

# CEPU of Australia Plumbing Div. NSW Branch

ABN: 85 656 451 687

Shop 1, 111 McEvoy Street  
ALEXANDRIA NSW 2015

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04/04/2018

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

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

Dear Mr Enright

**CEPU Plumbing Division – New South Wales Branch  
Operating Reports as at 31 March 2010 to 31 March 2016  
– Reporting of Membership Numbers**

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

- Declaration correcting the membership figures reported in the branch operating reports for the reporting periods ending 31 March 2010 to 31 March 2016.

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

As a consequence of these audits, the Branch Committee of Management, in a meeting held 15/11/2017, authorised the submission of a declaration to the Registered Organisations Commission (ROC) to correct the figures reported in the branch operating reports for the total members for the reporting periods ending 31 March 2010 to 31 March 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,

Theo Samartzopoulos  
State 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 – New South Wales Branch  
OPERATING REPORT**

lodged pursuant to s.268

I, Theo Samartzopoulos, of 111 McEvoy Street, Alexandria, in the state of New South Wales  
2015, declare:

- I am the Branch Secretary of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Plumbing Division – New South Wales Branch (the Branch), a branch 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 31 March 2010 to 31 March 2016, the full financial reports, including the operating reports, of the branch were lodged with the Fair Work Commission (FWC) in FR2010/2508, FR2011/2507, FR2012/206, FR2013/111, FR2014/54, FR2015/56 and FR2016/55 respectively.
- Independent audits of the membership figures reported in the branch committee of management operating reports for the reporting periods 31 March 2010 to 31 March 2016, found the following variances with the figures reported in the operating reports:

As at 31 Mar	2010	2011	2012	2013	2014	2015	2016
Reported	1,849	2,111	2,046	1,707	1,734	2,050	2,050
Audited	3,173	2,539	2,484	3,520	3,005	3,168	3,211
Variance	1,324	428	438	1,813	1,271	1,118	1,161

- On 15/11/2017, in response to the findings of the audits, the Branch Committee of Management authorised the Branch Secretary to amend the committee of management operating reports for the years ended 31 March 2010 to 31 March 2016 to reflect the membership figures resulting from the audits.

Signed:



Name: Mr Theo Samartzopoulos

Date: 07/04/2018.



24 September 2015

Mr David Broadley  
Branch Secretary  
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied  
Services Union of Australia - Plumbing Division  
NSW Divisional Branch  
Shop 1, 111 McEvoy Street  
Alexandria NSW 2015

By e-mail: [dave.broadley@nswplumbersunion.com.au](mailto:dave.broadley@nswplumbersunion.com.au)

Dear Mr Broadley

**Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied  
Services Union of Australia - Plumbing Division - NSW Divisional Branch  
Financial Report for the year ended 31 March 2015 - FR2015/56**

I acknowledge receipt of the amended financial report for the year ended 31 March 2015 for the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia - Plumbing Division - NSW Divisional Branch, (CEPU-PNSW). The financial report was lodged with the Fair Work Commission (FWC) on 22 September 2015.

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

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7675 or by email at [ken.morgan@fwc.gov.au](mailto:ken.morgan@fwc.gov.au)

Yours sincerely

Ken Morgan  
Financial Reporting Advisor  
Regulatory Compliance Branch

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

**GENERAL PURPOSE FINANCIAL REPORT  
FOR THE YEAR ENDED 31 MARCH 2015**



COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA  
PLUMBING DIVISION - NEW SOUTH WALES BRANCH

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

**COMMITTEE OF MANAGEMENT OPERATING REPORT  
FOR THE YEAR ENDED 31 MARCH 2015**

In accordance with Section 254 of the Fair Work (Registered Organisations) Act 2009 ("the Act"), the Committee of Management ("the committee") of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Plumbing Division New South Wales Branch ("the Union") presents the following Operating Report in respect of the financial year ended 31 March 2015.

**Principal Activity**

The principal activity of the CEPU New South Wales Branch during the financial year was to provide representation and support to its members. There was no significant change to the principal activity during the year.

**Review of Results**

The net result of operations for the year was a surplus of \$157,560 (2014 – surplus of \$208,233). During the year, the Union continued to provide representation and support to its members. It also actively managed the former ACT branch of the Union. Significant time and effort has been used to grow the Union's membership base and provide industrial advice. The Union has positive net assets and expects to operate at a surplus into the future given its current structure and operations.

**Significant Changes in the State of Affairs**

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

**Resignation of Members**

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

**Number of Members**

As at 31 March 2015, the number of financial members of the organisation was 2,050.

**Number of Full Time Employees**

As at 31 March 2015, the number of full time equivalent employees was 8.

**Committee of Management**

The Committee of Management current members are as follows:

David Broadley	(1.4.14 – 31.3.15)	John Treble *	(1.4.14 – 31.3.15)
Theo Smartzopoulos	(1.4.14 – 31.3.15)	Adrian Benedet	(1.4.14 – 31.3.15)
Steve McCarney	(1.4.14 – 31.3.15)	William Patterson	(1.4.14 – 31.3.15)
Matt McCann	(1.4.14 – 16.4.14)	Richard Dietmann	(1.4.14 – 31.3.15)
Lance Harrison	(18.6.14 – 2.8.14)	Charlie Sultana	(1.4.14 – 23.7.14)

\* not re-elected (Richard Dietmann elected and then resigned 28 May 2015)

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

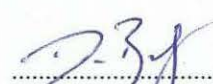
Details of officers and employees, who are directors of a company or a member of a board or are superannuation fund trustees, are as follows:-

Name of Officeholder	Name of Company or Board	Position Held	Principal Activity of Company or Board	Position Held because nominated by Union or Peak Council
Steve McCarney	A.C.I.R.T.	Director	Redundancy	No

**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 operations in subsequent years.

Signed in accordance with a resolution passed by the Committee of Management at meeting conducted on 10/9 2015

  
.....  
David Broadley

  
.....  
William Patterson

Dated this 10<sup>th</sup> day of September 2015



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

**COMMITTEE OF MANAGEMENT STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2015**

The Committee of Management of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Plumbing Division – New South Wales Branch passed the following resolution in relation to the general purpose financial report of the reporting unit for the financial year ended 31 March 2015.

The Committee of Management declares in relation to the general purpose financial report that in its opinion:

- a) The financial statements and notes comply with Australian Accounting Standards and the Reporting Guidelines of the General Manager of FWC;
- 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 Committee of Management were held in accordance with the rules of the organisation including the rules of a branch concerned;
  - (ii) The financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned;
  - (iii) The financial records of the reporting unit have been kept and maintained in accordance with the 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 General Manager of FWC duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or General Manager of FWC;
  - (v) There have been no orders for inspection of financial records made by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009 during the year;
  - (vi) Where the Union comprises of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable in a manner consistent with each of the other reporting units of the organisation.
- e) In relation to recovery of wages activity:
  - (i) The financial report on recovery of wages activity has been fairly, and accurately prepared in accordance with the requirements of the reporting guidelines of the General Manager of FWC; and
  - (ii) The Committee of Management instructed the auditor to include in the scope of the audit required under section 257 (1) of the Fair Work (Registered Organisations) Act 2009 all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and
  - (iii) No fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
  - (iv) That prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
  - (v) No fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers until distributions of recovered money was made to the workers.

Made in accordance with a resolution as passed by the Committee of Management on ..... 10/9 ..... 2015

  
.....  
David Broadley

  
.....  
William Patterson

Dated this 10<sup>th</sup> day of June 2015

**AUDITOR'S INDEPENDENCE DECLARATION**

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

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2015 there have been:-

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



Stannards Accountants and Advisors



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

Dated this 10<sup>th</sup> day of June 2015



**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA  
PLUMBING DIVISION - NEW SOUTH WALES BRANCH**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2015**

	<u>Note</u>	<u>2015</u>	<u>2014</u>
		\$	\$
Revenues from ordinary activities	3	1,640,363	1,442,797
Depreciation and Amortisation	4	(34,382)	(44,661)
Employee Benefits Expense	4	(895,235)	(841,707)
Per Capita Payments	14	(137,350)	(111,843)
Occupancy Costs		(75,172)	(49,852)
Motor Vehicle Costs		(88,031)	(92,659)
Telephone Costs		(13,428)	(29,576)
Affiliation Costs		(18,980)	(25,447)
Postage, printing & stationery		(23,406)	(25,726)
Forgiven Loan – Federal Office		-	127,495
Legal Fees		(14,608)	(7,721)
Travel		(14,391)	(9,070)
Computer & Hosting Costs		(18,755)	(24,050)
Insurance		(7,302)	(7,159)
Audit Fees		(12,600)	(8,097)
Fringe Benefit Tax		(7,991)	(2,680)
Staff Amenities & Clothing		(10,438)	(10,005)
Merchandise		(4,409)	(1,363)
Other expenses from ordinary activities		(106,325)	(70,443)
Surplus/(Deficit) for the year		157,560	208,233
Other comprehensive income		-	-
Total comprehensive income for the year		157,560	208,233

To be read in conjunction with the Notes to and forming part of the financial statements

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA  
PLUMBING DIVISION - NEW SOUTH WALES BRANCH**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2015**

	<u>Note</u>	<u>2015</u>	<u>2014</u>
		\$	\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	748,914	596,988
Trade and other receivables	6	130,687	3,917
Inventories	7	12,367	11,648
Prepayments		-	2,353
<b>TOTAL CURRENT ASSETS</b>		891,968	614,906
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	8	35,037	65,582
<b>TOTAL NON-CURRENT ASSETS</b>		35,037	65,582
<b>TOTAL ASSETS</b>		927,005	680,488
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	305,011	220,414
Provisions	10	203,617	225,072
Payable to Federal Office	11	137,350	111,843
<b>TOTAL CURRENT LIABILITIES</b>		645,978	557,329
<b>NON-CURRENT LIABILITIES</b>			
Provisions	10	52,845	52,537
<b>TOTAL NON-CURRENT LIABILITIES</b>		52,845	52,537
<b>TOTAL LIABILITIES</b>		698,823	609,866
<b>NET ASSETS</b>		228,182	70,622
<b>EQUITY</b>			
Reserves		84,832	353,665
General Fund Balance/Accumulated Losses		143,350	(283,043)
<b>TOTAL EQUITY</b>		228,182	70,622

To be read in conjunction with the Notes to and forming part of the financial statements

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA  
PLUMBING DIVISION - NEW SOUTH WALES BRANCH**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2015**

	Defence	Incidental	Royal Commission	General Fund	Total
<b>Balance at 1 April 2013</b>	340,400	13,265	17,658	(508,934)	(137,611)
Net surplus for the year	-	-	-	208,233	208,233
Transfer of reserve	-	-	(17,658)	17,658	-
<b>Balance at 1 April 2014</b>	340,400	13,265	-	(283,043)	70,622
Net surplus for the year	-	-	-	157,560	157,560
Transfer of reserve	(340,400)	-	-	340,400	-
	-	13,265	-	214,917	228,182
Transfer of 1/3 of General Fund to Incidental Fund	-	71,567	-	(71,567)	-
<b>Balance at 31 March 2015</b>	-	84,832	-	143,350	228,182

**Funds**

***General Fund***

Pursuant to the Rules of the Union, the General Fund includes all enrolment fees, contributions, levies and fines (except as specifically prescribed in the rules) and except with the previous permission of the Divisional Council or Divisional Executive shall only be used for the payment of allowances and general expenditures necessarily incurred in the working of the Branch.

***Incidental Fund***

Pursuant to the Rules of the Union, the balance remaining in the General Fund at the close of each financial period is divided into three equal parts with one part being allocated to the Incidental Fund and two parts of the General Fund. This Fund is wholly at the disposal of the Branch for any purpose whatsoever. Due to the accumulated deficit in the General Fund, no transfer was made in 2014.

To be read in conjunction with the Notes to and forming part of the financial statements



**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
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PLUMBING DIVISION - NEW SOUTH WALES BRANCH**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2015**

	<u>Note</u>	<u>2015</u>	<u>2014</u>
		\$	\$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from customers and sundry income		1,500,653	1,457,225
Payments to suppliers and employees		(1,245,987)	(1,154,233)
Receipts from other reporting units		-	-
Payment to other reporting units (Federal Office)		(111,843)	(85,963)
Interest received		12,940	9,640
Net cash provided by operating activities	12	155,763	226,669
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payments for plant and equipment		(3,837)	(31,364)
Net cash (used in) investing activities		(3,837)	(31,364)
Net increase in cash and cash equivalents		151,926	195,305
Cash and Cash Equivalents at beginning of financial year		596,988	401,683
Cash and Cash Equivalents at end of financial year	5	748,914	596,988

To be read in conjunction with the Notes to and forming part of the financial statements

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA  
PLUMBING DIVISION - NEW SOUTH WALES BRANCH**

**STATEMENT OF RECEIPTS AND PAYMENTS  
FOR RECOVERY OF WAGES ACTIVITY  
FOR THE YEAR ENDED 31 MARCH 2015**

	<u>2015</u>	<u>2014</u>
	\$	\$
<b>CASH ASSETS IN RESPECT OF RECOVERED MONEY AT BEGINNING OF YEAR</b>	-	-
<b>Receipts</b>		
Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	-	-
<b>Total Receipts</b>	-	-
<b>Payments</b>		
Deductions of amounts due in respect of membership	-	-
Deductions of donations or other contributions to accounts or funds	-	-
Deductions of fees or reimbursements of expenses	-	-
Payments to workers in respect of recovered money	-	-
<b>Total Payments</b>	-	-
<b>Cash Assets in Respect of Recovered Money at End of Year</b>	-	-

To be read in conjunction with the Notes to and forming part of the financial statements

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA  
PLUMBING DIVISION - NEW SOUTH WALES BRANCH**

**NOTE TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**Note 1 Statement of Significant Accounting Policies**

**Basis of preparation**

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 Fair Work (Registered Organisations) Act 2009. The Union is a 'not for profit' entity.

The financial statements have been prepared on an accruals basis and are based on historical costs, except as explained otherwise. Historical costs are based on the fair value of the consideration given in exchange for assets. The report is presented in Australian dollars.

The following is a summary of the material policies adopted by the Union in the preparation of the financial statements.

**a) Statement of Compliance**

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

**b) Going Concern**

The financial report has been prepared on a going concern basis which contemplates the realisation of assets and settlement of liabilities in the ordinary course of business.

The Committee of Management considers the going concern basis as appropriate for the following reason:

- The Union has grown its membership base and generated a surplus this year. It has a positive net asset position and is forecasting ongoing surpluses.

No adjustments have been made in the financial report relating to the recoverability and classification of recorded asset values or to the amounts and classification of liabilities that might be necessary should the Union not continue as a going concern.

**c) Impairment of Assets**

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.



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**d) Plant and Equipment**

Plant and equipment are brought to account at cost less, where applicable, any accumulated depreciation or amortisation.

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives commencing from the time the asset is held ready for use.

The depreciation rates used for each class of asset are:

<u>CLASS OF FIXED ASSET</u>	<u>DEPRECIATION RATE</u>
Motor Vehicles	18.75-25%
Office Equipment	11-33%

**e) Income Tax**

No provision for income tax is necessary as "Trade Unions" are exempt from income tax under Section 50-5 of the Income Tax Assessment Act 1997.

**f) Employee Leave Entitlements**

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled in full within one year together with entitlements arising from wages and salaries, have been measured at the amounts expected to be paid when the liability is settled plus relates on-costs. Other employee benefits payable have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Retiring allowance, applicable only to officials, is accrued in accordance with clause 51.4 & 51.5 of the Rules. Retiring allowance accrued up to 31 December 1999 is borne by Federal Office and accordingly the Union's accruals recognise retiring allowance accrued from 1/1/2000 to 30/11/2012, after which point in time, such allowances are provided through ACIRT.

Long Service Leave provision in relation to officials is recognised in the accounts, in accordance with clause 51.7 and 51.9 of the Rules. Long service leave accrued up to 31 December 1999 is borne by Federal Office and accordingly the Union's accruals recognise long service leave accrued from 1/1/2000 to 31/3/2015.

Long service leave provisions in relation to non-officials are recognised upon completion of 5 years of service.

Contributions are made by the Union to employee superannuation funds and are charged as expenses when incurred.

**g) Leases**

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

**h) Revenue**

Revenue from the rendering of a service is recognised upon the delivery of service to the members.

Subscriptions income is recognised on accruals basis and any subscription received in advance for the next period is included in deferred income.

Interest revenue is recognised on a proportional basis taking into account the interest rate applicable to the financial assets.

Donation income is recognised when received.

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



**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
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- i) **Cash and cash equivalents**  
Cash and cash equivalents comprise cash on hand and cash in banks at highly liquid investments with a maturity of 3 months or less.
- j) **Trade and other receivables**  
Trade and other receivables are recognised initially at fair value and generally due for settlement within 30 days.  
The collectability of debts is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that the Union will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the statement of comprehensive income as an expense.
- k) **Trade and other payables**  
Trade payables and other accounts payable are recognised when the Union becomes obliged to make future payments resulting from the purchase of goods and services. Trade accounts payable are normally settled within 30 days.
- l) **Inventories**  
Inventories of saleable merchandise are measured at the lower of cost and net realisable value.
- m) **Financial Instruments**  
Financial Instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transaction costs. Financial instruments are classified and measured as set out below:

- (i) **Receivables**  
Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.
- (ii) **Financial Liabilities**  
Non-derivative financial liabilities are measured at amortised cost using the effective interest rate method
- (iii) **Impairment**  
At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired, impairment losses are recognised in the statement of comprehensive income.
- (iv) **Fair Value**  
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.



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m) **Financial Instruments (cont'd)**

(iv) **Fair Value (cont'd)**

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 Union 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).

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 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 statements.

n) **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 Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

o) **Capitation Fees**

These fees are recognised on an accruals basis, and recorded as an expense in the year to which they relate.

p) **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 the Financial Report.

q) **Comparative Information**

Where necessary comparative amounts have been reclassified to facilitate preparation of the current year accounts.



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r) **Employee benefits**

During the prior year, the Union adopted AASB 119: Employee Benefits (September 2011) and the relevant consequential amendments arising from the related Amending Standards, which were mandatorily applicable from 1 January 2013.

The Union has applied AASB 119 (September 2011) with retrospective effect. Among other things, the main changes introduced by AASB 119 (September 2011) relate to defined benefit plans and termination benefits, which have no impact on the Union's financial statements as the Union has no defined benefit obligations or termination benefits at present. Additionally, AASB 119 (September 2011) has introduced revised definitions for "short-term employee benefits" and "other long-term employee benefits". These revisions can cause a change in accounting policy for the annual leave provision amounts recognised in the financial statements as explained below.

Provision for employee benefits: annual leave

For the purpose of measurement, AASB 119 (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. Previously, annual leave satisfied the definition of short-term employee benefits and therefore the leave liability was measured on an undiscounted basis at the amounts expected to be paid when the liability was settled. However, under AASB 119 (September 2011), as the Union expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the 12-month period that follows, obligations for annual leave entitlements now meet the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees. The effects of the adjustments required for each period presented are not significant. Further these changes do not significantly impact the classification of leave entitlements between current and non-current liabilities in the statement of financial position.



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s) **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 for annual reporting periods beginning on or after 1 January 2018, as further amended by Part E of AASB 2014-1).

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 made to the Standard that may affect the Union on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, 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 AASB 9, the application of such accounting would be largely prospective.

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

- AASB 2014-1: *Amendments to Australian Accounting Standards*

Part 1 of this Standard is applicable to annual reporting periods beginning on or after 1 July 2014 and makes the following significant amendments:-

- revises/adds the definitions of the terms "market condition", "performance condition" and "service condition" in AASB 2: *Share-based Payments*;
- clarifies the contingent considerations arising in a business combination should be accounted for as items of equity or liability and not as provisions in accordance with AASB 137: *Provisions, Contingent Liabilities and Contingent Assets*;
- requires additional disclosures when an entity aggregates its operating segments into one reportable segment in accordance with AASB 8: *Operating Segments*; and
- includes an entity that provides key management personnel services (a "management entity") to a reporting entity (or a parent of the reporting entity) within the definition of a "related party" in AASB 124: *Related Party Disclosures*.

This part also makes other editorial corrections to various Australian Accounting Standards; however, it is not expected to have a significant impact on the Union's financial statements.



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

Part B of this Standard is applicable to annual reporting periods beginning on or after 1 July 2014 and permits an entity to recognise the amount of contributions from employees or third parties in a defined benefit plan as a reduction in service cost for the period in which the related service is rendered, if the amount of contributions is independent of the number of years of service. This part is not expected to have a significant impact on the Union's financial statements.

Part C of this Standard is applicable to annual reporting periods beginning on or after 1 July 2014 and deletes the reference to AASB 1031: *Materiality in particular Australian Accounting Standards*. This part is not expected to have a significant impact on the Union's financial statements.

Part D of this Standard is applicable to annual reporting periods beginning on or after 1 January 2016 and makes amendments to AASB 1: *First-time Adoption of Australian Accounting Standards*, which arise from the issuance of AASB 14: *Regulatory Deferral Accounts* in June 2014. AASB 14 permits first-time adopters to continue to account for amounts related to rate regulation in accordance with their previous GAAP when they adopt Australian Accounting Standards. In line with management's assessment of AASB 14, this part is not expected to have a significant impact on the Union's financial statements.

Part E of this Standard is applicable to annual reporting periods beginning on or after 1 January 2015 and defers the application date of AASB 9 (December 2010) to annual reporting periods beginning on or after 1 January 2018. This part also makes consequential amendments to hedge accounting disclosures set out in AASB 7: *Financial Instruments: Disclosures*, and to AASB 132: *Financial Instruments: Presentation* to permit irrevocable designation of "own use contracts" as measured at fair value through profit or loss if the designation eliminates or significantly reduces an accounting mismatch. Management believes that there will not be any significant impact on the Union's financial statements on adoption of this part of the Standard.

- AASB 2014-3: *Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations*.

This Standard is applicable to annual reporting periods beginning on or after 1 January 2016. It amends AASB 11: *Joint Arrangements* to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: *Business Combinations*, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations. Since, adoption of this Standard would impact only acquisition of interest in joint operations on or after 1 January 2016, management believes it is impracticable at this stage to provide a reasonable estimate of such impact on the Union's financial statements.

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**Note 2 Information to be provided to members or General Manager of FWC**

- a) In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of subsections (1), (2) and (3) of section 272 which read as follows:
- (1) A member of a reporting unit, or General Manager of FWC, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
  - (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
  - (3) A reporting unit must comply with an application made under subsection (1).

**Note 3 Revenue**

	<u>2015</u>	<u>2014</u>
	\$	\$
<b>Revenue from Operating Activities</b>		
- Subscriptions (net of refunds and charges)	1,171,094	1,117,911
- Capitation Fees	-	-
- Interest received	12,940	9,640
- EBA dues	7,281	31,490
- Levies	-	-
- OH&S Fees	-	-
- Grants	-	-
- Directors fees	18,000	21,106
- Marsh Industry Fund	280,045	234,398
- Sponsorships	-	10,000
- Donations	86,170	1,248
- Sundry Income	64,833	17,004
<b>Total Revenue</b>	1,640,363	1,442,797



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<b>Note 4 Surplus from Ordinary Activities</b>	<u>2015</u>	<u>2014</u>
<b>Expenses</b>	<b>\$</b>	<b>\$</b>
Depreciation and amortisation		
- Motor vehicles	23,600	38,451
- Office plant & equipment	10,782	6,210
<b>Total</b>	<b>34,382</b>	<b>44,661</b>
Remuneration of Auditor		
- Financial Statement Audit	9,000	8,097
- Other services	3,600	-
Grants	-	-
Donations - Political Parties (ALP)	500	100
- CFMEU	1,848	550
- Other	2,200	-
Total Donations Paid that were \$1,000 or less (no donations were paid that were greater than \$1,000)	4,548	650
Penalties – via FW(RO) Act or Regulations	-	-
Property rental	75,172	49,852
Employee benefits (Paid):-		
- Salaries		
Holders of Office	271,245	272,664
Other Employees	481,442	397,408
- Annual Leave		
Holders of Office	44,726	29,465
Other Employees	36,547	17,850
- Long Service Leave		
Holders of Office	-	-
Other Employees	13,811	-
- Superannuation		
Holders of Office	41,948	27,032
Other Employees	27,399	37,024
- Retiring Allowance		
Holders of Office	29,637	29,626
Other Employees	-	-
Employee benefits (Movements in provision):-		
- Annual Leave		
Holders of Office	(24,602)	(2,107)
Other Employees	(5,771)	1,012
- Long Service Leave		
Holders of Office	18,053	20,914
Other Employees	(4,611)	3,584
- Retiring Allowance		
Holders of Office	(34,589)	7,235
Other Employees	-	-
<b>Total Employee Costs</b>	<b>895,235</b>	<b>841,707</b>

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**Note 4 Surplus from Ordinary Activities (cont'd)**

There were no separation or redundancies or other employee expenses paid to officeholders or other employees in 2015 (2014: \$nil)

	<u>2015</u>	<u>2014</u>
	\$	\$
Affiliation Fees - ALP	10,813	16,360
- Unions, NSW	7,647	8,587
- Workers Health Centre	520	500
Legal Fees – Litigation	-	-
Legal Fees – Other Matters	14,608	7,721
Consideration for employers making payroll deductions	-	-
Compulsory levies	-	-
Fees / allowances – meetings and conferences	-	-
Conference and meeting expenses	544	9,070

**Note 5 Cash and Cash Equivalents**

	<u>2015</u>	<u>2014</u>
	\$	\$
Cash on hand	113	113
Cash at bank	748,801	596,875
	<u>748,914</u>	<u>596,988</u>

**Note 6 Trade and Other Receivables**

Trade and other debtors (receivable from other reporting units 2015-\$nil, 2014 - \$nil)	130,687	3,917
	<u>130,687</u>	<u>3,917</u>

**Note 7 Inventories**

Merchandise - cost	12,367	11,648
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**Note 8 Plant and Equipment**

**Office Plant & Equipment**

At Cost	64,983	61,146
Less Accumulated Depreciation	(61,056)	(50,274)
Net Office Equipment	<u>3,927</u>	<u>10,872</u>

**Motor Vehicles**

At Cost	193,139	193,139
Less Accumulated Depreciation	(162,029)	(138,429)
Net Motor Vehicles	<u>31,110</u>	<u>54,710</u>

**Total Plant and Equipment**

	<u>35,037</u>	<u>65,582</u>
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**Note 8 Plant and Equipment (cont'd)**

**Movements in Carrying Amounts**

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year.

	Balance at beginning of year \$	Additions \$	Disposals \$	Depreciation expense \$	Carrying amount at the end year \$
<b>2015</b>					
Office Plant & Equipment	10,872	3,837	-	(10,782)	3,927
Motor Vehicles	54,710	-	-	(23,600)	31,110
<b>Total</b>	<b>65,582</b>	<b>3,837</b>	<b>-</b>	<b>(34,382)</b>	<b>35,037</b>
<b>2014</b>					
Office Plant & Equipment	17,365	-	(283)	(6,210)	10,872
Motor Vehicles	61,797	31,364	-	(38,451)	54,710
<b>Total</b>	<b>79,162</b>	<b>31,364</b>	<b>(283)</b>	<b>(44,661)</b>	<b>65,582</b>

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<b>Note 9 Trade and Other Payables</b>	<u>2015</u>	<u>2014</u>
	\$	\$
Consideration to employers for payable deductions	-	-
Legal Costs	-	-
Accounts payable and accruals	207,074	88,706
Annual Leave		
- holders of office	61,348	85,950
- other employees	10,984	16,755
Deferred revenue	25,605	29,003
	<hr/> 305,011	<hr/> 220,414
	<hr/>	<hr/>
<b>Note 10 Provisions</b>	<u>2015</u>	<u>2014</u>
<b>Current</b>	\$	\$
Long Service Leave		
- holders of office	114,672	101,538
- other employees	-	-
Retiring Allowance		
- holders of office	88,945	123,534
- other employees	-	-
	<hr/> 203,617	<hr/> 225,072
	<hr/>	<hr/>
<b>Non-Current</b>		
Long Service Leave		
- holders of office	22,184	17,265
- other employees	30,661	35,272
	<hr/> 52,845	<hr/> 52,537
	<hr/>	<hr/>

There are no provisions for separation and redundancy or other provisions for officeholders or other employees (2014: \$nil)

**Provision for Employee Benefits**

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

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

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



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**Note 11 Payable to Federal Office**

The amount is unsecured, interest free and repayable as and when surplus funds are available with the Branch.

**Note 12 Cash Flow Information**

**Reconciliation of Cash**

For the purposes of the statement of cash flows, cash includes

	<u>2015</u>	<u>2014</u>
	\$	\$
Cash on hand	113	113
Cash at Bank	748,801	596,875
	<hr/> 748,914	<hr/> 596,988

**Reconciliation of Cash Flow from Operations  
with Operating surplus**

Non cash flow in operating surplus	157,560	208,233
Depreciation and amortisation	34,382	44,661
Loss on disposal of plant and equipment	-	283
(Increase)/Decrease in receivables	(126,770)	24,068
(Increase)/Decrease in other assets	2,353	7,059
(Increase)/Decrease in inventories	(719)	(3,388)
Increase/(Decrease) in payables	110,104	(85,980)
Increase/(Decrease) in provisions	(21,147)	31,733
Net cash provided by operating activities	<hr/> 155,763	<hr/> 226,669

**Note 13 Financial Instruments**

(a) **Financial Risk Management**

The entity's financial instruments consist of deposits with banks, short-term investments, accounts receivable and payable.

The purpose of the financial instruments is to raise finance for the operations of the entity.

(i) **Treasury Risk Management**

The Committee of Management meets on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

(ii) **Financial Risks**

The main risks the entity is exposed to through its financial instruments are liquidity risk and credit risk.

**Foreign Currency**

The entity is not exposed to fluctuations in foreign currency.

**Liquidity Risk**

The entity manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

**Credit Risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

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**Note 13 Financial Instruments (cont'd)**

**b) Interest Rate Risk**

The entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates is set out below:-

	Financial Instruments	Floating Interest Rate		Fixed Interest Rate maturing in: less than 1 year		Fixed Interest Rate maturing in: 1 year or more		Non Interest Bearing		Total Carrying Amount as per Statement of Financial Position		Weighted Average Effecting Interest Rate	
		2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$	2015 %	2014 %
(i)	Financial Assets												
	Cash and Cash Equivalents	748,801	596,875	-	-	-	-	113	113	748,914	596,988	2.70	2.75
	Receivables	-	-	-	-	-	-	130,687	3,917	130,687	3,917	-	-
	Other Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>748,801</b>	<b>596,875</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>130,800</b>	<b>4,030</b>	<b>879,601</b>	<b>600,905</b>		
(ii)	Financial Liabilities												
	Interest Bearing Debt	-	-	-	-	-	-	-	-	-	-	n/a	n/a
	Payables	-	-	-	-	-	-	442,961	332,257	442,961	332,257		
	Non Interest Bearing Liabilities	-	-	-	-	-	-	-	-	-	-		
	<b>Total</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>442,961</b>	<b>332,257</b>	<b>442,961</b>	<b>332,257</b>		
	<b>Net Financial Assets/(Liabilities)</b>	<b>748,801</b>	<b>596,875</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(312,161)</b>	<b>(328,227)</b>	<b>436,640</b>	<b>268,648</b>		



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**Note 13 Financial Instruments (cont'd)**

(c) **Net Fair Values**

The net fair value of the entity's financial assets and liabilities are not expected to be significantly different from the class of assets and liabilities as disclosed and recognised in the statement of financial position as at 31 March 2015.

(d) **Sensitivity Analysis**

**Interest Rate Risk**

The Union has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk.

Interest rate sensitivity analysis:-

At 31 March 2015, the effect on surplus and equity as a result of changes in the interest, with all other variables remaining constant, would be as follows:

	<b>2015</b>	<b>2014</b>
	\$	\$
Change in surplus		
Increase in interest rate by 2%	14,976	11,940
Decrease in interest rate by 2%	(14,976)	(11,940)
Change in equity		
Increase in interest rate by 2%	14,976	11,940
Decrease in interest rate by 2%	(14,976)	(11,940)

**Note 14 Related Party Transactions**

The following were the Committee Members of the Union during or after the year:-

David Broadley	John Treble ( <i>no longer in office</i> )
Theo Smartzopoulos	Adrian Benedet
Steve McCarney	William Patterson
Matt McCann ( <i>no longer in office</i> )	Richard Dietmann
Lance Harrison ( <i>no longer in office</i> )	Charles Sultana ( <i>no longer in office</i> )
Richard Dietmann ( <i>no longer in office</i> )	

Amounts received or due and receivable (short term employee benefits) i.e. wages paid to the Secretary, Assistant Secretary and Committee Members (Key Management and Personnel) were \$315,971 (2014: \$302,129). Annual leave provided to these personnel during the year, long service leave and retirement allowances are disclosed in Note 4. There were no bonuses or termination benefits paid to these personnel. There were no loans to/from key personnel (2014: \$nil). Amounts paid on behalf of the Secretary, Assistant Secretary and Committee Members to the Building Union Superannuation Scheme in respect to the retirement of Committee of Management members were \$41,948 (2014: \$27,032). Amounts paid to ACIRT amounted to \$29,637 (2014: \$29,626)

Other transactions between the Committee Members and the Union were conducted on normal commercial terms in respect of subscriptions.

The officeholders received no 'non cash' benefits (2014: \$nil). No officeholder of the Branch 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.

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**Note 14 Related Party Transactions (cont'd)**

No share-based payments were received by any officeholder this year or in the prior year.

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 Branch; or
- ii) They were nominated for the position by the Branch; or
- iii) They received remuneration from any third party, in connection with the performance of their duties as an officeholder of the Branch.

Fees and allowances received by the Union in respect of officeholders or officials holding directorship positions are set out in the statement of comprehensive income and amounted to \$18,000 (2014: \$21,106).

Remuneration of 2 Key Officers	Short-Term Remuneration	Post – Employment Benefits (Superannuation and ACIRT)	Other Benefits (Meal Allowance)
D. Broadley	\$122,544	\$19,969	\$4,531
T. Smartzopoulos	\$96,898	\$17,658	\$4,531

Transactions between New South Wales Branch and Federal Office (a branch of the Union) were as follows:-

(a) Per Capita Payment

During the year the New South Wales Branch of the Union was charged by the Federal Office of the Union a per capita payment calculated at \$65.52 for each full financial member in accordance with the rules.

During the prior year, the Federal Office forgave a loan of \$127,495 to the New South Wales Division (current year \$nil).

	<u>2015</u>	<u>2014</u>
	\$	\$
Per Capita Expense	137,350	111,843
<u>Amounts owed to Federal Office</u>		
Current liability	137,350	111,843

**Note 15 Contingent Liabilities**

There are no known contingent liabilities as at balance date or to the date of this report.

**Note 16 Commitment**

There was no Capital Expenditure Commitment at the year end.

**Note 17 Events Subsequent to Reporting Date**

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

**Note 18 Segment Reporting**

The Union provides services to members employed in executing plumbing, gas fitting, pipe fittings and domestic engineering works in the state of New South Wales and the ACT.



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**Note 19 Fair Value Measurement**

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

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

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

**a. Fair Value Hierarchy**

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

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

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

**Valuation techniques**

The Union selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected 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.

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**Note 19 Fair Value Measurement (cont'd)**

**a. Fair Value Hierarchy (cont'd)**

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.

	<b>31 March 2015</b>			
<b>Recurring fair value measurements</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	\$	\$	\$	\$
Financial assets at fair value through profit or loss:	-	-	-	-
Available-for-sale financial assets:	-	-	-	-
<b>Total financial assets recognised</b>	-	-	-	-
<i>Non-financial assets</i>				
Freehold land & buildings	-	-	-	-
<b>Total non-financial assets recognised</b>	-	-	-	-

	<b>31 March 2014</b>			
<b>Recurring fair value measurements</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	\$	\$	\$	\$
Financial assets at fair value through profit or loss:	-	-	-	-
Available-for-sale financial assets:	-	-	-	-
<b>Total financial assets recognised at fair value</b>	-	-	-	-
<i>Non-financial assets</i>				
Freehold land & buildings	-	-	-	-
<b>Total non-financial assets recognised at fair value</b>	-	-	-	-

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

<b>Description</b>	<b>Fair Value at 31 March 2015 \$</b>	<b>Valuation Technique(s)</b>	<b>Inputs Used</b>
Available for sale financial assets	-	Income approach using discounted cash flow methodology	Price per share, market yield
<i>Non-financial assets</i> Freehold land & buildings	-	Market approach using recent observable market data for similar properties; income approach using discounted cash flow methodology	Price per square metre, borrowing rate



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**Note 19 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;
- accounts payable and other payables; and
- lease liabilities.

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
Lease liabilities	2	Income approach using discounted cash flow methodology	Current commercial borrowing rates for similar instruments

**Note 20 Other Matters**

The Union does not have any formal agreement to provide financial support to another reporting unit to ensure its ability to continue as a going concern, nor did it receive any such financial support.

The Union has not acquired an asset or liability as a result of an amalgamation, restructure or alternative reporting unit determination or revocation.

The Union has not acquired assets or liabilities as part of a business combination.

There were no unpaid commissions for Employer payroll deductions at the end of the reporting date (2014: \$nil).

## INDEPENDENT AUDIT REPORT

To the Members of Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division – New South Wales Branch

### Scope

#### The financial report and Committee of management responsibility

The financial report comprises the Certificate of Committee of Management, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Cash Flow Statement, Statement of Receipts and Payments, Recovery of Wages and accompanying notes to the financial statements for the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division – New South Wales Branch for the year ended 31 March 2015 set out on pages 2 to 27.

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

### Audit Approach

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

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

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

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

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



### Independence

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

### Audit Opinion

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

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

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

As part of our audit of the organisation for the year ended 31 March 2015, we are of the opinion that management's use of the going concern basis of accounting in the preparation of its financial statements is appropriate.



Stannards Accountants and Advisors



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

Dated this <sup>10th</sup>..... day of <sup>June</sup>..... 2015

**AUDITORS' DISCLAIMER**

**ADDITIONAL INFORMATION INCLUDED FOR THE BENEFIT OF MEMBERS ON THE FINANCIAL ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015**

This additional financial data presented in the Detailed Profit and Loss Statement is in accordance with the books and records of Communications, Electrical, Energy, Information, Postal, Plumbing & Allied Services Union of Australia Plumbing Division – New South Wales Branch for the year ended 31 March 2015 which have been subject to the auditing procedures applied in our statutory audit of the Union. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly we do not express an opinion on such financial data and no warranty of accuracy or reliability is given. Neither we nor any member or employee of our practice undertakes responsibility in any way whatsoever to any person (other than our client) in respect of such data, including any errors or omissions therein however caused.



Stannards Accountants and Advisors



MB Shulman

Registered Company Auditor (163888)

Dated this 10<sup>th</sup> day of April 2015



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**Detailed Profit and Loss Statement  
For the year ended 31 March 2015**

	<u>2015</u> \$	<u>2014</u> \$
<b>Income</b>		
Contributions	1,171,094	1,117,911
Other income	456,329	315,246
Interest received	12,940	9,640
Total income	<u>1,640,363</u>	<u>1,442,797</u>
<b>Expenses</b>		
Accountancy	-	-
ACIRT expenses	29,637	29,636
Affiliation expenses	18,980	25,447
Ambulance service	4,554	7,000
Audit & other services	12,600	8,097
Bank fees and charges	8,764	9,021
Cleaning and security services	3,357	3,241
Computer and copier expenses	4,922	10,182
Depreciation	34,382	44,661
Donations	4,548	650
Electricity	3,913	4,467
Federal levies	-	-
Fines	306	101
Fringe benefits tax	7,991	2,680
Insurance	7,302	8,523
Legal fees	14,608	7,721
Loss on disposal of fixed assets	-	283
Membership hosting	14,040	13,477
Merchandise expenses	4,409	18,341
Motor vehicle expenses	88,031	92,659
Picnic	7,435	-
Postage	12,399	15,756
Printing and stationery	11,007	9,970
Provision for annual leave	(30,373)	(1,095)
Provision for long service leave	13,442	24,498
Provision for retirement allowance	(34,589)	7,235
Rent on land and buildings	75,172	49,852

These must be read in conjunction with the attached auditors' disclaimer

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**Detailed Profit and Loss Statement  
For the year ended 31 March 2015**

	<u>2015</u>	<u>2014</u>
	\$	\$
Salaries	847,771	717,087
Staff amenities	7,775	8,424
Subscriptions	2,809	2,360
Sundry expenses	65,914	22,172
Superannuation	69,347	64,055
Telephone	13,428	29,576
Travel, accommodation & conference	15,276	9,070
Workers compensation	5,796	5,069
Forgiven Loan – National Office	-	(127,495)
Per capita payment to head office	137,850	111,843
Total expenses	<u>1,482,803</u>	<u>1,234,564</u>
Surplus from Ordinary Activities before Income Tax	<u>157,560</u>	<u>208,233</u>

These must be read in conjunction with the attached auditors' disclaimer




**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER**

s268 Fair Work (Registered Organizations) Act 2009

**I, Dave Broadley, NSW State Secretary**

a prescribed designated officer of the New South Wales Branch, Plumbing Division, CEPU, certify that the financial statements and accounts for the year ended 31 March 2015, lodged with Fair Work Australia on 16/09/2015 are :

- copies of the full report referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*
- copies of the documents provided to the members on or from 16/09/2015
- subsequently presented to the Committee of management meeting on 10/09/2015 in accordance with section 266



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Dave Broadley  
CEPU of Australia NSW Branch Secretary  
Date 22/09/2015