



7 December 2018

Mr Earl Setches
General Secretary, Plumbing Division
CEPU

Dear Mr Setches

Re: – Financial reporting – Plumbing Division, CEPU - for year ending 30 June 2018 (FR2018/183)

I refer to the financial report of the Plumbing Division of the CEPU in respect of the year ending 30 June 2018. The documents were lodged with the Registered Organisations Commission ('the ROC') on 30 October 2018.

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

Please note the report for year ending 30 June 2019 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. However, I make the following comments to assist when preparing the next report.

Auditor's report - all parts of GPFR

The Auditor's Statement is required to identify the title of each statement comprising the financial report in accordance with paragraph 24c of Australian Auditing Standard ASA 700 *Forming an Opinion and Reporting on a Financial Report*. A general purpose financial report prepared under section 253 of the RO Act also includes the expenditure report required to be prepared under section 255(2A) and as prescribed by Reporting Guideline 22, (and - only if one is completed pursuant to Reporting Guideline 21 - the Officer's Declaration Statement - see subsection 253(2)(c) of the RO Act.)¹ The auditor's statement omitted reference to the s255(2A) expenditure report.

Nil activities disclosure

Item 21 of the reporting guidelines (RGs) states that if any activities described within items 10-20 have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in an officer's declaration statement. The notes contained nil activity information for all relevant RG categories not otherwise reported except the following:

- RG 12 - acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- RG13(a) - receive periodic or membership subscriptions

¹ It was not necessary for the auditor's report in this case to refer to an officer declaration statement because one was not completed.

- RG20 - make a payment to a former related party of the reporting unit

Please ensure in future years all nil activity items are disclosed as per the reporting guidelines.

Revenue from recovery of wage activity

Disclosure about revenue from recovery of wage activity is no longer required to be included as a declaration in the committee of management statement (see new RG 26) but either as an item of income [see new RG 13(e)] or as a nil activity disclosure (see new RG 21).

I note that a statement that no revenue from recovery of wage activity had been received was included both as a declaration in the committee of management statement and also as the first sentence at Note 17.

The second sentence, in Note 17, that *“Disclosure in accordance with section 253(2)(b)(ii) of the Fair Work (Registered Organisation) Act 2009 is not applicable”* is not correctly meaningful because a nil activity disclosure in accordance with RG 21 falls within the scope of “information required by the reporting guidelines (see section 255)” as provided for by section 253(2)(b)(ii).

In next year’s report, remove the declaration about not receiving revenue from recovery of wage activity from the committee of management statement and, if the item is to be disclosed as a nil activity, remove the second sentence from the relevant Note.

Operating report – number of members

Regulation 159(a) requires the operating report to provide:

“the number of persons that were at the end of the financial year to which the report relates, recorded in the register of members for section 230 of the Act and who are taken to be members of the reporting unit under section 244 of the Act.”

Please note that regulation 159(a) does not distinguish between ‘financial’ and ‘unfinancial’ members. The number to be reported must be the total number of eligible members, including both financial and unfinancial members. The operating report referred to the number of “financial members”.

On 6 December 2018, I received a certificate of the auditor confirming that the number 18,168 reported represented all members on the relevant register. To avoid doubt, future operating reports should refer simply to “members”.

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements. The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 Reporting Guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (02) 6746 3283 or by email at stephen.kellett@roc.gov.au.

Yours faithfully



Stephen Kellett
Financial Reporting
Registered Organisations Commission

AUDITOR'S CERTIFICATE

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

As auditor for the Communications, Electrical, Electronic, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division – National Office ('the branch'), I certify that the branch has for the year ended 30 June 2018.

- (a) kept and maintained a register of members of the branch as required by s.230(1)(a) and s.230(2) of the *Fair Work (Registered Organisations) Act 2009*; and
- (b) the branch had 18,168 members as at 30 June 2018.



Michael Shulman
AA2018/45

Date: 17 October 2018

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

s.268 *Fair Work (Registered Organisations) Act 2009*

Certificate By Prescribed Designated Officer¹

Certificate for the year ended 30 June 2018

I *Earl Setches* being the *Federal Secretary* of the *CEPU PLUMBING DIVISION* certify:

- that the documents lodged herewith are copies of the full report for the *CEPU PLUMBING DIVISION* 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 *14 Sept 2018* and
- that the full report was presented to *a meeting of the committee of management* of the reporting unit on *22nd October, 2018* in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.



Signature of prescribed designated officer:

Name of prescribed designated officer: Earl Setches

Title of prescribed designated officer: Federal Secretary

Dated: 29th October, 2018

¹ Regulation 162 of the *Fair Work (Registered Organisations) Regulations 2009* defines a 'prescribed designated officer' of a reporting unit for the purposes of s.268(c) as:
(a) the secretary; or
(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

**Communications, Electrical, Electronic, Energy,
Information, Postal, Plumbing and Allied
Services Union of Australia
ABN 40 655 883 201**

Plumbing Division – National Office

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2018

Operating Report
For the year ended 30 June 2018

Principal activities

The principal activities of the Plumbing Division – National Office during the Financial Year were to provide representation and support to its 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 \$50,043 (2017 surplus of \$218,323). 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 complied with legislative requirements. As at the reporting date, it had accumulated net assets of \$1.19 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 Plumbing Division – National Office, 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 2018, the number of financial Members of the Organisation recorded in the Register of Members was 18,168 (2017: 19,740)

Number of Employees

As at 30 June 2018, the number of full time equivalent employees was nil (2017: nil).

Divisional Council Members

During the Financial Year ended 30 June 2018 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) (i)
S McCarney (National Councillor)	G Menzies (Trustee)
N Kelly (Trustee)	T Samartzopoulos (National Councillor)
M Wiech (National Councillor)	C Seet (National Councillor) (ii)
B Bintley (National Councillor)	

- (i) Resigned during the year
- (ii) Appointed during the year

Operating Report
For the year ended 30 June 2018 (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 Plumbing Division – National Office.

.....
Earl Setches

.....
P. Smith

Dated this 12 day of September 2018

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA
PLUMBING DIVISION – NATIONAL OFFICE ABN: 40 655 883 201

Expenditure Report
For the year ended 30 June 2018

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 2018.

	Note	2018 \$	2017 \$
CATEGORIES OF EXPENDITURE			
Remuneration and other employment-related costs and expenses - employees		48,058	48,038
Advertising		695	8,000
Operating Costs		283,085	221,750
Donations to Political Parties		12,000	80,000
Legal Costs		62,491	33,275
Total		406,329	391,063

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA
PLUMBING DIVISION – NATIONAL OFFICE ABN: 40 655 883 201**

**STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 30 JUNE 2018**

	Notes	2018 \$	2017 \$
Income			
Per Capita Contributions	10 f (i)	456,364	609,381
Other Contributions	10 f (ii)	-	-
Interest Received		8	5
Grants		-	-
Financial Support - Branches		-	-
Donations		-	-
Other income		-	-
		<u>456,372</u>	<u>609,386</u>
Expenses			
General Secretary and President Expense Allowance	7	42,800	42,800
Overnight, Tea Money and Other Allowances		24,753	15,390
Expenses incurred with holding meeting of Members or any conferences or meetings of councils, committees, panels or other bodies		104,927	92,552
Advertising		695	8,000
Affiliation Fees - CEPU		77,716	34,745
Affiliation Fees - Political Party		-	-
- Other		-	-
Audit Fees and Other Services	11	19,600	19,830
Bank Charges		(82)	176
Delegate Fees		1,314	1,595
Bad & Doubtful Debts Expense		-	-
Depreciation		2,995	2,979
Entertainment Expenses		8,014	8,056
Consideration to employers for payroll deductions		-	-
Penalties – via RO Act or RO Regulations		-	-
Grants		-	-
Conferences and meetings – Fees & allowances		-	-
Donations	12	18,000	97,060
Campaign Expenses	13	-	5,000
Work Cover Premium		431	358
Legal and Professional Fees – Litigation		-	-
Legal and Professional Fees – Other		62,491	33,275
Long Service Leave		550	530
Industrial Relations Levy – CEPU		-	-
Other Compulsory or Voluntary Levy		-	-
Postage, Stationery & Printing		13,537	17,672
Subscriptions – Non Political		1,695	590
Management Fees – Victorian Branch	14	-	-
Sponsorship		10,000	-
Superannuation	7	4,708	4,708
Payroll Tax and FBT Expenses		3,769	3,335
Telephone		41	162
Taxis and Parking		7,033	1,172
Motor Vehicle Expenses		1,342	1,078
Termination Payments	7	-	-
		<u>406,329</u>	<u>391,063</u>
Net (Loss) / Profit for the Year		50,043	218,323

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 ABN: 40 655 883 201

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018**

	2018 \$	2017 \$
Profit/(loss) for the period	50,043	218,323
Other comprehensive income for the period	-	-
Total comprehensive income/(loss) for the period	50,043	218,323
Total comprehensive income/(loss) attributable to: Members of the Organisation	50,043	218,323

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 ABN: 40 655 883 201

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Notes	2018 \$	2017 \$
Current Assets			
Cash and Cash Equivalents	3	234,162	14,387
Receivables	4	1,033,445	1,167,620
Total Current Assets		<u>1,267,607</u>	<u>1,182,007</u>
Non Current Assets			
Plant and Equipment	5	38,284	6,129
Total Non Current Assets		<u>38,284</u>	<u>6,129</u>
Total Assets		<u>1,305,891</u>	<u>1,188,136</u>
Current Liabilities			
Payables	6	85,063	17,901
Provisions	8	30,123	29,573
Total Current Liabilities		<u>115,186</u>	<u>47,474</u>
Total Liabilities		<u>115,186</u>	<u>47,474</u>
Net Assets		<u>1,190,705</u>	<u>1,141,662</u>
Equity			
General Fund	15	1,190,705	1,140,662
Total Equity		<u>1,190,705</u>	<u>1,140,662</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 ABN: 40 655 883 201**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018**

	2018 \$	2017 \$
Accumulated Profit/(Deficit) – Beginning of the Year	1,140,662	922,339
Profit/(Loss) for the Year	50,043	218,323
Total Accumulated Profit/(Deficit) – End of the Year	1,190,705	1,140,662

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 ABN: 40 655 883 201

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 Inflows/ (Outflows) \$	2017 Inflows/ (Outflows) \$
Cash flows from Operating Activities			
Per Capita Contributions and other Branch receipts		665,689	334,528
Interest Received		8	5
Payments to CEPU – National Office		(77,716)	(34,745)
Payments to CEPU Communications Division		(2,925)	-
Payments to Branches		(90,150)	-
Payments to Suppliers and Employees		(239,981)	(380,230)
Net Cash/(Used in) Provided by Operating Activities	9(b)	<u>254,925</u>	<u>(80,442)</u>
Cash Flows from Investing Activities			
Payments for purchase of Plant and Equipment		(35,150)	-
Net Cash Used in Investing Activities		<u>(35,150)</u>	<u>-</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		219,775	(80,442)
Cash and Cash Equivalents at Beginning of Year		<u>14,387</u>	<u>94,829</u>
Cash and Cash Equivalents at End of Year	9(a)	<u>234,162</u>	<u>14,387</u>

The accompanying notes form part of these financial statements

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

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:

	2018	2017
Art work	2.5%	2.5%
Furniture and Office Equipment	25%	25%

(b) Employee Benefits

Short-term employee benefits

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

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018 (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 2018 was nil (2017: 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 contribution's 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 2018 (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 expensed 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 2018 and/or 2017.

(j) Critical Accounting Estimates and Judgements

The Committee of Management evaluates 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 value 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 2016 (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

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

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

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

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

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

- AASB 2014-7: *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)*.

AASB 2014-7: (issued December 2014) gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issue of AASB 9: *Financial Instruments (December 2014)*. More significantly, additional disclosure requirements have been added to AASB 7: *Financial Instruments: Disclosure regarding credit risk exposures of the entity*. This Standard also makes various editorial corrections to Australian Accounting Standards and an Interpretation.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018 (cont'd)**

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

- AASB 2014-7 mandatorily applies to annual reporting periods beginning on or after 1 January 2018. Earlier application is permitted, provided AASB 9 (December 2014) is applied for the same period.
- 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 are as follows:

- new lessee accounting requirements for leases at significantly below-market terms and conditions (commonly known as "peppercorn leases") principally to enable the lessee to further its objectives. This requires the lessee to recognise the leased asset / right-of-use asset at fair value per AASB 13, the lease liability per AASB 117/AASB 16 and the residual as income (after related amounts) at the inception of the lease per AASB 1058;
- 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;
- inclusion of 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;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of 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 anticipates that the adoption of AASB 16 will impact the entity's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 1058: *Income of Not-for-Profit Entities* (applicable to annual reporting periods beginning on or after 1 January 2019).

This Standard is applicable when an entity receives volunteer services or enters into other transactions where the consideration to acquire the asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018 (cont'd)**

(i) New Accounting Standards for Application in Future Periods (Cont'd)

The significant accounting requirements of AASB 1058 are as follows:

- Income arising from an excess of the initial carrying amount of an asset over the related amount being contributions by owners, increases in liabilities, decreases in assets and revenue should be immediately recognised in profit or loss. For this purpose, the assets, liabilities and revenue are to be measured in accordance with other applicable Standards.
- Liabilities should be recognised for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity) over any related amounts recognised in accordance with the applicable Standards. Income must be recognised in profit or loss when the entity satisfies its obligations under the transfer.

A private sector not-for-profit entity may elect to recognise volunteer services or a class of volunteer services as an accounting policy choice if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated. Recognised volunteer services should be measured at fair value and any excess over the related amounts (such as contributions by owners or revenue) immediately recognised as income in profit or loss.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented in accordance with AASB 108 (subject to certain practical expedients); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. For this purpose, a completed contract is a contract or transaction for which the entity has recognised all of the income in accordance with AASB 1004: *Contributions*.

Although the Committee of Management anticipates that the adoption of AASB 1058 may have an impact on the entity's financial statements, it is impractical at this stage to provide a reasonable estimate of such impact.

- AASB 2016-8: *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities*.

AASB 2016-8 (issued December 2016) inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9: *Financial Instruments* and AASB 15: *Revenue from Contracts with Customers* as a consequence of AASB 1058: *Income of Not-for-Profit Entities* (refer to [1-0900]).

AASB 2016-8 mandatorily applies to annual reporting periods beginning on or after 1 January 2019. Earlier application is permitted, provided AASB 1058 is applied for the same period.

This pronouncement is not expected to impact the Union.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018 (cont'd)**

m) Going Concern

The Union is not reliant on the agreed financial support of any other reporting unit or entity nor has it agreed to provide financial support to any other reporting unit or entity so they can continue as a going concern.

n) Fund Analysis

For the financial year ended 30 June 2018, we note the following:

- there was no applicable fund or account operated in respect of compulsory levies, voluntary contributions as required by the rules of the Branch; and
- there was no transfer and/or withdrawal from a fund, account, asset or controlled entity which is kept for a specific purpose.

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).

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018 (cont'd)**

	2018 \$	2017 \$
3. Cash and Cash Equivalents		
Cash at Bank	234,162	14,387
	<u>234,162</u>	<u>14,387</u>
4. Receivables		
Sundry Debtors	-	15,000
Advances and per capita due by branches	1,033,445	1,152,620
Provision for Bad and Doubtful Debts	-	-
	<u>1,033,445</u>	<u>1,167,620</u>
5. Plant and Equipment		
Artwork at Cost	3,864	3,864
Less accumulated Depreciation	(927)	(870)
	<u>2,937</u>	<u>2,994</u>
Equipment at Cost	25,028	20,333
Less accumulated Depreciation	(19,184)	(17,198)
	<u>5,844</u>	<u>3,135</u>
Motor Vehicles at Cost	30,455	-
Less accumulated Depreciation	(952)	-
	<u>29,503</u>	<u>-</u>
Total Plant and Equipment	<u>38,284</u>	<u>6,129</u>

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

<u>2018</u>	Equipment \$	Artwork \$	Vehicles \$	Total \$
Balance at Beginning of Year	3,135	2,994	-	6,129
Additions	4,695	-	30,455	35,150
Depreciation Expense	(1,986)	(57)	(952)	(2,995)
Carrying Amounts at End of Year	<u>5,844</u>	<u>2,937</u>	<u>29,503</u>	<u>38,284</u>

<u>2017</u>	Equipment \$	Artwork \$	Vehicles \$	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>-</u>	<u>6,129</u>

	2018 \$	2017 \$
6. Payables		
Creditors and Accrued Expenses	85,063	17,901

There were \$nil (2017: \$nil) of legal fees and/or payroll deductions from employers included in creditors and accrued expenses.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2018 (cont'd)**

7. Employee Benefits

Employee Benefits paid during the year:

<u>2018</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 Termination	550	-	550
Superannuation	4,708	-	4,708
Total	48,058	-	48,058

<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 Termination Payment	530	-	530
Superannuation	4,708	-	4,708
Total	48,038	-	48,038

8. Provisions	2018 \$	2017 \$
Current		
Employee Benefits	30,123	29,573
	<u>30,123</u>	<u>29,573</u>
Provision for long service leave in respect to: Elected Officials	6,133	7,038
Provisions for Retirement Gratuity in respect to: Elected Officials	23,990	22,535
	<u>30,123</u>	<u>29,573</u>

There are no other provisions for annual leave, separation and redundancy or other payables for officeholders or other employees (2017: \$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 2018 (cont'd)**

	2018	2017
	\$	\$
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	234,162	14,387
	<u>234,162</u>	<u>14,387</u>
(b) Reconciliation of Net Cash Provided by Operating Activities to Net (Loss) / Profit		
Net (Loss) / Profit	50,043	218,323
Depreciation	2,995	2,979
Change in Assets and Liabilities		
Increase/(Decrease) in Trade Creditors and Accruals and Provisions	67,712	(11,891)
Decrease/(Increase) in Receivables	134,175	(289,853)
Net Cash Provided by Operating Activities	<u>254,925</u>	<u>(80,442)</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	B Bintley
P McCrudden	S McCarney	M Wiech	C Seet
G Menzies	N Kelly	T Samartzopoulos	

(b) Amounts received or due and receivable from the Union (ie. allowances paid) to the Divisional Council Members were \$42,800 (2017: \$42,800). An amount of \$550 was provided for long service leave (2017: \$530).

(c) Amounts paid to a superannuation scheme in respect of retirement of the Divisional Council Members were \$7,298 (2017: \$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 2018		Post – Employment Benefits		Other Benefits	
	2018	2017	2018	2017	2018	2017
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 (2017: \$nil). No Officeholder of the Union during the year and/or the prior year had any material personal interest in a matter that he/she has or did acquire, or a relative of the Officeholder has or did acquire.

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

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

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2018 (cont'd)

	2018	2017
	\$	\$
10. Related Party Information (cont'd)		
(f) Transactions between the national office and state branches:		
(i) Per capita Contributions		
Victorian Branch	175,200	333,656
Western Australia	15,710	19,723
New South Wales Branch	112,022	109,483
ACT Branch	-	-
Queensland Branch	153,432	146,519
Total	<u>456,364</u>	<u>609,381</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	818,636	750,917
Western Australia Branch	151,585	69,502
New South Wales Branch	63,224	185,682
Queensland Branch	-	146,519
ACT Branch	-	-
	<u>1,033,445</u>	<u>1,152,620</u>
Balances Reconciliation- related entities		
Victoria Branch		
Carrying amount at beginning of the year	750,917	732,260
Per Capita Charge	175,200	333,656
Levy Charge	-	-
Other Charges	-	-
Receipts	(121,339)	(314,999)
Payments	13,858	-
Carrying amount at end of the year	<u>818,636</u>	<u>750,917</u>
Western Australia Branch		
Carrying amount at beginning of the year	69,502	49,779
Per Capita Charge	15,710	19,723
Levy Charge	-	-
Loan advanced/(Receipts)	66,373	-
Carrying amount at end of the year	<u>151,585</u>	<u>69,502</u>
New South Wales Branch		
Carrying amount at beginning of the year	185,682	95,728
Per Capita Charge	112,022	109,483
Levy Charge	-	-
Payments	8,360	-
Receipts	(242,840)	(19,529)
Carrying amount at end of the year	<u>63,224</u>	<u>185,682</u>

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018 (cont'd)**

10. Related Party Information (cont'd)	2018	2017
	\$	\$
Queensland Branch		
Carrying amount at beginning of the year	146,519	-
Per Capita Charge	153,432	146,519
Levy Charge	-	-
Payments	1,559	-
Receipts	(301,510)	-
Carrying amount at end of the year	<u>-</u>	<u>146,519</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	7,000
Other services	12,600	12,830
	<u>19,600</u>	<u>19,830</u>
12. Donations		
Political Party	12,000	50,000
Non Political Party	6,000	47,060
	<u>18,000</u>	<u>97,060</u>
Donations > \$1,000	18,000	97,060
Donations < \$1,000	-	-
	<u>18,000</u>	<u>97,060</u>
13. Campaign Expenses		
Contribution to Trade Union Industrial Campaign Fund	-	-
Contribution to Political Parties	-	5,000
	<u>-</u>	<u>5,000</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	1,140,662	922,339
Net Profit/(Loss)	50,043	218,323
Retained Surplus at end of year	<u>1,190,705</u>	<u>1,140,662</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018 (cont'd)**

16. Financial Instruments

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

The main purpose is to raise finance for the Union operations. The Union does not have any derivatives instruments at 30 June 2018 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.

	2018 Not Due Not Impaired \$	2018 Past Due or Impaired \$	2017 Not Due Not Impaired \$	2017 Past Due or Impaired \$
Advances and per capita amounts due by branches	1,033,445	-	1,152,620	-
	1,033,445	-	1,152,620	-

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	
	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$
(i) Financial Assets						
Cash and Bank deposits	-	-	234,162	14,387	234,162	14,387
Receivables	1,033,445	1,167,620	-	-	1,033,445	1,167,620
Total financial assets	1,033,445	1,167,620	234,162	14,387	1,267,607	1,182,007
(ii) Financial liabilities						
Accounts Payable	85,063	17,901	-	-	85,063	17,901
Total Financial liabilities	85,063	17,901	-	-	85,063	17,901
Net financial Assets	948,382	1,149,719	234,162	14,387	1,182,544	1,164,106

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

	2018	2017
Cash and Bank Deposits	0.01%	0.01%

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2018 (cont'd)**

(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 2018.

(d) Sensitivity Analysis

Sensitivity analysis in market interest rates on the Union is as follows;

Increase/(Decrease)	Impact on surplus and equity	
	2018	2017
	\$	\$
1%	2,341	144
(1%)	(2,341)	(144)

(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.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2018 (cont'd)**

18. Fair Value Measurement (cont'd)

a. Fair Value Hierarchy (cont'd)

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 Union 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 Union 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 2018			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	-	-	-	-

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2018 (cont'd)**

18. Fair Value Measurement (cont'd)

	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	-	-	-	-

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

Description	Fair Value at 30 June 2018 & 30 June 2017 \$	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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2018 (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 (2017 : \$nil).

20 Contingent Liability

There was no contingent liability at 30 June 2018 (2017: \$nil)

21 Segment Reporting

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

22 Expenses – Financial Affairs Administered by Other Entities

For the financial year ended 30 June 2018, no external costs were paid for administration of the Union's financial affairs by other entities.

23 Union's Details

The principal place of business of the branch is:

52 Victoria Street
 CARLTON SOUTH VIC 3053

DIVISIONAL COUNCIL STATEMENT

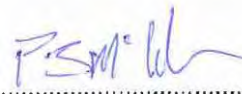
On the 7th of Sept of 2018, the Divisional Council of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Plumbing Division – National Office passed the following resolution in relation to the general purpose financial report of the reporting unit for the financial year ended 30 June 2018.

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 Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* 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) 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) 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
- (e) 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


.....


.....

Dated this

12

day of

September

2018


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 2018 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 12th day of September 2018

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, 2018, 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;
- c) Any other requirements imposed by these Reporting Guidelines or Part 3 of Chapter 8 of 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 2018, 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)**

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

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

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Committee of Management Responsibility for the Financial Report

The Committee of Management is 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 is 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)

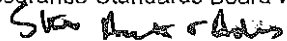
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Union's ability to continue as a going 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 Union 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.auasb.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: 12/19/14

