



19 November 2015

Mr Brian Bintley
Branch Secretary
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied
Services Union of Australia – Plumbing Division – Western Australia Divisional Branch
24/257 Balcatta Road
BALCATTWA 6021

via email: brian@pteu.asn.au

Dear Mr Bintley

**Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied
Services Union of Australia – Plumbing Division – Western Australia Divisional Branch
Financial Report for the year ended 31 March 2015 - FR2015/71**

I acknowledge receipt of the financial report for the year ended 31 March 2015 for the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Plumbing Division – Western Australia Divisional Branch (the reporting unit). The financial report was lodged with the Fair Work Commission (FWC) on 29 July 2015.

The financial report has now been filed.

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

Please note that the financial report for the year ending 31 March 2016 may be subject to an advanced compliance review.

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

Non-compliance with previous requests

During the assessment of the reporting unit's financial report for the year ending 31 March 2014, the FWC raised a number of non-compliance issues and requested that the operating report and general purpose financial report be amended. These amended reports were lodged with the FWC on 26 September 2014. As the identified issues had been addressed the reports were subsequently filed. I have noted however that some of the errors originally identified have appeared in the current report, namely the requirement to disclose whether the entity for the purpose of preparing the financial statements is a for-profit or not-for-profit entity, amounts paid to the auditor for audit fees and for non-audit services, and activities 17(k), 21(a) and 21(b) under the reporting guidelines.

The FWC aims to assist reporting units in complying with their obligations under the RO Act and Reporting Guidelines, by providing advice about the errors identified in financial reports. Continual failure to address these issues may lead to the General Manager exercising her powers under section 330 of the RO Act.

Operating report

Trustee of a superannuation entity

Last year it was requested that the reporting units operating report be amended to include the information relating to the requirements under subsection 254(2)(d) of the RO Act that is details of any officer or member of the reporting unit who is a trustee, or a director of a company that is a trustee, of a superannuation entity or an exempt public sector superannuation scheme.

I note that in the operating report lodged for the year ended 31 March 2015 that a statement has been included that states '*no officers or employee acted as a director of a company or a member of a board during the year*'. In future year if there are no officers or a member of the reporting unit that are a trustee of a superannuation entity, the preferred wording to satisfy the subsection 254(2)(d) is:

'No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation'.

Statement of financial position

Disclosure of employee provision to office holders and other employees

The employee provisions note to the financial statements has disclosed annual leave and long service leave separately for office holders and employees, but does not separately disclose separation and redundancies and other employee provisions provided for officers and employees.

The Reporting Guidelines require that all employee and office holder provisions be detailed separately (refer to items 20(c) and 20(d)).

Please note that Reporting Guideline 21 states that if the activities identified in item 20 have not occurred in the reporting period, a statement of this effect must be included in the GPFR.

Reporting Requirements

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

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8656 4681 or by email at joanne.fenwick@fwc.gov.au.

Yours sincerely



Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch



PLUMBING TRADES EMPLOYEES UNION
Communication, Electrical and Plumbing Union
52 Victoria Street
CARLTON SOUTH
3053



W. A. BRANCH
ABN 33 140 138 596

Brian Bintley
Branch Secretary

Earl Setches
Federal Secretary

Paddy McCrudden
Federal President

SECRETARY'S CERTIFICATE

I (Brian Bintley) being the State Secretary of the CEPU Plumbing Division WA Branch, certify:

- That the documents lodged herewith are copies of the full audited reports of the CEPU Plumbing Division WA Branch for the financial year ended 31st March 2015, referred to in s268 of the RAO Schedule; and
- That the full report was provided to members on our website on and from 16 Jul- 2015; and
- The full report was presented at a Committee Meeting of Members on 28 Jul- 2015.


Brian Bintley
State Secretary

Date 28-Jul- 2015

**Communications, Electrical, Electronic,
Energy, Information, Postal, Plumbing and
Allied Services Union of Australia**

**Plumbing Division
– Western Australia Branch –**

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

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

**Operating Report
For the year ended 31 March 2015**

Principal activities

The principal activities of the CEPU Western Australia Branch during the financial year were to provide representation and support to our members. The branch was operated as a 'stand-alone' entity from 1 July 2013, albeit, its rules re-establishing it were not registered by FWC until 3 February 2014.

Review of results

The net result of operations for the yearend was a loss of \$39,278 (2014: profit of \$6,067). The organisation represents its members in industrial and other matters, focusing particularly on training and educational projects to advance the industry. During the year ended, it also paid particular attention to corporate governance, ensuring that it complies with legislative requirements. As at reporting date, the organisation has a net equity deficit of \$33,211. The organisation is however placed to meet the future needs of the industry and moreover its members, through ongoing representation and training services.

Significant Changes in the State of Affairs

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

Resignation of Members

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

Number of Members

As at 31 March 2015, the number of members of the organisation recorded in the register of members was 413 (2014: 647).

Number of Employees

As at 31 March 2015, the number of full time equivalent employees was 2 (2014: 2).

Committee of Management

The Committee of Management current members are as follows:-

N. Hancock	B. Darby	J. Daly	G. Brandis
B. Bintley	C. Costello	G. McDonald	M. Morete

All committee members held their positions throughout the year in accordance with the rules of the organisation.

No officers or employee acted as a director of a company or a member of a board during the year.

Future Developments

In the opinion of the Committee of Management, there is not likely to be any future development that will materially affect the Union's operation in subsequent years.

Signed in accordance with a resolution of the Committee of Management.

Dated this 30 day of June 2015

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

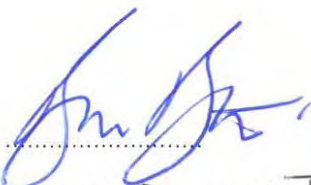

CERTIFICATE OF COMMITTEE OF MANAGEMENT

The Committee of Management of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Plumbing Division – Western Australia Branch passed the following resolution on 30 June 2015 in relation to the general purpose financial report of the reporting unit for the financial year ended 31 March 2015.

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

- (a) the financial statements and notes comply with the Reporting Guidelines of the General Manager of FWC and Australian Accounting Standards;
- (b) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (c) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (d) during the financial year to which the general purpose financial report relates and since the end of that year:
 - i. meetings of the 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 General Manager of FWC duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or General Manager of FWC;
 - v. there have been no orders for inspection of financial records made by Fair Work Australia under section 273 of the Fair Work (Registered Organisations) Act 2009 during the year; and
 - 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 reporting period.

For the Committee of Management:


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Dated this 30 day of June 2015

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

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

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



Stannards Accountants and Advisors



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

Dated this 1st day of July 2015

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

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

	2015 \$	2014 \$
Revenue		
Membership Subscriptions	314,355	233,445
Capitation Fees	-	-
Enrolment Fees	-	-
Donations or Grants	-	-
Sponsorships	-	-
Levies	-	-
Interest Income	13	-
Other Income	11,818	-
Total Revenue	326,186	233,445
Expenses		
Operating Expenses		
Affiliations	-	-
Accounting Fees	12,017	3,000
Ambulance	482	1,118
Bank Charges	431	105
Computers/IT	-	225
Consideration for employers making payroll deductions	-	-
Delegates	600	31
Depreciation	3,563	241
Donations	-	-
Dues & Subscriptions	110	110
Fees/allowance – meetings and conferences	-	-
Grants	-	-
Legal Fees – Other Matters (Litigation: \$nil)	-	2,712
Levies (Compulsory)	-	-
Meeting Expenses	207	-
Office Supplies	1,050	51
Postage	1,248	-
Printing	9,490	20,298
Per Capita Payments	27,315	-
Travel & Accommodation	2,954	914
Telephone	4,092	640
Motor Vehicle Operating Expenses		
MV Insurance & Registration	3,149	1,611
MV Parking & Toll	1,833	858
MV Repair & Maintenance	4,061	4,096
MV Petrol	6,620	5,441
Employment Expenses		
Wages & Salaries	223,766	139,909
Meal Allow (Tea Money)	2,600	1,650
Superannuation	22,610	16,990
Salary Sacrifice	5,130	-
FBT	2,277	-
Payroll Tax	2,115	8,106
Provision – Annual Leave	6,540	8,286
Provision – Long Service Leave & Retirement	17,771	10,892
Workers' Compensation	2,661	-
Other Employer Expenses	100	-
Staff Amenities	87	94
Uniforms	585	-
Total Expenses	365,464	227,378
Net (Loss) / Profit	(39,278)	6,067

The accompanying notes form part of this Financial Report

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

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

	2015 \$	2014 \$
(Loss) / Profit for the year / period	(39,278)	6,067
Other comprehensive income for the year / period	-	-
Total comprehensive (loss) / income for the year / period	(39,278)	6,067
Total comprehensive (loss) / income attributable to: Members of the organisation	(39,278)	6,067

The accompanying notes form part of this Financial Report

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

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

	Notes	2015 \$	2014 \$
Current Assets			
Cash On Hand	3	84,776	895
Trade and Other Receivables	4	29,222	-
Prepayments		1,451	-
Total Current Assets		115,449	895
Non Current Assets			
Property, Plant and Equipment	5	9,839	1,584
Loan – ETU (WA)	6	-	151,494
Total Non Current Assets		9,839	153,078
Total Assets		125,288	153,973
Current Liabilities			
Accrued Expenses		4,000	3,000
Trade Payables		24,892	-
GST Payable		2,335	-
GST Payable – ETU (WA)		-	23,346
Non Interest Bearing Liabilities	7	83,784	102,382
Provisions	8	14,825	8,286
Total Current Liabilities		129,836	137,014
Non Current Liabilities			
Provisions	8	28,663	10,892
Total Non Current Liabilities		28,663	10,892
Total Liabilities		158,499	147,906
Net Assets Deficiency		(33,211)	6,067
Equity			
Accumulated Deficit		(33,211)	6,067
Total Equity		(33,211)	6,067

The accompanying notes form part of this Financial Report

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

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

	2015 \$	2014 \$
Accumulated Profit / (Deficit) – Beginning of Period	6,067	-
(Loss) / Profit for the Year / Period	(39,278)	6,067
Total Accumulated (Deficit) / Profit – End of the Year / Period	(33,211)	6,067

The accompanying notes form part of this Financial Report

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	2015 Inflows/ (Outflows) \$	2014 Inflows/ (Outflows) \$
Cash flows from Operating Activities			
Membership Fees		314,342	233,445
Interest Received		13	-
Payments to Creditors and Employees		(306,925)	(181,613)
Net Cash Provided by Operating Activities	10(b)	7,430	51,832
Cash flows from Investing Activities			
Payments for Property, Plant and Equipment		-	(1,825)
Net Cash Provided by / (Used in) Investing Activities		-	(1,825)
Cash flows from Financing Activities			
Monies (paid to)/received from CEPU – Federal Office		(50,557)	100,557
Monies received from CEPU – Victoria Branch		(24,486)	1,825
Monies received from ETU (WA)		151,494	100,000
Monies paid to ETU (WA)		-	(251,494)
Net Cash Provided by/(Used) in Financing Activities		76,451	(49,112)
Net Increase in Cash and Cash Equivalents		83,881	895
Cash and Cash Equivalents at Beginning of Year		895	-
Cash and Cash Equivalents at End of Year	10(a)	84,776	895

The accompanying notes form part of this Financial Report

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

1. Statement of Significant Accounting Policies

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Fair Work (Registered Organisations) Regulations 2009 and Fair Work (Registered Organisations) Act 2009.

Basis of Preparation

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

In accordance with generally accepted accounting principles for these types of organisations, membership contributions are accounted for on an accruals basis. The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets.

Cost is based on fair values of consideration given in exchange for assets.

The Union was re-established on 3 February 2014. Notwithstanding this, its results from operations in the prior year have been reported from 1 July 2013 to 31 March 2014, given it operated as a 'stand-alone' entity from that date. In the current year, the reporting period is from 1 April 2014 to 31 March 2015.

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

Accounting Policies

(a) Property, Plant and Equipment

All classes of property, plant and equipment are measured at cost and depreciated as set out below:-

Depreciation

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

	2015	2014
Furniture and Office Equipment	33.33%	33.33%
Motor Vehicles	25.00%	-

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PLUMBING DIVISION – WESTERN AUSTRALIA BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015 (cont'd)**

1. Statement of Significant Accounting Policies (cont'd)

Accounting Policies (cont'd)

(b) 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.

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

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

Provision for employee benefits: annual leave

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

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

No provision is made for sick leave as there is no vested 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 employee superannuation funds and are expensed when incurred. The Union is not obliged to contribute to these funds other than to meet its liabilities under the superannuation guarantee system and is under no obligation to make up any shortfall in the funds' assets to meet payments due to employees.

The number of employees at the end of the year was 2.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
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PLUMBING DIVISION – WESTERN AUSTRALIA BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015 (cont'd)**

1. Statement of Significant Accounting Policies (cont'd)

Accounting Policies (cont'd)

(c) Revenue Recognition

Contributions from members are shown net of refunds and are accounted for on an accruals basis. Unfinancial member contributions have not been recognised as income at reporting date. Any contribution received in advance for the next period is included in deferred income.

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.

All other revenue is recognised on an accruals basis.

(d) Goods and Services Tax (GST)

Revenue, 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 assets or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(e) Cash and Cash Equivalents

For the purposes of the Cash Flow Statement, cash and cash equivalents include cash on hand, cash at bank and investments in money market instruments.

(f) Trade and other Receivables

Trade and other receivable are recognised initially at fair value and are 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 receivable 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 income statement as an expense.

(g) 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.

(h) 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.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
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PLUMBING DIVISION – WESTERN AUSTRALIA BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015 (cont'd)**

1. Statement of Significant Accounting Policies (cont'd)

Accounting Policies (cont'd)

(i) Fair value measurement

The Union measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Union would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market 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 entity at the end of the reporting period (ie. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs).

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.

(j) New Accounting Standards for Application in Future Periods

Where the AASB has issued a new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, the Union has decided not to early adopt any of the new and amended pronouncements as they will not materially impact this year's financial report.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
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PLUMBING DIVISION – WESTERN AUSTRALIA BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015 (cont'd)**

2. Information to be provided to Members or General Manager of FWC

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of sub-section (1), (2) and (3) of Section 272 which reads as follows:-

- (1) A Member of an organisation, or the General Manager of FWC, may apply to the organisation for specified prescribed information in relation to the organisation to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the organisation.
- (3) An organisation must comply with an application made under subsection (1).

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015 (cont'd)**

	2015 \$	2014 \$
3. Cash and Cash Equivalents		
Cheque Account	84,776	895
	<u>84,776</u>	<u>895</u>
4. Trade and Other Receivables		
Trade Receivables – CEPU (Vic)	29,130	-
Other Receivables	92	-
	<u>29,222</u>	<u>-</u>
5. Property, Plant and Equipment		
Office Equipment		
At Cost	1,825	1,825
Less: Accumulated Depreciation	(849)	(241)
Total Office Equipment	<u>976</u>	<u>1,584</u>
Motor Vehicles		
At Cost	11,818	-
Less: Accumulated Depreciation	(2,955)	-
Total Motor Vehicles	<u>8,863</u>	<u>-</u>
Total Property, Plant and Equipment	<u>9,839</u>	<u>1,584</u>
6. Receivables		
Loan – ETU (WA)	-	151,494
This amount was interest free and unsecured	<u>-</u>	<u>151,494</u>
7. Non Interest Bearing Liabilities		
Amount Payable to Federal Office	77,315	100,557
Amount Payable to Victorian Branch	6,469	1,825
These amounts are interest free and unsecured	<u>83,784</u>	<u>102,382</u>
8. Provisions		
<i>Current</i>		
Annual Leave – Elected Officials	5,963	1,915
Annual Leave – Other Staff	8,862	6,371
	<u>14,825</u>	<u>8,286</u>
<i>Non Current</i>		
Long Service Leave and Retiring Allowances – Elected Officials	15,459	5,998
Long Service Leave and Retiring Allowances – Other Staff	13,204	4,894
	<u>28,663</u>	<u>10,892</u>

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.

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FOR THE YEAR ENDED 31 MARCH 2015 (cont'd)**

8. Provisions (cont'd)

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.

9. Employee Benefits	Elected Officials		Other Staff		Total	
Employee benefits paid/accrued during the year / period	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$
Wages and Salaries and Allowances	116,118	82,194	110,248	59,365	226,366	141,559
Annual Leave	4,048	1,915	2,492	6,371	6,540	8,286
Long Service Leave	9,461	5,998	8,310	4,894	17,771	10,892
	129,627	90,107	121,050	70,630	250,677	160,737
Superannuation	14,240	9,825	13,500	7,165	27,740	16,990
Total	143,867	99,932	134,550	77,795	278,417	177,727

No separation or redundancy costs or other expenses were incurred this year for Elected Officials and Other Staff.

10. Cash Flow Information

a. Reconciliation of Cash

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

2015	2014
\$	\$
84,776	895

b. Reconciliation of Net Cash Provided by Operating Activities to Net Profit

<u>Net (Loss) / Profit</u>	(39,278)	6,067
<u>Non Cash Items</u>		
Depreciation	3,563	241
Provision for Employee Benefits	24,310	19,178
Other Income	(11,818)	-
Per Capita Charge	27,315	-
<u>Changes in Operating Assets and Liabilities</u>		
(Increase) in Trade Receivables	(92)	-
(Increase) in Prepayments	(1,451)	-
Increase/(Decrease) in Trade Creditors, Accruals and GST Payables	4,881	26,346
	7,430	51,832

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FOR THE YEAR ENDED 31 MARCH 2015 (cont'd)**

11. Related Party Information

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

<u>President</u>	<u>Committee Members</u>
G. McDonald	B. Darby
	G. Brandis
<u>Secretary</u>	C. Costello
B. Bintley	J. Daly
	N. Hancock
	M. Morete

- b. Amounts received or due and receivable to members of the Committee of Management were \$129,627 (2014: \$90,107). Annual leave provisions to these personnel during the year, long service leave and retirement allowances are disclosed in Note 8. There were no bonuses or termination benefits paid to these personnel. There were no loans to/from key personnel. 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 \$14,240 (2014: \$9,825).

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

- c. Amounts paid by the Branch to key personnel, B. Bintley and M. Rose were:-

Remuneration of Key Officers	Short-Term Remuneration		Post – Employment Benefits		Other Benefits	
	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$
B. Bintley	129,627	90,107	14,240	9,825	-	-
M. Rose	121,050	70,630	13,500	7,165	-	-

No termination benefit or share based payments were received by key personnel or other officeholders.

The officeholders received no 'non cash' benefits. No officeholder of the Branch during the year and/or the prior period had any material personal interest in a matter that he/she has or did acquire, or a relative of the officeholder has or did acquire.

No officeholder or officer of the Branch (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.
- 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.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015 (cont'd)**

11. Related Party Information (cont'd)

e. Transactions with Federal Office, Branches and Related entities

	2015	2014
	\$	\$
Per Capital Payment During the year, the Western Australia Branch of the Union paid to the Federal Office a per capital payment calculated in accordance with the rules.	27,315	-
Transfer of motor vehicle from ETU WA Branch	11,818	-

f. Related Party balances at year end

Amounts receivable/(payable) at reporting date – Federal
office and other branches

Federal	(77,315)	(100,557)
Victoria	22,661	(1,825)
	<u>(54,654)</u>	<u>(102,382)</u>

Balance Reconciliation- related entities

Federal Office

Carrying amount at beginning of the year	(100,557)	-
Per capita charge	(27,315)	-
Receipts	(73,045)	(100,557)
Payment made	123,602	-
Carrying amount at end of the year	<u>(77,315)</u>	<u>(100,557)</u>

Victoria Branch

Carrying amount at beginning of the year	(1,825)	-
Receipts	(6,469)	(1,825)
Payment made	30,955	-
Carrying amount at end of the year	<u>22,661</u>	<u>(1,825)</u>

12. Commitments

Capital expenditure commitments as at 31 March 2015 were \$Nil.

13. Contingent Liability

There was no contingent liability at 31 March 2015.

14. Segment Reporting

The Union Provides services to members employed in executing plumbing, gas fitting, pipe fittings and domestic engineering works in the state of Western Australia.

15. Union's Details

The principal place of business of the branch is:

52 Victoria Street
CARLTON VIC 3053

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015 (cont'd)**

16. 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.

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.

17. Financial Instruments

a. Financial Risk Management

The entity's financial instruments consist of deposits with banks, non interest bearing liability and accounts receivables and payable.

The entity does not have any derivative instruments at 31 March 2015.

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

i Treasury Risk Management

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

ii Financial Risk

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

Foreign Currency

The entity is not exposed to fluctuations in foreign currency.

Liquidity Risk

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

Credit Risk

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

The entity has a material credit risk exposure amounting to \$Nil to a group of debtors under financial transactions entered into by the entity.

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FOR THE YEAR ENDED 31 MARCH 2015 (cont'd)**

18. Financial Instruments (cont'd)

a. 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: less than 1 year		Fixed Interest Rate maturing in: 1 year or more		Non Interest Bearing		Total Carrying Amount as per Statement of Financial Position		Weighted Average Effecting Interest Rate	
		2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$	2015 %	2014 %
(i)	Financial Assets:-												
	Cash and Cash Equivalents	84,776	895		-		-	-	-	84,776	895	2.4	3.1
	Receivables	-	-		-		-	29,222	151,494	29,222	151,494		
	Other Financial Assets	-	-		-		-	-	-	-	-		
	Total	84,776	895		-		-	29,222	151,494	113,998	152,389		
(ii)	Financial Liabilities:-												
	Interest Bearing Debt	-	-	-	-	-	-	-	-	-	-		
	Payables:-												
	Non Interest Bearing Liabilities	-	-	-	-	-	-	115,011	128,728	115,011	128,728		
	Total	-	-	-	-	-	-	115,011	128,728	115,011	128,728		
	Net Financial Assets/(Liabilities)	84,776	895	-	-	-	-	(85,789)	22,766	(1,013)	23,661		

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015 (cont'd)**

18. Financial Instruments (cont'd)

c. Net Fair Values

The net fair value of the investments in commercial bills/securities at 31 March 2015 is estimated at \$nil (carrying amount \$nil). The net fair value of the Union's other financial assets and financial liabilities are not expected to be significantly different from the class of asset and liabilities as disclosed above and recognised in the statement of financial position as at 31 March 2015.

d. Sensitivity Analysis

Interest rate risk

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

Interest rate sensitivity analysis

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

	2015 \$	2014 \$
Change in profit		
Increase in interest rate by 2%	1,695	2
Decrease in interest rate by 2%	(1,695)	(2)
Change in equity		
Increase in interest rate by 2%	1,695	2
Decrease in interest rate by 2%	(1,695)	(2)

e. Fair Value Hierarchy

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.

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.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015 (cont'd)**

18. Financial Instruments (cont'd)

e. Fair Value Hierarchy (cont'd)

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

Valuation Techniques

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

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Union gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

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FOR THE YEAR ENDED 31 MARCH 2015 (cont'd)**

18. Financial Instruments (cont'd)

e. 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.

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

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

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

Description	Fair Value at 31 March 2015 \$	Fair Value at 31 March 2014 \$	Valuation Technique(s)	Inputs Used
<i>Non-financial assets</i>				
Financial assets at fair value through profit or loss:	-	-	Market approach using recent observable market data or income approach using discounted cash flows	Price per square metre, market borrowing rate
Available-for-sale financial assets:	-	-	Market approach using recent observable market data or discounted cashflows	Price per share, market borrowing rate
	-	-		-

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015 (cont'd)**

18. Financial Instruments (cont'd)

g. Disclosed Fair Value Measurements

The following assets and liabilities are not measured at fair value in the statement of financial position, but their fair values are disclosed in the notes:-

- accounts receivable and other debtors;
- accounts payable and other payables; and
- hire purchase liabilities.

The following table provides the level of the fair value hierarchy within which the disclosed fair value measurements are categorised in their entirety and a description of the valuation techniques(s) and inputs used:

Description	Fair Value at Hierarchy Level	Valuation Technique(s)	Inputs Used
<i>Assets</i>			
Accounts receivable and other debtors	3	Income approach using discounted cash flow methodology	Market interest rates for similar assets
<i>Liabilities</i>			
Accounts payable and other payables	3	Income approach using discounted cash flow methodology	Market interest rates for similar assets
Hire purchase liabilities	2	Income approach using discounted cash flow methodology	Current commercial borrowing rates for similar instruments

19. 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.

INDEPENDENT AUDIT REPORT

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

Scope

The financial report and Committee of management responsibility

The financial report comprises the Certificate of Committee of Management, Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Cash Flow Statement, and accompanying notes to the financial statements for the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division – Western Australia Branch for the year ended 31 March 2015 set out on pages 2 to 23.

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

Audit Approach

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

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

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

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

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

INDEPENDENT AUDIT REPORT
(cont'd)

Independence

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

Audit Opinion

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

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

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

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



Stannards Accounting and Advisors



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

Dated this 14 day of July 2015