



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: FR2006/609-[128V-WA]

The Branch Secretary
CEPU Electrical Division
Western Australian Divisional Branch
24/257 Balcatta Road
BALCATTWA WA 6021

Dear Sir

Financial Return - year ending 31 December, 2006

Our records show the 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*.

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.

Information on AIRC Website

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

- [RAO Schedule](#)
- [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 requirements of the RAO Schedule - many of them deal with financial reporting matters.

Reporting Unit

Under the provisions of the Registration and Accountability of Organisations Schedule (RAO), Schedule 1 of the *Workplace Relations Act 1996*, 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 use the term "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:

(a) 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

(b) 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 including disclosures related to any recovery of wages activity ; and

(c) Committee of Management Statement as required by the Registrar's Reporting Guidelines (a sample certificate for illustrative purposes is at Attachment C) including declarations related to the recovery of wages activity.

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 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.

Contact the Registry

We encourage you to contact the Registry on (02) 8374 6618 or by e-mail at belinda.penna@air.gov.au 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 procedures but we cannot give you legal or accounting advice.

Yours sincerely



For Deputy Industrial Registrar
19 January 2007

TIMELINE/ PLANNER

Financial reporting period ending:	/ /	
FIRST MEETING: Prepare General Purpose Financial Report (including Committee of Management Statement in accordance with C of M resolution) and Operating Report - s253(1), s254(1)	/ /	<i>as soon as practicable after end of financial year</i>
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	<i>within a reasonable time of having received the GPFR</i>
Provide full report free of charge to members. (a) if the report is to be presented before a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting, or (b) in any other case including where the report is presented to a Committee of Management meeting, the report must be provided to members within 5 months of end of financial year. <i>(obligation to provide full report may be discharged by provision of a concise report s265(1))</i>	/ / / /	
SECOND MEETING: Present full report to: (a) General Meeting of Members - s266 (1),(2), or (b) where rules of organisation allow, a Committee of Management meeting - s266 (3)	/ / / /	<i>within 6 months of end of financial year</i> <i>within 6 months of end of financial year</i>
Lodge full report (including any concise report) in the Industrial Registry together with secretary's certificate (or other officer authorised by the rules of the organisation) - s268	/ /	<i>within 14 days of meeting</i>

Note: The legislation makes limited provision for extensions of time concerning the provision of the full report to members and the presentation of the full report to a general meeting etc however the maximum extra time allowed can be no more than one month.

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?	
	Does the statement contain declarations relating to any recovery of wages activity?	
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.

[Add the following if any recovery of wages activity has been undertaken during the financial year]

- (f) in relation to recovery of wages activity:
 - (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the Industrial Registrar; and
 - (ii) the committee of management caused the auditor to include in the scope of the audit required under subsection 257(1) of the RAO Schedule all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and
 - (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
 - (iv) that prior to engaging in any recovery of wages activity, the organization has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and

- (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

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:

¹RAO 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.

²Only applicable where a concise report is provided to members

³Insert whichever is applicable



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Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
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Ref: FR2006/609 -[128V-WA]

Mr Les McLaughlan
Branch Secretary
CEPU Electrical Division
Western Australian Divisional Branch
24/257 Balcatta Road
BALCATTWA WA 6021

Dear Mr McLaughlan

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

The Accounts and Audit Part of Schedule 1B 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 December, 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 **17 July, 2007.**

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.

In the absence of lodgement of a copy of the full report, I request you state in writing by **8 August, 2007:**

- whether the auditor has audited the general purpose financial report and if so, the date on which the auditor signed the audit report

¹ Schedule 1B of the Workplace Relations Act 1996

- 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: **FR2006/609.**

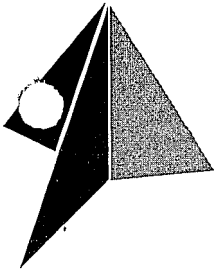
Yours sincerely



Belinda Penna

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

20 July, 2007



CEPU
WESTERN AUSTRALIA ABN: 84 898 932 123



ETU
Electrical Trades Union

1st August, 2007

Ms. Belinda Penna,
Australian Industrial Registry,
Level 8, Terrace Towers,
80 William Street,
EAST SYDNEY NSW 2011

Dear Ms. Penna,

Your Ref: FR2006/609

Please find attached the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Electrical Division, WA Branch audited financial report, Annexure "E" and the Statutory Declaration as required.

Any queries please do not hesitate to contact the undersigned.

Yours faithfully,

KIM STEWART



24/257 Balcatta Road Balcatta WA 6021
PO Box 689 Balcatta WA 6914

Tel: (08) 9440 3522 Fax: (08) 9440 3544 Email: cepu@etuwa.com.au Website: www.etuwa.com

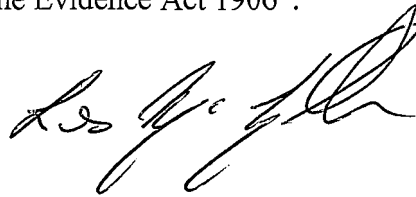
L. McLaughlan State Secretary • **R. Manhood** President

**WESTERN AUSTRALIA
THE EVIDENCE ACT, 1906
STATUTORY DECLARATION**

I Leslie McLaughlan do solemnly and sincerely declare as follows:-

1. That I am the Secretary of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Engineering and Electrical Division, WA Branch.
2. As at 1 January 2007 there were 6,621 Registered Members in the CEPU Engineering and Electrical Division WA.
3. That annexed hereto as Appendix "A" and signed by me is to the best of my knowledge a true copy of the list of names, postal addresses, and occupations of the persons holding office in the CEPU Engineering and Electrical Division WA as at 1 January 2007.
4. That such annexure is to the best of my knowledge a correct statement of the information contained therein.

And I make this solemn declaration conscientiously believing the same to be true and by virtue of Section 106 of the "The Evidence Act 1906".



DECLARED AT PERTH

in the State of Western Australia

this 1 day of August 2007

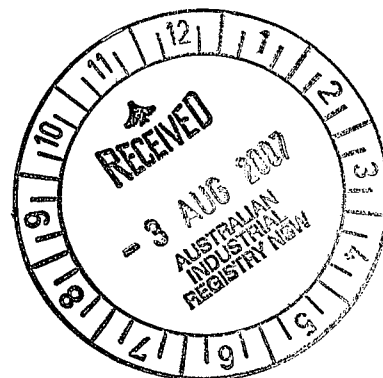
Before me

KSA CPA

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

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2006



COMMUNICATION, ELECTRICAL, ELECTRONIC,
ENERGY, INFORMATION, POSTAL, PLUMBING AND
ALLIED SERVICES UNION OF AUSTRALIA,
ENGINEERING AND ELECTRICAL DIVISION,
WA BRANCH

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**COMMUNICATION, ELECTRICAL, ELECTRONIC,
ENERGY, INFORMATION, POSTAL, PLUMBING AND
ALLIED SERVICES UNION OF AUSTRALIA,
ENGINEERING AND ELECTRICAL DIVISION,
WA BRANCH**

OPERATING REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

Principal Activities

The principal activities of the Union during the financial year were the provision of industrial, professional and managerial services to the members consistent with the object and rules of the Union and in particular, protecting and improving the interests of members.

Results of Principal Activities

The Union's principal activities resulted in a loss for the financial year of \$414,390 (2005: profit \$156,988).

Significant Changes in Nature of Principal Activities

There were no significant changes in the nature of the Unions principal activities during the financial year.

Significant Changes in the Unions Financial Affairs

No matters or circumstances arose during the reporting year which significantly affected the financial affairs of the Union.

On the 16 September 2005 The Electrical and Plumbing Divisional Branch of Western Australia officially amalgamated with the Electrical Division. However, the financial amalgamation took place on 1 April 2006. These financial statements therefore reflect this financial amalgamation.

The loan from the Union to the CSTA has been deemed a gift via a resolution.

Rights of Members to Resign

Members may resign from the Union in accordance with Rule 4.5.4. which sets out the conditions for resignation of a member.

Trustee or Director of Trustee Company of Superannuation Entity or Exempt Public Sector Superannuation Scheme

The following officers of the Union held reserved positions in the following entities:

Name	Official Position	Director of	Name of Superannuation Fund
Peter Carter	Branch Councillor	Director of the Trustee company	Connect Superannuation

**COMMUNICATION, ELECTRICAL, ELECTRONIC,
ENERGY, INFORMATION, POSTAL, PLUMBING AND
ALLIED SERVICES UNION OF AUSTRALIA,
ENGINEERING AND ELECTRICAL DIVISION,
WA BRANCH**

**OPERATING REPORT FOR THE YEAR ENDED 31 DECEMBER 2006
(Continued)**

Number of Members

The number of persons who, at the end of the financial year, were recorded on the Register of members was 6,621 (2005: 7,347).

Number of Employees

The number of persons who were, at the end of the financial year, employees of the Union was 16 (2005: 15).

Members of Committee of Management

The persons who held office as members of the Committee of Management of the union at any time during the reporting period:

Name	Title of Officer
R. Manhood	Branch President
G. Wilton	Deputy Branch President
L. McLaughan	Branch Secretary (Appointed: 10/02/2006)
W. Game	Branch Secretary (Resigned: 10/02/2006)
P. Carter	Branch Councillor
D. Fowlie	Branch Councillor
I. Gill	Branch Councillor
T. Hayes	Branch Councillor
S. Lowley	Branch Councillor
D. Pike	Branch Councillor
J. Balfour	Branch Councillor
D. Cowan	Branch Councillor
J. Fiala	Branch Councillor
A. Rice	Branch Councillor (Resigned)
G.W. Halpine	Branch Councillor (Resigned)
B. Jones	Branch Councillor
A. Benbow	Branch Councillor
M. Ewen	Branch Councillor
L. Perham	Branch Councillor (Resigned)
L. Edmonds	Branch Councillor (Appointed)
M. Donaldson	Branch Councillor (Appointed)
R. Hampson	Branch Councillor (Appointed)
S. O'Regan	Branch Councillor (Appointed)
G. Sadler	Branch Councillor (Appointed)

COMMUNICATION, ELECTRICAL, ELECTRONIC,
ENERGY, INFORMATION, POSTAL, PLUMBING AND
ALLIED SERVICES UNION OF AUSTRALIA,
ENGINEERING AND ELECTRICAL DIVISION,
WA BRANCH

OPERATING REPORT FOR THE YEAR ENDED 31 DECEMBER 2006
(Continued)

Changes to the Composition of the Committee of Management during the financial year

L McLaughan	Branch Secretary (Appointed: 10/02/2006)
W. Game	Branch Secretary (Resigned: 10/02/2006)
A. Rice	Branch Councillor (Resigned)
G.W. Halpine	Branch Councillor (Resigned)
L. Perham	Branch Councillor (Resigned)
L Edmonds	Branch Councillor (Appointed)
M Donaldson	Branch Councillor (Appointed)
R Hampson	Branch Councillor (Appointed)
S O'Regan	Branch Councillor (Appointed)
G Sadler	Branch Councillor (Appointed)

Les McLaughlan

Name

Branch Secretary

Title

Signature

18 June 2007

Date

COMMUNICATION, ELECTRICAL, ELECTRONIC,
ENERGY, INFORMATION, POSTAL, PLUMBING AND
ALLIED SERVICES UNION OF AUSTRALIA,
ENGINEERING AND ELECTRICAL DIVISION,
WA BRANCH

COMMITTEE OF MANAGEMENT STATEMENT


On 18th June 2007 the Committee of Management of The Western Australian Branch of *Communication, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Workers Union of Australia – Engineering and Electrical Division* passed the following resolution in relation to the *general purpose financial report (GPFR)* of the reporting unit for the financial year ended 31 December 2006:

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) the financial records of the reporting unit have been kept, as far as practicable and to the best of my knowledge and belief, in a consistent manner to each of the other reporting units of the organisation; and
 - (v) no information has been sought by a member or the Registrar under section 272 of the RAO Schedule; and
 - (vi) no orders have been made by the Commission under section 273 of the RAO Schedule during the period.

For Committee of Management: *Les McLaughlan*

Title: *Branch Secretary*

Signature: 

Date: *18 June 2007*

COMMUNICATION, ELECTRICAL, ELECTRONIC,
ENERGY, INFORMATION, POSTAL, PLUMBING AND
ALLIED SERVICES UNION OF AUSTRALIA,
ENGINEERING AND ELECTRICAL DIVISION,
WA BRANCH

CERTIFICATE OF SECRETARY OR OTHER AUTHORISED OFFICER

Section 268 of Schedule 1B *Workplace Relations Act 1996*

I *Les McLaughlan* being the *Branch Secretary* of the *Communication, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Workers Union of Australia – Engineering and Electrical Division* certify:

- that the documents lodged herewith are copies of the full report, referred to in section 268 of the RAO Schedule; and
- that the *full report* will be provided to all financial members on or around 21 June 2007 via distribution of the union's *ETU Web Page* as per Notice given in the *ETU News Publication*; and
- that the full report was presented to *a general meeting of members / a meeting of the committee of management* of the reporting union on the 24 July 2007; in accordance with section 266 of the RAO Schedule.

Signed at *Perth* this *18* day of *June* 2007.

Les McLaughlan
NAME

Branch Secretary
TITLE


SIGNATURE

COMMUNICATION, ELECTRICAL, ELECTRONIC,
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INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006

	NOTE	2006 \$	2005 \$
Revenues from continuing activities	4	2,296,877	1,903,175
Employee Benefits Expenses	5	(1,299,114)	(1,170,205)
Depreciation Expenses		(70,674)	(61,956)
Other expenses from continuing activities	6	(1,341,479)	(514,025)
NET PROFIT/(LOSS) ATTRIBUTABLE TO MEMBERS OF THE UNION		<u>(414,390)</u>	<u>156,989</u>

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The accompanying notes form part of these financial statements.

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**BALANCE SHEET
AS AT 31 DECEMBER 2006**

	NOTE	2006 \$	2005 \$
CURRENT ASSETS			
Cash	7	936,997	758,949
Receivables	8	6,846	24,255
TOTAL CURRENT ASSETS		<u>943,843</u>	<u>783,204</u>
NON-CURRENT ASSETS			
Held to Maturity Investments	9	668,554	632,417
Property, Plant & Equipment	10	253,342	266,113
Receivables	11	-	706,260
TOTAL NON-CURRENT ASSETS		<u>921,896</u>	<u>1,604,790</u>
TOTAL ASSETS		<u>1,865,739</u>	<u>2,387,993</u>
CURRENT LIABILITIES			
Payables	12	78,881	142,892
Provisions	13	670,786	773,637
TOTAL CURRENT LIABILITIES		<u>749,667</u>	<u>916,529</u>
TOTAL LIABILITIES		<u>749,667</u>	<u>916,529</u>
NET ASSETS		<u>1,116,072</u>	<u>1,471,464</u>
MEMBERS' FUNDS			
Opening Balance		1,471,464	1,314,475
Operating Surplus – Plumbing Division	14	58,998	-
Surplus/(Deficit) for the year		(414,390)	156,989
TOTAL MEMBERS' FUNDS		<u>1,116,072</u>	<u>1,471,464</u>

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The accompanying notes form part of these financial statements.

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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2006**

	NOTE	2006 \$	2005 \$
CASH FLOWS FROM OPERATING ACTIVITES			
Wage Subsidies Received		26,355	41,808
Receipts from Member Contributions		1,935,638	1,485,175
Receipts from Members Entrance Fees		4,188	9,643
Receipts from Levies		240,790	13,010
Receipts from CEPU N/O - NW		-	125,000
Receipts from CEPU N/O - SW		-	100,000
Interest Received		73,760	72,998
Rent Received		5,955	11,914
Other Receipts		58,196	10,178
Payments to Supplies & Employees		(2,042,198)	(1,569,963)
NET CASH PROVIDED BY OPERATING ACTIVITIES	15	<u>302,684</u>	<u>299,763</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Property, Plant & Equipment		9,000	66,538
Payment for Property, Plant & Equipment		(97,499)	(188,598)
Investment Proceeds /(Payment into Investments)		(36,137)	(181,461)
NET CASH PROVIDED BY INVESTING ACTIVITIES		<u>(124,636)</u>	<u>(303,521)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Loan payments received from/(paid to) North West Office		-	(52,082)
NET CASH PROVIDED BY FINANCING ACTIVITIES		<u>-</u>	<u>(52,082)</u>
Net Increase/(Decrease) in Cash Held		178,048	(55,840)
Cash at 1 January 2006		758,949	814,789
CASH AT 31 DECEMBER 2006	7	<u><u>936,997</u></u>	<u><u>758,949</u></u>

The accompanying notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2006

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Workplace Relations Act 1996. The financial report is prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, fair values of non-current assets. The accounting policies have been consistently applied, unless otherwise stated.

The financial report covers the WA Branch of the Union and incorporates the merger with the Plumbing Division from 1 April 2006.

The following is a summary of the material accounting policies adopted by the Union in the preparation of the financial report:

a) Compliance with IFRSs

The financial report complies with all Australian equivalents to International Financial Reporting Standards in their entirety. Compliance with AIFRSs ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRSs).

b) Fixed Assets

Each class of property, plant and equipment is carried at cost less where applicable any accumulated depreciation and impairment losses. Cost is measured as the fair value of the assets given or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition.

Land is not depreciated. Depreciation on other assets is calculated on the straight line basis in order to write off the cost of fixed assets over their estimated useful lives, as follows:

- Buildings - 40 years
- Office Equipment - 3 1/3 years
- Office Furniture - 10 years
- Motor Vehicles - 4 years

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES cont....

b) Fixed Assets cont...

The gain or loss on disposal of all fixed assets, is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal and is included in operating profit of the company in the year of disposal. An asset's carrying amount is written down immediately to its recoverable amount if the assets' carrying amount is greater than its estimated recoverable amount. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employed and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amount.

c) Employee Entitlements

Annual Leave

The liability for annual leave is recognised and is measured as the amount unpaid at the reporting date at the amount expected to be paid when the liabilities are settled.

Long Service Leave

In the case of Long Service Leave, the accrual has been measured by reference the present value of expected future payments to be made in respect of services provided by employees.

Sick Leave

Sick leave entitlements are accumulated in a similar manner to annual leave entitlements but do not vest and are paid only upon a valid claim for sick leave by an employee. The liability for non-vesting accumulated sick leave is the component of the entitlements accumulated as at the reporting date that is expected to result in payments to the employees. Liabilities are measured at the amount expected to be paid when the liability is settled.

Retirement Benefits

Retirement benefits obligations are measured by reference to the present value of expected future payments to be made in respect of services provided by employees.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES cont...

d) Income Tax

No provision for income tax is necessary as "Trade Unions" are exempt from income tax under Section 50-15 of the Income Tax Assessment Act (1997).

e) Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand, at banks and on deposit.

f) Revenue

Revenue is measured at the fair value of the consideration received or receivable. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

g) Receivables

All sundry debtors are recognised at the amounts receivables as they are due for settlement no more than 30 days. Collectibility of debtors is reviewed on an ongoing basis and a provision is made for debts where recoverability is doubtful.

h) Creditors and Accruals

These amounts represent liabilities for goods and services provided to the entity prior to the end of the financial year and which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

i) Investments and other Financial Assets

The Union classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivable, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES cont....

i) Investments and other Financial Assets (Cont'd)

Loans and Receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when entity provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. They are stated at amortised cost using the effective interest rate method.

Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity. They are stated at amortised cost using the effective interest rate method.

These are short term investments however they have been classified as non-current because they are to be rolled over continuously until needed to pay the retirement allowance and long service leave.

At each balance date where there is objective evidence that a financial asset is impaired an assessment of the impaired value is made. Impairment losses are recognized in the income statement.

j) Impairment Assets

At each reporting date, the Union reviews the carrying values of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash generating unit to which the asset belongs.

k) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES cont....

Critical accounting estimates and judgements

The Committee of Management evaluates estimates and judgments 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 group.

Key estimates - Impairments

There is no indicator of impairment therefore no impairment testing has been undertaken during the year ended 31 December 2006.

Key Judgements - Doubtful debts provision

The Committee of Management believe that the full amount of the debt is recoverable, and no doubtful debt provision has been made at 31 December 2006.

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2. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

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

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

3. GEOGRAPHICAL LOCATION

The Union operates from Unit 24, 257 Balcatta Road, Balcatta, Western Australia from 01/07/03 onwards.

4. REVENUE FROM CONTINUING OPERATIONS

	2006	2005
	\$	\$
Members' Funding		
Members Contributions CEPU	1,935,638	1,485,175
Entrance Fees CEPU	4,188	9,643
Levies	240,790	13,010
	<u>2,180,616</u>	<u>1,507,828</u>
Interest Earned		
Inv Int-CBA General Account	37,104	41,537
Inv Int-CBA Plumbing Account	519	-
Interest Rec'd – Retirement Account	36,137	31,461
	<u>73,760</u>	<u>72,998</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006 (Continued)**

4. REVENUE FROM CONTINUING OPERATIONS (Cont'd)

Sundries Income		
Refund Photocopier/Postage/Books	55	8,451
Others	3,498	1,726
Gifts from CEPU N/O – N/W	-	125,000
Gifts from CEPU N/O – S/W	-	100,000
Wages Subsidy-Recruitment Officer	-	32,524
Wages Subsidy-Board Fees	11,714	9,284
Wages Subsidy-ACTU Coordinator	14,641	-
Insurance Claims	121	-
Workers Compensation Income	592	-
	<u>30,621</u>	<u>276,985</u>
Rent Received		
Demetre Street, Karratha	5,955	9,914
Plumbing Division, Balcatta	-	2,000
	<u>5,955</u>	<u>11,914</u>
Profit on disposal of assets	<u>5,924</u>	<u>33,451</u>

The Union owns the unit at 1 / 30 Demetre Street, Karratha.

5. EMPLOYEE BENEFIT EXPENSES

	2006	2005
	\$	\$
Net Increase in Provision for Employee Entitlements	103,477	163,228
Employee Workers Compensation Insurance	15,500	10,458
Salaries & Allowances – Officers	793,823	688,036
Salaries & Allowances – Others	211,338	184,026
SPEC – Employer Super Contributions	117,847	109,355
Fringe Benefits Tax	24,794	7,774
Payroll Tax	32,335	7,328
	<u>1,299,114</u>	<u>1,170,205</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006 (Continued)**

6. SIGNIFICANT EXPENSES

The following significant expense items are relevant in explaining the financial performance.

	2006	2005
	\$	\$
Loan to CSTA Written Off	706,260	-
Auditors' Remuneration	10,000	12,596

7. CASH ASSETS

	2006	2005
	\$	\$
Commonwealth Bank – General Account	936,257	758,209
Petty Cash on Hand	640	640
Petty Cash on Hand – North West	100	100
	936,997	758,949

8. RECEIVABLES

Accounts Receivable	300	23,955
Cash paid in Advance	6,546	300
	6,846	24,255

9. HELD-TO-MATURITY INVESTMENTS

Adelaide Bank Retirement Account	668,554	632,417
	668,554	632,417

These deposits are held in short-term interest bearing accounts with financial institutions with an average maturity of 90 days. These deposits are specifically set aside to fund payment of the retirement allowances and long service leave and hence have been classified as a non-current asset. The effective interest rate on short term bank deposits was 6.90% (2005: 5.66%)

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006 (Continued)**

10. PROPERTY, PLANT & EQUIPMENT

	2006	2005
	\$	\$
LAND AND BUILDINGS		
House at Cost - 1 / 30 Demetre Crescent, Karratha	102,818	102,818
	<u>102,818</u>	<u>102,818</u>
Accumulated Depreciation	(25,600)	(23,030)
	<u>77,218</u>	<u>79,788</u>
FURNITURE AND EQUIPMENT		
Furniture and Fittings at Cost	169,250	161,139
Accumulated Depreciation	(156,639)	(155,341)
	<u>12,611</u>	<u>5,798</u>
Furniture and Fittings – Demetre Street at Cost	5,000	5,000
Accumulated Depreciation	(5,000)	(4,500)
	<u>0</u>	<u>500</u>
	<u>12,611</u>	<u>6,298</u>
MOTOR VEHICLES		
Cost	213,324	188,413
Accumulated Depreciation	(75,437)	(35,028)
	<u>137,887</u>	<u>153,385</u>
OFFICE EQUIPMENT		
Cost	75,394	106,326
Accumulated Depreciation	(49,768)	(79,684)
	<u>25,626</u>	<u>26,642</u>
PROPERTY, PLANT & EQUIPMENT @ WDV	<u>253,342</u>	<u>266,113</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006 (Continued)**

Movement in Carrying Amounts	Land & Buildings \$	Furniture & Equipment \$	Motor Vehicles \$	Office Equipment \$	Total \$
Balance at the beginning of year	79,788	6,298	153,385	26,642	266,113
Additions	-	8,111	89,388	-	97,499
Disposals	-	-	(64,477)	-	(64,477)
Depreciation Expense	(2,570)	(1,798)	(40,409)	(1,016)	(45,793)
Carrying amount at the end of year	<u>77,218</u>	<u>12,611</u>	<u>137,887</u>	<u>25,626</u>	<u>253,342</u>

11. LOANS-RECEIVABLES

	2006 \$	2005 \$
Loan to CSTA	-	706,260
	<u>-</u>	<u>706,260</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006 (Continued)**

13. PROVISIONS

Provision for Annual Leave	69,500	67,035
Provision for Long Service Leave	188,520	230,026
Provision for Retirement Allowance	412,766	476,576
	670,786	773,637

a) Provision for Annual Leave

Opening Balance	67,035	40,841
Annual Leave Entitlements Paid	(11,572)	-
Increase in Provision	14,037	26,194
CLOSING BALANCE	69,500	67,035

b) Provision for Long Service Leave

Opening Balance	230,026	184,648
LSL Entitlements Paid	(59,650)	-
Increase in Provision	18,144	45,378
CLOSING BALANCE	188,520	230,026

c) Provision for Retirement Allowance

Opening Balance	476,576	411,117
Retirement Allowance Entitlements Paid	(103,454)	-
Increase in Provision	39,644	65,459
CLOSING BALANCE	412,766	476,576

Total Provision for Employee Benefits

Opening Balance	773,637	637,964
Entitlements Paid	(174,676)	-
Increase in Provision	71,825	135,673
CLOSING BALANCE	670,786	773,637

RETIREMENT ALLOWANCE

The provision for Retirement Allowance discloses the potential entitlements payable should all officers and clerical staffs qualify in accordance with the rules.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006 (Continued)**

14. RETAINED PROFIT-PLUMBING DIVISION

On 1st April 2006 the Plumbers Union officially merged with the Union. The amount in the retained profit as at 31 March 2006 is made up of the following components:

Cash	64,966
Receivables	1,661
Payables	(7,629)
Total Members' Funds at 31 March 2006	<u>58,998</u>

15. RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH OPERATING SURPLUS

	2006 \$	2005 \$
Operating Surplus/(Deficit)	(414,390)	156,989
Non cash flows in Operating Surplus		
- Depreciation	70,675	61,956
- (Profit)/loss on sale of Fixed Assets	30,595	(33,451)
- Operating Surplus Plumbing Division	58,998	-
Changes in assets and liabilities		
- (Increase)/Decrease in Receivables	23,655	(16,441)
- (Increase)/Decrease in Loan to CSTA	706,260	-
- (Increase)/Decrease in Prepaid Expenses	(6,246)	(300)
- Increase/(Decrease) in Sundry Creditors & Accruals	(64,011)	(4,664)
- Increase/(Decrease) in Provision for Employee Benefits	(102,852)	137,032
- Increase/(Decrease) in Provision for FBT	-	(1,358)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>302,684</u>	<u>299,763</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006 (Continued)**

16. MEMBERS OF THE EXECUTIVE COMMITTEE

The members of the Executive Committee of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Engineering and Electrical Division, WA Branch, who have held office during the financial year are:

- | | |
|--------------|----------------|
| ▪ R Manhood; | ▪ A Benbow; |
| ▪ G Wilton; | ▪ D Pike; and |
| ▪ B Jones; | ▪ L McLaughlan |

17. CONTINGENT LIABILITIES

There existed no contingent liabilities at the date of these financial statements.

18. RELATED PARTY TRANSACTIONS

The Western Australian Branch's transactions with related parties are detailed in notes 11 and 16.

a) Names of officers

The following persons have held office in the Union during the reporting period:

Name	Title of Officer
R Manhood	President
L. McLaughlan	Branch Secretary
G. Wilton	Deputy Branch President
P.J. Carter	Branch Councillor
I. Gill	Branch Councillor
T. Hayes	Branch Councillor
J. Fiala	Branch Councillor
J. Murie	Branch Councillor
L Edmonds	Branch Councillor
R Hampson	Branch Councillor
M Jordan	Branch Councillor

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006 (Continued)

RELATED PARTY TRANSACTIONS cont....

b) Key Management Personnel Compensation

The aggregate amount of remuneration paid to officers during the year is disclosed in the Income Statement under Salaries of the Office Holders.

The numbers of officers whose total income was within the specified bands are as follows:

	Short Term Benefits			
	Salary and Fees	Super	Other	Total
2006				
Total Compensation	<u>777,057</u>	<u>115,407</u>	<u>16,766</u>	<u>909,230</u>
2005				
Total Compensation	<u>677,056</u>	<u>109,355</u>	<u>4,780</u>	<u>791,191</u>

c) Other transactions

There were no other transactions between the officers and the Union other than those relating to their membership in the Union and the reimbursement by the Union in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006 (Continued)**

19. FINANCIAL INSTRUMENTS

a) Financial Instruments

The Union's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivables and payable.

The Union does not have any non-derivative instruments and is not exposed to any financial instrument risk at 31 December 2006.

b) Interest Rate Risk

The Union's exposure to interest rate risk, which is the risk that the value of the financial instrument will fluctuate due to changes in market interest rates, and the effective interest rates on those financial assets and financial liabilities is as follows:

31 December 2006	Floating Interest Rate \$	Fixed Interest \$	Non- Interest Bearing \$	Total \$
Financial Assets				
Cash and deposits	936,257	-	-	936,257
Held-to-Maturity Investment	668,554	-	-	668,554
Accounts Receivable	-	-	300	300
Loan-CSTA	-	-	-	-
	1,604,811	-	300	1,605,111
Weighted average interest rate	5.98%			
Financial Liabilities				
Trade and other creditors	-	-	78,881	78,881
NET FINANCIAL ASSETS / (LIABILITIES)	1,604,811	-	(78,581)	1,526,230

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WA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006 (Continued)**

19. FINANCIAL INSTRUMENTS (Cont'd)

31 December 2005	Floating Interest Rate \$	Fixed Interest \$	Non- Interest Bearing \$	Total \$
Financial Assets				
Cash and deposits	758,949	-	-	758,949
Investments – Adelaide Retirement	632,417	-	-	632,417
Accounts Receivable	-	-	23,955	23,955
Loan-CSTA	-	-	706,260	706,260
	1,391,366	-	730,215	2,121,581
Weighted average interest rate	5.25%			
Financial Liabilities				
Trade and other creditors	-	-	142,892	142,892
NET FINANCIAL ASSETS / (LIABILITIES)	1,391,366	-	587,323	1,978,689

c) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, is the carrying amount of the financial assets as disclosed in the balance sheet and notes to the financial statements. The Union does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Union.

d) Net Fair Values

The financial assets and liabilities as disclosed in the balance sheet and notes to the financial statements approximate their carrying values.

No financial assets and liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amounts of the financial assets and liabilities are disclosed in the balance sheet and in the notes to and forming part of the accounts.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006 (Continued)**

20. CAPITAL COMMITMENTS & CONTINGENT LIABILITIES

At the date of signing this report there are no known outstanding capital commitments or contingent liabilities

21. EMPLOYEE NUMBERS

	31/12/06	31/12/05
Number of employees at the end of financial year	16	15

22. POST BALANCE DATE EVENTS

At the date of signing this report there are no known post balance date events.

23. CHANGE IN ACCOUNTING POLICY

The following Australian Accounting Standards issued or amended which are applicable to the Union but are not yet effective and have not been adopted in preparation of the financial statements at reporting date.

AASB Standard Affected	Nature of Change in Accounting Policy and Impact	Application Date of the Standard	Application Date for the Union
AASB 139: Financial Instruments: Recognition and Measurement	No change, no impact	1 January 2007	1 January 2007
AASB 101: Presentation of Financial Statements	No change, no impact	1 January 2007	1 January 2007
AASB 114: Segment Reporting	No change, no impact	1 January 2007	1 January 2007
AASB 117: Leases	No change, no impact	1 January 2007	1 January 2007
AASB 133: Earnings per Share	No change, no impact	1 January 2007	1 January 2007
AASB 1: First-time Adoption of AIFRS	No change, no impact	1 January 2007	1 January 2007
AASB 4: Insurance Contracts	No change, no impact	1 January 2007	1 January 2007
AASB 1023: General Insurance Contracts	No change, no impact	1 January 2007	1 January 2007
AASB 1038: Life Insurance	No change, no impact	1 January 2007	1 January 2007
AASB 7: Financial Instruments: Disclosure	No change, no impact	1 January 2007	1 January 2007

END OF NOTES TO THE FINANCIAL STATEMENTS

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INDEPENDENT AUDIT REPORT TO THE MEMBERS

Scope

The annual financial report and Management Committees Responsibility

The annual general purpose financial report comprises the balance sheet, income statement, cash flow statement, accompanying notes to the financial report, and the certificate and statement by the Branch Secretary and Committee of Management respectively, for the year ended 31 December 2006.

The Committee of Management are responsible for the preparation and true and fair presentation of the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements, which form part of the financial report are consistent with the financial reporting requirements of the Union. 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. 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 the accounting policies described in Note 1, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, 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 policies and disclosures used and the reasonableness of significant accounting estimates made by 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.

HEWITT
TURNER &
GELEVITIS



**BUSINESS
DEVELOPMENT
CONSULTANTS**

*Capital Raising
Wealth Creation
Asset Protection
Audit Assurance
Taxation Advisors
Strategic Planning
Accounting Services
Management Consultancy*

PRINCIPALS

*Timothy Turner
B.BUS (ACC), FCPA,
FAIM, FTIA
Registered Company Auditor*

*Vick Gelevitis
B.BUS (ACC), FCPA,
FAIM, FTIA*

*Darryl Rodrigues
B.Sc, B.BUS (ACC), CPA*

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INDEPENDENT AUDIT REPORT TO THE MEMBERS (Continued)

Independence

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

Audit Opinion

In our opinion:

- (a) proper accounting records have been kept by the Union so far as appears from our examination of those books including:
 - (i) *records of the sources of the receipts of the Union, (including income from members); and*
 - (ii) *records of the nature and purposes of the payments of the Union.*
- (b) the financial report including the Committee of Management Statement and the Certificate of Secretary or Other Authorised Officer have been properly drawn up so as to give a true and fair view of:
 - (i) *the financial affairs of the Union as at 31 December 2006; and*
 - (ii) *the income and expenditure and any surplus or deficit of the Union for the year then ended.*
- (c) we have where necessary, obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit; and
- (d) the general purpose financial report presents fairly in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia and the requirements of the RAO Schedule.

Signed at *Perth* this *19th* day of *June*, 2007.


HEWITT TURNER & GELEVITIS
AUDIT ASSURANCE DIVISION


TIMOTHY TURNER
REGISTERED COMPANY AUDITOR

HEWITT
TURNER &
GELEVITIS





Australian Government
Australian Industrial Registry

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Fax: (02) 9380 6990
Email: sydney@air.gov.au

Mr L McLaughlan
Secretary, Western Australian Electrical Divisional Branch
CEPU
PO Box 689
BALCATTWA WA 6914

COPY

Dear Mr McLaughlan

**Re: Lodgement of Financial Statements and Accounts – CEPU Electrical Division, West
Australian Branch – for year ending 31 December 2006 (FR2006/609)**

I refer to the abovementioned financial statements and accounts which were lodged in the Registry by the Branch on 3 August 2007.

The documents have been filed. However I draw your attention to the following matters.

Firstly, the “Certificate of Secretary” included at page 7 of the return was dated on 18 June, but refers to the anticipated distribution of the report on the website on or around 21 June, and then refers to the anticipated presentation of the report on 24 July. I note that in last year’s return the Secretary’s Certificate also appears to have been prepared ahead of the distribution and presentation of the documents.

Section 268 of the RAO Schedule clearly contemplates that the Secretary’s certificate will be prepared *after* the presentation of the documents, since it is the certification by you that the aforementioned events *have* taken place in accordance with the Schedule.

Secondly, I note that included with the return was an annexure “E” consisting of a list of office-holders with their home addresses. There is no requirement under the RAO Schedule to lodge this document with the financial return. In any case, the Registry’s practice is not to post on the Commission website any document containing personal addresses, in the interests of confidentiality. I would therefore recommend that future financial returns not include such a document.

Yours sincerely,

Stephen Kellett
Statutory Services Branch

6 August 2007