



26 September 2017

Mr Theo Samartzopoulos  
Assistant Secretary, New South Wales Divisional Branch  
Plumbing Division  
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services  
Union of Australia

Sent via email: [cindra.hilder@nswplumbersunion.com.au](mailto:cindra.hilder@nswplumbersunion.com.au)

Dear Mr Samartzopoulos,

**Re: – Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Plumbing Division, New South Wales Branch - financial report for year ending 31 March 2017 (FR2017/5)**

I refer to the financial report of the New South Wales Branch of the Plumbing Division. The documents were lodged with the Registered Organisations Commission ('the ROC') on 14 September 2017.

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

You are not required to take any further action in respect of the report lodged. Please note that the financial report for the period ending 31 March 2018 may be subject to an advanced compliance review.

#### Reporting Requirements

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

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

If you have any queries regarding this letter, please contact me via email at [stephen.kellett@roc.gov.au](mailto:stephen.kellett@roc.gov.au).

Yours faithfully

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Stephen Kellett  
Financial Reporting  
Registered Organisations Commission

**From:** KELLETT,Stephen  
**Sent:** Tuesday, 26 September 2017 1:43 PM  
**To:** 'cindra.hilder@nswplumbersunion.com.au'  
**Subject:** Attention Mr Theo Samartzopoulos - financial reporting - y/e 31 March 2017 - filing  
[SEC=UNCLASSIFIED]

Dear Ms Hilder,

Please see attached my letter in relation to the above, as addressed.

**STEPHEN KELLETT**  
Financial Reporting  
Registered Organisations Commission

GPO Box 2983 Melbourne VIC 3001  
(ph) (02) 6746 3283  
(email) [stephen.kellett@roc.gov.au](mailto:stephen.kellett@roc.gov.au)



**Australian Government**  
**Registered Organisations Commission**



CEPU PNSW FR2017  
5 (primary final).pdf

**From:** Cindra Hilder [<mailto:cindra.hilder@nswplumbersunion.com.au>]  
**Sent:** Thursday, 14 September 2017 8:53 AM  
**To:** ROC - Registered Org Commission  
**Subject:** HPRM: ON CMS FR2017/5 CEPU Plumbing Dv NSW FINANCIAL REPORT 2016 2017

[FR2017/5](#)

***In reference to the Fair Work (Registered Organisations) Act 2009 (The RO Act)***

Please find attached

- General Purpose Financial Report 2016-2017 for the CEPU of Australia Plumbing Div. NSW
- Designated Officers Certificate 2016-2017 for the CEPU of Australia Plumbing Div. NSW

If you require any further assistance please contact me on the number below

Regards



**Cindra Hilder JP**  
**Office Manager of NSW Branch**

Contact:  
Mobile: 0406 660 424  
Email: [cindra.hilder@nswplumbersunion.com.au](mailto:cindra.hilder@nswplumbersunion.com.au)

**CEPU Plumbing Division**  
Shop 1, 111 McEvoy Street  
Alexandria NSW 2015

Phone: 02 9310 3411  
Fax: 02 9310 1380



Signed General  
Purpose Financial Repprescribed designater



Certificate by  
Designated Officer

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER**  
s268 Fair Work (Registered Organizations) Act 2009

**I, Theo Samartzopoulos, NSW Assistant 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 2017, lodged with Fair Work Australia on 14/09/2017 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 05/06/2017
- subsequently presented to the Committee of management meeting on 13/09/2017 in accordance with section 266



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Theo Samartzopoulos  
CEPU of Australia NSW Branch Secretary  
Date 13/09/2017

**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 2017**

**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 2017**

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 2017.

**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 \$294,574 (2016 – surplus of \$144,169). 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 2017, the number of members of the organisation was 3,056.

**Number of Full Time Employees**

As at 31 March 2017, 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	(1.4.17 – 31.3.17)	Adrian Benedet	(1.4.16 – 31.3.17)
Theo Smartzopoulos	(1.4.16 – 31.3.17)	William Patterson	(1.4.16 – 31.3.17)
Steve McCarney	(1.4.16 – 31.3.17)	John Treble	(1.4.16 – 31.3.17)
Richard Dietmann	(1.4.16-8.3.17)		

**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 17/5/2017

  
.....  
David Broadley

  
.....  
William Patterson

Dated this 17<sup>th</sup> day of May 2017



**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 2017**

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 2017.

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 Commissioner, Registered Organisations Commission;
- 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 the Commissioner, Registered Organisations Commission duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or the Commissioner, Registered Organisations Commission;
  - (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 .....17/5/..... 2017

  
.....  
David Broadley

  
.....  
William Patterson

Dated this 17 day of May 2017

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

**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 2017 there have been:-

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



Stannards Accountants and Advisors



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

Dated this 17 day of May 2017

**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 2017**

	<u>Note</u>	<u>2017</u>	<u>2016</u>
		\$	\$
Revenues from ordinary activities	3	1,856,311	1,718,361
Depreciation and Amortisation	4	(25,000)	(21,006)
Employee Benefits Expense	4	(1,006,887)	(943,928)
Per Capita Payments	14	(120,000)	(118,932)
Occupancy Costs		(80,000)	(80,000)
Motor Vehicle Costs		(80,854)	(79,139)
Telephone Costs		(22,548)	(29,306)
Affiliation Costs	4	(31,383)	(19,003)
Postage, printing & stationery		(32,651)	(25,357)
Legal Fees	4	(990)	(33,438)
Travel		(11,907)	(3,922)
Computer & Hosting Costs		(18,771)	(20,764)
Insurance		(7,193)	(7,341)
Audit & Accounting Fees	4	(16,700)	(14,000)
Fringe Benefit Tax		(9,261)	(9,150)
Staff Amenities & Clothing		(13,350)	(14,317)
Merchandise		(448)	(9,265)
ACT Reimbursements		(36,882)	(83,358)
Other expenses from ordinary activities		(44,912)	(61,966)
Surplus/(Deficit) for the year		294,574	144,169
Other comprehensive income		-	-
Total comprehensive income for the year		294,574	144,169

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 2017**

	<u>Note</u>	<u>2017</u>	<u>2016</u>
		\$	\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	1,337,024	870,868
Trade and other receivables	6	22,085	-
Inventories	7	4,291	3,102
<b>TOTAL CURRENT ASSETS</b>		<u>1,363,400</u>	<u>873,970</u>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	8	26,986	41,600
<b>TOTAL NON-CURRENT ASSETS</b>		<u>26,986</u>	<u>41,600</u>
<b>TOTAL ASSETS</b>		<u>1,390,386</u>	<u>915,570</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	270,243	174,279
Provisions	10	289,232	248,938
Payable to Federal Office	14	144,275	120,002
<b>TOTAL CURRENT LIABILITIES</b>		<u>703,750</u>	<u>543,219</u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	10	19,711	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>19,711</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u>723,461</u>	<u>543,219</u>
<b>NET ASSETS</b>		<u>666,925</u>	<u>372,351</u>
<b>EQUITY</b>			
Reserves		341,128	180,662
General Fund		325,797	191,689
<b>TOTAL EQUITY</b>		<u>666,925</u>	<u>372,351</u>

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 2017**

	<b>Incidental</b>	<b>General Fund</b>	<b>Total</b>
<b>Balance at 1 April 2015</b>	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)	-
<b>Balance at 31 March 2016</b>	180,662	191,689	372,351
Net surplus for the year	-	294,574	294,574
	180,662	486,263	666,925
Transfer of 1/3 of General Fund to Incidental Fund	160,466	(160,466)	-
<b>Balance at 31 March 2017</b>	341,128	325,797	666,925

**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 2017**

	<u>Note</u>	<u>2017</u> \$	<u>2016</u> \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from customers and sundry income		1,827,625	1,840,476
Payments to suppliers and employees		(1,261,957)	(1,562,175)
Receipts from other reporting units		-	-
Payment to other reporting units (Federal Office)		(95,727)	(137,350)
Interest received		6,601	8,572
Net cash provided by operating activities	12	476,542	149,523
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payments for plant and equipment		(10,386)	(27,569)
Net cash (used in) investing activities		(10,386)	(27,569)
Net increase in cash and cash equivalents		466,156	121,954
<b>Cash and Cash Equivalents at beginning of financial year</b>		870,868	748,914
<b>Cash and Cash Equivalents at end of financial year</b>	12	1,337,024	870,868

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 2017**

**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.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
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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 generally 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. The Union does not have any finance leases.

**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.



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- h) **Revenue (Cont'd)**  
All other revenue is stated net of the amount of goods and services tax (GST) and recorded on an accruals basis.
- 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.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
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**m) Financial Instruments (cont'd)**

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

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

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the 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 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”.

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

- AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases. It includes:-

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The Transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect or retrospective application as an adjustment to opening equity on the date of initial application.

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

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

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

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

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

The transitional provisions require that the Standard should be applied prospectively to sales or contributions of subsidiaries to associates or joint ventures occurring on or after 1 January 2018. The Committee of Management anticipate that the adoption of AASB 2014-10 will not 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).

<b>Note 3 Revenue</b>	<u><b>2017</b></u>	<u><b>2016</b></u>
	\$	\$
<b>Revenue from Operating Activities</b>		
- Membership Subscriptions (net of refunds and charges)	1,182,074	1,185,047
- Capitation Fees	-	-
- Interest received	6,601	8,572
- EBA dues	155,000	3,591
- Levies	-	-
- Grants	-	-
- Directors fees	27,000	19,000
- Marsh Industry Fund	313,151	334,273
- Sponsorships	-	-
- Donations	118,807	162,780
- Financial Support – Other Branches	-	-
- Sundry Income	53,878	5,098
<b>Total Revenue</b>	<u>1,856,311</u>	<u>1,718,361</u>

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<b>Note 4 Surplus from Ordinary Activities</b>	<u>2017</u>	<u>2016</u>
<b>Expenses</b>	<b>\$</b>	<b>\$</b>
Depreciation and amortisation		
- Motor vehicles	23,000	17,079
- Office plant & equipment	2,000	3,927
<b>Total</b>	<u>25,000</u>	<u>21,006</u>
Remuneration of Auditor		
- Financial Statement Audit	10,000	9,000
- Other services	6,700	5,000
Grants	-	-
Donations - Political Parties (ALP)	950	-
- CFMEU	105	1,440
- Other	100	1,359
Total Donations Paid that were \$1,000 or less	<u>1,155</u>	<u>2,799</u>
No donations were paid that exceeded \$1,000		
Penalties – via RO Act or RO Regulations	-	-
Operating leases	80,000	80,000
 <b>Employee Expenses</b>		
Office Holders:-		
Wages & Salaries	346,068	330,196
Superannuation / ACIRT	71,175	56,331
Leave and other entitlements	13,272	(16,826)
Separation and redundancies	-	-
Other Employee expenses	-	-
	<u>430,515</u>	<u>369,701</u>
Employees other than office holders:-		
Wages & Salaries	499,970	504,224
Superannuation	42,530	51,934
Leave and other entitlements	33,872	18,069
Separation and redundancies	-	-
Other Employee expenses	-	-
	<u>576,372</u>	<u>574,227</u>
 Total Employee Expenses	<u>1,006,887</u>	<u>943,928</u>

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

	<u>2017</u>	<u>2016</u>
	\$	\$
Affiliation Fees - ALP	10,304	10,077
- Unions, NSW	10,057	7,192
- Workers Health Centre	550	-
- National Council (CEPU)	10,472	1,734
Legal Fees – Litigation	-	-
Legal Fees – Other Matters	990	33,438
Consideration to employers for making payroll deductions	-	-
Compulsory levies (other than per Capita to National Office)	-	-
Fees / allowances – meetings and conferences	-	-
Conference and meeting out of pocket expenses	210	1,068

**Note 5 Cash and Cash Equivalents**

	<u>2017</u>	<u>2016</u>
	\$	\$
Cash on hand	100	100
Cash at bank	1,336,924	870,768
	<u>1,337,024</u>	<u>870,868</u>

**Note 6 Trade and Other Receivables**

Trade and other debtors (receivable from other reporting units 2017 \$nil 2016 \$nil)	22,085	-
	<u>22,085</u>	<u>-</u>

There were no impaired receivables this year (2016: \$nil)

In 2017, receivables were all <30 days old (ie no receivables were past due)

**Note 7 Inventories**

Merchandise - cost	4,291	3,102
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<b>Note 8 Plant and Equipment</b>	<b>2017</b>	<b>2016</b>
	\$	\$
<b>Office Plant &amp; Equipment</b>		
At Cost	68,768	64,983
Less Accumulated Depreciation	(60,382)	(64,983)
Net Office Equipment	8,386	-
<b>Motor Vehicles</b>		
At Cost	220,129	220,129
Less Accumulated Depreciation	(201,529)	(178,529)
Net Motor Vehicles	18,600	41,600
<b>Total Plant and Equipment</b>	26,986	41,600

**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.

	<b>Balance at beginning of year</b>	<b>Additions</b>	<b>Disposals</b>	<b>Depreciation expense</b>	<b>Carrying amount at the end year</b>
	\$	\$	\$	\$	\$
<b>2017</b>					
Office Plant & Equipment	-	10,386	-	(2,000)	8,386
Motor Vehicles	41,600	-	-	(23,000)	18,600
Total	41,600	10,386	-	(25,000)	26,986
<b>2016</b>					
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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<b>Note 9 Trade and Other Payables</b>	<u>2017</u>	<u>2016</u>
	\$	\$
Consideration to employers for payable deductions	-	-
Legal Costs	-	-
Accounts payable and accruals	189,311	80,486
Annual Leave		
- officeholders	58,669	75,627
- employees other than office holders	22,263	18,166
Deferred revenue	-	-
	<u>270,243</u>	<u>174,279</u>
<b>Note 10 Provisions</b>	<u>2017</u>	<u>2016</u>
<b>Current</b>	\$	\$
Long Service Leave		
- officeholders	126,876	105,751
- employees other than office holders	51,613	41,548
Retiring Allowance		
- officeholders	110,743	101,639
- other employees	-	-
	<u>289,232</u>	<u>248,938</u>
<b>Non-Current</b>		
Long Service Leave		
- officeholders	-	-
- employees other than office holders	19,711	-
	<u>19,711</u>	<u>-</u>

There are no provisions for separation and redundancy or any other provisions for officeholders or other employees (2016: \$nil)

**Provision for Employee Benefits**

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

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

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

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**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>2017</u>	<u>2016</u>
	\$	\$
Cash on hand	100	100
Cash at Bank	1,336,924	870,768
	1,337,024	870,868
<b>Reconciliation of Cash Flow from Operations with Operating surplus</b>	294,574	144,169
Non cash flow in operating surplus:-		
Depreciation and amortisation	25,000	21,006
Changes in operating net assets:-		
(Increase)/Decrease in receivables	(22,085)	130,687
(Increase)/Decrease in inventories	(1,189)	9,265
Increase/(Decrease) in payables	120,237	(148,080)
Increase/(Decrease) in provisions	60,005	(7,524)
Net cash provided by operating activities	476,542	149,523

**Note 13 Financial Instruments**

**(a) Financial Risk Management**

The Union'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 Union.

**(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 Union is exposed to through its financial instruments are liquidity risk and credit risk.

**Liquidity Risk**

The Union 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 Union is not exposed to fluctuations in foreign currency.

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

**(b) Interest Rate Risk**

The Union'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	
		2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$	2017 %	2016 %
(i)	Financial Assets												
	Cash and Cash Equivalents	1,336,924	870,768	-	-	-	-	100	100	1,337,024	870,868	2.20	2.50
	Receivables	-	-	-	-	-	-	22,085	-	22,085	-		
	Other Financial Assets	-	-	-	-	-	-	-	-	-	-		
	<b>Total</b>	<b>1,336,924</b>	<b>870,768</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,185</b>	<b>100</b>	<b>1,359,109</b>	<b>870,868</b>		
(ii)	Financial Liabilities												
	Interest Bearing Debt	-	-	-	-	-	-	-	-	-	-		
	Payables	-	-	-	-	-	-	414,518	294,281	414,518	294,281		
	Non Interest Bearing Liabilities	-	-	-	-	-	-	-	-	-	-		
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>414,518</b>	<b>294,281</b>	<b>414,518</b>	<b>294,281</b>		
	<b>Net Financial Assets/(Liabilities)</b>	<b>1,336,924</b>	<b>870,768</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(392,333)</b>	<b>(294,181)</b>	<b>944,591</b>	<b>576,587</b>		

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

**(c) Net Fair Values**

The net fair value of the Union'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 2017.

**(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 2017, 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>2017</b>	<b>2016</b>
	\$	\$
Change in surplus		
Increase in interest rate by 2%	26,738	17,415
Decrease in interest rate by 2%	(26,738)	(17,415)
Change in equity		
Increase in interest rate by 2%	26,738	17,415
Decrease in interest rate by 2%	(26,738)	(17,415)

**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 \$346,068 (2016: \$330,196). 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 (2016: \$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 \$55,230 (2016: \$40,431). Amounts paid to ACIRT on their behalf amounted to \$15,945 (2016: \$15,900)

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 2017, nor 2016.

The officeholders received no 'non cash' benefits (2016: \$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 \$27,000 (2016: \$19,000).

Remuneration of 2 Key Officers	Short-Term Remuneration \$	Post – Employment Benefits (Superannuation and ACIRT) \$	Other Benefits (Meal & LAFH Allowance) \$
D. Broadley	115,815	21,710	8,789
T. Smartzopoulos	115,704	21,710	8,789

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>2017</u>	<u>2016</u>
	\$	\$
Per Capita Expense :	120,000	118,932
<u>Amounts owed to Federal Office:</u>		
Current liability	144,275	120,002
Repayment to National Office during year:	95,727	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. Its principal place of business is 1/11 McEvoy Street, Alexandria, NSW.

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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.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
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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 2017</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Recurring fair value measurements</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</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 2016</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Recurring fair value measurements</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</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 2017 \$</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 measured at fair value in the statement of financial position:-

- 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 technique(s) and inputs used:

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

<b>Description</b>	<b>Fair Value at Hierarchy Level</b>	<b>Valuation Technique(s)</b>	<b>Inputs Used</b>
<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 from any reporting unit.

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 (2016: \$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 (“the Branch”)**

**Report on the Audit of the Financial Report**

***Auditor’s Opinion***

We have audited the accompanying general purpose financial report of the Branch, which comprises the statement of financial position as at 31 March, 2017, and the statement of comprehensive income, statement of cash flows, statement of changes in equity for the year then ended, a summary of significant accounting policies, other explanatory notes and the Committee of Management Statement.

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

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

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

As part of our audit of the organisation for the year ended 31 March 2017, we are of the opinion that the Committee of Management’s use of the going concern basis of accounting in the preparation of its financial statements is appropriate.

***Basis for Opinion***

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

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

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

**Independent Audit Report To The Members of Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division – New South Wales Branch (“the Branch”)  
(Cont’d)**

***Committee of Management Responsibility for the Financial Report***

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

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

Those charged with governance are responsible for overseeing the Branch’s financial reporting process.

***Auditor’s Responsibilities for the Audit of the Financial Report***

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

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

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

**Independent Audit Report To The Members of Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division – New South Wales Branch (“the Branch”)  
(Cont’d)**

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


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

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

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

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

  
Stannards Accountants and Advisors

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

Dated: 17/5/17

**AUDITORS' DISCLAIMER**

**ADDITIONAL INFORMATION INCLUDED FOR THE BENEFIT OF MEMBERS ON THE FINANCIAL ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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 2017 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*

Stannards Accountants and Advisors



MB Shulman

Dated this *17*..... day of *May*..... 2017

**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 2017**

	<u>2017</u> \$	<u>2016</u> \$
<b>Income</b>		
Contributions - Membership	1,182,074	1,185,047
Other income	667,636	524,742
Interest received	6,601	8,572
Total income	<u>1,856,311</u>	<u>1,718,361</u>
<b>Expenses</b>		
ACIRT expenses	32,430	30,684
Affiliation expenses	31,383	19,003
Ambulance service	5,861	3,161
Audit and other services	16,700	14,000
Bank fees and charges	9,425	9,263
Cleaning and security services	5,441	4,155
Computer and copier expenses	2,932	6,584
Depreciation	25,000	21,006
Donations	1,155	2,799
Electricity	4,814	5,624
Federal levies	-	-
Fines	1,093	1,844
Fringe benefits tax	9,261	9,150
Insurance	7,193	7,341
Legal fees	990	33,438
Membership hosting	15,839	14,180
Merchandise expenses	448	9,265
Motor vehicle expenses	80,854	79,139
Picnic	1,000	5,451
Postage	21,318	6,392
Printing and stationery	11,333	12,455
Provision for annual leave	(12,860)	12,643
Provision for long service leave	50,900	(29,095)
Provision for retirement allowance	9,104	17,695
Rent on land and buildings	80,000	80,000

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 2017**

	<u>2017</u>	<u>2016</u>
	\$	\$
Salaries	846,038	834,420
Staff amenities	10,602	10,031
Subscriptions	2,392	695
Sundry expenses	48,894	116,297
Superannuation	81,275	77,581
Telephone	22,548	29,306
Travel, accommodation and conferences	11,907	3,922
Workers compensation	6,467	6,831
Per capita payment to head office	120,000	118,932
	1,561,737	1,574,192
Total expenses		
Surplus from Ordinary Activities before Income Tax	294,574	144,169

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

**CEPU (NSW PLUMBING DIVISION)  
Remuneration Report**

Pursuant to the rules and the FWC Legislation, the Committee of Management makes the following disclosure for the year ended 31 March 2017:-

Remuneration Received by Highest Paid Officers in connection with their holding office:-

Name	Salary \$	Post Employment (ACIRT & Superannuation) \$	Other Benefits \$	Total \$
David Broadley	115,815	21,710	8,789	146,314
Theo Smartzopoulos	115,704	21,710	8,789	146,203
	231,519	43,420	17,578	292,517



**CEPU (NSW PLUMBING DIVISION)**  
**Personal Interests**

Pursuant to the rules, the Committee of Management confirms that no officer of the Branch held any personal interest in a matter that the officer has or acquired, or a relative of the officer has or acquired that relates to the affairs of the Union.

**CEPU (NSW PLUMBING DIVISION)**  
**Payment by Branch**

Pursuant to rules, Committee of Management confirms that the following payments / receipts occurred in relation to related parties and / or declared parties for the year ended 31 March, 2017:-

	<b>2017</b>
	<b>\$</b>
<b>Per Capital Payment</b>	
During the period, the Union was levied by the federal Office a per capita payment calculated in accordance with the rules.	<u>120,000</u>
<b>Other</b>	
At the end of the period, monies owing by the Union to the Federal Office amounted to:	<u>144,275</u>