



Australian Government
Australian Industrial Registry

Level 8, Terrace Towers
60 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990

Ref: FR2006/225 -[128V-PVIC]

Mr Earl Setches
Secretary
CEPU Plumbing Division
Victorian Divisional Branch
52 Victoria Street
CARLTON SOUTH VIC 3053

Dear Mr Setches

**Re: Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia - Plumbing Division - Victorian Divisional Branch
Outstanding Financial Documents - *Workplace Relations Act 1996***

The Accounts and Audit Part of Schedule 1 of the *Workplace Relations Act 1996* requires, as a general rule, that the audited financial statements of a reporting unit of a registered organisation, be lodged in the Industrial Registry within 6 months and 14 days from the end of its financial year.

To date, the Registry has no record of lodgement of the financial reports of the above named reporting unit for the year ended 31 March, 2006. For details of these provisions and organisations' financial reporting obligations please refer to the Registry's earlier correspondence.

In particular there is no record of lodgement of copies of:

- the general purpose financial report;
- the auditor's report; or
- the operating report.

These three reports are referred to as the "full report".

Section 268 of the RAO Schedule¹ requires that a copy of the full report be lodged in the Registry within 14 days (or such longer period a Registrar allows) after the full report is presented to a general meeting of members (or to a committee of management meeting if the rules make provision consistent with s266(3)).

Section 266 (1) requires that the full report be presented to the meeting within 6 months of the end of the financial year. Therefore, lodgement of the documents in the Registry was required by **15 October, 2006.**

Section 305(2)(ze) of the RAO Schedule is a civil penalty provision. It provides that a failure to meet the requirements of s268 is a contravention of that civil penalty provision. The Federal Court may on application of the Industrial Registrar impose a pecuniary penalty on the person or organisation whose conduct contravened the civil penalty provision.

I also draw your attention to the provisions of Part 1 of Chapter 9 of the RAO Schedule which set out the general duties of officers and employees of organisations and their branches in relation to financial management.

¹ Schedule 1B of the *Workplace Relations Act 1996*


In the absence of lodgement of a copy of the full report, I request you state in writing by **8 November, 2006**:

- whether the auditor has audited the general purpose financial report and if so, the date on which the auditor signed the audit report
- whether the committee of management has prepared the operating report
- whether the full report has been provided to members, and if so, when
- whether the full report provided to the members has been presented to a general or committee of management meeting, and if so, when
- when a copy of the full report will be lodged in the Industrial Registry.

The full report when lodged must be accompanied by a certificate of the secretary or other authorised officer that the documents lodged are copies of the documents provided to members and presented to the general or committee of management meeting in accordance with s266.

If you wish to discuss this letter, please contact me on (02) 8374 6618. In reply please quote: **FR2006/225**.

Yours sincerely



Belinda Penna

E-mail: belinda.penna@air.gov.au

18 October, 2006



Australian Government
Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990

Ref: FR2006/225 [128V-PVIC]

Mr Earl Setches
Branch Secretary
CEPU Plumbing Division
Victorian Divisional Branch
52 Victoria Street
CARLTON SOUTH VIC 3053

Dear Mr Setches

Plumbing Division, Victorian Divisional Branch - Financial Return - year ending 31 March 2006

Our records show your organisation's financial year ended recently. This letter outlines some of the things you must do to meet your financial reporting obligations and when you have to do them. For simplicity, we will call the documents you have to lodge with us your *financial return*.

New legislation

This letter is intended as guide to the law applicable on the date of this letter and should not be used as a substitute for legal or accounting advice. We only summarise some of the reporting requirements in this letter. More detailed information is at the end of this letter.

The legislation has changed since your last return. In May 2003 the Industrial Registrar wrote to all organisations forwarding a number of facts sheets outlining the major changes made by Schedule 1B of the Workplace Relations Act 1996 ('RAO'¹). While the immediate changes affected the rules and elections in organisations, the changes affecting financial returns involve a longer lead time.

The key differences under the new legislation affecting financial returns are:

- a reduced financial reporting cycle (now maximum periods of 5 or 6 months depending on internal arrangements of organisation)
- a greater emphasis given to Australian Accounting Standards
- the introduction of a new report, known as an Operating Report (broadly similar in concept to a Director's Report under the corporations legislation)
- extensions of time are limited to one month
- restructured penalty provisions involving more extensive use of Civil Penalties
- the introduction of the Industrial Registrar's Reporting Guidelines
- organisations and their branches to report according to their financial structures, known as 'reporting units'.

We recommend you discuss the new requirements with your accountant or auditor.

¹ Registration and Accountability of Organisations Schedule (RAO) (Schedule 1B to the *Workplace Relations Act 1996*)

Reporting Unit

One of the new concepts of the RAO legislation is that reporting entities are known as "*reporting units*". Where an organisation is **not** divided into branches the reporting unit is the whole of the organisation. Where an organisation is divided into branches each branch will be a reporting unit unless the Industrial Registrar has determined a division of the organisation into reporting units on an alternative basis. We can discuss this with you if you need more information.

For simplicity, we will refer to your organisation as a reporting unit in this letter.

Industrial Registrar's Guidelines

The Industrial Registrar's reporting guidelines set out certain disclosure requirements in addition to those prescribed by Australian Accounting Standards having in mind the nature of organisations registered under the Workplace Relations Act.

The disclosure requirements prescribed by the reporting guidelines are directed towards providing members of the reporting unit with information to enable them to gauge the performance of the committee of management and other holders of office in relation to the financial management of the reporting unit. In addition, the reporting guidelines seek to improve the quality of information available to users of the financial report about the reporting unit's economic support of, or economic dependency on, other reporting units of the organisation.

Timeline Planner and Checklist

We have attached a Timeline/Planner (Attachment A) to help you **plan** your financial return and carry out all the necessary steps. We have also attached a Document Checklist (Attachment B) to **check** your documents before lodging them in the Registry. Both documents are abbreviated summaries of the relevant provisions of the RAO Schedule, RAO Regulations and the Industrial Registrar's Reporting Guidelines.

In the following section we describe some of the documents your reporting unit must prepare and the sequence of their preparation and completion.

Three Reports

Your reporting unit must prepare two reports as soon as practicable after its financial year, which, together with the Auditor's Report, comprise the reporting unit's financial return.

1. **General Purpose Financial Report** - this must comply with the Australian Accounting Standards and the Industrial Registrar's Reporting Guidelines. The GPFR consists of:

Financial Statements containing:

- a profit and loss statement, or other operating statement; and
- a balance sheet; and
- a statement of cash flows; and
- any other statements required by the Australian Accounting Standards; and

Notes to the Financial Statements containing:

- notes required by the Australian Accounting Standards; and
- information required by the Industrial Registrar's *Reporting Guidelines* under section 255); and

Committee of Management Statement as required by the Registrar's Reporting Guidelines (a sample certificate for illustrative purposes is at Attachment C)

2. **Operating Report** - this report includes a review of your reporting unit's principal activities for the year and other specified information.

Your reporting unit must appoint an auditor to audit the GPFR and to provide:

3. an **Auditor's Report**.

First Meeting (Committee of Management)

For simplicity, we will call the meeting at which the committee of management first considers the GPFR the first meeting. At the first meeting your committee, if satisfied that all is in order, will resolve to express its opinion on the GPFR and complete a Committee of Management Statement.

The Auditor

After the first meeting, the auditor takes the GPFR and the Committee of Management Statement and prepares a report on the GPFR. In practice, your auditor may have already completed most of his or her examination of your accounts. The auditor may only be waiting on the Committee to pass the required resolution and make the Statement before signing the report the same day.

Informing Your Members

Your reporting unit must provide free of charge to the general membership, copies of the GPFR, the Operating Report and the Auditor's Report. RAO calls these the "full report". Under certain circumstances, your reporting unit can provide a more limited *concise report*.

The reporting unit can meet its obligation to provide copies of the full or concise report to members by publishing the report in a journal that is available to the members free of charge.

A reporting unit may meet this obligation in whole or in part by publication of the report in a journal published on a web site on the Internet dependent on:

- a. the extent of the accessibility of the members of the reporting unit to the Internet; and
- b. that the members are notified by the reporting unit in the usual manner in which it communicates with its members that the report has been so published at a specified Internet address.

The report must be provided within 5 or 6 months from the end of the financial year, depending on the internal arrangements of the organisation for the presentation of its financial reports.

The Second Meeting - if it is a General Meeting of Members

After providing the full report to members it must be presented to a general meeting of members. For simplicity this is referred to as the *second meeting*.

Your reporting unit must always allow a minimum of 21 days for members to receive the full report before presenting it to a general meeting of members (s265(5)). The purpose of the interval and the second meeting is to enable the members to have time to consider the report and, if they wish, to attend the second meeting to discuss it.

If the rules of the organisation permit a general meeting to be a series of meetings held at different locations, the full report may be presented to such a series of meetings. In this case the 'date' of the general meeting is taken to be the date of the last meeting in the series (see s266(2)).

The Second Meeting - if it is a Committee of Management Meeting

If the rules of your organisation contain a provision that allows up to 5% of members to demand a general meeting to be held consider the report (see s266(3)), it is permissible to present the report directly to a Committee of Management meeting.

Lodge full report within 14 days of meeting

You must lodge a copy of the full report and any concise report in the Industrial Registry within 14 days of the second meeting. For your convenience you are encouraged to lodge the material electronically (see eFiling Tab at www.airc.gov.au).

The Secretary (or another officer appropriately authorised under the rules of the organisation) must *certify* that the full report is a copy of the one provided to members and presented to the second meeting and provide the date of the meeting (a sample certification for illustrative purposes is at *Attachment D*).

When we receive your return we will check that it includes the information you must provide your members and that you have provided it to them correctly.

Complying with time limits

This letter has outlined some of the steps in preparing and lodging your return. Many of the steps must be completed within fixed time limits.

Failure to complete them in time could make your reporting unit or its officers liable to financial or "civil penalties".

Extensions of Time

We appreciate that sometimes circumstances beyond your reporting unit's control may delay completion of a financial return. If you believe your reporting unit is going to be unable to meet a time limit tell us as soon as you know. We can advise you if the step is one for which you may apply under RAO to the Industrial Registrar for extra time to complete. The maximum extra time allowed can be no more than one month.

Reduced Reporting Requirements

If your reporting unit meets certain conditions, some of these reporting requirements can be reduced. Such conditions might be where the annual income of the reporting unit (where the reporting unit is the whole of the organisation) is less than \$100,000, or where the reporting unit has no financial affairs in the financial year, or where the financial affairs of the reporting unit are encompassed by the financial affairs of its counterpart State industrial association.

Contact the Registry

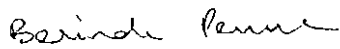
We encourage you to contact the Registry on (02) 8374 6666 as early as possible if you believe preparation or lodgment of your return will be delayed or if you have any queries. We can offer you advice on procedure but we cannot give you legal or accounting advice.

Information on AIRC Website

We recommend you and your accountant/auditor refer to the following documents on the Commission's website at www.airc.gov.au:

- [RAO Schedule and RAO Regulations](#)
- [Registrar's Reporting Guidelines](#) - All GPFR's must comply with these Guidelines. Please note that the Guidelines set out requirements that are *in addition* to those required by the Australian Accounting Standards.
- [RAO Fact Sheets](#) - These Fact Sheets explain the new requirements of the RAO Schedule - many of them deal with financial reporting matters.

Yours sincerely



For Deputy Industrial Registrar
4 April 2006

Documents Checklist

You can use this checklist as soon as possible after the financial year ends to ensure you have all the necessary documents prepared and that those documents contain all information required by RAO.

You can also use this checklist to ensure all documents in your financial return are complete before lodging them in the Registry.

No	Document	✓
1	General Purpose Financial Report	
	Does the report contain a Profit and Loss Statement?	
	Does the report contain a Balance Sheet?	
	Does the report contain a Statement of Cash Flows?	
	Does the report contain notes to the financial statements as required by AAS and the reporting guidelines?	
	Does the report contain all other information required by the reporting guidelines?	
2	Committee of Management Statement	
	Is the statement signed by the officer responsible for undertaking functions necessary to enable the reporting unit to comply with RAO?	
	Is the statement dated?	
	Is the statement in accordance with a resolution of the committee?	
	Does the statement specify the date of the resolution?	
	Does the statement contain declarations required by the reporting guidelines?	
3	Auditor's Report	
	Is the Report dated and signed by the auditor?	
	Is the name of the auditor clear?	
	Are the qualifications of the auditor on the report?	
	Has the auditor expressed an opinion on all matters required?	
4	Operating Report	
	Is the report signed and dated?	
	Does the report provide the number of members?	
	Does the report provide the number of employees?	
	Does the report contain a review of principal activities?	
	Does the report give details of significant changes?	
	Does the report give details of right of members to resign?	
	Does the report give details of superannuation trustees?	
	Does the report give details of membership of the committee of management?	
5	Concise report*	
6	Certificate of Secretary or other Authorised Officer	
	Is the certificate signed and dated?	
	Is the signatory the secretary or another officer authorised to sign the certificate?	
	Is the date that the report was provided to members stated?	
	Is the date of the Second Meeting at which the report was presented stated?	
	Does the certificate state that the documents are copies of those provided to members?	
	Does the certificate state that the documents are copies of those presented to the Second Meeting?	

* This is an optional way of providing documents to members (see RAO s265(3) and RAO Reg. 161).

Committee Of Management Statement

On *[date of meeting]* the Committee of Management of *[name of reporting unit]* passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended *[date]*:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply* with the Australian Accounting Standards;
- (b) the financial statements and notes comply* with the reporting guidelines of the Industrial Registrar;
- (c) 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;
- (d) there are reasonable grounds* to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR 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; and
 - (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; and
 - (iii) the financial records of the reporting unit have been* kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - #(iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been* kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - #(v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been* furnished to the member or Registrar; and
 - #(vi) there has been* compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

For Committee of Management: *[name of designated officer per section 243 of the RAO Schedule]*

Title of Office held:

Signature:

Date:

* *Where compliance or full compliance has not been attained - set out details of non compliance instead.*

Where not relevant these may be modified accordingly (e.g. in (vi) "No orders have been made by the Commission under section 273 of the RAO Schedule during the period."

Certificate of Secretary or other Authorised Officer¹

s268 of Schedule 1B *Workplace Relations Act 1996*

I *[name]* being the *[title of office]* of the *[name of the organisation]* certify:

- that the documents lodged herewith are copies of the full report, *[and the concise report]²*, referred to in s268 of the RAO Schedule; and
- that the *[full report **OR** concise report]³*, was provided to members on *[insert date]*; and
- that the full report was presented to *[a general meeting of members **OR** the last of a series of general meetings of members **OR** a meeting of the committee of management]³* of the reporting unit on *[insert date]*; in accordance with section 266 of the RAO Schedule.

Signature

Date:

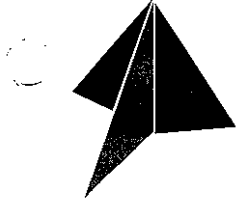
¹*RAO regulation 162 prescribes the designated officer for the purpose of RAO schedule s268 as:*

(a) the secretary; or

(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

²*Only applicable where a concise report is provided to members*

³*Insert whichever is applicable*



CEPU PLUMBING DIVISION
Communications, Electrical and Plumbing Union

FEDERAL OFFICE

EARL SETCHES
Federal Secretary

~~EARL SETCHES~~
~~Federal Secretary~~

52 Victoria St
Carlton South 3053

Ph: 03 9662 1400
Fax: 03 9663 7516

24TH October 2006

Belinda Penna
NSW Registry RIA Team
Australian Industrial Registry
Level 8, Terrace Towers
80 William St, East Sydney NSW 2011

Dear Belinda

Re: Financial reports for CEPU Plumbing Division Victorian Branch Year ending 31 March 06

The audited statements have been prepared, signed, passed by the Committee of Management, and placed on our website on and from 11th September. The next General Meeting of members is 31 October 2006 (previous meeting was cancelled) where the audits will be passed by the members, and forwarded to yourself with the Secretary's Certificate.

Re: Financial reports for CEPU Plumbing Division ACT and Tasmania Branches. The two branch audits are at the same stage as above, but both representatives are having difficulty getting sufficient members at their meetings, and they are both advertising for another meeting at the end of October.

Re: Financial reports for CEPU Plumbing Division WA Branch. I have spoken to Earl Setches about this branch, which is now disbanded, and he has advised me that it is not possible to do anything further with the financial documents, as the branch no longer exists.

Hope this is of some assistance to you.

Yours truly,

Robyn Wilson
Finance Manager





CEPU PLUMBING DIVISION
Communications, Electrical and Plumbing Union

VICTORIAN BRANCH
ABN 17 685 414 428

EARL SETCHES
Branch Secretary

TONY MURPHY
Assistant Secretary

52 Victoria St
Carlton South 3053

Ph: 03 9662 3388
Fax: 03 9663 2613

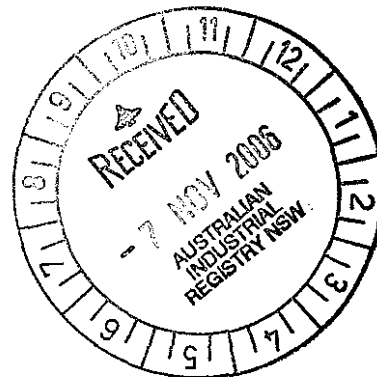
SECRETARY'S CERTIFICATE

I, Earl Setches being the State Secretary of the CEPU Plumbing Division

Victorian Branch, certify:

- that the documents lodged herewith are copies of the full and concise audited reports for the CEPU Plumbing Division Victorian Branch referred to in s268 of the RAO Schedule; and
- that the concise audited report was provided to members on our website on and from 11th September 2006; and
- that the full and concise reports were subsequently presented to a General Meeting of Members held on 31st October 2006.

Earl Setches
Earl Setches
State Secretary



Date 3/11/06



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

Financial Report

**For The Year Ended
31 March 2006**

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

**OPERATING REPORT
For the year ended 31 March 2006**

Principal activities

The principal activities of the CEPU Victorian Branch during the financial year were to provide representation and support to our members. There were no significant changes to the principal activities during the year.

Review of results

The net result of operations for the year was a profit of \$758,541 (2005: \$773,141).

Significant Changes in the State of Affairs

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

Resignation of Members

As per section 174 of the Workplace Relations Act 1996, 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 2006, the number of financial members of the organisation recorded in the register of members was 8,282 (2005: 8,683)

Number of Employees

As at 31 March 2006, the number of full time equivalent employees was 21 (2005: 23).

Committee of Management

The Committee of Management current members are as follows:

N Ottobre	E Setches	T Smart
R Vaughan	A Murphy	G Menzies
C Delidakis	A Gell	B Fitton
C Misfud	N O'Brien	N Spencer
B Rendino		

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 of the Committee of Management,


.....
Con Delidakis


.....
Barry Fitton

Dated this 25th day of July, 2006

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

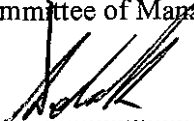
CERTIFICATE OF COMMITTEE OF MANAGEMENT

The Committee of Management of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing & Allied Services Union of Australia, Plumbing Division – Victorian Branch passed the following resolution in relation to the general purpose financial report of the reporting unit for the financial year ended 31 March 2006:

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 the Australian Accounting Standards;
- (b) the financial statements and notes comply with the Reporting Guidelines of the Industrial Registrar;
- (c) 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;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the general purpose financial report relates and since the end of that year:
 - (i) meetings of the 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 RAO Schedule and the RAO Regulations;
 - (iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation;
 - (v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - (vi) there have been no orders for inspection of financial records made by the Commission under section 273 of the RAO Schedule during the period.

For the Committee of Management:


.....
Con Delidakis


.....
Barry Fitton

Dated this 25th day of July, 2006

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA
PLUMBING DIVISION - VICTORIAN BRANCH
INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2006**

	<u>2006</u>	<u>2005</u>
	\$	\$
Revenue		
Contributions	2,639,499	2,465,509
Enrolment Fees	34,000	51,460
Recoverables Workcover	-	76,566
Director's Fees	42,631	37,670
Sundry Income	94,867	79,363
Worksafe Income	108,072	120,484
Costs Recovered from Training , Education Centres & Others	<u>574,687</u>	<u>441,053</u>
Total Revenue	<u>3,493,756</u>	<u>3,272,105</u>
Expenses		
Affiliations	73,484	87,112
Administrative Services		
Advertising	9,239	4,378
Audit Fee	7,900	7,450
Accounting Fee	5,710	8,417
Bank & other Finance Charges	17,250	15,818
Cleaning & Security Services	5,996	6,370
Committee Fees	6,760	9,180
Computer Programming Expenses	38,194	22,891
Delegates Fees	3,950	3,821
Depreciation	115,529	129,146
Fringe Benefits Tax	28,490	25,835
Insurance	64,191	64,379
Land Tax	1,240	380
Legal & Professional Fees	38,279	61,960
Electricity	4,037	7,770
Repairs & Maintenance	3,454	15,805
Motor Vehicles Expenses	63,724	82,001
Entertainment Expenses	8,488	1,418
Payroll Tax	79,511	83,440
Postage	47,796	41,211
Printing & Stationery	93,585	71,721
Provision for Annual Leave	(34,880)	(547)
Provision for Long Service Leave & Retiring Allowance	222,507	19,383
Rates	12,830	8,372
Rent	9,377	4,550
Termination Payments	8,922	2,251
Salaries & Wages	1,404,182	1,353,630
Commission	1,521	4,101
Sundries	34,801	13,849
Superannuation	239,723	193,274

The accompanying notes form part of the financial statements

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

**INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2006**

	Note	<u>2006</u>	<u>2005</u>
		\$	\$
Administrative Services (cont'd)			
Telephone & Internet Services		68,105	57,394
Training & other costs		-	2,516
Portable Sick Leave Scheme contributions		720	400
Loss on disposals and scrapping of fixed assets		18,252	3,409
Travel & Accommodation		16,399	21,205
Fines & Toll		2,277	1,736
Fitness and Clothing Allowances		9,753	11,125
Other allowances		62,032	40,272
Debt Collection Expenses		-	7,529
Staff Amenities & Miscellaneous Expenses		18,840	13,137
Provision for Amortisation - Investments		18,160	11,764
Worksafe Expenses		<u>-</u>	<u>6,054</u>
		2,830,328	2,525,907
Per Capita Payment to Head Office		<u>263,950</u>	<u>245,509</u>
Total Expenses		<u>3,094,278</u>	<u>2,771,416</u>
Net Profit available for appropriation between General and Incidental Fund	3.2 & 3.3	<u>399,478</u>	<u>500,689</u>
Net Revenue from other Funds	3.1 - 3.4	<u>359,063</u>	<u>272,452</u>
Net Profit for Year		<u>758,541</u>	<u>773,141</u>

The accompanying notes form part of the financial statements

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

**BALANCE SHEET
AS AT 31 MARCH 2006**

	Note	<u>2006</u> \$	<u>2005</u> \$
Current Assets			
Cash and Cash Equivalents	4	808,622	1,062,039
Receivables	5	408,641	281,830
Inventory	1 (b)	23,528	27,279
Other Financial Assets	6	3,000,000	1,964,278
Other	7	<u>23,063</u>	<u>34,340</u>
Total Current Assets		<u>4,263,854</u>	<u>3,369,766</u>
Non Current Assets			
Other Financial Assets	6	2,211,940	2,106,577
Property, Plant & Equipment	8	<u>2,487,225</u>	<u>2,470,519</u>
Total Non Current Assets		<u>4,699,165</u>	<u>4,577,096</u>
Total Assets		<u>8,963,019</u>	<u>7,946,862</u>
Current Liabilities			
Payables	9	211,998	178,354
Non Interest Bearing Liabilities	10	626,418	590,073
Provisions	11	<u>471,871</u>	<u>284,244</u>
Total Current Liabilities		<u>1,310,287</u>	<u>1,052,671</u>
Net Assets		<u>\$ 7,652,732</u>	<u>\$ 6,894,191</u>
EQUITY			
Defence Fund	12 (a)	2,057,984	1,920,566
General Fund	12 (a)	1,491,985	1,104,454
Incidental Fund	12 (a)	931,966	756,225
Special Purpose Fund	12 (a)	1,412,945	1,355,094
Asset Revaluation Reserves	12 (b)	<u>1,757,852</u>	<u>1,757,852</u>
Total Equity		<u>\$ 7,652,732</u>	<u>\$ 6,894,191</u>

The accompanying notes form part of the financial statements

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
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**STATEMENT OF RECOGNISED INCOME AND EXPENSE
FOR THE YEAR ENDED 31 MARCH 2006**

	<u>2006</u>	<u>2005</u>
	\$	\$
Net Income Recognised Directly in Equity	-	-
Profit for the Year	<u>758,541</u>	<u>773,141</u>
Total Recognised Income and Expense for the Year	<u>758,541</u>	<u>773,141</u>

The accompanying notes form part of the financial statements

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
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**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2006**

	<u>2006</u>	<u>2005</u>
	Inflows/ (Outflows)	Inflows/ (Outflows)
	\$	\$
Cashflows from Operating Activities		
Contributions and enrolment fees from Members	3,023,704	2,857,138
Interest Received	344,265	362,532
Worksafe Income Received	73,072	120,484
Levies Received	46,492	47,678
Other Income	187,527	171,344
Director's Fees	42,631	37,670
George Crawford Function	92,373	-
Payments to Suppliers & Employees	(2,947,185)	(2,766,861)
Amounts recharged and recouped	574,687	441,053
Levies remitted to Federal Office	(46,492)	(47,678)
Per Capita to Federal Office	<u>(263,950)</u>	<u>(245,440)</u>
Net Cash Provided by Operating Activities	Note 14 (b) <u>1,127,124</u>	<u>977,920</u>
Cashflows from Investing Activities		
Payment for Plant & Equipment	(212,693)	(145,484)
Proceeds from Sale of Plant & Equipment	62,206	24,087
Payment for Investments	(3,509,246)	(2,106,576)
Redemption of Investments	<u>2,350,000</u>	<u>1,400,000</u>
Net Cash Used in Investing Activities	<u>(1,309,733)</u>	<u>(827,973)</u>
Cashflows from Financing Activities		
Repayments by/(to) Federal & other branches	<u>(70,808)</u>	<u>198,601</u>
Net Cash Used in Financing Activities	<u>(70,808)</u>	<u>198,601</u>
Net Increase in Cash held	(253,417)	348,548
Cash at Beginning of Year	<u>1,062,039</u>	<u>713,491</u>
Cash at End of Year	Note 14 (a) <u>\$ 808,622</u>	<u>\$ 1,062,039</u>

The accompanying notes form part of the financial statements

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

1. Summary of Accounting Policies

This financial report is a general purpose financial report that has been prepared in accordance with applicable Australian Accounting Standards, other mandatory professional reporting requirements in Australia and the requirements of the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003 of the Workplace Relations Act 1996.

In accordance with generally accepted accounting principles for these types of organisations, membership contributions are accounted for on a cash receipts basis. Otherwise the financial report has been prepared on an accrual basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on fair values of consideration given in exchange for assets.

Basis of Preparation

The financial report complies with Australian Accounting Standards which include Australian Equivalents to International Financial Reporting Standards (AIFRS).

This is the first financial report prepared based on AIFRS. In accordance with the requirements of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments to accounts resulting from the introduction of IFRS have been applied retrospectively to the figures for 31 March 2005 excluding cases where optional exemptions available under AASB 1 have been applied.

Accounting Policies

The accounting policies have been consistently applied, unless otherwise stated.

(a) **Property, Plant and Equipment**

Cost and valuation

Freehold land and buildings on freehold land are measured on a fair value basis. At each reporting date, the value of assets in these classes is reviewed to ensure that it does not differ materially from the asset's fair value at that date. At 31 March 2003, the asset was independently revalued to reflect its fair value.

All other classes of property, plant and equipment are measured at cost.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006

(a) Property, Plant and Equipment (cont'd)

Depreciation

Depreciation is calculated on the prime cost and diminishing value methods and is brought to account over the estimated economic lives of all motor vehicles, equipment, furniture and fittings. Depreciation rates applied are:

	<u>2006</u>	<u>2005</u>
Motor Vehicles	25%	25%
Furniture & Office Equipment	15% - 33.33%	15%-33.33%
Fixtures & Fittings	13%	13%

(b) Inventories

Inventories are valued at the lower of cost and net realisable value.

(c) Employee Benefits

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 within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Long Service Leave and Retiring Allowance accrued by Union officials from 1 July 1999 is no longer the liability of the National Office. Accordingly, provision for Long Service Leave and Retiring Allowance now recorded in the books of the Victorian Branch takes into account the liability for such employees from 1 July 1999.

Long Service Leave and Retiring Allowance have been accrued in accordance with clause 51 of the Rules of the Union. From 1 June 2003, Long Service Leave benefits accrued by Union officials were increased from 1.95 weeks to 3 weeks per year of service in accordance with a resolution of the Committee of Management.

An amount of \$142,881, representing Long Service and Retiring Allowance accrued by Union's officials, was made to account for the shortfall in provision in relation to the Incolink Redundancy Fund which was no longer available for funding the Union's Retiring Allowance liability.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

(c) Employee Benefits (cont'd)

No provision is made for sick leave as there is no liability to pay for accumulated leave and the sick leave to be taken in future reporting periods is not expected to be greater than entitlements which are expected to accrue in those periods.

Contributions are made by the Union to the employee superannuation funds and are expensed when incurred. The Union is not obliged to contribute to these funds other than to meet its liability under the superannuation guarantee system and is under no obligation to make up any shortfall in the funds' assets to meet payments due to employees.

The number of employees at the end of the year was 21.

(d) Revenue Recognition

Contributions from members are shown net of refunds and are accounted for on a cash basis.

Interest revenue is recognised on an accrual basis.

Revenue arising from the disposal of non-current assets is recognised when the organisation and the buyer are both committed to a contract.

(e) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(f) Cash

For the purpose of the Cash Flow Statement, cash includes cash on hand, cash at bank and investments in money market instruments.

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FOR THE YEAR ENDED 31 MARCH 2006

(g) Other Financial Assets

Long term investments that are intended to be held to maturity are subsequently measured at amortised cost. For investments carried at amortised cost, gains and losses are recognised in income when the investments are derecognised or impaired.

2. Information to be Provided to Members or Registrar

In accordance with the requirements of the Workplace Relations Act 1996 Schedule 1 B (RAO), the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 272 which reads as follows:-

- (1) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.
- (2) An organisation shall, on application made under subsection (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such manner and within such time as is prescribed.
- (3) A Registrar may only make an application under subsection (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member, information received because of an application made at the request of the member.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2005**

3. FUND ANALYSIS

		<u>2006</u>	<u>2005</u>
		\$	\$
3.1 DEFENCE FUND			
INCOME			
Interest Received		108,145	120,920
Levies		<u>29,273</u>	<u>27,864</u>
Total Income		137,418	148,784
EXPENDITURE			
Surplus for Year		137,418	148,784
Surplus B/Fwd		<u>1,920,566</u>	<u>1,771,782</u>
Accumulated Surplus	12 (a)	<u><u>2,057,984</u></u>	<u><u>1,920,566</u></u>
3.2 GENERAL FUND			
INCOME			
Interest Received		121,212	53,992
Net Surplus transferred (2/3 of Net Profit from Ordinary Activities)		<u>266,319</u>	<u>333,793</u>
Total Income		387,531	387,785
EXPENDITURE			
Surplus for Year		387,531	387,785
Surplus B/Fwd		<u>1,104,454</u>	<u>716,669</u>
Accumulated Surplus	12 (a)	<u><u>1,491,985</u></u>	<u><u>1,104,454</u></u>
3.3 INCIDENTAL FUND			
INCOME			
Interest Received		42,582	37,652
Net Surplus transferred (1/3 of Net Profit from Ordinary Activities)		<u>133,159</u>	<u>166,896</u>
Total Income		175,741	204,548
EXPENDITURE			
Surplus for Year		175,741	204,548
Surplus B/Fwd		<u>756,225</u>	<u>551,677</u>
Accumulated Surplus	12 (a)	<u><u>931,966</u></u>	<u><u>756,225</u></u>

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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	<u>2006</u>	<u>2005</u>
	\$	\$
3.4 SPECIAL PURPOSE FUND		
INCOME		
Interest Received	76,304	90,296
Sale of T Shirts/Wincheaters	28,387	15,414
Federal Office Levy	46,492	47,678
George Crawford Dinner	<u>92,373</u>	<u>-</u>
Total Income	<u>243,556</u>	<u>153,388</u>
EXPENDITURE		
Donations	11,891	22,218
National Council Fund	4,071	3,500
Function - staff & other	83,433	12,846
T.Shirts/Wincheaters purchases	39,818	35,122
Federal Office Levy Payments	<u>46,492</u>	<u>47,678</u>
Total Expenditure	<u>185,705</u>	<u>121,364</u>
Surplus for Year	57,851	32,024
Surplus B/Fwd	<u>1,355,094</u>	<u>1,323,070</u>
Accumulated Surplus	12 (a) <u>1,412,945</u>	<u>1,355,094</u>

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FOR THE YEAR ENDED 31 MARCH 2006

4. Cash Assets and Cash Equivalents	<u>2006</u>	<u>2005</u>
	\$	\$
Cash at Bank	806,402	1,059,919
Cash in Hand	<u>2,220</u>	<u>2,120</u>
	<u>808,622</u>	<u>1,062,039</u>
5. Receivables		
Sundry Debtors and Accrued Income	49,550	29,892
Amounts Due from other Branches	106,816	123,553
Amounts Due from Training & Education Centres	<u>252,275</u>	<u>128,385</u>
	<u>408,641</u>	<u>281,830</u>
6. Other Financial Assets		
Current		
Deposits/Bonds -Cost	<u>3,000,000</u>	<u>1,964,278</u>
Total Current	<u>3,000,000</u>	<u>1,964,278</u>
Non Current		
Bonds – Cost less amortisation	<u>2,211,940</u>	<u>2,106,577</u>
Total Non Current	<u>2,211,940</u>	<u>2,106,577</u>
7. Other		
Prepayments	<u>23,063</u>	<u>34,340</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2006

8. Property, Plant & Equipment

Freehold Land		
At Fair Value	<u>1,100,000</u>	<u>1,100,000</u>
Buildings on Freehold Land		
At Fair Value	900,000	900,000
Less: Accumulated Depreciation	<u>36,000</u>	<u>18,000</u>
	<u>864,000</u>	<u>882,000</u>
Motor Vehicles		
At Cost	418,253	392,047
Less: Accumulated Depreciation	<u>94,903</u>	<u>125,627</u>
	<u>323,350</u>	<u>266,420</u>
Furniture & Equipment		
At Cost	404,206	388,582
Less: Accumulated Depreciation	<u>215,801</u>	<u>175,301</u>
	<u>188,405</u>	<u>213,281</u>
Fixtures and Fittings		
At Cost	18,815	14,955
Less: Accumulated Depreciation	<u>7,345</u>	<u>6,137</u>
	<u>11,470</u>	<u>8,818</u>
Total Property, Plant & Equipment	<u>2,487,225</u>	<u>2,470,519</u>

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8. Property, Plant & Equipment (Cont'd)

Freehold land and buildings on freehold land were valued by D Brindley, Certified Practising and Sworn Valuer of Woodards (Network) Pty Ltd as at 31 March 2003. The basis of valuation of the property is the capitalisation of estimated net rental return at the rate that reflects the risks relating to such property class in the location.

Reconciliations

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current year.

	Freehold Land	Building s	Motor Vehicles	Furniture & Equipment	Fixtures & Fittings	Total
	\$	\$	\$	\$	\$	\$
Carrying amount at beginning	1,100,000	882,000	266,421	213,280	8,818	2,470,519
Additions	-	-	193,210	15,625	3,860	212,695
Disposals/Adjustment	-	-	(80,460)	-	-	(80,460)
Depreciation Expense	-	(18,000)	(55,821)	(40,500)	(1,208)	(115,529)
Carrying amount at end	1,100,000	864,000	323,350	188,405	11,470	2,487,225

	<u>2006</u>	<u>2005</u>
	\$	\$
9. Payables		
Creditors and accruals	192,796	183,918
GST (Receivable)/Payable	<u>19,202</u>	<u>(5,564)</u>
	<u>211,998</u>	<u>178,354</u>
10. Non Interest Bearing Liabilities		
Amounts Payable to Federal Office	<u>626,418</u>	<u>590,073</u>

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

11. Provisions

Annual Leave	126,205	161,085
Long Service Leave & Retiring Allowance	<u>345,665</u>	<u>123,159</u>
	<u>471,870</u>	<u>284,244</u>

Details of provision for Elected Officials:

Annual Leave	87,092	57,906
Long Service Leave & Retiring Allowance	<u>345,665</u>	<u>109,319</u>
	<u>432,757</u>	<u>167,225</u>

12. Equity

(a) Retained Profits	Defence	General	Incidental	Special Purpose
	\$	\$	\$	\$
Balance at beginning of year	1,920,566	1,104,454	756,225	1,355,094
Net Profit for year	<u>137,418</u>	<u>387,531</u>	<u>175,741</u>	<u>57,851</u>
Balance at end of year	<u>2,057,984</u>	<u>1,491,985</u>	<u>931,966</u>	<u>1,412,945</u>

2006

\$

2005

\$

(b) Asset Revaluation Reserves

Opening balance	1,757,852	1,757,852
Revaluation increment arising on revaluing freehold land and buildings to fair value	<u>-</u>	<u>-</u>
Closing balance	<u>1,757,852</u>	<u>1,757,852</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2006

13. Employee Benefits

Employee benefits paid during the year:

	Elected Officials	Administrative & Industrial Staff	Total
	\$	\$	\$
Wages & Salaries	615,271	578,043	1,193,314
Annual Leave and sick leaves	104,901	80,557	185,458
Long Service Leaves & Retiring Allowance	<u>-</u>	<u>34,332</u>	<u>34,332</u>
	720,172	692,932	1,413,104
Superannuation	<u>139,111</u>	<u>100,612</u>	<u>239,723</u>
Total	<u>859,283</u>	<u>793,544</u>	<u>1,652,827</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2006

14. Notes to Cash Flow Statement

(a) Reconciliation of Cash

Cash at the end of the reporting period is reconciled to the related items in the statement of financial position as follows:-

	<u>2006</u>	<u>2005</u>
	\$	\$
Cash at Bank	806,402	1,059,919
Cash on Hand	<u>2,220</u>	<u>2,120</u>
	<u>808,622</u>	<u>1,062,039</u>

(b) Reconciliation of Net Cash Provided by Operating Activities to Net Profit

<u>Net Profit</u>		
General Fund (note 3.2)	387,531	387,785
Special Purpose Fund (note 3.4)	57,851	32,024
Incidental Fund (note 3.3)	175,741	204,548
Defence Fund (note 3.1)	<u>137,418</u>	<u>148,784</u>
	758,541	773,141
Depreciation	115,529	129,146
Provision for Employee Benefits	187,627	18,835
Provision for amortisation in Investments	18,160	11,764
Loss on disposal of non current assets	18,252	3,409
<u>Changes in Assets & Liabilities</u>		
Decrease/(Increase) in Prepayments	11,277	(10,453)
Decrease/(Increase) in Inventories	3,753	(3,660)
Increase/(Decrease) in Trade Creditors & Accruals	17,964	(4,004)
Decrease in Sundry Debtors	<u>(3,979)</u>	<u>59,742</u>
Net Cash Provided by Operating Activities	<u>1,127,124</u>	<u>977,920</u>

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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15. Related Party Information

- (a) The names or persons who formed part of the Committee of Management at any time during the year were:-

President

N. Ottobre

Vice-President

R. Vaughan

Trustees

C. Delidakis

M. Stephens (resigned)

B. Fitton

Secretary

E. Setches

Assistant Secretary

A. Murphy

Committee of Management

A. Gell

R. Lansley (resigned)

T. Smart

G. Menzies

N. Spencer

N. Kelly (resigned)

N. O'Brien (resigned)

B. Rendino

C. Misfud

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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15. Related Party Information (cont'd)

- (b) Amounts received or due and receivable (i.e. wages paid to E Setches, A Murphy, N Ottobre, R Vaughan, and committee fees paid) by the Union members of the Committee of Management were \$271,902 (2005: \$230,143).
- (c) Amounts paid on behalf of E Setches, A Murphy, N Ottobre and R Vaughan to the Building Union Superannuation Scheme in respect to the retirement of Committee of Management members \$52,223 (2005: \$38,324).
- (d) Other transactions between the Committee Members and the Union were conducted on normal commercial terms in respect of subscriptions and supply of other goods and services.
- (e) Transactions with Federal Office and other Branches

<u>Per Capita Payment</u>	<u>2006</u>	<u>2005</u>
	\$	\$
During the year, the Victorian Branch of the Union paid to the Federal Office of the Union a per capita payment calculated in accordance with the rules.	<u>263,950</u>	<u>245,509</u>
<u>Amount receivable – other branches</u>		
Western Australia	2,029	2,029
Tasmania	97,188	64,832
Canberra	<u>7,798</u>	<u>56,691</u>

16. Commitments

Capital Expenditure commitments	-	-
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17. Contingent Liability

There was no contingent liability at 31 March 2006 (2005: Nil).

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 Victoria.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

19. Union's Details

The principal place of business of the branch is:
52 Victoria Street
Carlton South Victoria 3053.

20. Financial Instruments

(a) Accounting Policies, Terms and Conditions

The Union's accounting policies, including terms and conditions of each material class of financial asset and liability, both recognised and unrecognised at the balance date, are as follows:

	Financial Instruments	Note Ref	Accounting Policy	Terms & Conditions
(i)	<u>Financial Assets</u>			
	Cash and Cash Equivalents	4	Cash at bank and on hand are carried at principal amounts. Interest is recognised as it is earned.	Cash at bank are at call at 3.88%.
	Receivables	5	Amounts receivable are carried at nominal amounts due. As stated in note 1(d), membership contributions are accounted for on a cash basis.	No interest is chargeable on late payment.
	Other Financial Assets	6	Bonds & Commercial Bills are stated at lower of cost and net realisable value. Interest is recognised in the Income and Expenditure account when earned.	Bonds and Commercial Bills have maturity dates ranging from May 2006 to February 2010 with effective interest rates between 5.64% and 6.73%
(ii)	<u>Financial Liabilities</u>			
	Payables	8	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Union.	Trade liabilities are normally settled on 30 day term. No interest.
	Non Interest Bearing Liabilities	10	Amounts payable to Federal Office are carried at nominal amounts due.	No interest is charged on amounts due.

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

20. Financial Instruments (Cont'd)

(b) Interest Rate Risk

The Union's exposure to interest rate risks and the effective interest rates of financial assets and liabilities, both recognised and unrecognised are as follows:

Financial Instruments	Floating Interest Rate		Fixed Interest Rate maturing in: 1 year or less		Fixed Interest Rate maturing in 2 year or more		Non-Interest Bearing		Total Carrying Amount as per Statement of Financial Position		Weighted Average Effective Interest Rate	
	2006 \$	2005 \$	2006 \$	2005 \$	2006 \$	2005 \$	2006 \$	2005 \$	2006 \$	2005 \$	2006 %	2005 %
(i) <u>Financial Assets</u>												
Cash Assets	806,402	1,059,919	-	-	-	-	2,220	2,120	808,622	1,062,039	3.88%	5.15%
Receivables	-	-	-	-	-	-	408,641	281,830	408,641	281,830	-	-
Other Financial Assets	-	-	3,000,000	1,964,278	2,211,940	2,106,577	-	-	5,211,940	4,070,855	5.85%	6.29%
(ii) <u>Financial Liabilities</u>												
Payables	-	-	-	-	-	-	211,998	178,354	211,998	178,354	N/A	N/A
Non Interest Bearing Liabilities	-	-	-	-	-	-	626,418	590,075	626,418	590,075	N/A	N/A

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

20 Financial Instruments (Cont'd)

(c) 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 any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

The organisation has a material credit risk exposure amounting to \$359,091 (2005 - \$251,938) to a group of debtors under financial instruments entered into by the organisation

(d) Net Fair Values

The net fair value of the investments in Bonds & Commercial Bills at 31 March 2006 is estimated at \$5,219,486. The net fair values of the Union's other financial assets and financial liabilities are not expected to be significantly different from the class of asset and liability as disclosed above and recognised in the statement of financial position as at 31 March 2006.

INDEPENDENT AUDIT REPORT

Scope

The financial report and committee of management responsibility

The financial report of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing & Allied Services Union of Australia Plumbing Division - Victorian Branch for the year ended 31 March 2006 is set out on pages 2 to 24.

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 Industrial Registrar 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 Victorian 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 Industrial Registrar and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Union's financial position, and of their performance as represented by the results of their 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 policies and disclosures used and the reasonableness of significant accounting estimates made by the members of the Committee of Management.

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

Independence

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

Audit Opinion

In our opinion,

- (i) there were kept by the Union, in respect of the year, satisfactory accounting records detailing the source and nature of the income of the Union (including income from members) and the nature and purpose of the expenditure;
- (ii) the attached financial report, prepared in accordance with applicable Australian Accounting Standards, the Reporting Guidelines of the Industrial Registrar and other mandatory professional reporting requirements in Australia, are properly drawn up so as to give a true and fair view of:
 - (a) the financial affairs of the Union as at 31 March 2006; and
 - (b) the income and expenditure, results and cash flows of the Union for the year then ended; and
- (iii) all information and explanations required for the purpose of the audit under Section 257(2), were provided by the officers or employees of the Union.

UHY Haines Norton

**UHY Haines Norton
Chartered Accountants**

R.H. Hutton

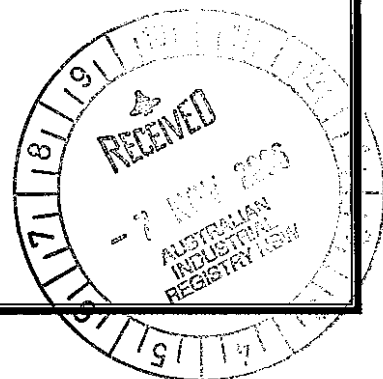
**R.H. Hutton
Registered Company Auditor**

Dated this 31ST day of JULY, 2006

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

Concise Financial Report

**For The Year Ended
31 March 2006**



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

**OPERATING REPORT
For the year ended 31 March 2006**

Principal activities

The principal activities of the CEPU Victorian Branch during the financial year were to provide representation and support to our members. There were no significant changes to the principal activities during the year.

Review of results

The net result of operations for the year was a profit of \$758,541 (2005: \$773,141).

Significant Changes in the State of Affairs

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

Resignation of Members

As per section 174 of the Workplace Relations Act 1996, 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 2006, the number of financial members of the organisation recorded in the register of members was 8,282 (2005: 8,683)

Number of Employees

As at 31 March 2005, the number of full time equivalent employees was 21 (2005: 23).

Committee of Management

The Committee of Management current members are as follows:

N Ottobre	E Setches	T Smart
R Vaughan	A Murphy	G Menzies
C Delidakis	A Gell	B Fitton
C Misfud	N O'Brien	N Spencer
B Rendino		

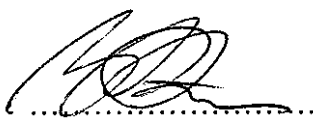
Future Developments

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 of the Committee of Management,



Con Delidakis



Barry Fitton

Dated this 11TH day of AUGUST, 2006

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

CERTIFICATE OF COMMITTEE OF MANAGEMENT

The Committee of Management of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing & Allied Services Union of Australia, Plumbing Division - Victorian Branch passed the following resolution in relation to the general purpose financial report of the reporting unit for the financial year ended 31 March 2006:

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 the Australian Accounting Standards;
- (b) the financial statements and notes comply with the Reporting Guidelines of the Industrial Registrar;
- (c) 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;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the general purpose financial report relates and since the end of that year:
 - (i) meetings of the 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 RAO Schedule and the RAO Regulations;
 - (iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation;
 - (v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - (vi) there have been no orders for inspection of financial records made by the Commission under section 273 of the RAO Schedule during the period.

For the Committee of Management:


.....
Con Delidakis


.....
Barry Fitton

Dated this 11TH day of *AUGUST*, 2006

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA
PLUMBING DIVISION - VICTORIAN BRANCH
INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2006**

	<u>2006</u>	<u>2005</u>
	\$	\$
Revenue		
Contributions	2,639,499	2,465,509
Enrolment Fees	34,000	51,460
Recoverables Workcover	-	76,566
Director's Fees	42,631	37,670
Sundry Income	94,867	79,363
Worksafe Income	108,072	120,484
Costs Recovered from Training , Education Centres & Others	<u>574,687</u>	<u>441,053</u>
Total Revenue	<u>3,493,756</u>	<u>3,272,105</u>
Expenses		
Affiliations	73,484	87,112
Administrative Services		
Advertising	9,239	4,378
Audit Fee	7,900	7,450
Accounting Fee	5,710	8,417
Bank & other Finance Charges	17,250	15,818
Cleaning & Security Services	5,996	6,370
Committee Fees	6,760	9,180
Computer Programming Expenses	38,194	22,891
Delegates Fees	3,950	3,821
Depreciation	115,529	129,146
Fringe Benefits Tax	28,490	25,835
Insurance	64,191	64,379
Land Tax	1,240	380
Legal & Professional Fees	38,279	61,960
Electricity	4,037	7,770
Repairs & Maintenance	3,454	15,805
Motor Vehicles Expenses	63,724	82,001
Entertainment Expenses	8,488	1,418
Payroll Tax	79,511	83,440
Postage	47,796	41,211
Printing & Stationery	93,585	71,721
Provision for Annual Leave	(34,880)	(547)
Provision for Long Service Leave & Retiring Allowance	222,507	19,383
Rates	12,830	8,372
Rent	9,377	4,550
Termination Payments	8,922	2,251
Salaries & Wages	1,404,182	1,353,630
Commission	1,521	4,101
Sundries	34,801	13,849
Superannuation	239,723	193,274

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

**INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2006**

	Note	<u>2006</u>	<u>2005</u>
		\$	\$
Administrative Services (cont'd)			
Telephone & Internet Services		68,105	57,394
Training & other costs		-	2,516
Portable Sick Leave Scheme contributions		720	400
Loss on disposals and scrapping of fixed assets		18,252	3,409
Recruitment & Temporary Staff		62,032	40,272
Travel & Accommodation		16,399	21,205
Fines & Toll		2,277	1,736
Fitness and Clothing Allowances		9,753	11,125
Debt Collection Expenses		-	7,529
Staff Amenities & Miscellaneous Expenses		18,840	13,137
Provision for Amortisation - Investments		18,160	11,764
Worksafe Expenses		<u>-</u>	<u>6,054</u>
		2,830,328	2,525,907
Per Capita Payment to Head Office		<u>263,950</u>	<u>245,509</u>
Total Expenses		<u>3,094,278</u>	<u>2,771,416</u>
Net Profit available for appropriation between General and Incidental Fund		<u>399,478</u>	<u>500,689</u>
Net Revenue from other Funds		<u>359,063</u>	<u>272,452</u>
Net Profit for Year		<u>758,541</u>	<u>773,141</u>

The Income Statement should be read in conjunction with the attached notes

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

**BALANCE SHEET
AS AT 31 MARCH 2006**

	Note	<u>2006</u> \$	<u>2005</u> \$
Current Assets			
Cash and Cash Equivalents		808,622	1,062,039
Receivables		408,641	281,830
Inventory		23,528	27,279
Other Financial Assets		3,000,000	1,964,278
Other		<u>23,063</u>	<u>34,340</u>
Total Current Assets		<u>4,263,854</u>	<u>3,369,766</u>
Non Current Assets			
Other Financial Assets		2,211,940	2,106,577
Property, Plant & Equipment		<u>2,487,225</u>	<u>2,470,519</u>
Total Non Current Assets		<u>4,699,165</u>	<u>4,577,096</u>
Total Assets		<u>8,963,019</u>	<u>7,946,862</u>
Current Liabilities			
Payables		211,998	178,354
Non Interest Bearing Liabilities		626,418	590,073
Provisions		<u>471,871</u>	<u>284,244</u>
Total Current Liabilities		<u>1,310,287</u>	<u>1,052,671</u>
Net Assets		<u>\$ 7,652,732</u>	<u>\$ 6,894,191</u>
EQUITY			
Defence Fund		2,057,984	1,920,566
General Fund		1,491,985	1,104,454
Incidental Fund		931,966	756,225
Special Purpose Fund		1,412,945	1,355,094
Asset Revaluation Reserves		<u>1,757,852</u>	<u>1,757,852</u>
Total Equity		<u>\$ 7,652,732</u>	<u>\$ 6,894,191</u>

The Balance Sheet should be read in conjunction with the attached notes

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

**STATEMENT OF RECOGNISED INCOME AND EXPENSE
FOR THE YEAR ENDED 31 MARCH 2006**

	<u>2006</u>	<u>2005</u>
	\$	\$
Net Income Recognised Directly in Equity	-	-
Profit for the Year	<u>758,541</u>	<u>773,141</u>
Total Recognised Income and Expense for the Year	<u>758,541</u>	<u>773,141</u>

The Statement of Recognised Income and Expense should be read in conjunction with the attached notes

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

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2006**

	<u>2006</u>	<u>2005</u>
	Inflows/ (Outflows)	Inflows/ (Outflows)
	\$	\$
Cashflows from Operating Activities		
Contributions and enrolment fees from Members	3,023,704	2,857,138
Interest Received	344,265	362,532
Worksafe Income Received	73,072	120,484
Levies Received	46,492	47,678
Other Income	187,527	171,344
Director's Fees	42,631	37,670
George Crawford Function	92,373	-
Payments to Suppliers & Employees	(2,947,185)	(2,766,861)
Amounts recharged and recouped	574,687	441,053
Levies remitted to Federal Office	(46,492)	(47,678)
Per Capita to Federal Office	<u>(263,950)</u>	<u>(245,440)</u>
Net Cash Provided by Operating Activities	<u>1,127,124</u>	<u>977,920</u>
Cashflows from Investing Activities		
Payment for Plant & Equipment	(212,693)	(145,484)
Proceeds from Sale of Plant & Equipment	62,206	24,087
Payment for Investments	(3,509,246)	(2,106,576)
Redemption of Investments	<u>2,350,000</u>	<u>1,400,000</u>
Net Cash Used in Investing Activities	<u>(1,309,733)</u>	<u>(827,973)</u>
Cashflows from Financing Activities		
Repayments by/(to) Federal & other branches	<u>(70,808)</u>	<u>198,601</u>
Net Cash Used in Financing Activities	<u>(70,808)</u>	<u>198,601</u>
Net Increase in Cash held	(253,417)	348,548
Cash at Beginning of Year	<u>1,062,039</u>	<u>713,491</u>
Cash at End of Year	<u>\$ 808,622</u>	<u>\$ 1,062,039</u>

The Cash Flow Statement should be read in conjunction with the attached notes

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

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

Notes to the Concise Financial Report

This concise report has been derived from the full financial report for the year ended 31 March 2006 and has been prepared in accordance with Australian Accounting Standard AASB1039: Concise Financial Reports. The full financial report and auditors report will be sent to members on request, free of charge. The Auditor's opinion on the general purpose financial statements did not contain any qualification or particulars of any deficiency, failure or shortcoming as referred to in the Workplace Relations Act 1996 subsection 252 and 257(2).

The discussion and analysis is provided to assist members in understanding the concise financial report. The discussion is based on the full financial report.

The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia (Plumbing Division - Victorian Branch) as the full financial report.

Discussion and Analysis of Financial Statements

Income Statement

Revenue from ordinary activities increased by 7% to \$3,493,756. The net increase in revenue was represented by a 6% increase in contributions and enrolment fees income as a result of a general increase in contribution rates and membership, an increase in costs recovered from other revenue and grants received for Worksafe program by \$133,634.

The net profit for the year was \$758,541 compared with a profit of \$771,141 in 2005 and comprised of the net profit from ordinary activities of \$399,478 compared with \$500,689 in 2005 and the net revenue from other funds of the Union was \$359,063, an increase of \$86,611 over prior year. Net revenue from other funds included investment income which has increased by 14% to \$345,243. The increase was attributable to an increase in interest rates and the level of funds invested.

Balance sheet

Changes in the Composition of Assets

Total assets of the branch increased by \$1,016,156 for the financial year, as a result of an increase of 1,141,085 in bonds and bank bills, an increase of \$126,811 in receivables and a decrease of \$253,417 in cash and cash equivalents.

Statement of Recognised Income and Expense

The movement in the statement of recognised income and expense comprised of the net profit of \$758,541 realised during the financial year.

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

Cash Flow Statement

The cash flow from operating activities increased by \$149,204 from \$977,920. The branch net capital expenditure increased by \$67,209 during this financial year. A net amount of \$1,159,246 was invested in bonds and bank bill compared with \$706,576 in 2005.

INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act 1996 Schedule 1B (ROA), the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of section 272 which reads as follows:

- (1) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.
- (2) An organisation shall, on application made under subsection (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such manner, and within such time, as is prescribed.
- (3) A Registrar may only make an application under subsection (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member

INDEPENDENT AUDIT REPORT

To the members of Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing And Allied Services Union Of Australia - Plumbing Division - Victorian Branch

Scope

The concise financial report and Committee of Management responsibility

The concise financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, discussion and analysis of, and the committee of management declaration for the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia - Plumbing Division - Victorian Branch for the year ended 31 March 2006.

The Branch's Committee of Management are responsible for the preparation and presentation of the financial report in accordance with Australian Accounting Standard AASB 1039: Concise Financial Reports and the Reporting Guidelines of the Industrial Registrar.

Audit Approach

We conducted an independent audit of the concise financial report in order to express an opinion to the members of the 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 also performed an independent audit of the full financial report of the Branch for the financial year ended 31 March 2006. Our audit report was signed on 31 July 2006 and was not subject to any qualification.

In conducting our audit of the concise financial report, we performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with Australian Accounting Standard AASB 1039: Concise Financial Reports and the Reporting Guidelines of the Industrial Registrar.

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

- testing that the information included in the concise financial report is consistent with the information in the full financial report, and
- examining, on a test basis, information to provide evidence supporting the amounts, discussion and analysis, and other disclosures in the concise financial report which were not directly derived from the full financial report.

When this audit report is included on a document containing the Committee of Managements' report, our procedures include reading the Committee of Management report to determine whether it contains any material inconsistencies with the financial report.

Independence

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

Audit Opinion

In our opinion, the concise financial report of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia - Plumbing Division - Victorian Branch for the year ended 31 March 2006 complies with Australian Accounting Standard AASB1039: Concise Financial Reports.

UHY Haines Norton

**UHY Haines Norton
Chartered Accountants**



**R.H. Hutton
Registered Company Auditor**

Dated this 11TH day of *AUGUST*, 2006.



Australian Government
Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990
Email: sydney@air.gov.au

Mr Earl Setches
State Secretary, Victorian Plumbing Divisional Branch
CEPU
52 Victoria Street
CARLTON SOUTH VIC 3053

Dear Mr Setches

**Re: Lodgement of Financial Statements and Accounts – Victorian Plumbing Divisional Branch,
CEPU – for year ending 31 March 2006 (FR2006/225)**

Thank you for lodging the abovementioned financial statements and accounts which were received in the Registry on 7 November 2006. The documents have been filed. However I take this opportunity to mention the following items for reference in future years and if applicable.

Recovery of Wages Activity Report (if applicable)

The financial report did not contain any Recovery of Wages Activity report. Paragraph 16 of the Industrial Registrar's Guidelines (applying to financial years commencing after 11 November 2004) states:

Where the reporting unit has undertaken recovery of wages activity (and has derived revenues for the financial year in respect of such activity) the reporting unit must cause to be prepared for purposes of paragraph 253(2)(c) of the RAO Schedule a financial report in which is disclosed financial information associated with such activity.

Paragraphs 17-23 describe what such a report must contain, and paragraph 25(f) requires that the Committee of Management Statement contain various declarations in relation to such recovery wages activity.

My purpose in drawing the above provisions to your attention is so that if such activity occurs in future years, the Branch is made aware that it should be reported in accordance with these Guidelines.

Donations over \$1,000

The amount for Donations in Note 3.4 shows as \$11,891. If this total amount included any single donation exceeding \$1,000, a separate statement providing relevant particulars is required to be lodged under s237 of the RAO Schedule.

Please do not hesitate to contact me on 0429 462 979 Mondays to Wednesdays if you wish to discuss this.

Yours sincerely,

Stephen Kellett
Statutory Services Branch

14 November 2006