.kellett@fwc.gov.au)



**CEPU PLUMBING DIVISION**  
Communications, Electrical and Plumbing Union

FEDERAL OFFICE  
ABN 40 655 883 201

**EARL SETCHES**  
Federal Secretary

**TONY MURPHY**  
Federal President

52 Victoria St  
Carlton South 3053

Ph: 03 9662 3388  
Fax: 03 9663 7516

11 November 2015

Fair Work Commission  
GPO Box 1994  
Melbourne Vic 3001



***Re: Lodgement of Financial Statements and Accounts (Federal Branch)***

We would like to lodge our financial statements and accounts for 2015 in accordance with the provisions of Chapter 8, Part 3 of the Fair Work Act 2009 as follows

1. Full financial report
2. Secretary's certificate

If you need any further information, please feel free contact me on 03-9662-3388

Yours truly,

  
Junha Jang  
Finance Manager





**CEPU PLUMBING DIVISION**  
 Communications, Electrical and Plumbing Union

**FEDERAL OFFICE**  
 ABN 40 655 883 201

**EARL SETCHES**  
 Federal Secretary  
*P. McCrudden*  
~~Tom Hunter~~  
 Federal President

52 Victoria St  
 Carlton South 3053

Ph: 03 9662 3388  
 Fax: 03 9663 7516

## SECRETARY'S CERTIFICATE

I (Earl Setches) being the Federal Secretary of the CEPU Plumbing Division, certify:

- That the documents lodged herewith are copies of the full report for the year ended 30<sup>th</sup> June 2015 referred to in s268 of the RAO Schedule; and
- That the report was provided to members on our website on and from 26-Oct-2015; and
- That the reports was subsequently presented by the meeting of divisional executives on 10-Nov-2015.

*Earl Setches*

Earl Setches  
 Federal Secretary

Date: 10-Nov-2015

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

**Plumbing Division – National Office**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2015**



**Operating Report**  
**For the year ended 30 June 2015**

**Principal activities**

The principal activities of the Plumbing Division – National Office during the financial year were to provide representation and support to our members. There were no significant changes to the principal activities during the year.

**Review of results**

The net result of operations for the year was a profit of \$245,285 (2014: loss \$345,225). In 2014, the surplus (after excluding forgiven state branch loans) was \$118,615. The organisation continued to represent its members in industrial and other matters, focusing particularly on training and educational projects to advance the industry. During the year, it also paid ongoing attention to corporate governance, ensuring that it complies with legislative requirements. As at reporting date, it had accumulated net assets of \$0.874 million, and it had no interest bearing debt. The organisation is well placed to meet the future needs of the industry and moreover its members, through enhanced representation and training services.

**Significant Changes in the State of Affairs**

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

**Resignation of Members**

As per section 174 of the Fair Work (Registered Organisations) Act 2009, a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.

**Number of Members**

As at 30 June 2015, the number of financial members of the organisation recorded in the register of members was 11,440 (2014: 12,742)

**Number of Employees**

As at 30 June 2015, the number of full time equivalent employees was nil (2014: nil).

**Divisional Council Members**

E Setches (General Secretary)	P McCrudden (Divisional President and Trustee)
G O'Halloran (Assistant General Secretary)	D Broadley (Divisional Deputy President)
S McCarney (National Councillor)	G Menzies (Trustee)
N Kelly (Trustee)	T Samartzopoulos (National Councillor)
M Wiech (National Councillor)	B Bintley (National Councillor)

**Operating Report**  
**For the year ended 30 June 2015 (cont'd)**

**Officers & employees who are directors of a company or a member of a board**

Details of officers and employees, who are directors of a company or a member of a board, are as follows:

Name of Officeholder	Name of Company or Board	Position Held	Principal Activity of Company or Board	Position Held because officer or employee of Union or nominated by Union or Peak Council
Earl Setches	PICAC	Director	Training	Yes
	Incolink	Director	Redundancy	Yes
	CBUS	Director	Superannuation	Yes
	PAC	Director	Regulations	Yes
	CEPUTEC	Director	Training	Yes
	PJTF	Director	Funds Management	Yes
	NUDJ Plumbing Ltd	Director	Apprentice Placements	Yes
	Indigenous Plumbing Sanitation Fund	Director	Training	Yes
Paddy McCrudden	Co-invest	Director	Funds Management	Yes
	PICAC	Director	Training	Yes
	PJTF	Director	Funds Management	Yes
	PAC	Director	Regulations	Yes
	Indigenous Plumbing Sanitation Fund	Director	Training	Yes

**Future Developments**

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

Signed in accordance with a resolution of the Divisional Council

*PSM*

*Earl Setches*

Dated this 13 day of Oct - 2015

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

STATEMENT OF PROFIT AND LOSS  
 FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 \$	2014 \$
<b>Income</b>			
Per Capita Contributions	10 f (i)	574,202	563,313
Other Contributions	10 f (ii)	-	-
Interest Received		13	5
Grants		-	-
Financial Support - Branches		-	-
Donations		-	-
Other income – provision writeback		13,583	-
		<u>587,798</u>	<u>563,318</u>
<b>Expenses</b>			
General Secretary and President Expense Allowance	7	42,800	42,800
Overnight, Tea Money and Other Allowances		13,851	9,844
Air Fares & Accommodation - Federal Council & Executives		78,423	83,221
Advertising		1,678	-
Affiliation Fees – Community Elected Plumbing Union		75,045	78,000
Audit Fees and Other Services	11	10,000	7,800
Bank Charges		147	177
Computer Expenses		70	40
Delegate Fees		6,990	8,965
Bad & Doubtful Debts Expense		2,427	-
Depreciation		2,715	2,857
Entertainment Expenses		9,088	4,877
Consideration to employers for payroll deductions		-	-
Penalties – via RO Act or RO Regulations		-	-
Grants		-	-
Conferences and meetings – Fees & allowances		-	-
Donations	12	-	122,200
Campaign Expenses	13	-	20,000
Consideration to Employers Making Payroll Deductions		-	-
Work Cover Premium		669	293
Legal and Professional Fees – Litigation		-	-
Legal and Professional Fees – Other		84,790	51,127
Postage and Stationery		-	-
Setup Costs – New Branch		-	611
Subscriptions – Non Political		267	396
Management Fees – Victorian Branch	14	-	-
Superannuation	7	4,708	4,708
Payroll Tax and FBT Expenses		3,310	2,529
Penalties – via FW(RO) Act or Regulations		-	-
Telephone		31	716
Taxis and Parking		4,419	3,000
Motor Vehicle Expenses		1,085	542
Forgiveness of Loans – State Branches		-	463,840
Termination Payment	7	-	-
		<u>342,513</u>	<u>908,543</u>
<b>Net (Loss) / Profit for the Year</b>		<b>245,285</b>	<b>(345,225)</b>

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

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The accompanying notes form part of these financial statements

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2015**

	2015 \$	2014 \$
Profit/(loss) for the period	245,285	(345,225)
Other comprehensive income for the period	-	-
Total comprehensive income/(loss) for the period	245,285	(345,225)
Total comprehensive income/(loss) attributable to: Members of the organisation	245,285	(345,225)

The accompanying notes form part of these financial statements

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

STATEMENT OF FINANCIAL POSITION  
 AS AT 30 JUNE 2015

	Notes	2015 \$	2014 \$
<b>Current Assets</b>			
Cash and Cash Equivalents	3	81,554	83,978
Receivables	4	845,289	671,157
Total Current Assets		<u>926,843</u>	<u>755,135</u>
<b>Non Current Assets</b>			
Plant and Equipment	5	8,481	9,095
Total Non Current Assets		<u>8,481</u>	<u>9,095</u>
Total Assets		<u>935,324</u>	<u>764,230</u>
<b>Current Liabilities</b>			
Payables	6	34,096	89,359
Provisions	8	27,576	46,504
Total Current Liabilities		<u>61,672</u>	<u>135,863</u>
Total Liabilities		<u>61,672</u>	<u>135,863</u>
<b>Net Assets</b>		<u>873,652</u>	<u>628,367</u>
<b>Equity</b>			
General Fund	15	873,652	628,367
Total Equity		<u>873,652</u>	<u>628,367</u>

The accompanying notes form part of these financial statements

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

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STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$	2014 \$
Accumulated Profit/(Deficit) – Beginning of the Year	628,367	973,592
Profit/(Loss) for the Year	245,285	(345,225)
Total Accumulated Profit/(Deficit) – End of the Year	873,652	628,367

The accompanying notes form part of these financial statements

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

STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 Inflows/ (Outflows) \$	2014 Inflows/ (Outflows) \$
<b>Cash flows from Operating Activities</b>			
Per Capita Contributions and other Branch receipts		429,955	544,664
Interest Received		13	5
Payments by Branches		(18,643)	-
Payments to Suppliers and Employees		(411,648)	(304,190)
<b>Net Cash/(Used in) Provided by Operating Activities</b>	9(b)	(323)	240,479
<b>Cash Flows from Investing Activities</b>			
Payments for purchase of Plant and Equipment		(2,101)	(1,671)
<b>Net Cash Used in Investing Activities</b>		(2,101)	(1,671)
<b>Cash Flows from Financial Activities</b>			
Advance to State Branch		-	(171,985)
<b>Net Cash Used in Financing Activities</b>		-	(171,985)
<b>Net Increase/(Decrease) in Cash Held</b>		(2,424)	66,823
<b>Cash and Cash Equivalents at Beginning of Year</b>		83,978	17,155
<b>Cash and Cash Equivalents at End of Year</b>	9(a)	81,554	83,978

The accompanying notes form part of these financial statements

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015

**1. Summary of Accounting Policies**

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Fair Work (Registered Organisations) Regulations 2009 and the Fair Work (Registered Organisations) Act 2009.

**Basis of Preparation**

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

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. The Union is a 'not for profit' organisation.

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

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

**Accounting Policies**

**(a) Property, Plant and Equipment**

Cost and valuation

Plant and equipment are measured at cost or on a fair value basis. At each reporting date, the value of assets in this asset class is reviewed to ensure that it does not differ materially from the asset's book value at that date. Any significant increase or decrease is recognised in accordance with accounting standards. Buildings are being depreciated as set out below.

All other fixed assets are also measured at the lower of cost and fair value.

Depreciation

Depreciation is calculated on the prime cost method and is brought to account over the estimated economic lives of all equipment and art works. Depreciation rates applied are:

	<b>2015</b>	<b>2014</b>
Art work	2.5%	2.5%
Furniture and Office Equipment	25%	25%

**(b) Employee Benefits**

Short-term employee benefits

Provision is made for the Union's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and vesting sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Union's obligations for short-term employee benefits such as wages, salaries and vesting sick leave are recognised as part of current trade and other payables in the statement of financial position. The Union's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015 (cont'd)**

**1. Summary of Accounting Policies (cont'd)**

**(b) Employee Benefits (cont'd)**

Long-term employee benefits

Provision is made for employee's long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any measurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Union's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Union does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Contributions are made by the Union to employee superannuation funds and are expensed when incurred. The Union is not obliged to contribute to these funds other than to meet its liabilities under the superannuation guarantee system and is under no obligation to make up any shortfall in the funds' assets to meet payments due to employees.

The number of staff employed at 30 June 2015 was nil (2014: nil).

**(c) Income Tax**

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

**(d) Revenue Recognition**

Per capita and other contributions income are recognised in the statement of profit and loss on an accrual basis. Amounts recognised are calculated based on membership at each branch. Interest revenue is recognised on an accrual basis. Other revenue is recognised on an accrual basis.

**(e) 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 a part of an item of expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

**(f) Bad and Doubtful Debts**

Bad debts are written off when identified. If no provision for bad and doubtful debts has previously been recognised, write offs for bad debts are recognised as expenses in the income statement.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015 (cont'd)**

**1. Summary of Accounting Policies (cont'd)**

**(g) Impairment of Assets**

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

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

**(h) Cash and Cash Equivalents**

For the purpose of the Cash Flow Statement, cash and cash equivalents include cash on Hand, cash at bank and investments in money market instruments net of bank overdraft.

**(i) Recovery of Wages Activity**

There was no 'recovery of wages' activity in 2015 and/or 2014.

**(j) Critical Accounting Estimates and Judgements**

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

*Key Estimates – Impairment*

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

**(k) Fair value measurement**

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

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015 (cont'd)

1. Summary of Accounting Policies (cont'd)

(k) Fair value measurement (cont'd)

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

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statement.

(l) New Accounting Standards for Application in Future Periods

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

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

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

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

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Union's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

- 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 AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015 (cont'd)**

**1. Summary of Accounting Policies (cont'd)**

**(l) New Accounting Standards for Application in Future Periods (cont'd)**

The core principle of the Standard is that an entity will recognize 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.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the Union's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

**(m) Going Concern**

The Council members believe based on forecasts for the 2016 year, that a going concern basis of accounting is appropriate. The Union is not reliant on agreed financial support from any other branch, nor has it agreed to provide such support to any other branch.

**1. Information to be provided to Members or The General Manager of Fair Work Commission**

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

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

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,  
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015 (cont'd)

	2015 \$	2014 \$
<b>2. Cash and Cash Equivalents</b>		
Cash at Bank	81,554	83,978
	<u>81,554</u>	<u>83,978</u>
<b>4. Receivables</b>		
Sundry Debtors	-	-
Advances and per capita due by branches	845,289	671,157
Provision for Bad and Doubtful Debts	-	-
	<u>845,289</u>	<u>671,157</u>
<b>5. Plant and Equipment</b>		
Artwork at Cost	3,864	3,864
Less accumulated Depreciation	(678)	(581)
	<u>3,186</u>	<u>3,283</u>
Equipment at Cost	16,294	14,192
Less accumulated Depreciation	(10,999)	(8,380)
	<u>5,295</u>	<u>5,812</u>
Total Plant and Equipment	<u>8,481</u>	<u>9,095</u>

Movements in carrying amounts for plant and equipment between the beginning and the end of the current financial year:

<b>2015</b>	Equipment \$	Artwork \$	Total \$
Balance at Beginning of Year	5,812	3,283	9,095
Additions	2,101	-	2,101
Depreciation Expense	(2,618)	(97)	(2,715)
Carrying Amounts at End of Year	<u>5,295</u>	<u>3,186</u>	<u>8,481</u>

<b>2014</b>	Equipment \$	Artwork \$	Total \$
Balance at Beginning of Year	6,902	3,379	10,281
Additions	1,671	-	1,671
Depreciation Expense	(2,761)	(96)	(2,857)
Carrying Amounts at End of Year	<u>5,812</u>	<u>3,283</u>	<u>9,095</u>

	2015 \$	2014 \$
<b>6. Payables</b>		
Creditors and Accrued Expenses	<u>34,096</u>	<u>89,359</u>

There were \$nil (2014: \$nil) of legal fees and/or payroll deductions from employers included in creditors and accrued expenses.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2015 (cont'd)

7. Employee Benefits

Employee Benefits paid during the year:

<u>2015</u>	Elected Officials \$	Administration & Industrial Staff \$	Total
Wages and Salaries	42,800	-	42,800
Annual Leave and Sick Leave	-	-	-
Long Service Leave and Retirement Gratuity	-	-	-
Termination	-	-	-
Superannuation	4,708	-	4,708
<b>Total</b>	<b>47,508</b>	<b>-</b>	<b>47,508</b>
<u>2014</u>			
Wages and Salaries	42,800	-	42,800
Annual Leave and Sick Leave	-	-	-
Long Service Leave and Retirement Gratuity	-	-	-
Termination Payment	-	-	-
Superannuation	4,708	-	4,708
<b>Total</b>	<b>47,508</b>	<b>-</b>	<b>47,508</b>

8. Provisions

	2015 \$	2014 \$
Current		
Employee Benefits	27,576	46,504
	<u>27,576</u>	<u>46,504</u>
Provision for long service leave in respect to: Elected Officials	5,041	14,535
Provisions for Retirement Gratuity in respect to: Elected Officials	22,535	31,969
	<u>27,576</u>	<u>46,504</u>

There are no other provisions for annual leave, separation and redundancy or other payables for officeholders or other employees (2014: \$nil).

**Provision for Employee Benefits**

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015 (cont'd)

	2015	2014
	\$	\$
<b>9. Note to Cash Flow Statement</b>		
(a) Reconciliation of Cash and Cash Equivalents		
For the purposes of the Cash Flow Statement, cash and cash equivalents include cash on hand and at bank. Cash and cash equivalents at the end of the reporting period are reconciled to related items in the balance sheet as follows:		
Cash at Bank	81,554	83,978
	<u>81,554</u>	<u>83,978</u>
(b) Reconciliation of Net Cash Provided by Operating Activities to Net (Loss) / Profit		
Net (Loss) / Profit	245,285	(345,225)
Depreciation	2,715	2,857
Forgiveness of Loan	-	463,840
<b>Change in Assets and Liabilities</b>		
Increase/(Decrease) in Trade Creditors and Accruals and Provisions	(74,191)	40,430
Decrease/(Increase) in Receivables	(174,132)	78,577
Net Cash Provided by Operating Activities	<u>(323)</u>	<u>240,479</u>

**10. Related Party Information**

(a) The names of persons who formed part of the Divisional Council during the year were:

E Setches	G O'Halloran	D Broadley
P McCrudden	S McCarney	M Wiech
G Menzies	N Kelly	T Samartzopoulos

(b) Amounts received or due and receivable from the Union (ie. wages paid) to the Divisional Council members were \$42,800 (2014: \$42,800).

(c) Amounts paid to a superannuation scheme in respect of retirement of the Divisional Council members were \$4,708 (2014: \$4,708).

(d) Other transactions between the Divisional Council were conducted on normal commercial terms in respect of the supply.

(e) Remuneration of Key Officers	Remuneration 2015		Post – Employment Benefits		Other Benefits	
	2015	2014	2015	2014	2015	2014
E. Setches	\$21,400	\$21,400	\$2,354	\$2,354	-	-
P. McCrudden	\$21,400	\$21,400	\$2,354	\$2,354	-	-

No termination benefit or share based payments were received by any officer this year.

The officeholders received no 'non cash' benefits (2014: \$nil). No officeholder of the Union during the year and/or the prior year had any material personal interest in a matter that he/she has or did acquire, or a relative of the officeholder has or did acquire.

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

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

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015 (cont'd)

	2015 \$	2014 \$
<b>10. Related Party Information (cont'd)</b>		
(f) Transactions between the national office and state branches:		
(i) Per capita Contributions		
Victorian Branch	301,315	282,784
Western Australia	27,314	-
New South Wales Branch	106,449	111,843
ACT Branch	-	-
Queensland Branch	139,124	168,686
Total	<u>574,202</u>	<u>563,313</u>
(ii) Levy		
Victorian Branch	-	-
Western Australia	-	-
New South Wales Branch	-	-
ACT Branch	-	-
Queensland Branch	-	-
Total	<u>-</u>	<u>-</u>
(iii) Amounts receivable/(payable) at reporting date – other branches		
Victoria Branch	558,490	240,974
Western Australia Branch	27,314	171,985
New South Wales Branch	106,449	111,843
Queensland Branch	153,036	143,685
ACT Branch	-	-
	<u>845,289</u>	<u>668,487</u>
Balances Reconciliation- related entities		
Victoria Branch		
Carrying amount at beginning of the year	240,974	761,791
Per Capita Charge	301,315	282,784
Levy Charge	-	-
Other Charges	-	(2,389)
Loan Forgiveness	-	(278,814)
Receipts	(2,442)	(522,398)
Payments	18,643	-
Carrying amount at end of the year	<u>558,490</u>	<u>240,974</u>
Western Australia Branch		
Carrying amount at beginning of the year	171,985	-
Per Capita Charge	27,314	-
Levy Charge	-	-
Loan advanced/(Receipts)	(171,985)	171,985
Carrying amount at end of the year	<u>27,314</u>	<u>171,985</u>
New South Wales Branch		
Carrying amount at beginning of the year	111,843	102,887
Per Capita Charge	106,449	111,843
Levy Charge	-	-
Other Charges	-	24,608
Loan Forgiveness	-	(127,495)
Receipts	(111,843)	-
Carrying amount at end of the year	<u>106,449</u>	<u>111,843</u>



COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,  
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2015 (cont'd)

10. Related Party Information (cont'd)	2015	2014
	\$	\$
Queensland Branch		
Carrying amount at beginning of the year	143,685	54,796
Per Capita Charge	139,124	168,686
Levy Charge	-	-
Other Income	13,912	-
Loan Forgiveness	-	(57,531)
Receipts	(143,685)	(22,266)
Carrying amount at end of the year	<u>153,036</u>	<u>143,685</u>
ACT Branch		
Carrying amount at beginning of the year	-	-
Loan advanced	-	-
Per Capita Charge	-	-
Levy Charge	-	-
Loan forgiveness	-	-
Carrying amount at end of the year	<u>-</u>	<u>-</u>
<b>11. Auditor's Remuneration</b>		
Audit of financial report	10,000	7,800
Other services	-	-
	<u>10,000</u>	<u>7,800</u>
<b>12. Donations</b>		
Political Party	-	122,200
Non Political Party	-	-
	<u>-</u>	<u>122,200</u>
Donations > \$1,000	-	122,200
Donations < \$1,000	-	-
	<u>-</u>	<u>122,200</u>
<b>13. Campaign Expenses</b>		
Contribution to Trade Union Industrial Campaign Fund	-	20,000
Contribution to Political Parties	-	-
	<u>-</u>	<u>20,000</u>
<b>14. Management Fees</b>		
Amount paid to Victorian Branch for secondment of official	-	-
	<u>-</u>	<u>-</u>
<b>15. General Fund</b>		
Retained Surplus at beginning of year	628,367	973,592
Net Profit/(Loss)	245,285	(345,225)
Retained Surplus at end of year	<u>873,652</u>	<u>628,367</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015 (cont'd)

16. Financial Instruments

The Union's financial instruments consist mainly of cash at bank, accounts receivable and payable and loans. The overall risk management strategy seeks to assist the Union in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

The main purpose is to raise finance for the Union operations. The Union does not have any derivatives instruments at 30 June 2015 and is not exposed to foreign currencies fluctuations.

(a) Credit Risk

The Union's maximum exposure to credit risk at balance date in relation to each class recognised financial assets is the carrying amount of those assets as indicated in the statement of financial position.

(b) Interest rate risk

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

Financial Instruments	Non-interest bearing		Floating interest rate		Total	
	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$
(i) Financial Assets						
Cash and Bank deposits	-	-	81,554	83,978	81,554	83,978
Receivables	845,289	671,157	-	-	845,289	671,157
Total financial assets	845,289	671,157	81,554	83,978	926,843	755,135
(ii) Financial liabilities						
Accounts Payable	34,096	89,359	-	-	34,096	89,359
Total Financial liabilities	34,096	89,359	-	-	34,096	89,359
Net financial Assets	811,193	581,798	81,554	83,978	892,747	665,776

(iii) Weighted average interest rate of financial assets and liabilities above:

	2015	2014
Cash and Bank Deposits	0.01%	0.01%

(c) Net fair values

The net fair values of the Union's financial assets and financial liabilities are not expected to be significantly different from each class of asset and liability as disclosed above and recognised in the Statement of Financial Position as at 30 June 2015.

(d) Sensitivity Analysis

No sensitivity analysis disclosure has been included as the impact of movements in market interest rates on the equity of the Unions is not considered material.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2015 (cont'd)

17. Recovery of Wages Activity

The Union has not undertaken recovery of wages activity nor has derived revenues for the financial year in respect of such activity. Disclosure in accordance with section 253 (2)(b)(ii) of the Fair Work (Registered Organisation) Act 2009 is not applicable.

18. Fair Value Measurement

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

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

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

a. Fair Value Hierarchy

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

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

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

Valuation techniques

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2015 (cont'd)

18. Fair Value Measurement (cont'd)

a. Fair Value Hierarchy (cont'd)

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

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

	30 June 2015			Total
	Level 1	Level 2	Level 3	
	\$	\$	\$	\$
<b>Recurring fair value measurements</b>				
<i>Financial assets</i>	-	-	-	-
Financial assets at fair value through profit and loss:	-	-	-	-
<b>Total financial assets recognised at fair value</b>	-	-	-	-
<i>Non-financial assets</i>				
Freehold land & buildings	-	-	-	-
<b>Total non-financial assets recognised at fair value</b>	-	-	-	-

	30 June 2014			Total
	Level 1	Level 2	Level 3	
	\$	\$	\$	\$
<b>Recurring fair value measurements</b>				
<i>Financial assets</i>	-	-	-	-
Financial assets at fair value through profit and loss:	-	-	-	-
<b>Total financial assets recognised at fair value</b>	-	-	-	-
<i>Non-financial assets</i>				
Freehold land & buildings	-	-	-	-
<b>Total non-financial assets recognised at fair value</b>	-	-	-	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2015 (cont'd)

18. Fair Value Measurement (cont'd)

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

Description	Fair Value at 30 June 2015 & 30 June 2014 \$	Valuation Technique(s)	Inputs Used
<i>Financial assets</i>			
Financial assets at fair value through profit or loss:	-	Market approach: valuation techniques that reflect prices and other relevant information generated by market transactions for identical or similar assets	Market unit price
<i>Non-financial assets</i>			
Financial assets at fair value	-	Market approach: valuation techniques that reflect the current equivalent market price of an asset at its current service capacity	Price per square metre, market borrowing rate

c. Disclosed Fair Value Measurements

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

- accounts receivable and other debtors; and
- accounts payable and other payables.

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

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015 (cont'd)**

**19. Commitments**

Capital expenditure commitments - \$nil

**20. Contingent Liability**

There was no contingent liability at 30 June 2015 (2014: \$nil)

**21. Segment Reporting**

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

**22. Union's Details**

The principal place of business of the branch is:

52 Victoria Street  
CARLTON SOUTH VIC 3013



## DIVISIONAL COUNCIL STATEMENT

On the 13 - Oct of 2015, the Divisional Council of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Plumbing Division – National Office passed the following resolution in relation to the general purpose financial report of the reporting unit for the financial year ended 30 June 2015.

The Divisional Executive declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Reporting Guidelines of the General Manager of FWC and Australian Accounting Standards;
- (b) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (c) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (d) 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 general purpose financial report relates and since the end of that year:
  - (i.) meetings of the Division Council were held in accordance with the rules of the organisation including the rules of a branch concerned;
  - (ii.) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned;
  - (iii.) the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009, and the Fair Work (Registered Organisations) Regulations 2009;
  - (iv.) the information sought in any request of a member of the reporting unit or the General Manager of FWC duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or General Manager of FWC;
  - (v.) the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation;
  - (vi.) no requests were received from any member of the reporting unit or a General Manager of FWC for information under section 272 of the Fair Work (Registered Organisations) Act 2009;
  - (vii.) there have been no orders for inspection of financial records made by Fair Work Australia under section 273 of the Fair Work (Registered Organisations) Act 2009 during the period; and

**DIVISIONAL COUNCIL STATEMENT (cont'd)**

- (f) In relation to recovery wages activity:
- (i.) The financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the General Manager of FWC; and
  - (ii.) The Divisional Council caused the auditor to include in the scope of the audit required under subsection 257(1) of the Fair Work (Registered Organisation) Act 2009 all recovery wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and
  - (iii.) No fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
  - (iv.) That prior to engaging any recovery of wages activity, the organisation has disclosed to members by way of written policy all fees to be charges or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
  - (v.) No fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distribution of recovered money were made to the workers.

For the Divisional Council

  
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Dated this 13 day of Oct - 2015



**AUDITOR'S INDEPENDENCE DECLARATION**

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 there have been:-

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

  
Stannards Accountants and Advisors

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

Date this 13<sup>th</sup> day of June 2015

## INDEPENDENT AUDIT REPORT

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

### Scope

#### *The financial report and Divisional Council responsibility*

We have audited to accompanying financial report of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division – National Office which comprises Statement of Financial Position as at 30 June 2015, and the Statement of Profit and Loss, Statement of Changes in Equity, and Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Divisional Council Statement.

The Divisional Council are responsible for the preparation and true and fair presentation of the financial report in accordance with Australian Accounting Standards, the Reporting Guidelines of the General Manager of FWC and other mandatory financial reporting requirements in Australia. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

#### *Auditor Approach*

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

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

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

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

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

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

**Independence**

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

**Audit Opinion**

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

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

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

As part of our audit of the organisation for the year ended 30 June 2015, we are of the opinion that management's use of the going concern basis of accounting in the preparation of its financial statements is appropriate.



Stannards Accountants & Advisors



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

Date this 13<sup>th</sup> day of Oct 2015





19 August 2015

Mr David Broadley  
Divisional Secretary  
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia - Plumbing Division  
Sent via email: [info@pteu.asn.au](mailto:info@pteu.asn.au)

Dear Mr Broadley,

**Re: Lodgement of Financial Report - [FR2015/329]  
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 - Plumbing Division (the reporting unit) ended on 30 June 2015.

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, namely 15 January 2016 (being the expiry date of 6 months and 14 days from the end of the financial year).

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.

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. Further, the General Manager's updated Reporting Guidelines that apply to all financial reports prepared on or after 30 June 2014 are also available on the website supported by a webinar presentation.

The Fair Work Commission has developed a model set of financial statements. 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 statement and other resources can be accessed through our website under [Financial Reporting](#) in the Compliance and Governance section.

I request that the financial report and any statement of loans, grants or donations made during the financial year (statement must be lodged within 90 days of end of financial year) be emailed, rather than posted, to [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au). A sample statement of loans, grants or donations is available at [sample documents](#).

**It should be noted that s.268 is a civil penalty provision.** Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$51,000 for a body corporate and \$10,200 for an individual per contravention) being imposed upon an officer whose conduct led to the contravention and/or your organisation.

Should you wish to seek any clarification in relation to the above, please contact me on (03) 8661 7796 or via email at [Sam.Gallichio@fwc.gov.au](mailto:Sam.Gallichio@fwc.gov.au).

Yours sincerely,

Sam Gallichio  
Adviser  
Regulatory Compliance Branch

## TIMELINE/ PLANNER

Financial reporting period ending:	/ /	
Prepare financial statements and Operating Report.		
<p>(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.</p> <p>(b) A # designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).</p>	/ /	As soon as practicable after end of financial year
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	<p>Within a reasonable time of having received the GPFR</p> <p>(NB: Auditor's report must be dated on or after date of Committee of Management Statement</p>
<p>Provide full report free of charge to members – s265</p> <p>The full report includes:</p> <ul style="list-style-type: none"> <li>the General Purpose Financial Report (which includes the Committee of Management Statement);</li> <li>the Auditor's Report; and</li> <li>the Operating Report.</li> </ul>	/ /	<p>(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting,</p> <p>or</p> <p>(b) in any other case including where the report is presented to a Committee of Management meeting*, the report must be provided to members within 5 months of end of financial year.</p>
Present full report to:		
(a) General Meeting of Members - s266 (1),(2); OR	/ /	Within 6 months of end of financial year
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /	Within 6 months of end of financial year
Lodge full report with the Fair Work Commission, together with the #Designated Officer's certificate++ – s268	/ /	Within 14 days of meeting

\* the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

# The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.

++ The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.