

From: ROC - Registered Org Commission
Sent: Tuesday, 23 January 2018 1:45 PM
To: 'Robert Pititto'; 'info@pteu.asn.au'
Cc: 'Rosemary Cashen'; 'Michael Shulman'
Subject: FR2017/187 CEPU Plumbing Division - National Office (certificate by prescribed designated officer & 2017 accounts). [SEC=UNCLASSIFIED]
Attachments: CEPU_PLU DIV_FR2017_187_Filing letter_LGD statement lodged late_23012018.pdf

UNCLASSIFIED

Dear Mr Setches

Please see attached my letter in relation to the above financial report. I have also copied this email to Mr Shulman of Stannards Accountants & Advisors.

Yours faithfully

DAVID VALE
Principal Adviser
Financial Reporting
Registered Organisations Commission

Tel: (02) 8293 4654
david.vale@roc.gov.au

GPO Box 2983, MELBOURNE VIC 3001 | Street address: Level 13, 175 Liverpool Street Sydney NSW 2000

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www.roc.gov.au



Australian Government
Registered Organisations Commission

Please consider the environment before printing this message

From: Robert Pititto [<mailto:robert@picac.vic.edu.au>]
Sent: Wednesday, 20 December 2017 9:46 AM
To: ROC - Registered Org Commission <regorgs@roc.gov.au>
Cc: 'Rosemary Cashen' <r.cashen@ppteu.asn.au>
Subject: FR2017/187 CEPU Plumbing Division - National Office (certificate by prescribed designated officer & 2017 accounts).

Dear Sir/Madam,

Please find attached certificate by prescribed designated officer for CEPU Plumbing division – National Office along with the 2017 audited financial accounts.

Kind regards

Robert Pititto

Finance Manager

Plumbing Industry Climate Action Centre

Unit 6 | 306 Albert Street | Brunswick Victoria 3056

E robert@picac.vic.edu.au **T** +61 3 9356 8908 **M** +61 467 333 010

www.picac.vic.edu.au





23 January 2018

Mr Earl Setches
Divisional Secretary
Plumbing Division
Communications, Electrical, Electronic, Energy, Information, Postal,
Plumbing and Allied Services Union of Australia
info@pteu.asn.au

CC: michael.shulman@stannards.com.au

Dear Mr Setches,

**Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia - Plumbing Division
Financial Report for the year ended 30 June 2017 - [FR2017/187]**

I acknowledge receipt of the financial report of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia - Plumbing Division. The documents were lodged with the Registered Organisations Commission (the ROC) on 20 December 2017.

The financial report has now been filed.

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

Please note that the financial report for the year ending 30 June 2018 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, except for the requirements under the sub-heading Statement of Loans, Grants and Donations. The ROC will confirm these concerns have been addressed prior to filing next year's report.

Statement of Loans, Grants and Donations

Under subsection 237(1) of the RO Act, if an individual loan, grant or donation made by a branch exceeds \$1,000 a statement showing the relevant particulars of each must be lodged with the ROC within 90 days of the end of the financial year.

The financial statements disclosed donations of \$97,060 that exceeded \$1,000 during the financial year. A statement was therefore required to be lodged which complies with section 237 and should have been lodged by 28 September 2017. A statement was not lodged until 19 January 2018. As you are aware the reporting unit also failed to lodge the statement for the financial year ending 30 June 2016 before the prescribed day.

I remind the reporting unit that failure to meet this timeline renders the organisation liable for a civil penalty provision pursuant to 237(1) of the RO Act. Future failure to meet this timeline may also result in an investigation of the reporting unit and the Commissioner of the ROC may apply under s.310(1) of the RO Act to the Federal Court of Australia for a pecuniary penalty order to be imposed on your organisation.

I acknowledge correspondence on 19 January 2018 from the reporting unit's finance manager regarding the reasons for the delay and also acknowledging that new systems and processes will be implemented to ensure this oversight does not occur again.

Reporting Requirements

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

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

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

Yours faithfully

A handwritten signature in blue ink, appearing to read 'David Vale', is enclosed in a rectangular box. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

David Vale
Registered Organisations Commission

svc-adlib5

From: Robert Pititto <robert@picac.vic.edu.au>
Sent: Wednesday, 20 December 2017 9:46 AM
To: ROC - Registered Org Commission
Cc: 'Rosemary Cashen'
Subject: FR2017/187 CEPU Plumbing Division - National Office (certificate by prescribed designated officer & 2017 accounts).
Attachments: 20171129104603644.pdf; 20171129104633873.pdf; 20171129104649082.pdf

Dear Sir/Madam,

Please find attached certificate by prescribed designated officer for CEPU Plumbing division – National Office along with the 2017 audited financial accounts.

Kind regards

Robert Pititto

Finance Manager

Plumbing Industry [Climate Action Centre](#)

Unit 6 | 306 Albert Street | Brunswick Victoria 3056

[E robert@picac.vic.edu.au](mailto:robert@picac.vic.edu.au) **T** +61 3 9356 8908 **M** +61 467 333 010

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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 2017

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

**Operating Report
For the year ended 30 June 2017**

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 surplus of \$218,323 (2016 surplus of \$48,687). 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 \$1.14 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 Financial Affairs

In the opinion of the Members of the Divisional Council, there were no significant changes in the organisation's financial 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 2017, the number of financial members of the organisation recorded in the register of members was 19,740 (2016: 19,211)

Number of Employees

As at 30 June 2017, the number of full time equivalent employees was nil (2016: nil).

Divisional Council Members

During the financial year ended 30 June 2017 the following persons were members of the committee of management for the whole period, unless indicated otherwise:

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)	

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

Operating Report
For the year ended 30 June 2017 (cont'd)

Trustee of superannuation entity

Mr Earl Setches, holds the position as a Director of CBUS Construction & Building Industry Superannuation Scheme, by virtue of his position as an Officer of the Union.

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

Earl Setches

Dated this *28th* day of *November* 2017

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 2017

	Notes	2017 \$	2016 \$
Income			
Per Capita Contributions	10 f (i)	609,381	542,016
Other Contributions	10 f (ii)	-	-
Interest Received		5	8
Grants		-	-
Financial Support - Branches		-	-
Donations		-	-
Other income		-	-
		<u>609,386</u>	<u>542,024</u>
Expenses			
General Secretary and President Expense Allowance	7	42,800	42,800
Overnight, Tea Money and Other Allowances		15,390	23,113
Expenses incurred with holding meeting of members or any conferences or meetings of councils, committees, panels or other bodies		92,552	60,339
Advertising		8,000	8,883
Affiliation Fees – CEPU		34,745	56,454
Affiliation Fees - Political Party - Other		-	-
Audit Fees and Other Services	11	19,830	6,100
Bank Charges		176	160
Delegate Fees		1,595	2,552
Bad & Doubtful Debts Expense		-	-
Depreciation		2,979	3,412
Entertainment Expenses		8,056	10,270
Consideration to employers for payroll deductions		-	-
Penalties – via RO Act or RO Regulations		-	-
Grants		-	-
Conferences and meetings – Fees & allowances		-	-
Donations	12	97,060	16,440
Campaign Expenses	13	5,000	-
Work Cover Premium		358	300
Legal and Professional Fees – Litigation		-	15,554
Legal and Professional Fees – Other (including Royal Commission)		33,275	207,337
Long Service Leave		530	1,467
Industrial Relations Levy – CEPU		-	24,000
Other Compulsory or Voluntary Levy		-	-
Postage, Stationery & Printing		17,672	64
Subscriptions – Non Political		590	339
Management Fees – Victorian Branch	14	-	-
Superannuation	7	4,708	4,708
Payroll Tax and FBT Expenses		3,335	2,064
Telephone		162	2,019
Taxis and Parking		1,172	4,455
Motor Vehicle Expenses		1,078	507
Termination Payments	7	-	-
		<u>391,063</u>	<u>493,337</u>
Net (Loss) / Profit for the Year		218,323	48,687

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 COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017**

	2017 \$	2016 \$
Profit/(loss) for the period	218,323	48,687
Other comprehensive income for the period	-	-
Total comprehensive income/(loss) for the period	218,323	48,687
Total comprehensive income/(loss) attributable to: Members of the organisation	218,323	48,687

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 2017**

	Notes	2017 \$	2016 \$
Current Assets			
Cash and Cash Equivalents	3	14,387	94,829
Receivables	4	1,167,620	877,767
Total Current Assets		<u>1,182,007</u>	<u>972,596</u>
Non Current Assets			
Plant and Equipment	5	6,129	9,108
Total Non Current Assets		<u>6,129</u>	<u>9,108</u>
Total Assets		<u>1,188,136</u>	<u>981,704</u>
Current Liabilities			
Payables	6	17,901	30,322
Provisions	8	29,573	29,043
Total Current Liabilities		<u>47,474</u>	<u>59,365</u>
Total Liabilities		<u>47,474</u>	<u>59,365</u>
Net Assets		<u>1,141,662</u>	<u>922,339</u>
Equity			
General Fund	15	1,140,662	922,339
Total Equity		<u>1,140,662</u>	<u>922,339</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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
Accumulated Profit/(Deficit) – Beginning of the Year	922,339	873,652
Profit/(Loss) for the Year	218,323	48,687
Total Accumulated Profit/(Deficit) – End of the Year	1,140,662	922,339

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 2017

	Notes	2017 Inflows/ (Outflows) \$	2016 Inflows/ (Outflows) \$
Cash flows from Operating Activities			
Per Capita Contributions and other Branch receipts		334,528	509,546
Interest Received		5	8
Payments to CEPU		(34,745)	(56,454)
Payments to Branches		-	-
Payments to Suppliers and Employees		(380,230)	(435,786)
Net Cash/(Used in) Provided by Operating Activities	9(b)	<u>(80,442)</u>	<u>17,314</u>
Cash Flows from Investing Activities			
Payments for purchase of Plant and Equipment		-	(4,039)
Net Cash Used in Investing Activities		<u>-</u>	<u>(4,039)</u>
Cash Flows from Financial Activities			
Advance to State Branch		-	-
Net Cash Used in Financing Activities		<u>-</u>	<u>-</u>
Net Increase/(Decrease) in Cash Held		(80,442)	13,275
Cash and Cash Equivalents at Beginning of Year		<u>94,829</u>	<u>81,554</u>
Cash and Cash Equivalents at End of Year	9(a)	<u>14,387</u>	<u>94,829</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**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

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.

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

Depreciation

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

	2017	2016
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.

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017 (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 2017 was nil (2016: 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 2017 (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 2017 and/or 2016.

(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 2017 (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 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.

The Committee of Management anticipates that the adoption of AASB 9 will not have an impact on the Union's financial instruments.

- 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 2017 (cont'd)

1. Summary of Accounting Policies (cont'd)

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.

The Committee of Management anticipates that the adoption of AASB 15 will not have an impact on the Union's financial statements.

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.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

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

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

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017 (cont'd)**

1. Summary of Accounting Policies (cont'd)

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

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

The application of AASB 2014-10 will result in a change in accounting policies for transactions of loss of control over subsidiaries (involving an associate or joint venture) that are businesses per AASB 3 for which gains or losses were previously recognised only to the extent of the unrelated investor's interest.

The transitional provisions require that the Standard should be applied prospectively to sales or contributions of subsidiaries to associates or joint ventures occurring on or after 1 January 2018. Although the Committee of Management anticipate that the adoption of AASB 2014-10 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 Union is not reliant on the agreed financial support of any entity nor has it agreed to provide financial support to any entity so they can continue as a going concern.

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

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

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

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FOR THE YEAR ENDED 30 JUNE 2017 (cont'd)**

	2017 \$	2016 \$
3. Cash and Cash Equivalents		
Cash at Bank	14,387	94,829
	<u>14,387</u>	<u>94,829</u>
4. Receivables		
Sundry Debtors	15,000	-
Advances and per capita due by branches	1,152,620	877,767
Provision for Bad and Doubtful Debts	-	-
	<u>1,167,620</u>	<u>877,767</u>
5. Plant and Equipment		
Artwork at Cost	3,864	3,864
Less accumulated Depreciation	(870)	(774)
	<u>2,994</u>	<u>3,090</u>
Equipment at Cost	20,333	20,333
Less accumulated Depreciation	(17,198)	(14,315)
	<u>3,135</u>	<u>6,018</u>
Total Plant and Equipment	<u>6,129</u>	<u>9,108</u>

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

<u>2017</u>	Equipment \$	Artwork \$	Total \$
Balance at Beginning of Year	6,018	3,090	9,108
Additions	-	-	-
Depreciation Expense	(2,883)	(96)	(2,979)
Carrying Amounts at End of Year	<u>3,135</u>	<u>2,994</u>	<u>6,129</u>

<u>2016</u>	Equipment \$	Artwork \$	Total \$
Balance at Beginning of Year	5,295	3,186	8,481
Additions	4,039	-	4,039
Depreciation Expense	(3,316)	(96)	(3,412)
Carrying Amounts at End of Year	<u>6,018</u>	<u>3,090</u>	<u>9,108</u>

	2017 \$	2016 \$
6. Payables		
Creditors and Accrued Expenses	<u>17,901</u>	<u>30,322</u>

There were \$nil (2016: \$nil) of legal fees and/or payroll deductions from employers included in creditors and accrued expenses.

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FOR THE YEAR ENDED 30 JUNE 2017 (cont'd)**

7. Employee Benefits

Employee Benefits paid during the year:

<u>2017</u>	Elected Officials \$	Administration & Industrial Staff \$	Total
Wages and Salaries and Allowances	42,800	-	42,800
Annual Leave and Sick Leave	-	-	-
Long Service Leave and Retirement Gratuity	530	-	530
Termination	-	-	-
Superannuation	4,708	-	4,708
Total	48,038	-	48,038
<u>2016</u>			
Wages and Salaries and Allowances	42,800	-	42,800
Annual Leave and Sick Leave	-	-	-
Long Service Leave and Retirement Gratuity	1,470	-	1,470
Termination Payment	-	-	-
Superannuation	4,708	-	4,708
Total	48,978	-	48,978

8. Provisions	2017	2016
	\$	\$
Current		
Employee Benefits	29,573	29,043
	<u>29,573</u>	<u>29,043</u>
Provision for long service leave in respect to:		
Elected Officials	7,038	6,508
Provisions for Retirement Gratuity in respect to:		
Elected Officials	22,535	22,535
	<u>29,573</u>	<u>29,043</u>

There are no other provisions for annual leave, separation and redundancy or other payables for officeholders or other employees (2016: \$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.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017 (cont'd)**

	2017	2016
	\$	\$
9. Note to Cash Flow Statement		
(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	14,387	94,829
	<u>14,387</u>	<u>94,829</u>
(b) Reconciliation of Net Cash Provided by Operating Activities to Net (Loss) / Profit		
Net (Loss) / Profit	218,323	48,687
Depreciation	2,979	3,412
Change in Assets and Liabilities		
Increase/(Decrease) in Trade Creditors and Accruals and Provisions	(11,891)	(2,307)
Decrease/(Increase) in Receivables	(289,853)	(32,478)
Net Cash Provided by Operating Activities	<u>(80,442)</u>	<u>17,314</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 Samarzopoulos

(b) Amounts received or due and receivable from the Union (ie. allowances paid) to the Divisional Council members were \$42,800 (2016: \$42,800). An amount of \$530 was provided for long service leave (2016: \$1,470).

(c) Amounts paid to a superannuation scheme in respect of retirement of the Divisional Council members were \$4,708 (2016: \$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 2017		Post – Employment Benefits		Other Benefits	
	2017	2016	2017	2016	2017	2016
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 (2016: \$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

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- 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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FOR THE YEAR ENDED 30 JUNE 2017 (cont'd)**

	2017 \$	2016 \$
10. Related Party Information (cont'd)		
(f) Transactions between the national office and state branches:		
(i) Per capita Contributions		
Victorian Branch	333,656	278,957
Western Australia	19,723	22,465
New South Wales Branch	109,483	95,727
ACT Branch	-	-
Queensland Branch	146,519	144,875
Total	<u>609,381</u>	<u>542,024</u>
(ii) Other Levies (Voluntary or Compulsory)		
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	750,917	732,260
Western Australia Branch	69,502	49,779
New South Wales Branch	185,682	95,728
Queensland Branch	146,519	-
ACT Branch	-	-
	<u>1,152,620</u>	<u>877,767</u>
Balances Reconciliation- related entities		
Victoria Branch		
Carrying amount at beginning of the year	732,260	558,490
Per Capita Charge	323,656	278,957
Levy Charge	-	-
Other Charges	-	-
Receipts	(314,999)	(105,187)
Payments	-	-
Carrying amount at end of the year	<u>750,917</u>	<u>732,260</u>
Western Australia Branch		
Carrying amount at beginning of the year	49,779	27,314
Per Capita Charge	19,723	22,465
Levy Charge	-	-
Loan advanced/(Receipts)	-	-
Carrying amount at end of the year	<u>69,502</u>	<u>49,779</u>
New South Wales Branch		
Carrying amount at beginning of the year	95,728	106,449
Per Capita Charge	109,483	95,727
Levy Charge	-	-
Other Charges	-	-
Receipts	(19,529)	(106,448)
Carrying amount at end of the year	<u>185,682</u>	<u>95,728</u>

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FOR THE YEAR ENDED 30 JUNE 2017 (cont'd)**

10. Related Party Information (cont'd)	2017	2016
	\$	\$
Queensland Branch		
Carrying amount at beginning of the year	-	153,036
Per Capita Charge	146,519	144,875
Levy Charge	-	-
Other Income	-	-
Receipts	-	(297,911)
Carrying amount at end of the year	<u>146,519</u>	<u>-</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>
11. Auditor's Remuneration		
Audit of financial report	7,000	6,100
Other services	12,830	-
	<u>19,830</u>	<u>6,100</u>
12. Donations		
Political Party	80,000	8,221
Non Political Party	17,060	8,219
	<u>97,060</u>	<u>16,440</u>
Donations > \$1,000	97,060	16,218
Donations < \$1,000	-	222
	<u>97,060</u>	<u>16,440</u>
13. Campaign Expenses		
Contribution to Trade Union Industrial Campaign Fund	-	-
Contribution to Political Parties	5,000	-
	<u>5,000</u>	<u>-</u>
14. Management Fees		
Amount paid to Victorian Branch for secondment of official	-	-
	<u>-</u>	<u>-</u>
15. General Fund		
Retained Surplus at beginning of year	922,339	873,652
Net Profit/(Loss)	218,323	48,687
Retained Surplus at end of year	<u>1,140,662</u>	<u>922,339</u>

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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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 2017 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.

	2017 Not Due Not Impaired \$	2017 Past Due or Impaired \$	2016 Not Due Not Impaired \$	2016 Past Due or Impaired \$
Advances and per capita amounts due by branches	1,152,620	-	877,767	-
	1,152,620	-	877,767	-

These amounts are owing by related entities. They are not secured but are considered a low credit risk based on experience of repayment.

(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	
	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$
(i) Financial Assets						
Cash and Bank deposits	-	-	14,387	94,829	14,387	94,829
Receivables	1,167,620	877,767	-	-	1,167,620	877,767
Total financial assets	1,167,620	877,767	14,387	94,829	1,182,007	972,596
(ii) Financial liabilities						
Accounts Payable	17,901	30,322	-	-	17,901	30,322
Total Financial liabilities	17,901	30,322	-	-	17,901	30,322
Net financial Assets	1,149,719	847,445	14,387	94,829	1,164,106	942,274

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

	2017	2016
Cash and Bank Deposits	0.01%	0.01%

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(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 2017.

(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.

(e) Liquidity Risk

All financial liabilities are due and payable within 1 year. The entity manages liquidity risk by review of cash projections, cash commitments and other operating commitments in Committee of Management meetings.

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.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017 (cont'd)**

18. Fair Value Measurement (cont'd)

a. Fair Value Hierarchy (cont'd)

b.

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.

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

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18. Fair Value Measurement (cont'd)

	30 June 2016			Total \$
	Level 1 \$	Level 2 \$	Level 3 \$	
Recurring fair value measurements				
<i>Financial assets</i>	-	-	-	-
Financial assets at fair value through profit and loss:	-	-	-	-
Total financial assets recognised at fair value	-	-	-	-
<i>Non-financial assets</i>				
Freehold land & buildings	-	-	-	-
Total non-financial assets recognised at fair value	-	-	-	-

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

Description	Fair Value at 30 June 2017 & 30 June 2016 \$	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

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017 (cont'd)**

18 Fair Value Measurement (cont'd)

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

19 Commitments

Capital expenditure commitments - \$nil (2016 : \$nil).

20 Contingent Liability

There was no contingent liability at 30 June 2017 (2016: \$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

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DIVISIONAL COUNCIL STATEMENT

On the ~~15th~~ ^{13th} NOVEMBER of 2017, 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 2017.

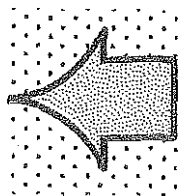
The Divisional Executive declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Reporting Guidelines of the Commissioner, Registered Organisations Commission and Australian Accounting Standards;
 - (b) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
 - (c) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
 - (d) 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 Commissioner, Registered Organisations Commission duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or Commissioner, Registered Organisations Commission;
 - 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 Commissioner, Registered Organisations Commission for information under section 272 of the Fair Work (Registered Organisations) Act 2009;
- there have been no orders for inspection of financial records made by Fair Work Commission under section 273 of the Fair Work (Registered Organisations) Act 2009 during the period; and
- (f) In relation to recovery wages activity, there was no recovery derived from undertaking recovery of wages activity during the reporting period.

For the Divisional Council

Earl Seth

Dated this 25th day of NOVEMBER 2017




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 OFFICE**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017 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- AA2017/45)

Date this 26th day of March 2017

INDEPENDENT AUDIT REPORT

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

Report on the Audit of the Financial Report

Auditor's Opinion

We have audited the accompanying general purpose financial report of the Union, which comprises the statement of financial position as at 30 June, 2017, and the statement of profit and loss, statement of comprehensive income, statement of cash flows, statement of changes in equity for the year then ended, a summary of significant accounting policies, other explanatory notes and the Committee of Management Statement.

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

- a) Australian Accounting Standards, and Australian Accounting Interpretations;
- b) in relation to recovery of wages activity;
 - (i) that the scope of the audit encompassed recovery of wages activity
 - (ii) that the financial statements and notes and recovery of wages activity fairly report all information required by the reporting guidelines of the Commissioner, Registered Organisations Commission, including;
 1. Any fees charged to or reimbursements of expenses claimed from members and others for recovery of wages activity; and
 2. Any donations or other contributions deducted from recovered money; and
- c) Any other requirements imposed by these Reporting Guidelines or 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 2017, we are of the opinion that the Committee of Management's use of the going concern basis of accounting in the preparation of its financial statements is appropriate.

Basis for Opinion

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

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

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

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

Committee of Management Responsibility for the Financial Report

The Committee of Management are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Reporting Guidelines of the Commissioner, Registered Organisations Commission. This responsibility includes establishing and maintaining internal controls relevant to the preparation and true and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making estimates that are responsible in the circumstances.

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

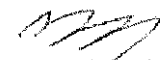
We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

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


Stannards Accountants and Advisors


Michael Shulman
Registered Company Auditor (163888)
Holder of Current Public Practice Certificate
Approved Auditor (FWC Act and Regulations – AA2017/45)

Dated: 2017/11/7

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

s.268 Fair Work (Registered Organisations) Act 2009

CEPU (PLUMBING DIVISION) NATIONAL OFFICE

Certificate for the year ended 30 June 2017

I Earl Setches being the General Secretary of the CEPU (PLUMBING DIVISION) National Office certify:

- that the documents lodged herewith are copies of the full report for the name CEPU (PLUMBING DIVISION) NATIONAL OFFICE for the period ended referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members of the reporting unit on 29th November 2017; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 19th December 2017 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer: *Earl Setch*

Name of prescribed designated officer:Earl Setches.....

Title of prescribed designated officer:General Secretary.....

Dated: *19/12/17*

15th November, 2017

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

By email: 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 5th 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 15TH 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: 15th November, 2017

**CEPU Plumbing Division
DIVISIONAL COUNCIL**

**Approval of Alteration to Committee of Management Operating Reports
for years ending 30 June 2010 to 30 June 2016**

Moved: DAVE BROADLEY

Seconded: GARY O' HALLORAN

RECOMMENDATION:

"The Divisional Council notes the audited total membership figures reported in the 2017 independent audits of the branch membership records and authorises 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 audited figures as follows:

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

Further, Divisional Council authorises the Divisional Secretary to lodge with the Registered Organisations Commission (ROC) a correcting report to the Divisional Operating Reports in the form of a declaration for the year ended 30 June 2010 to 30 June 2016. This correcting report will be published to the website for the information of members."

CARRIED



9 August 2017

Mr Earl Setches
Divisional Secretary
Plumbing Division
Communications, Electrical, Electronic, Energy, Information,
Postal, Plumbing and Allied Services Union of Australia
By Email: info@pteu.asn.au

Dear Mr Setches,

**Re: Lodgement of Financial Report - [FR2017/187]
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 2017. This is a courtesy letter to remind you of the reporting unit's obligations regarding financial reporting.

Loans Grants and Donations Statement

The reporting unit is required to lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 of the RO act requires this statement to be lodged with Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2017.

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

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

Financial report

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

We emphasise that the reporting unit is required to present its audited financial report to a meeting (either of members or of the committee of management, depending on your rules) no later than 31 December 2017 (s.266). The full financial report must be lodged with the ROC within 14 days of that meeting (s.268).

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

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

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

Auditor's report

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

REMINDER

YOUR AUDITOR MUST BE REGISTERED (s.256)

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

Contact

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

Yours faithfully,

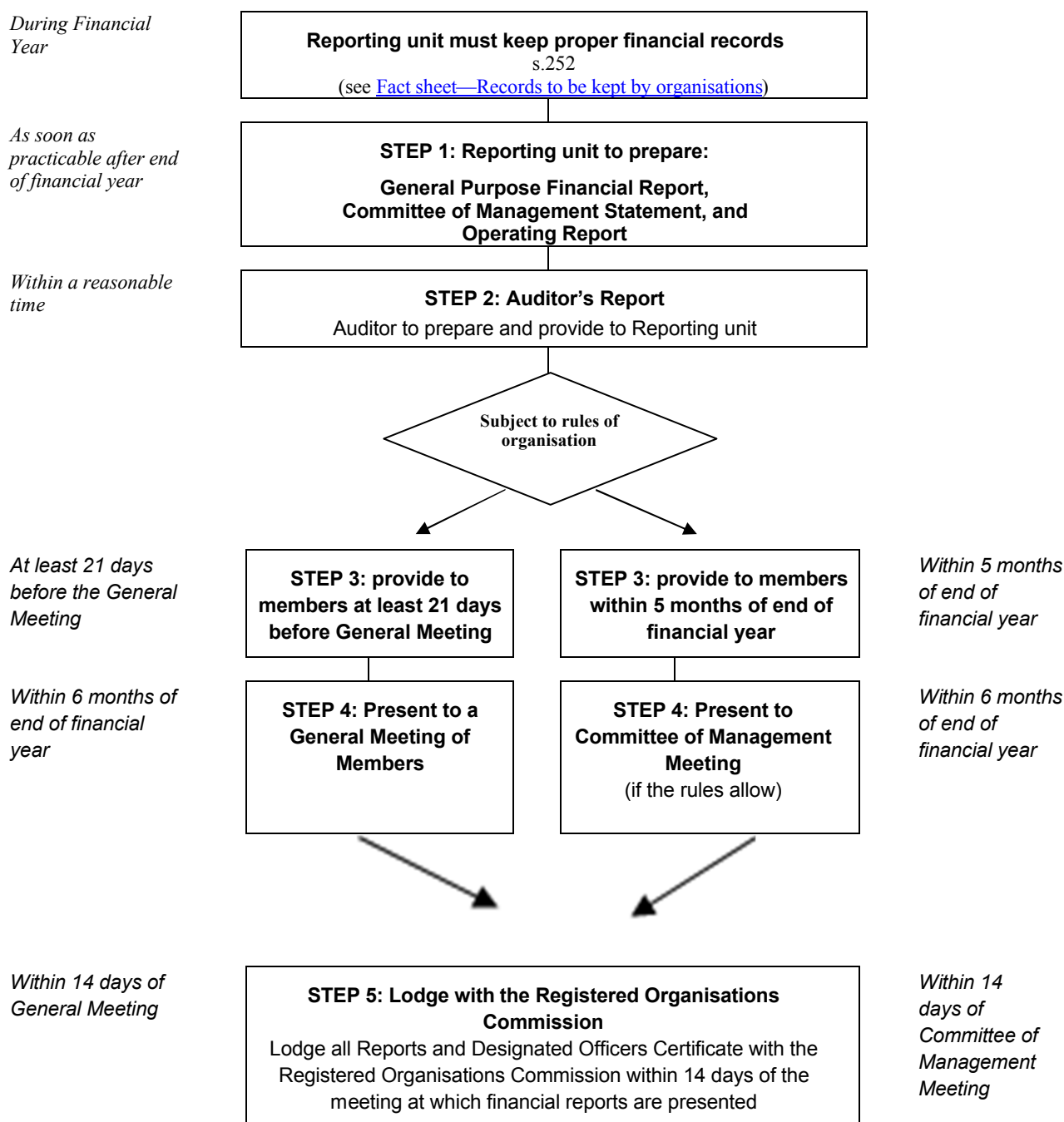
Carolyn Moloney
Registered Organisations Commission



Fact sheet

Summary of financial reporting timelines – s.253 financial reports

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





Fact sheet

Loans, Grants & Donations

The Loans, Grants & Donations Requirements

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

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

The Loans, Grants & Donations Statement

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





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



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

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

Common misconceptions

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

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

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

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

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

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

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

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

Implications for filing the Financial Report

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

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

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

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

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

Further information

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



Guidance Note

Illustrative Auditor's Report under section 257 of the *Fair Work (Registered Organisations) Act 2009*

Prepared and issued by the Registered Organisations Commission

Version	Date published
1	4 August 2017

1. Introduction

The purpose of this guidance note is to provide Registered Organisations with guidance on the revised Australian Auditing Standard ASA 700 *Forming an Opinion and Reporting on a Financial Report* (ASA 700), as issued by the Auditing and Assurance Standards Board ('AUASB').

An 'Illustrative Auditor's Report' is included to assist Registered Organisations to understand the new auditing requirements.

2. Background to the revised Auditing Standard

From 15 December 2016, the structure of the Auditor's Report changed as a result of revisions made to the Australian Auditing Standards (ASAs). The changes impact all auditors' reports prepared in accordance with the ASAs.

The purpose of the change is to:

- enhance the communicative value of the Auditor's Report;
- give prominence to the most important matters by re-ordering the content;
- enhance reporting on going concern matters (if applicable), and provide enhanced descriptions of the respective responsibilities of management and the auditor, in relation to going concern;
- provide an affirmative statement on auditor's independence and fulfilment of relevant ethical responsibilities;
- provide more information to users on the auditor's responsibilities, and the key features of an audit and;
- provide details of other information the auditor has received at the date of the Auditor's Report, and is expected to receive after the date of the Auditor's Report¹.

3. Key changes included in the illustrative Auditor's Report

Description	Auditing standard ref.	Comments
Structure of the auditor's report	ASA 700.21-52	The form and structure of the audit report have been reorganised due to changes in the Australian Auditing Standards.
Basis for opinion	ASA 700.28c	Requires references in the audit report to the applicable ethical standards e.g. APES 110 <i>Code of Ethics for Professional Accountants</i> .
Other information	ASA 700.32 ASA 720	ASA 720 now requires that the auditor 'read and consider' if the Other Information (including but not limited to the Operating Report) is materially inconsistent with the financial statements, or the auditor's knowledge obtained in the audit.
Committee of Management's responsibilities for the preparation of the financial report	ASA 700.33-36	ASA 700.34b has been added to reflect changes made in ASA 570. The changes emphasise that it is management's responsibility for assessing whether the use of the going concern assumption is appropriate. The auditors' roles and responsibilities related to going concern have not changed.
Auditor's responsibilities for the audit of the financial report	ASA 700.37-40	These paragraphs have been expanded to clarify the detailed nature and scope of the auditor's existing responsibilities and procedures, and to make an explicit relationship of material misstatements to fraud or error.
Report on other legal and	ASA 700.43-45	This section is only applicable if there are other matters to report as required by other legislation.

¹ Adapted from 'Auditor Reporting FAQs' – Auditing and Assurance Standards Board - <http://www.auasb.gov.au/Publications/Auditor-Reporting-FAQs.aspx>

Description	Auditing standard ref.	Comments
regulatory requirements		<p>Under sections 257(6) and (7) of the <i>Fair Work (Registered Organisations) Act 2009</i> ('RO Act'), the auditor is required to report on any instances of non-compliance or deficiency or shortcoming with respect to financial record-keeping, and section 257(2) of the RO Act requires auditors to report on access restrictions to the financial records of the organisation.</p> <p>This section is not required if there are no matters to report.</p>

4. Key changes not reflected in the illustrative Auditor's Report

Description	Auditing standard ref.	Comments
Key Audit Matters	ASA 700.30-31, A41 ASA 701	<p>ASA 701 provides additional disclosures for entities listed on a securities exchange to communicate key audit matters ('KAMs') in the auditor's report. KAMs are those matters that, in the auditor's judgement, are of most significance to the audit of the financial statements of the current financial period.</p> <p>At this point in time, the ROC does not require the inclusion of KAMs.</p>

The numbered references in the Illustrative Auditor's Report refer to the explanatory paragraphs in section 5 of this Guidance Note 'Illustrative Auditor's Notes'. The Illustrative Auditor's Report is also included in the 'Model Financial Statements' published on the Registered Organisations Commission's website.

<To be printed on Auditor letterhead>

Independent Audit Report to the Members of <name of Reporting Unit>

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of <name of Reporting Unit> (the Reporting Unit), which comprises the statement of financial position² as at <balance date>, the statement of comprehensive income³, statement of changes in equity⁴ and statement of cash flows⁵ for the year ended <date>, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management⁶ Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of <name of Reporting Unit> as at <balance date>, and its financial performance and its cash flows for the year ended on that date in accordance with:

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

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

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Information Other than the Financial Report and Auditor's Report Thereon⁷

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

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

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

² Refer to paragraph 9 in Section 5 Illustrative Auditor's Report Notes in this Guidance Note

³ Ibid paragraph 9

⁴ Ibid paragraph 9

⁵ Ibid paragraph 9

⁶ Ibid paragraph 10; note if this is changed to another descriptor all other references in the Report should be changed to the other descriptor

⁷ Ibid paragraph 7

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

Responsibilities of Committee of Management for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

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

I declare that I am an approved auditor, a member of [name of appropriate professional accounting body] and hold a current Public Practice Certificate.

[Report on Other Legal and Regulatory Requirements]⁸

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

My opinion on the financial report is not modified in respect of the following matter(s) because, in my opinion, it has been appropriately addressed by [Reporting Unit] and is not considered material in the context of the audit of the financial report as a whole:

[Example:

a) [Reporting Unit] failed to keep [name of other record] as required by section 252 of the RO Act for the period 1 July 20XX to 4 July 20XX inclusive.]]

[Report on the Recovery of Wages Activity financial report]⁹

Opinion on the recovery of wages activity financial report

The scope of my work extended to the recovery of wages activity and I have audited the recovery of wages activity financial report for the year ended <date>.

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

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

Responsibilities

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

<Audit Firm Name>

<Name>

Partner

⁸ Ibid paragraph 11

⁹ Ibid paragraph 11

<City>
<Date>

Registration number (as registered by the RO Commissioner under the RO Act)¹⁰: <insert number>

¹⁰ Ibid paragraph 12

5. Illustrative Auditor's Report Notes

For the purpose of this illustrative Auditor's Report, the following circumstances are assumed:

1. The financial report is prepared by management of the Reporting Unit in accordance with Australian Accounting Standards and the RO Act.
2. The terms of the audit engagement reflect the description of management's responsibility for the financial report in *ASA 210 Agreeing the Terms of Audit Engagements*.
3. The auditor has concluded an unmodified opinion is appropriate based on the audit evidence obtained.
4. The relevant ethical requirements that apply to the audit are the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants*.
5. Based on the audit evidence obtained, the auditor has concluded that a material uncertainty does not exist related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern in accordance with *ASA 570 Going Concern*.
6. The auditor is not required, and has otherwise not decided, to communicate key audit matters in accordance with *ASA 701 Communicating Key Audit Matters in the Independent Auditor's Report*.
7. The section on 'Information Other than the Financial Report and Auditor's Report Thereon' is customised depending on the nature of the Other Information received and when this information was received. The template provided assumes that the nature of the Other Information is the Operating Report and that it was received on or before the date of the audit report. If there is Other Information that accompanies the financial report in addition to the Operating Report, or if the Operating Report or any additional Other Information was not received on or before the date of the audit report, please refer to the requirements stated in *ASA 720 The Auditor's Responsibilities Relating to Other Information* for example wording.
8. The subheading 'Report on Other Legal and Regulatory Requirements' is only applicable where the auditor includes 'Other reporting responsibilities' in accordance with *ASA 700 Forming an Opinion and Reporting on a Financial Report*. Please delete the 'Report on Other Legal and Regulatory Requirements' section if there is no deficiency, failure or shortcoming to report.
9. Please ensure that the financial statement descriptions used in the Auditor's Report agree with those used in the financial report, for example, 'balance sheet' or 'statement of financial position'.
10. Use of 'Committee of Management' in the model auditor's report represents those charged with governance for the registered organisation, and can be replaced with other descriptors as appropriate for the organisation, for example, 'Council of Management', 'Executive Committee', etc.
11. If the Registered Organisation has not undertaken any recovery of wages activity during the reporting period the auditor's report should state that fact with reference

to the Committee of Management Statement, and no opinion can be provided in relation to recovery of wages activity.

12. Auditors must be registered by the Registered Organisations Commissioner. Your registration number under the RO Act will commence with the letters 'AA'.

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This guidance note is not intended to be comprehensive. It is designed to assist with making an application to the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice.