

CEPU of Australia Plumbing Div. NSW Branch

ABN: 85 656 451 687

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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

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.



11 August 2016

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

via email: officeadmin@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 2016 - [FR2016/55]

I acknowledge receipt of the financial report for the year ended 31 March 2016 for the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Plumbing Division NSW Divisional Branch (the reporting unit). The financial report was lodged with the Fair Work Commission (FWC) on 25 July 2016. I also acknowledge the Designated Officer's Certificate that was lodged with the FWC on 11 August 2016.

The financial report has now been filed.

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

Please note that the financial report for the year ending 31 March 2017 may be subject to an advanced compliance review.

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

Designated Officer's Certificate

Lodgment of the Designated Officer's Certificate

Section 268 of the RO Act states that the full report and the Designated Officer's Certificate are required to be lodged with the FWC within 14 days of the meeting of the Committee of Management. The Designated Officer's Certificate indicates that this meeting occurred on 20 July 2016. Although the full report was lodged with the FWC on 25 July 2016 and therefore within 14 days of the meeting of the Committee of Management, the Designated Officer's Certificate was not lodged with the FWC until 11 August 2016.

Please note that section 268 is a civil penalty provision.

Reporting Requirements

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

Should you wish to discuss 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) 8656 4681 or by email at joanne.fenwick@fwc.gov.au.

Yours sincerely



Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

s268 Fair Work (Registered Organisations) 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 2016, lodged with Fair Work Australia on 25/07/2016 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 24/05/2016
- subsequently presented to the Committee of management meeting on 20/07/2016 in accordance with section 266



Dave Broadley
CEPU of Australia NSW Branch Secretary

Date 11/08/2016



**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 2016**

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 2016**

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 2016.

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 \$144,169 (2015 – surplus of \$157,560). 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 and Financial Affairs

In the opinion of the Members of the Committee of Management, there were no significant changes in the organisation's state of affairs and activities during the financial year, nor in its financial affairs.

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 2016, the number of financial members of the organisation was 2,050.

Number of Full Time Employees

As at 31 March 2016, the number of full time equivalent employees was 8.

Committee of Management and Positions Held

The Committee of Management current members are as follows:

David Broadley	(1.4.15 – 31.3.16)	Adrian Benedet	(1.4.15 – 31.3.16)
Theo Smartzopoulos	(1.4.15 – 31.3.16)	William Patterson	(1.4.15 – 31.3.16)
Steve McCarney	(1.4.15 – 31.3.16)	Richard Dietmann	(1.4.15 – 31.7.15)
John Treble	(1.4.15 – 31.3.16)		

Officers or members who are a superannuation fund trustee or director of a superannuation fund trustee company

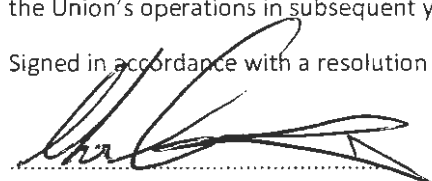
Details of officers or members, who are directors of a trustee company or individually, acting as superannuation fund trustees, are as follows:-

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

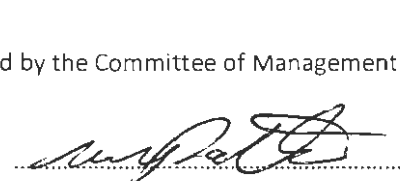
Future Developments

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 18/5/2016



David Broadley



William Patterson

Dated this 18th day of 5 2016

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

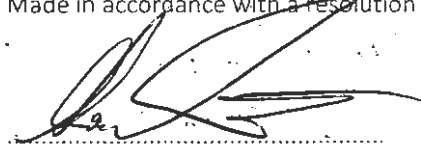
**COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016**

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 2016.

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 no revenue has been derived from undertaking recovery of wages activity during the period.

Made in accordance with a resolution as passed by the Committee of Management on 18-5- 2016



David Broadley



William Patterson

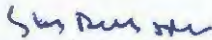
Dated this 18 day of 5 2016

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 2016 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 18 day of March 2016

**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 2016**

	<u>Note</u>	<u>2016</u>	<u>2015</u>
		\$	\$
Revenues from ordinary activities	3	1,718,361	1,640,363
Depreciation and Amortisation	4	(21,006)	(34,382)
Employee Benefits Expense	4	(943,928)	(893,355)
Per Capita Payments	14	(118,932)	(137,350)
Occupancy Costs		(80,000)	(75,172)
Motor Vehicle Costs		(79,139)	(88,031)
Telephone Costs		(29,306)	(13,428)
Affiliation Costs		(19,003)	(18,980)
Postage, printing & stationery		(25,357)	(23,406)
Legal Fees		(33,438)	(14,608)
Travel		(3,922)	(14,391)
Computer & Hosting Costs		(4,408)	(18,755)
Insurance		(7,341)	(7,302)
Audit & Accounting Fees		(14,000)	(12,600)
Fringe Benefit Tax		(9,150)	(7,991)
Staff Amenities & Clothing		(14,317)	(10,438)
Merchandise		(9,265)	(4,409)
ACT Reimbursements		(83,358)	(63,915)
Other expenses from ordinary activities		(78,322)	(44,290)
Surplus/(Deficit) for the year		144,169	157,560
Other comprehensive income		-	-
Total comprehensive income for the year		144,169	157,560

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 2016**

	<u>Note</u>	<u>2016</u>	<u>2015</u>
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	870,868	748,914
Trade and other receivables	6	-	130,687
Inventories	7	3,102	12,367
TOTAL CURRENT ASSETS		873,970	891,968
NON-CURRENT ASSETS			
Plant and equipment	8	41,600	35,037
TOTAL NON-CURRENT ASSETS		41,600	35,037
TOTAL ASSETS		915,570	927,005
CURRENT LIABILITIES			
Trade and other payables	9	174,279	305,011
Provisions	10	248,938	203,617
Payable to Federal Office	11	120,002	137,350
TOTAL CURRENT LIABILITIES		543,219	645,978
NON-CURRENT LIABILITIES			
Provisions	10	-	52,845
TOTAL NON-CURRENT LIABILITIES		-	52,845
TOTAL LIABILITIES		543,219	698,823
NET ASSETS		372,351	228,182
EQUITY			
Reserves		180,662	84,832
General Fund Balance/Accumulated Losses		191,689	143,350
TOTAL EQUITY		372,351	228,182

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 2016**

	Defence	Incidental	General Fund	Total
Balance at 1 April 2014	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)	-
Balance at 31 March 2015	-	84,832	143,350	228,182
Net surplus for the year	-	-	144,169	144,169
	-	84,832	287,519	372,351
Transfer of 1/3 of General Fund to Incidental Fund	-	95,830	(95,830)	-
Balance at 31 March 2016	-	180,662	191,689	372,351

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.

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**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016**

	<u>Note</u>	<u>2016</u>	<u>2015</u>
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers and sundry income		1,840,476	1,500,653
Payments to suppliers and employees		(1,562,175)	(1,245,987)
Receipts from other reporting units		-	-
Payment to other reporting units (Federal Office)		(137,350)	(111,843)
Interest received		8,572	12,940
Net cash provided by operating activities	12	149,523	155,763
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(27,569)	(3,837)
Net cash (used in) investing activities		(27,569)	(3,837)
Net increase in cash and cash equivalents		121,954	151,926
Cash and Cash Equivalents at beginning of financial year		748,914	596,988
Cash and Cash Equivalents at end of financial year	5	870,868	748,914

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 2016**

	<u>2016</u>	<u>2015</u>
	\$	\$
CASH ASSETS IN RESPECT OF RECOVERED MONEY AT BEGINNING OF YEAR	-	-
Receipts		
Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	-	-
Total Receipts	-	-
Payments		
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	-	-
Total Payments	-	-
Cash Assets in Respect of Recovered Money at End of Year	-	-
Number of workers to which the monies recovered relates	-	-
Aggregate payables to works attributable to recovered monies but not yet distributed	-	-
Fund or account operated for wages recovery	-	-

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 2016**

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. Where necessary, comparative information has been reclassified to comply with current year presentation of the report.

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 again 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.

The Union is not reliant on the agreed financial support of any other reporting unit. It has not agreed to provide financial support to any other reporting unit.

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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PLUMBING DIVISION - NEW SOUTH WALES BRANCH**

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.

Grant income is recognised when there is reasonable assurance that the Union will comply with the conditions attaching to the grant and such grants will be/have been received.

All other revenue is stated net of the amount of goods and services tax (GST) and recorded on an accruals basis.

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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. It is recognised at its nominal amount.
- 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) **Taxation (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.

The Union whilst believed to be exempt from income tax still has a Fringe Benefits Tax obligation.

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**

The Union applies AASB 119: Employee Benefits (September 2011) and the relevant consequential amendments arising from the related Amending Standards.

AASB 119 introduced revised definitions for “short-term employee benefits” and “other long-term employee benefits”.

Provision for employee benefits: annual leave

For the purpose of measurement, AASB 119 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, 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.

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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 to annual reporting periods beginning on or after 1 January 2018).

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

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

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

- AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods commencing on or after 1 January 2018).

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

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

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

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

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

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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>2016</u>	<u>2015</u>
	\$	\$
Revenue from Operating Activities		
- Membership Subscriptions (net of refunds and charges)	1,185,047	1,171,094
- Capitation Fees	-	-
- Interest received	8,572	12,940
- EBA dues	3,591	7,281
- Levies	-	-
- OH&S Fees	-	-
- Grants	-	-
- Directors fees	19,000	18,000
- Marsh Industry Fund	334,273	280,045
- Sponsorships	-	-
- Donations	162,780	86,170
- Sundry Income	5,098	64,833
Total Revenue	1,718,361	1,640,363

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Note 4 Surplus from Ordinary Activities	<u>2016</u>	<u>2015</u>
Expenses	\$	\$
Depreciation and amortisation		
- Motor vehicles	17,079	23,600
- Office plant & equipment	3,927	10,782
Total	<u>21,006</u>	<u>34,382</u>
Remuneration of Auditor		
- Financial Statement Audit	9,000	9,000
- Other services	5,000	3,600
Grants	-	-
Donations - Political Parties (ALP)	-	500
- CFMEU	1,440	1,848
- Other	1,359	2,200
Total Donations Paid that were \$1,000 or less	<u>2,799</u>	<u>4,548</u>
No donations were paid that exceeded \$1,000		
Penalties – via RO Act or RO Regulations	-	-
Operating leases	80,000	75,172
 Employee Expenses		
Office Holders:-		
Wages & Salaries	330,196	271,245
Superannuation / ACIRT	56,331	41,948
Leave and other entitlements	(16,826)	(41,138)
Separation and redundancies	-	-
Other Employee expenses	-	-
	<u>369,701</u>	<u>272,055</u>
Employees other than office holders:-		
Wages & Salaries	504,224	574,646
Superannuation	51,934	57,036
Leave and other entitlements	18,069	(10,382)
Separation and redundancies	-	-
Other Employee expenses	-	-
	<u>574,227</u>	<u>621,300</u>
 Total Employee Expenses	<u>943,928</u>	<u>893,355</u>

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Note 4 Surplus from Ordinary Activities (cont'd)

	<u>2016</u>	<u>2015</u>
	\$	\$
Affiliation Fees - ALP	10,077	10,813
- Unions, NSW	7,192	7,647
- Workers Health Centre	1,734	520
Legal Fees – Litigation	-	-
Legal Fees – Other Matters	33,438	14,608
Consideration for employers making payroll deductions	-	-
Compulsory levies	-	-
Fees / allowances – meetings and conferences	-	-
Conference and meeting expenses	1,068	544

Note 5 Cash and Cash Equivalents

	<u>2016</u>	<u>2015</u>
	\$	\$
Cash on hand	100	113
Cash at bank	870,768	748,801
	<u>870,868</u>	<u>748,914</u>

Note 6 Trade and Other Receivables

Trade and other debtors (receivable from other reporting units 2016 \$nil – 2015 \$nil)	-	130,687
	<u>-</u>	<u>130,687</u>

There were no impaired receivables this year (2015: \$nil)

In 2015, receivables were all <30 days old

Note 7 Inventories

Merchandise - cost	3,102	12,367
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Note 8 Plant and Equipment

	2016	2015
	\$	\$
Office Plant & Equipment		
At Cost	64,983	64,983
Less Accumulated Depreciation	(64,983)	(61,056)
Net Office Equipment	-	3,927
Motor Vehicles		
At Cost	220,129	193,139
Less Accumulated Depreciation	(178,529)	(162,029)
Net Motor Vehicles	41,600	31,110
Total Plant and Equipment	41,600	35,037

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 \$
2016					
Office Plant & Equipment	17,365	-	(283)	(6,210)	10,872
Motor Vehicles	61,797	31,364	-	(38,451)	54,710
Total	79,162	31,364	(283)	(44,661)	65,582
2015					
Office Plant & Equipment	3,927	-	-	(3,927)	-
Motor Vehicles	31,110	27,569	-	(17,079)	41,600
Total	35,037	27,569	-	(21,006)	41,600

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Note 9 Trade and Other Payables	<u>2016</u>	<u>2015</u>
	\$	\$
Consideration to employers for payable deductions	-	-
Legal Costs	-	-
Accounts payable and accruals	80,486	207,074
Annual Leave		
- officeholders	75,627	61,348
- employees other than office holders	18,166	10,984
Deferred revenue	-	25,605
	<u>174,279</u>	<u>305,011</u>

Note 10 Provisions	<u>2016</u>	<u>2015</u>
Current	\$	\$
Long Service Leave		
- officeholders	105,751	114,672
- employees other than office holders	41,548	-
Retiring Allowance		
- officeholders	101,639	88,945
- other employees	-	-
	<u>248,938</u>	<u>203,617</u>

Non-Current		
Long Service Leave		
- officeholders	-	22,184
- employees other than office holders	-	30,661
	<u>-</u>	<u>52,845</u>

There are no provisions for separation and redundancy or other provisions for officeholders or other employees (2015: \$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.

Note 12 Cash Flow Information

Reconciliation of Cash

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

	<u>2016</u>	<u>2015</u>
	\$	\$
Cash on hand	100	113
Cash at Bank	870,768	748,801
	870,868	748,914

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

Non cash flow in operating surplus	144,169	157,560
Depreciation and amortisation	21,006	34,382
(Increase)/Decrease in receivables	130,687	(126,770)
(Increase)/Decrease in other assets	-	2,353
(Increase)/Decrease in inventories	9,265	(719)
Increase/(Decrease) in payables	(148,080)	110,104
Increase/(Decrease) in provisions	(7,524)	(21,147)
Net cash provided by operating activities	149,523	155,763

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.

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.

Foreign Currency

The entity is not exposed to fluctuations in foreign currency.

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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	
		2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$	2016 %	2015 %
(i)	Financial Assets												
	Cash and Cash Equivalents	870,768	748,801	-	-	-	-	100	113	870,868	748,914	2.50	2.70
	Receivables	-	-	-	-	-	-	-	130,687	-	130,687	-	-
	Other Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-
	Total	870,768	748,801	-	-	-	-	100	130,800	870,868	879,601		
(ii)	Financial Liabilities												
	Interest Bearing Debt	-	-	-	-	-	-	-	-	-	-	n/a	n/a
	Payables	-	-	-	-	-	-	294,281	442,361	294,281	442,361	-	-
	Non Interest Bearing Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
	Total							294,281	442,361	294,281	442,361		
	Net Financial Assets/(Liabilities)	870,768	748,801	-	-	-	-	(294,181)	(311,561)	576,587	437,240		

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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 2016.

(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 2016, the effect on surplus and equity as a result of changes in the interest, with all other variables remaining constant, would be as follows:

	2016 \$	2015 \$
Change in surplus		
Increase in interest rate by 2%	17,415	14,976
Decrease in interest rate by 2%	(17,415)	(14,976)
Change in equity		
Increase in interest rate by 2%	17,415	14,976
Decrease in interest rate by 2%	(17,415)	(14,976)

Note 14 Related Party Transactions

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

David Broadley	Adrian Benedet
Theo Smartzopoulos	William Patterson
Steve McCarney	Richard Dietmann
John Treble	

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 \$316,474 (2015: \$315,971). 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 (2015: \$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 \$19,863 (2015: \$41,948). Amounts paid to ACIRT amounted to \$30,684 (2015: \$29,637)

Other transactions between the Committee Members and the Union were conducted on normal commercial terms in respect of subscriptions. There were no other transactions with such parties in 2016, nor 2015.

The officeholders received no 'non cash' benefits (2015: \$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 \$19,000 (2015: \$18,000).

Remuneration of 2 Key Officers	Short-Term Remuneration	Post – Employment Benefits (Superannuation and ACIRT)	Other Benefits (Meal & LAFH Allowance)
D. Broadley	\$121,947	\$16,735	\$8,771
T. Smartzopoulos	\$117,414	\$11,587	\$6,936

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.

	<u>2016</u>	<u>2015</u>
	\$	\$
Per Capita Expense	118,932	137,350
<u>Amounts owed to Federal Office</u>		
Current liability	118,932	137,350

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.

	31 March 2016			
Recurring fair value measurements	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets at fair value through profit or loss:	-	-	-	-
Available-for-sale financial assets:	-	-	-	-
Total financial assets recognised	-	-	-	-
<i>Non-financial assets</i>				
Freehold land & buildings	-	-	-	-
Total non-financial assets recognised	-	-	-	-

	31 March 2015			
Recurring fair value measurements	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets at fair value through profit or loss:	-	-	-	-
Available-for-sale financial assets:	-	-	-	-
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 31 March 2016 \$	Valuation Technique(s)	Inputs Used
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 (2015: \$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 2016 set out on pages 2 to 26.

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.

INDEPENDENT AUDIT REPORT
(cont'd)

Independence

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


Audit Opinion


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

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

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

As part of our audit of the organisation for the year ended 31 March 2016, 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 18 day of May 2016

AUDITORS' DISCLAIMER
ADDITIONAL INFORMATION INCLUDED FOR THE BENEFIT OF MEMBERS ON THE FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2016

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 2016 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 18 day of May..... 2016

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

**Detailed Profit and Loss Statement
For the year ended 31 March 2016**

	<u>2016</u>	<u>2015</u>
	\$	\$
Income		
Contributions	1,185,047	1,171,094
Other income	524,742	456,329
Interest received	8,572	12,940
Total income	1,718,361	1,640,363
Expenses		
ACIRT expenses	30,684	29,637
Affiliation expenses	19,003	18,980
Ambulance service	3,161	4,554
Audit & other services	14,000	12,600
Bank fees and charges	9,263	8,764
Cleaning and security services	4,155	3,357
Computer and copier expenses	6,584	4,922
Depreciation	21,006	34,382
Donations	2,799	4,548
Electricity	5,624	3,913
Federal levies	-	-
Fines	1,844	306
Fringe benefits tax	9,150	7,991
Insurance	7,341	7,302
Legal fees	33,438	14,608
Loss on disposal of fixed assets	-	-
Membership hosting	14,180	14,040
Merchandise expenses	9,265	4,409
Motor vehicle expenses	79,139	88,031
Picnic	5,451	7,435
Postage	6,392	12,399
Printing and stationery	12,455	11,007
Provision for annual leave	12,643	(30,373)
Provision for long service leave	(29,095)	13,442
Provision for retirement allowance	17,695	(34,589)
Rent on land and buildings	80,000	75,172

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

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

**Detailed Profit and Loss Statement
For the year ended 31 March 2016**

	<u>2016</u>	<u>2015</u>
	\$	\$
Salaries	834,420	845,891
Staff amenities	10,031	7,775
Subscriptions	695	2,809
Sundry expenses	116,297	67,794
Superannuation	77,581	69,347
Telephone	29,306	13,428
Travel, accommodation & conference	3,922	15,276
Workers compensation	6,831	5,796
Per capita payment to head office	118,932	137,850
	1,574,192	1,482,803
Total expenses		
Surplus from Ordinary Activities before Income Tax	144,169	157,560

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



12 April 2016

Mr David Broadley
Branch Secretary

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia - Plumbing Division NSW Divisional Branch

Sent via email: officeadmin@nswplumbersunion.com.au

Dear Mr Broadley,

**Re: Lodgement of Financial Report - [FR2016/55]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia - Plumbing Division NSW Divisional Branch (the reporting unit) ended on 31 March 2016.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date under s.268 of the RO Act, that being within 14 days after the meeting referred to in s.266 of the RO Act. The latest possible date for lodgement available to your reporting unit is 15 October 2016 subject to compliance with the requirements of ss. 266 and 268.

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

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

Also you are reminded of the obligation to prepare and lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 requires this statement to be lodged with the FWC within 90 days of the end of the reporting unit's financial year, that is on or before 29 June 2016. A sample statement of loans, grants or donations is available at [sample documents](#).

It is requested that the financial report and any Statement of Loans, Grant or Donations be lodged electronically by emailing orgs@fwc.gov.au.

It should be noted that s.268 is a civil penalty provision. Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

Should you wish to seek any clarification in relation to the above, please contact me on (03) 8656 4699 or via email at Sam.Gallichio@fwc.gov.au.

Yours sincerely,



Sam Gallichio
Adviser
Regulatory Compliance Branch

Financial reporting timelines

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

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

