



1 July 2016

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

via email: cepu@etuwa.com.au

Dear Mr McLaughlan

**Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied
Services Union of Australia – Electrical, Energy and Services Division – Western
Australian Divisional Branch Financial Report for the year ended 31 December 2015 -
[FR2015/449]**

I acknowledge receipt of the financial report for the year ended 31 December 2015 for the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division – Western Australian Divisional Branch (the reporting unit). The financial report was lodged with the Fair Work Commission (FWC) on 14 June 2016.

The financial report has now been filed.

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

Please note that the financial report for the year ending 31 December 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, except for the requirement under the sub-heading Statement of Loans, Grants and Donations. The FWC will confirm these concerns have been addressed prior to filing next year's report.

Timescale requirements

As you are aware, an organisation is required under the RO Act to undertake certain steps in accordance with specified timelines. Information about these timeline requirements can be found on the FWC website. In particular, I draw your attention to the fact sheet titled *financial reporting process* which explains the timeline requirements, and the fact sheet titled *summary of financial reporting timelines* which sets out the timeline requirements in diagrammatical form.

I note that the following timescale requirements were not met:

Auditor's Statement must be signed before full report provided to members

One of the key requirements of the RO Act is that a reporting unit must provide members with a full report (section 265(1)). A full report must contain the signed Auditor's Statement.

The Designated Officer's Certificate states that the full report was provided to members on 6 April 2016 however the Auditor's Statement was signed on 6 May 2016. If the date on the Auditor's Statement is correct, it would appear that either the Auditor's Statement was not provided to members or that an unsigned report was provided.

Please ensure that in future year members are provided with a signed Auditor's Statement.

Statement of comprehensive income and statement of financial position

Disclosure of grants or donations

Reporting Guideline 16(e) requires that where grants or donations have been paid, the total amount paid is to be disclosed as follows:

- (i) grants that were \$1,000 or less;
- (ii) grants that exceeded \$1,000;
- (iii) donations that were less than \$1,000; and
- (iv) donations that exceeded \$1,000

Note 5(f) discloses that \$47,575 was paid in donations but does not distinguish the total amounts paid as described above.

Statement of Loans, Grants and Donations

A Loans, Grants and Donations statement for the reporting unit was lodged with the FWC as required under subsection 237(1) of the RO Act on 23 March 2016. A figure for donations that exceeded \$1,000 was also supplied in the financial report however this figure for donations is different to the figure supplied on the Loans, Grants and Donations Statement.

Can you please confirm that the figure report in the Loans, Grants and Donations statement is correct, and if not, submit an amended statement.

Other

Notice setting out section 272(1), (2) & (3)

I note that the requirements under subsection 272(5) of the RO Act have been included under Note 2 however please ensure that in future years that the reference to a 'Registrar' is changed to the 'General Manager'.

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



CEPU ABN: 84 898 932 123
WESTERN AUSTRALIA BRANCH
COMMUNICATIONS ELECTRICAL PLUMBING UNION

9th June, 2016

Fair Work Commission,
GPO Box 1994
MELBOURNE
VIC 3001



ATTENTION: Deputy Industrial Registrar

Dear Sir/Madam,

RE: Financial Return – Year Ending 31 December, 2015

Please find attached the Financial Audit Report for the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Electrical, Energy and Services Division, Western Australian Divisional Branch.

Any queries please do not hesitate to contact the undersigned.

Yours faithfully,

Kim Stewart
CPA

enclosure

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

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

**COMMUNICATION, ELECTRICAL, ELECTRONIC,
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ALLIED SERVICES UNION OF AUSTRALIA,
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WESTERN AUSTRALIA DIVISIONAL BRANCH**

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COMMUNICATION, ELECTRICAL, ELECTRONIC,
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CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER
FOR THE YEAR ENDED 31 DECEMBER 2015

I, Mr Les McLaughlan, being the Branch Secretary of the Communication, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Electrical, Energy and Services Division, Western Australian Divisional Branch certify:


- That the documents lodged herewith are copies of the full report for the Communication, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Electrical, Energy and Services Division, Western Australian Divisional Branch for the year ended 31 December 2015 referred to in s268 of the Fair Work (Registered Organisations) Act 2009; and
- That the full report was provided to members of the reporting unit on 6/4/2016; and
- That the full report was presented to a meeting of the committee of management of the reporting unit on 1/1/16 in accordance with s266 of the Fair Work (Registered Organisations) Act 2009.

Les McLaughlan

Name

Branch Secretary

Title


Signature

1st June 2016
Date

**COMMUNICATION, ELECTRICAL, ELECTRONIC,
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ALLIED SERVICES UNION OF AUSTRALIA,
ELECTRICAL, ENERGY AND SERVICES DIVISION,
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**OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

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 has been successful in meeting its objectives.

The Union's principal activities resulted in an operating profit / (loss) for the financial year of \$784,442 (2014: loss of (\$9,735)). The increase in the surplus is largely attributable to an increase in membership fees and numbers, whilst containing expenditure. There was also a non-recurring loss of \$190,025 incurred in 2014 arising from the transfer of Plumbing Members across to the Plumbing Trades Employees' Union Communication, Electrical & Plumbing Union (PTEU).

Significant Changes in Nature of Principal Activities

There were no significant changes in the nature of the Union's principal activities during the financial year.

Significant Changes in the Union's Financial Affairs

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

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.

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**OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015 (continued)**

Officers and employees who are directors of a company or a member of a Board

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

Name	Official Position	Other Positions Held
Les McLaughlan	Branch Secretary	Board member of My Leave Board and Combined Skills Training
Greg Wilton	President (appointed 16 July 2015)	Board member of Energy Safety, Construction Training Fund and Combined Skills Training
Jim Murie	Assistant Branch Secretary	Board member of Combined Skills Training
Peter Carter	Branch Councillor	Board member of Combined Skills Training
Joe Fiala	Branch Councillor (resigned 16 July 2015)	Board member of Combined Skills Training
Kim Stewart	Office Manager	Board member of Combined Skills Training

Number of Members

The number of persons who, at the end of the financial year, were recorded on the Register of members was 7,610 (2014: 7,268).

Number of Employees

The number of persons, expressed as a full-time equivalent, who were, at the end of the financial year, employees of the Union was 16 (2014: 15).

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**OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015 (continued)**

Names of Committee of Management Members and period positions held during the financial year

The persons who held office as members of the Committee of Management of the Union during the whole of the financial year, unless otherwise stated:

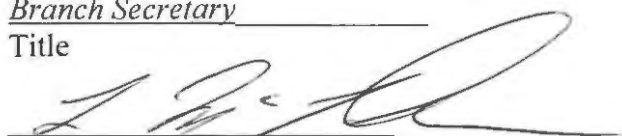
Name	Title of Officer
R Manhood	Branch President (resigned 16 July 2015) Branch Councillor (appointed 16 July 2015)
G Wilton	Branch President (appointed 16 July 2015)
M Coulter	Deputy Branch President
L McLaughlan	Branch Secretary
J Murie	Assistant Branch Secretary
P Carter	Branch Councillor
D Claneey	Branch Councillor
M Coulter	Branch Councillor
J Dellavano	Branch Councillor
M Donaldson	Branch Councillor (resigned 16 July 2015)
G Dwyer	Branch Councillor (resigned 16 July 2015)
J Fiala	Branch Councillor (resigned 16 July 2015)
D Fowlie	Branch Councillor
T Hayes	Branch Councillor
S O'Regan	Branch Councillor
B Reeve	Branch Councillor (resigned 16 July 2015)
S Taylor	Branch Councillor
J Collis	Branch Councillor
R MacLachlan	Branch Councillor
R Tiller	Branch Councillor
C Coombes	Branch Councillor
S Nicholson	Branch Councillor
D Tyler	Branch Councillor
A Woodage	Branch Councillor

Les McLaughlan

Name

Branch Secretary

Title


Signature

6/4/2016
Date

**COMMUNICATION, ELECTRICAL, ELECTRONIC,
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**COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015**

On the 6th April 2016, the Committee of Management of The Western Australian Branch of *Communication, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia –Electrical, Energy and Services Division, Western Australian Divisional Branch* passed the following resolution in relation to the **general purpose financial report (GPFR)** for the financial year ended *31 December 2015*:

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 General Manager;
- (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 *Fair Work (Registered Organisations) Act 2009*; and
 - (iv) 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) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the *Fair Work (Registered Organisations) Act 2009* has been provided to the member of General Manager; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the *Fair Work (Registered Organisations) Act 2009*, there has been compliance.

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**COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015 (continued)**

- (vii) no revenue has been derived from undertaking recovery of wages activity during the reporting period.

This declaration is made in accordance with a resolution of the Committee of Management.

For Committee of Management: *Les McLaughlan*

Title: *Branch Secretary*

Signature: 

Date: *6/4/2016*

**COMMUNICATION, ELECTRICAL, ELECTRONIC,
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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015**

	NOTE	2015 \$	2014 \$
Revenue from Continuing Operations			
Membership subscription	4	4,056,790	3,612,648
ATC Insurance Commission		-	602
ETU Vic Insurance Rebate		275,640	248,193
Interest		96,956	116,535
Wages Subsidy – Board fees		18,474	29,488
Other revenue		16,733	14,870
Total Revenue from Continuing Operations		<u>4,464,593</u>	<u>4,022,336</u>
Other Income from Continuing Operations			
Contribution from CEPU National Office		5,000	50,000
Grants		-	-
Sponsorship		30,455	-
Donations		4,100	2,050
Net (loss)/gains from sale of assets		(23,209)	(10,841)
Total Other Income from Continuing Operations		<u>16,346</u>	<u>41,209</u>
TOTAL INCOME FROM CONTINUING OPERATIONS		<u>4,480,939</u>	<u>4,063,545</u>
Expenses from Continuing Operations			
Administration expenses		258,277	202,355
Affiliation fees	5	85,008	80,271
Audit fees	5	49,912	68,224
Campaign costs		96,675	107,047
Conferences and meeting expenses		24,702	23,193
Consideration to employers for payroll deductions		-	-
Contribution to other CEPU Offices		-	10,000
Depreciation and amortisation		88,583	84,626
Employee costs – officer	5	1,779,033	1,896,271
Employee costs - other	5	318,187	360,460
Fees/allowances – meetings and conferences		14,531	17,394
Finance costs	5	58,890	48,198
Donations	5	47,575	60,891
Impairment of receivables		23,905	11,359
Insurance		84,092	75,345
Legal costs		32,892	22,076
Levies		-	-
Occupancy costs (other than rent)		50,875	51,632
Other expenses		138,770	153,947
Penalties		-	-
Rental expenses		39,918	40,252
Sustentation fees/Capitation fees	5	420,550	481,200
Travel		84,122	88,514
Total Expenses from Continuing Operations		<u>3,696,497</u>	<u>3,883,255</u>
PROFIT FROM CONTINUING OPERATIONS		<u>784,442</u>	<u>180,290</u>

The accompanying notes form part of these financial statements.

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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015 (continued)**

	2015 \$	2014 \$
PROFIT / (LOSS) FROM DISCONTINUING OPERATIONS (Refer to Note 20)	-	(190,025)
PROFIT / (LOSS) FOR THE YEAR	784,442	(9,735)
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME / (LOSS) ATTRIBUTABLE TO MEMBERS	784,442	(9,735)

The accompanying notes form part of these financial statements.

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

	NOTE	2015 \$	2014 \$
CURRENT ASSETS			
Cash and Cash Equivalents	6	407,277	206,283
Trade and Other Receivables	7	410,704	312,253
TOTAL CURRENT ASSETS		817,981	518,536
NON-CURRENT ASSETS			
Other Financial Assets	8	5,502,037	4,959,732
Property, Plant & Equipment	9	446,584	454,542
TOTAL NON-CURRENT ASSETS		5,948,621	5,414,274
TOTAL ASSETS		6,766,602	5,932,810
CURRENT LIABILITIES			
Trade and Other Payables	10	1,048,810	1,071,768
Employee Provisions	11	1,390,549	1,318,241
TOTAL CURRENT LIABILITIES		2,439,359	2,390,009
TOTAL LIABILITIES		2,439,359	2,390,009
NET ASSETS		4,327,243	3,542,801
MEMBERS' FUNDS			
Retained Earnings		4,327,243	3,542,801
General Fund		-	-
Special Purpose Fund		-	-
TOTAL MEMBERS' FUNDS		4,327,243	3,542,801

The accompanying notes form part of these financial statements.

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**STATEMENT OF CHANGES IN MEMBERS' FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Special Purpose Fund \$	General Fund \$	Retained Earnings \$	Total \$
Balance at 1 January 2014	-	-	3,552,536	3,552,536
(Loss) for the year	-	-	(9,735)	(9,735)
Other comprehensive income for the year	-	-	-	-
Transfers to/from funds	-	-	-	-
Balance at 31 December 2014	-	-	3,542,801	3,542,801
Profit for the year	-	-	784,442	784,442
Other comprehensive income for the year	-	-	-	-
Transfers to/from funds	-	-	-	-
Balance at 31 December 2015	-	-	4,327,243	4,327,243

The accompanying notes form part of these financial statements.

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

	NOTE	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Member Contributions		3,985,010	3,638,022
Receipts from Members' Entrance Fees		207	2,229
Interest Received		91,957	116,814
ETU Insurance Rebate		299,102	193,187
Wage Subsidies Received		18,474	26,606
Donations Received		4,100	2,050
Sponsorship Received		30,455	-
Other Receipts		18,203	13,030
Payments to Supplies & Employees		(3,574,090)	(3,742,824)
Contribution from National office		5,000	50,000
		878,418	299,114
NET CASH PROVIDED BY OPERATING ACTIVITIES	12	878,418	299,114
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for Property, Plant & Equipment		(138,106)	(57,346)
Payments for Financial Assets		(542,305)	(315,262)
Proceeds from Sale of Property, Plant and Equipment		34,271	10,272
Payments to PTEU for transfer of Plumbing Division		(31,284)	(200,000)
		(677,424)	(562,336)
NET CASH PROVIDED BY INVESTING ACTIVITIES		(677,424)	(562,336)
NET CASH PROVIDED BY FINANCING ACTIVITIES			
		-	-
Net Increase in Cash Held		200,994	(263,222)
Cash at 1 January		206,283	469,505
CASH AT 31 DECEMBER	6	407,277	206,283

The accompanying notes form part of these financial statements.

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**STATEMENT OF RECOVERY OF WAGES ACTIVITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015	2014
	\$	\$
Cash assets in respect of recovered money at the beginning of the year		
Receipts		
Amounts recovered from employers in respect of wages etc	-	-
Interest received on recovered money	-	-
	<hr/>	<hr/>
Total Receipts	-	-
Payments		
Deductions of amounts dues in respect of membership	-	-
Deductions of donation or other contributions to accounts or funds of:		
<Name of reporting unit and fund>	-	-
Deductions of fees or reimbursement of expenses	-	-
Payments to workers in respect of recovered money	-	-
	<hr/>	<hr/>
Total Payments	-	-
Cash assets in respect of recovered at the end of the year	<hr/>	<hr/>
Number of workers to which the monies recovered relates	<hr/>	<hr/>
Aggregate payables to workers attributable to recovered monies but not yet distributed		
Payable balance	-	-
Number of workers the payable relates to	-	-
	-	-
Fund or account operated for recovery of wages	-	-

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements cover the Communication, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Engineering and Electrical Division, WA Branch as an individual entity (the Union).

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisations) Act 2009*. For the purpose of preparing the general purpose financial statements, the Union is a not-for-profit entity.

The financial statements, except the cash flow information, have been prepared on an accruals basis and are based on historical costs and do not take into account changing money values or, except where stated, fair values of non-current assets. Historical cost is generally based on the fair value of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The amounts presented in the financial statements are presented in Australian dollars and have been rounded to the nearest dollar.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied, unless stated otherwise.

The financial statements were authorised for issue on 6th April 2016, by members of the Committee of Management.

Accounting Policies

a) Fixed Assets

Each class of property, plant and equipment is carried at cost less where applicable any accumulated depreciation and any accumulated 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. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Land is not depreciated. Depreciation on other assets is calculated on the straight line or diminishing value basis in order to write off the cost of fixed assets over their estimated useful lives. The depreciation rates are as follows:

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015 (continued)**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Fixed Assets (continued)

- *Buildings – 2.5% prime cost*
- *Office Equipment – 30% prime cost*
- *Office Furniture – 10% prime cost*
- *Motor Vehicles – 25% diminishing value (2014: 18.75%). Refer further to note 1(l) for the financial impact of this reassessment*

The gain or loss on disposal of all fixed assets, is determined as the difference between the carrying amount of the asset when control of the asset has passed to the buyer, and the proceeds of disposal and is included in operating profit of the union in the year of disposal. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

b) Employee Entitlements

Short-term obligations

Liability for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Long term employee benefit obligations

The liabilities for long service leave, retirement leave and annual leave which are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognised in profit and loss.

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STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Employee Entitlements (continued)

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

c) 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).

d) Cash

Cash is recognised at its nominal amount. For the purposes of the Statement of Cash Flows, cash includes cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

e) Revenue

Revenue is measured at the fair value of the consideration received or receivable. Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Revenue for subscriptions is accounted for on an accruals basis and is recorded as revenue in the period to which it relates. Donation income is recognised when it is received.

f) Financial Assets

The Union classifies financial assets 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.

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. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition would be immaterial.

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STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Financial Assets (continued)

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 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 recognised in the income statement.

Effective interest method

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of income or expense in the profit or loss.

Impairment of financial assets

Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Union's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

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f) Financial Assets (continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance are recognised in the profit or loss.

Derecognition of financial assets

The Union derecognised a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the profit or loss.

g) Financial Liabilities

Financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs. Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The Union derecognises financial liabilities when, and only when, the Union's obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in the profit or loss.

h) Impairment of Non-Financial Assets

At each reporting date, the Union reviews the carrying values of its non-financial 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 the future economic benefits of the assets are not primarily dependent upon the assets ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is the depreciated replacement cost of an asset.

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STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Impairment of Non-Financial Assets

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

i) Leases

Lease payments on operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight line basis over the lease term.

j) Consolidation

The Union consolidates into its financial statements the results of the Union and entities controlled by the Union. Control is achieved where the Union is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power. Specifically, the Union controls an investee if and only if the Union has:

- Power over the investee (ie existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns.

When the Union has less than a majority of the voting or similar rights of an investee, the Union considers all relevant facts and circumstances in assessing whether it has power over and investee, including:

- Relevant activities of the investee and who has control over them
- Existing or future administrative or statutory arrangement that may give rise to rights/control (or change the previous control assessment)
- Whether rights are substantive or protective in nature and whether rights presently exercisable or will be exercisable when decisions about relevant activities are being made
- Exposure or rights to financial and non-financial returns (direct or indirect) and the ability to influence those returns
- Whether the investor is exercising its decision-making abilities as a principal or agent
- Rights arising from other contractual arrangements.

The Union re-assess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Union obtains control and ceases when the Union ceases control. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial

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STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Consolidation (continued)

statements from the date the union gains control until the date the Union ceases to control the subsidiary.

k) Comparative Figures

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

l) Critical accounting estimates and judgements

The Committee of Management evaluate 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 union.

Key estimate – Useful life of Motor Vehicles

As outlined in accounting policy 1(a), the Union has reassessed the useful lives of its motor vehicles and changed the depreciation rates from 18.75% diminishing value to 25% diminishing value. The financial effect of this change in estimate gives rise to a decrease in the carrying value of motor vehicles by \$17,008 and a decrease in the profit for the year by \$17,008.

Key estimate - Impairment

The Union assesses impairment at each reporting date by evaluating conditions specific to the Union that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

The Committee of Management estimates, based on past history approximately 22% (2014: 15%) of the trade receivables relating to outstanding membership subscription revenue is doubtful and therefore a provision for impairment has been made for this amount.

Key estimate – Employee Entitlements

The Committee of Management has factored a 3.5% pa (2014: 4%) future salary increase into the measurement of long term employee benefit obligations.

Key judgement – Control not established

The Union has not consolidated the results of the Combined Skills Training Association (hereafter referred to as “CSTA”) into the results of the Union as the Union has concluded it does not have control over CSTA. The Union has power over related entity (CSTA) as it has the ability to appoint all members and committee members however the Union does not receive any financial or non-financial returns as the CSTA objectives do not further the objectives of the Union.

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m) Goods and Services Tax

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

The net amount of GST receivable from, or payable to the ATO is included as part of receivables or payables. Cash flows arising from GST are included in the cash flow statement on a gross basis within operating cash flows.

n) New and Amended Standards Adopted by the Union

The Union has applied a number of new and revised standards which have become effective for the first time in their annual reporting period commencing 1 January 2015. Information on the more significant standard(s) is presented below:

AASB 2014-1 Amendments to Australian Accounting Standards (Part A: Annual Improvements 2010-2012 and 2011-2013 Cycles)

Part A of AASB 2014-1 makes amendments to various Australian Accounting Standards arising from the issuance by the IASB of International Financial Reporting Standards *Annual Improvements to IFRSs 2010-2012 Cycle* and *Annual Improvements to IFRSs 2011-2013 Cycle*.

Among other improvements, the amendments arising from *Annual Improvements to IFRSs 2010-2012 Cycle*:

- Clarify that the definition of a 'related party' includes a management entity that provides key management personnel services to the reporting entity (either directly or through a group entity); and
- Amend AASB 8 *Operating Segments* to explicitly require the disclosure of judgements made by management in applying the aggregation criteria.

Among other improvements, the amendments arising from *Annual Improvements to IFRSs 2011-2013 Cycle* clarify that an entity should assess whether an acquired property is an investment property under AASB 140 *Investment Property* and perform a separate assessment under AASB 3 *Business Combinations* to determine whether the acquisition of the investment property constitutes a business combination.

Part A of AASB 2014-1 is applicable to annual reporting periods beginning on or after 1 July 2014.

The adoption of these amendments has not had a material impact on the Union as they are largely of the nature of clarification of existing requirements.

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o) New Accounting Standards for application in future periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods and which the Union has decided not to early adopt. A discussion of those future requirements and their impact on the Union follows:

Reference	Title	Summary
AASB 9	<i>Financial Instruments</i>	<p>AASB 9 (December 2014) is a new Principal standard which replaces AASB 139. This new Principal version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.</p> <p>AASB 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early application. The own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments.</p> <p>The final version of AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised. The Standard also requires to recognise full lifetime expected losses on a more timely basis.</p> <p>Amendments to AASB 9 (December 2009 & 2010 editions) (AASB 2013-9) issued in December 2013 included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures.</p> <p>AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139.</p> <p>The main changes are described below.</p> <p>a. Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.</p>

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STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o) New Accounting Standards for application in future periods (continued)

Reference	Title	Summary
AASB 9 (continued)	<i>Financial Instruments (continued)</i>	<p>b. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.</p> <p>c. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.</p> <p>d. Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:</p> <ul style="list-style-type: none"> ▶ The change attributable to changes in credit risk are presented in other comprehensive income (OCI) ▶ The remaining change is presented in profit or loss <p>AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss.</p> <p>Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 – Part E.</p> <p>AASB 2014-7 incorporates the consequential amendments arising from the issuance of AASB 9 in Dec 2014.</p> <p>This may impact the classification and measurement of the Union financial assets and liabilities.</p>

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STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o) New Accounting Standards for application in future periods (continued)

Reference	Title	Summary
AASB 14	Regulatory deferral accounts	<p>AASB 14 permits first-time adopters to continue to account for amounts related to rate regulation in accordance with their previous GAAP when they adopt Australian Accounting Standards. However, to enhance comparability with entities that already apply Australian Accounting Standards and do not recognise such amounts, AASB 14 requires that the effect of rate regulation must be presented separately from other items. An entity that is not a first-time adopter of Australian Accounting Standards will not be able to apply AASB 14.</p> <p>AASB 2014-1 Part D makes amendments to AASB 1 First-time Adoption of Australian Accounting Standards, which arise from the issuance of AASB 14 Regulatory Deferral Accounts in June 2014.</p> <p>This does not apply to the Union as it is an existing IFRS preparer.</p>
AASB 2014-3	Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]	<p>AASB 2014-3 amends AASB 11 to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. The amendments require:</p> <p>(a) the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in AASB 3 Business Combinations, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11</p> <p>(b) the acquirer to disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations</p> <p>This Standard also makes an editorial correction to AASB 11.</p> <p>This does not impact the Union.</p>

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STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o) New Accounting Standards for application in future periods (continued)

AASB 2014-4	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)	<p>AASB 116 and AASB 138 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset.</p> <p>The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.</p> <p>The amendment also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.</p> <p>This will not impact the Union as it does not use a revenue based method to depreciate its non-current assets.</p>
AASB 2014-6	Amendments to Australian Accounting Standards – Agriculture: Bearer Plants [AASB 101, AASB 116, AASB 117, AASB 123, AASB 136, AASB 140 & AASB 141]	<p>The amendments require that bearer plants such as grape vines, rubber trees and oil palms, should be accounted for in the same way as property, plant and equipment in AASB 116 Property, Plant and Equipment, because their operation is similar to that of manufacturing.</p> <p>The produce growing on bearer plants will remain within the scope of AASB 141. This Standard also makes various editorial corrections to other Australian Accounting Standards.</p> <p>This will not impact the Union.</p>
AASB 2014-1 Part D Amendments to AASB 14	Amendments to Australian Accounting Standards - Part D Consequential Amendments arising from AASB 14	<p>AASB 2014-Part D makes consequential amendments arising from the issuance of AASB 14.</p> <p>This will not impact the Union.</p>

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STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o) New Accounting Standards for application in future periods (continued)

Reference	Title	Summary
AASB 15, AASB 2014-5 and AASB 2015-8	Revenue from Contracts with Customers	<p>In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, which replaces IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations (IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue—Barter Transactions Involving Advertising Services).</p> <p>The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:</p> <p>(a) Step 1: Identify the contract(s) with a customer (b) Step 2: Identify the performance obligations in the contract (c) Step 3: Determine the transaction price (d) Step 4: Allocate the transaction price to the performance obligations in the contract (e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation</p> <p>AASB 2014-5 incorporates the consequential amendments to a number Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15.</p> <p>The Union is currently assessing the impact of AASB15.</p>
AASB 1056	Superannuation Entities	<p>AASB 1056 is a new Standard applying to superannuation entities replacing AAS 25 Financial Reporting by Superannuation Plans. This new standard specifies requirements for general purpose financial statements of superannuation entities and results in significant changes to presentation of financial statements, measurement and disclosure of defined benefit obligations and disclosure of disaggregated financial information.</p> <p>The Union is not superannuation entity.</p>

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STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o) New Accounting Standards for application in future periods (continued)

Reference	Title	Summary
AASB 2014-9	Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements	<p>AASB 2014-9 amends AASB 127 Separate Financial Statements, and consequentially amends AASB 1 First-time Adoption of Australian Accounting Standards and AASB 128 Investments in Associates and Joint Ventures, to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements.</p> <p>AASB 2014-9 also makes editorial corrections to AASB 127.</p> <p>AASB 2014-9 applies to annual reporting periods beginning on or after 1 January 2016. Early adoption permitted.</p> <p>This will not impact the Union.</p>
AASB 2014-10 and AASB 2015-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	<p>AASB 2014-10 amends AASB 10 Consolidated Financial Statements and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require:</p> <p>(a) Full gain or loss to be recognised when a transaction involves a business (whether it is housed in a subsidiary or not)</p> <p>(b) Partial gain or loss to be recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary</p> <p>AASB 2014-10 also makes an editorial correction to AASB 10.</p> <p>AASB 2014-10 applies to annual reporting periods beginning on or after 1 January 2016. Early adoption permitted.</p> <p>The Union currently is not an investor.</p>

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o) New Accounting Standards for application in future periods (continued)

Reference	Title	Summary
AASB 2015-1	Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle	<p>These amendments arise from the issuance of <i>Annual Improvements to IFRSs 2012-2014 Cycle</i> in September 2014 by the IASB.</p> <p>Among other improvements, the amendments clarify that when an entity reclassifies an asset (or disposal group) directly from being held for sale to being held for distribution (or vice-versa), the accounting guidance in paragraph 27-29 of AASB 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i> does not apply. The amendments also state that when an entity determines that the asset (or disposal group) is no longer available for immediate distribution or that the distribution is no longer highly probable, it should cease holding-for-distribution accounting and apply the guidance in paragraphs 27-29 of AASB 5.</p> <p>When first adopted for the year ended 31 December 2016, there will be no material impact on the financial statements.</p>
AASB 2015-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	<p>The Standard makes amendments to AASB 101 <i>Presentation of Financial Statements</i> arising from the IASB's Disclosure Initiative project.</p> <p>The amendments:</p> <ul style="list-style-type: none"> • Clarify the materiality requirements in AASB 101, including an emphasis on the potentially detrimental effect of obscuring useful information with immaterial information • Clarify that AASB 101's specified line items in the statement(s) of profit or loss and other comprehensive income and the statement of financial position can be disaggregated • Add requirements for how an entity should present subtotals in the statement(s) of profit or loss and other comprehensive income and the statement of financial position • Clarify that entities have flexibility as to the order in which they present the notes, but also emphasise that understandability and comparability should be considered by an entity when deciding that order • Remove potentially unhelpful guidance in AASB 101 for identifying accounting policy <p>When first adopted there will be no material impact on the financial statements.</p>

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o) New Accounting Standards for application in future periods (continued)

Reference	Title	Summary
AASB 20015-3	Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality	The Standard completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards. When first adopted, there will be no impact on the financial statements.
AASB 2015-4	Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent	The Standard aligns the relief available in AASB 10 <i>Consolidated Financial Statements</i> and AASB 128 <i>Investments in Associates and Joint Ventures</i> in respect of the financial reporting requirements for Australian groups with a foreign parent. This will not impact the Union when first adopted.
AASB 2015-5	Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception	The narrow scope amendments to AASB 10 <i>Consolidated Financial Statements</i> , AASB 12 <i>Disclosures of Interest in Other Entities</i> and AASB 128 <i>Investments in Associates and Joint Ventures</i> introduce clarifications to the requirements when accounting for investment entities. The amendments also provide relief in particular circumstances, which will reduce the costs of applying the Standards. This will not impact the Union when first adopted.
AASB 2015-6	Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-profit Public Sector Entities	The amendments extend the scope of AASB 124 <i>Related Party Disclosures</i> to include not-for-profit public sector entities. The key impact of the amendments is to specify consistent related party disclosure requirements for the Australian Government, State Governments, local councils and other not-for-profit public sector entities. This will not impact the Union when first adopted.

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STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o) New Accounting Standards for application in future periods (continued)

Reference	Title	Summary
AASB 2015-7	Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities	AASB 2015-7 amends AASB 13 <i>Fair Value Measurements</i> to provide disclosure relief to not-for-profit public sector entities from certain disclosures about the fair value measurements of property, plant and equipment held for their current services potential rather than to generate net cash inflows. This includes relief from disclosures of quantitative information about the significant unobservable inputs used in fair value measurements and of the sensitivity of certain fair value measurements to changes in unobservable inputs. This will not impact the Union when first adopted.
AASB 2015-9	Amendments to Australian Accounting Standards – Scope and Application Paragraphs	AASB 2015-9 inserts scope paragraphs into AASB 8 <i>Operating Segments</i> and AASB 133 <i>Earnings per Share</i> in place of application paragraph text in AASB 1057. This will not impact the Union when first adopted.

The Union does not anticipate early adoption of any of the above Australian Accounting Standards.

p) Going Concern

The financial statements have been prepared on a going concern basis. The ability to continue as a going concern is not dependent on the financial support of other reporting units.

q) Financial Support

The Union does not provide financial support to another reporting unit.

r) Restructuring

There has been no amalgamation or restructuring of the Union during the year ended 31 December 2015.

Effective 28 March 2014 administration of the Plumbers and Gasfitters Employees' Union of Australia, West Australian Branch, Industrial Union of Workers (Plumbers' Union) was transferred from the Union to the Plumbing Trades Employees' Union Communication, Electrical & Plumbing Union (PTEU). The Union is no longer providing financial support to the Plumbers' Union. Refer further to Note 20 Discontinued operations.

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STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

s) s245(1) Certificate and s249 Revocation

There have been no assets or liabilities acquired during the financial year as a result of

(i) a determination by the General Manager under subsection 245(1) of the Fair Work (Registered Organisation) Act 2009 of an alternative reporting structure for the organisation; or

(ii) a revocation by the General Manager under subsection 249(1) of the Fair Work (Registered Organisation) Act 2009 of a certificate issued to an organisation under s245(1).

t) Business Combinations

There have been no assets and liabilities acquired during the financial year as part of a business combination (2014: \$Nil)

2. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, 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. PRINCIPAL PLACE OF BUSINESS

The principal place of business of the Union is Unit 24, 257 Balcatta Road, Balcatta, Western Australia.

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4. REVENUE AND OTHER INCOME

(a) From Continuing Operations	Note	2015 \$	2014 \$
Members' Funding			
Members' Contributions		4,056,583	3,610,420
Entrance Fees		207	2,228
		<u>4,056,790</u>	<u>3,612,648</u>
Interest Earned			
CBA General Account		731	1,271
Retirement Account		28,672	23,080
CBA Online Saver		67,553	92,184
		<u>96,956</u>	<u>116,535</u>
Sundries Income			
Capitation fees		-	-
Levies		-	-
Grants		-	-
Donations	5(f)(i)	4,100	2,050
Contribution from CEPU National Office	5(f)(i)	5,000	50,000
ATC Insurance Commission		-	602
ETU Vic Insurance Rebate		275,640	248,193
Wages Subsidy-Board Fees		18,474	29,488
Other		16,733	14,870
Profit/ (loss) on disposal of motor vehicles		(23,209)	(10,841)
Sponsorship		30,455	-
Total Income from Continuing Operations		<u>4,480,939</u>	<u>4,063,545</u>
(b) From Discontinuing Operations			
Members' Contributions		-	67,461
Total Income from Discontinuing Operations		<u>-</u>	<u>67,461</u>

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5. SIGNIFICANT EXPENSES ON CONTINUING OPERATIONS

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

	2015	2014
	\$	\$
Administration expenses	258,277	202,355
Affiliation fees (a)	85,008	80,271
Audit fees (b)	49,912	68,224
Campaign Costs	96,675	107,047
Conferences and meeting expenses	24,702	23,193
Consideration to employers for payroll deductions	-	-
Contribution to other CEPU offices	-	10,000
Depreciation and amortisation	88,583	84,626
Employee costs – officer (c)	1,779,033	1,896,271
Employee costs - other (d)	318,187	360,460
Fees/allowances – meetings and conferences	14,531	17,394
Finance costs (e)	58,890	48,198
Donations (f)	47,575	60,891
Grants	-	-
Impairment of receivables	23,905	11,359
Insurance	84,092	75,345
Legal costs	32,892	22,076
Levies	-	-
Occupancy costs	50,875	51,632
Other expenses	138,770	153,947
Penalties	-	-
Rental expenses	39,918	40,252
Sustentation fees/Capitation fees (g)	420,550	481,200
Travel	84,122	88,514
TOTAL EXPENSES FROM CONTINUING OPERATIONS	3,696,497	3,883,255
(a) Affiliation fees		
Unions WA	44,434	33,679
Australian Labor Party	40,574	46,592
	85,008	80,271
(b) Audit fees		
Audit services	32,512	34,369
Other services – presentation of financial statements	17,400	33,855
Total fees - continuing operations	49,912	68,224
Audit fees – discontinuing operations	-	-

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5 SIGNIFICANT EXPENSES ON CONTINUING OPERATIONS (continued)

	2015	2014
	\$	\$
(c) Employee Expenses – Officer		
Wages and salaries	1,154,328	1,240,891
Superannuation	221,477	209,099
Leave and other entitlements	271,211	211,897
Separation and redundancies	19,479	117,583
Other employee expenses	112,538	116,801
	<u>1,779,033</u>	<u>1,896,271</u>
(d) Employee expenses – Other than Office Holders		
Wages and Salaries	214,343	238,621
Superannuation	42,443	36,435
Leave and other entitlements	48,483	48,095
Separation and redundancies	667	23,322
Other employee expenses	12,251	13,987
	<u>318,187</u>	<u>360,460</u>
(e) Finance Costs		
Bank charges	31,914	27,780
Debt collector fees	26,976	20,418
	<u>58,890</u>	<u>48,198</u>
(f) Donations		
Unions WA	-	5,000
Les McLaughlan Kokoda Trail hike for Mates in Construction	(i) 11,593	-
Greens Party	-	10,000
Victorian Trades Hall Council for Alcoa MPV Boat Strike	5,000	-
O'Brien Family	5,000	-
Asbestos Disease Society	909	-
Parkerville Bushfire Appeal	-	5,000
March in March	-	1,000
Labor Senate – Louise Pratt	-	3,773
CB & I Fines	-	5,000
Lifeline	-	1,909
Mates in Construction	15,000	15,000
NAIDOC	5,000	10,000
Labor movement internship programme	2,000	2,000
Other	3,073	2,209
	<u>47,575</u>	<u>60,891</u>
(i) Donation paid for Kokoda Trail hike	11,593	-
Less Donations received from other entities for this cause	(9,000)	-
Net donation paid by the Union	<u>2,593</u>	<u>-</u>

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5 SIGNIFICANT EXPENSES ON CONTINUING OPERATIONS (continued)

	2015	2014
(g) Sustentation fees/Capitation fees	\$	\$
National Office - Communications, Electrical, Energy, Information, Postal, Plumbing and Allied Services Union of Australia	420,550	481,200

6. CASH AND CASH EQUIVALENTS

	2015	2014
	\$	\$
Commonwealth Bank – General Account	406,137	205,143
Petty Cash on Hand	1,140	1,140
	<u>407,277</u>	<u>206,283</u>

The effective interest rate on the general account is 0.28% (2014: 0.5%).
This account is at call.

7. TRADE AND OTHER RECEIVABLES

	2015	2014
	\$	\$
Accounts Receivable	473,062	351,832
Less: Provision for impairment	(80,593)	(56,688)
Bonds paid	5,000	5,000
Accounts paid in advance	13,235	12,109
Receivable from other reporting units	-	-
Less: Provision for doubtful debts	-	-
Net receivable from other reporting units	-	-
	<u>410,704</u>	<u>312,253</u>

No collateral is held over accounts receivable.

Credit Risk

The Union has no significant concentrations of credit risk with respect to any single counterparty or group of counterparties.

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7. TRADE AND OTHER RECEIVABLES (continued)

The following table details the Union's receivables exposed to credit risk with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled within the terms and conditions agreed between the Union and the member or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining their willingness to pay and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Union.

The balances of receivables that remain within initial terms (as detailed in the table) are considered to be a high credit quality.

2015	Gross Amount	Past Due and Impaired	Past Due but Not Impaired (Days Overdue)				Within Initial Trade Terms
			< 30	31-60	61-90	>90	
	\$	\$	\$	\$	\$	\$	\$
Accounts receivable	473,062	80,593	12,074	6,708	4,984	260,737	107,966
Total	473,062	80,593	12,074	6,708	4,984	260,737	107,966

2014	Gross Amount	Past Due and Impaired	Past Due but Not Impaired (Days Overdue)				Within Initial Trade Terms
			< 30	31-60	61-90	>90	
	\$	\$	\$	\$	\$	\$	\$
Accounts receivable	351,832	56,688	182	1,679	2,614	217,815	72,854
Total	351,832	56,688	182	1,679	2,614	217,815	72,854

8. OTHER FINANCIAL ASSETS

	2015 \$	2014 \$
Held to Maturity Assets		
CBA Retirement Account	1,045,607	1,015,935
CBA Online Saver Account	4,456,430	3,943,797
	<u>5,502,037</u>	<u>4,959,732</u>

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 weighted average interest rate on short term deposits was 1.48% (2014: 2.30%)

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9. PROPERTY, PLANT & EQUIPMENT

	2015	2014
	\$	\$
LAND AND BUILDINGS		
House at Cost – 1 / 30 Demetre Crescent, Karratha	102,818	102,818
Accumulated Depreciation	<u>(48,735)</u>	<u>(46,165)</u>
	54,083	56,653
Strata Unit – Rockingham – at cost	135,526	135,526
Accumulated Depreciation	<u>(18,927)</u>	<u>(15,539)</u>
	116,599	119,987
TOTAL LAND AND BUILDINGS	<u>170,682</u>	<u>176,640</u>
FURNITURE AND EQUIPMENT		
Furniture and Fittings at Cost	121,861	121,861
Accumulated Depreciation	<u>(112,972)</u>	<u>(109,671)</u>
	8,889	12,190
Furniture and Fittings – Demetre Street at Cost	16,160	16,160
Accumulated Depreciation	<u>(7,090)</u>	<u>(5,973)</u>
	9,070	10,187
TOTAL FURNITURE AND EQUIPMENT	<u>17,959</u>	<u>22,377</u>
MOTOR VEHICLES		
Cost	390,125	394,783
Accumulated Depreciation	<u>(165,534)</u>	<u>(145,949)</u>
	224,591	248,834
TOTAL MOTOR VEHICLES	<u>224,591</u>	<u>248,834</u>
OFFICE EQUIPMENT		
Cost	85,828	80,336
Accumulated Depreciation	<u>(52,476)</u>	<u>(73,645)</u>
	33,352	6,691
TOTAL OFFICE EQUIPMENT	<u>33,352</u>	<u>6,691</u>
TOTAL PROPERTY, PLANT & EQUIPMENT	<u>446,584</u>	<u>454,542</u>

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9. PROPERTY, PLANT & EQUIPMENT (continued)

Year ended 31 December 2015

Movement in Carrying Amounts	Land & Buildings \$	Furniture & Equipment \$	Motor Vehicles \$	Office Equipment \$	Total \$
Balance at the beginning of year	176,640	22,377	248,834	6,691	454,542
Additions	-	-	101,271	36,835	138,106
Disposals	-	-	(57,481)	-	(57,481)
Depreciation Expense	(5,958)	(4,418)	(68,033)	(10,174)	(88,583)
Carrying amount at the end of year	<u>170,682</u>	<u>17,959</u>	<u>224,591</u>	<u>33,352</u>	<u>446,584</u>

Year ended 31 December 2014

Movement in Carrying Amounts	Land & Buildings \$	Furniture & Equipment \$	Motor Vehicles \$	Office Equipment \$	Total \$
Balance at the beginning of year	182,599	18,208	305,018	14,798	520,623
Additions	-	7,933	59,511	2,176	69,620
Disposals	-	-	(33,387)	-	(33,387)
Transfer to Other reporting unit PTEU	-	-	(17,688)	-	(17,688)
Depreciation Expense	(5,959)	(3,764)	(64,620)	(10,283)	(84,626)
Carrying amount at the end of year	<u>176,640</u>	<u>22,377</u>	<u>248,834</u>	<u>6,691</u>	<u>454,542</u>

10. TRADE AND OTHER PAYABLES

	2015 \$	2014 \$
Trade Creditors & Accruals - unsecured	216,488	246,962
Legal fees payable	-	-
Consideration payable to employers for payroll deductions	-	-
Payables to other reporting units – PTEU Office	552	31,284
Membership fees received in advance	831,770	793,522
	<u>1,048,810</u>	<u>1,071,768</u>

Settlement is usually within 30 days.

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11. EMPLOYEE PROVISIONS

	Note	2015 \$	2014 \$
Office Holders			
Provision for Annual Leave	(a)	153,266	106,732
Provision for Long Service Leave	(b)	276,601	220,618
Provision for Retirement Allowance	(c)	565,720	583,777
Other		-	-
		<u>995,587</u>	<u>911,127</u>
Employees other than office holders			
Provision for Annual Leave	(a)	30,364	28,240
Provision for Long Service Leave	(b)	83,850	91,631
Provision for Retirement Allowance	(c)	280,748	287,243
Other		-	-
		<u>394,962</u>	<u>407,114</u>
Total employee provisions		<u>1,390,549</u>	<u>1,318,241</u>
a) Provision for Annual Leave			
Opening Balance		134,972	144,785
Annual Leave Entitlements Paid & Increase in Provision		48,658	(9,813)
Closing Balance		<u>183,630</u>	<u>134,972</u>
b) Provision for Long Service Leave			
Opening Balance		312,249	311,786
LSL Entitlements Paid & Increase in Provision		48,202	463
Closing Balance		<u>360,451</u>	<u>312,249</u>
c) Provision for Retirement Allowance			
Opening Balance		871,020	830,171
Retirement Allowance Entitlements Paid & (Decrease)/Increase in Provision		(24,552)	40,849
Closing Balance		<u>846,468</u>	<u>871,020</u>
Total Provision for Employee Benefits			
Opening Balance		1,318,241	1,286,742
Entitlements Paid & Increase in Provision		72,308	31,499
Closing Balance		<u>1,390,549</u>	<u>1,318,241</u>

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12. CASH FLOW STATEMENT ADDITIONAL INFORMATION

(a) Reconciliation of Cash Flow From Operations with Profit / (Loss)	2015	2014
	\$	\$
Profit / (Loss) for the year	784,442	(9,735)
Non cash flows in Operating Surplus		
- Depreciation	88,583	84,626
- Loss on Sale of Fixed Assets	23,209	10,841
- Impairment of Receivables	23,905	20,510
- Loss on transfer of Plumbing division	-	247,261
Changes in assets and liabilities		
- (Increase) in Receivables	(122,356)	(162,933)
- Increase in Sundry Creditors & Accruals	8,327	77,045
- Increase in Provision for Employee Benefits	72,308	31,499
NET CASH PROVIDED BY OPERATING ACTIVITIES	878,418	299,114

(b) Credit Facilities

The Union has a \$50,000 credit card facility with the bank (2014: \$50,000). Amount used at 31 December 2015 \$Nil (2014 \$Nil).

(c) Non-cash financing and investing activities

During the year motor vehicles were traded in for a value of NIL (2014: \$12,273). The trade in value was applied against the acquisition price of the new replacement vehicles.

(d) Cash inflows from other reporting units

ETU Queensland	-	5,000
CEPU National Office (for Les McLaughlan Kokoda trail walk)	5,000	45,000
AMWU (for Les McLaughlan Kokoda trail walk)	2,000	-
MUA (for Les McLaughlan Kokoda trail walk)	2,000	-
Cash outflows to other reporting units		
CEPU National Office	(511,198)	(538,056)
PTEU National Office (refer to Note 20)	-	(200,000)

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13. 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, Electrical, Energy and Services Division, Western Australian Divisional Branch, who have held office at all times during the financial year (unless otherwise stated) are:

- M Coulter
- J Dellavanzo
- M Donaldson (resigned 16 July 2015)
- G Wilton (appointed 16 July 2015)
- D Fowlie (appointed 16 July 2015)
- R Manhood
- J Murie
- L McLaughlan
- J Collis (appointed 16 July 2015)

14. RELATED PARTY TRANSACTIONS

a) Names of officers

The following persons have held office in the Union at all times during the financial year unless otherwise stated:

Name	Title of Officer
R Manhood	Branch President (resigned 16 July 2015) Branch Councillor (appointed 16 July 2015)
G Wilton	Branch President (appointed 16 July 2015)
M Coulter	Deputy Branch President
L McLaughlan	Branch Secretary
J Murie	Assistant Branch Secretary
P Carter	Branch Councillor
D Clancey	Branch Councillor
M Coulter	Branch Councillor
J Dellavanzo	Branch Councillor
M Donaldson	Branch Councillor (resigned 16 July 2015)
G Dwyer	Branch Councillor (resigned 16 July 2015)
J Fiala	Branch Councillor (resigned 16 July 2015)
D Fowlie	Branch Councillor
T Hayes	Branch Councillor
S O'Regan	Branch Councillor
B Reeve	Branch Councillor (resigned 16 July 2015)
S Taylor	Branch Councillor
J Collis	Branch Councillor (appointed 16 July 2015)
R MacLachlan	Branch Councillor (appointed 16 July 2015)
R Tiller	Branch Councillor (appointed 16 July 2015)
C Coombes	Branch Councillor (appointed 16 July 2015)
S Nicholson	Branch Councillor (appointed 16 July 2015)
D Tyler	Branch Councillor (appointed 16 July 2015)
A Woodage	Branch Councillor (appointed 16 July 2015)

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14. RELATED PARTY TRANSACTIONS (continued)

b) Key Management Personnel Compensation

The aggregate amount of remuneration paid to officers during the year is disclosed in the Statement of Profit or Loss and Other Comprehensive Income under Employee Expenses – Officer:

Year ended 30 June 2015	Continuing Operations	Discontinuing operations	Total
	\$	\$	\$
Short term employee benefits			
Wages and salaries	1,154,328	-	1,154,328
Annual leave accrued	178,237	-	178,237
Performance bonus	-	-	-
Fringe benefits tax	44,041	-	44,041
Payroll tax	68,498	-	68,498
Total short term employee benefits	1,445,104	-	1,445,104
Post-employment benefits			
Superannuation	221,477	-	221,477
Other long-term benefits			
Long service leave	92,974	-	92,974
Termination benefits	19,478	-	19,478
Total	1,779,033	-	1,779,033
Year ended 30 June 2014			
Short term employee benefits			
Wages and salaries	1,240,891	-	1,240,891
Annual leave accrued	154,497	-	154,497
Performance bonus	-	-	-
Fringe benefits tax	47,446	-	47,446
Payroll tax	69,355	-	69,355
Total short term employee benefits	1,512,189	-	1,512,189
Post-employment benefits			
Superannuation	209,099	-	209,099
Other long-term benefits			
Long service leave	57,400	-	57,400
Termination benefits	117,583	-	117,583
Total	1,896,271	-	1,896,271

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015 (continued)**

14. RELATED PARTY TRANSACTIONS (continued)

c) Other transactions with officers

Branch Secretary, Mr Les McLaughlan participated in a Mates In Construction Kokoda Trail walk which the Union contributed \$11,593 (2014: \$Nil). This amount includes \$5,000 contributed by the Federal Office of the Union, \$2,000 contributed by AMWU and \$2,000 contributed by MUA.

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.

d) Transactions with Other Related Parties

Effective 28 March 2014 the plumbing members have transferred to the Plumbing Trades Employees' Union Communication, Electrical & Plumbing Union (PTEU).

15. 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 2015 (2014: Nil).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015 (continued)**

15. FINANCIAL INSTRUMENTS (continued)

b) Interest Rate Risk and Liquidity Analysis

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 2015	Floating Interest Rate Within 1 year \$	Fixed Interest \$	Non-Interest Bearing Within 1 year \$	Total \$
Financial Assets				
Cash and deposits	406,137	-	1,140	407,277
Held to Maturity Investments	5,502,037	-	-	5,502,037
Accounts Receivable	-	-	397,469	397,469
	5,908,174	-	398,609	6,306,783
Weighted average interest rate	1.751%			
Financial Liabilities				
Trade and other creditors	-	-	1,048,810	1,048,810
NET FINANCIAL ASSETS / (LIABILITIES)	5,908,174	-	(650,201)	5,257,973
31 December 2014	Floating Interest Rate Within 1 year \$	Fixed Interest \$	Non-Interest Bearing Within 1 year \$	Total \$
Financial Assets				
Cash and deposits	205,143	-	1,140	206,283
Held to Maturity Investments	4,959,732	-	-	4,959,732
Accounts Receivable	-	-	300,144	300,144
	5,164,875	-	301,284	5,466,159
Weighted average interest rate	2.268%	-		
Financial Liabilities				
Trade and other creditors	-	-	1,071,768	1,071,768
NET FINANCIAL ASSETS / (LIABILITIES)	5,164,875	-	(770,484)	4,394,391

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015 (continued)**

15. FINANCIAL INSTRUMENTS (continued)

Interest Rate Sensitivity Analysis

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

As 31 December 2015, the effect on the operating surplus and members funds as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	Higher / (Lower) 2015 \$	Higher / (Lower) 2014 \$
<u>Change in Operating Surplus</u>		
- Increase in interest rate by 100 basis points	59,082	51,648
- Decrease in interest rate by 100 basis points	(59,082)	(51,648)
<u>Change in Members' Funds</u>		
- Increase in interest rate by 100 basis points	59,082	51,648
- Decrease in interest rate by 100 basis points	(59,082)	(51,648)

The movements in profit are due to higher / lower interest revenue from cash balances.

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. This is largely due to the short term maturities of these instruments. 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 statement of financial position 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 2015 (continued)**

16. CONTINGENT LIABILITIES

At the date of signing this report, there were no known contingent liabilities.

17. EMPLOYEE NUMBERS

	31/12/15	31/12/14
Number of full time equivalent employees at the end of financial year	<u>16</u>	<u>15</u>

18. CAPITAL AND LEASING COMMITMENTS

At the date of signing this report, there are no known outstanding capital commitments.

Operating lease commitments

Non-cancellable operating leases contracted for but not recognised in the financial statements:

	31/12/15	31/12/14
Minimum lease payments payable:	\$	\$
- Not later than 12 months	7,700	12,710
- Between 12 months and 5 years	-	7,700
- Later than 5 years	-	-
	<u>7,700</u>	<u>20,410</u>

The property lease commitment is a non-cancellable operating lease with an initial 36 month term, with rent payable monthly in advance.

Other commitments

The Union does not have any other contractual arrangements, guarantees or other commitments with third parties.

19. FAIR VALUE

The Union does not measure any assets or liabilities at fair value on a recurring or non-recurring basis.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015 (continued)**

20. DISCONTINUED OPERATIONS

(i) Effective 28 March 2014 the Plumbing members were transferred across to the Plumbing Trades Employees' Union Communication, Electrical & Plumbing Union (PTEU).

(ii) Financial Performance and Cash flow information.

	2015	2014
	\$	\$
Revenue	-	67,461
Expenses	-	(10,225)
Surplus attributable to members	-	57,236
(Loss) on transfer of the plumbing division (iii)	-	(247,261)
Total (loss)/profit attributed to the discontinued operation	-	(190,025)

The net cashflows of the discontinued division, which have been incorporated into the statement of cashflow are as follows:

Net cash (outflow) / inflow from operating activities	-	57,236
Net cash (outflow) / inflow from investing activities	-	(200,000)
Net cash (outflow) / inflow from financing activities	-	-
Net cash (decrease) / increase in cash generated by the discontinued operation	-	(142,764)

(iii) Net assets transferred / transferable to PTEU for NIL consideration.

Cash	-	231,284
Accounts receivable (net of provision for impairment)	-	39,162
Motor vehicle (written down value)	-	17,688
Total Assets	-	288,134
Membership fees in advance	-	(40,873)
Total liabilities	-	(40,873)
Net assets transferred	-	247,261

21. POST BALANCE DATE EVENTS

There were no events that occurred after 31 December 2015 prior to the signing of the financial statements that would affect the ongoing structure and financial activities of the Union.

END OF NOTES TO THE FINANCIAL STATEMENTS

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Suite 4, 1st Floor
63 Shepperton Road
Victoria Park
Western Australia 6100
Telephone: (08) 9362 5855
Facsimile: (08) 9362 5186
Email: htg@htgfdc.com
Website: www.htgfdc.com
ABN: 78 607 011 001
PO Box 199
Victoria Park
Western Australia 6979

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE
COMMUNICATION, ELECTRICAL, ELECTRONIC,
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ALLIED SERVICES UNION OF AUSTRALIA,
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I am an approved auditor, being a member of CPA Australia and hold a current Public Practice Certificate.

Report on the Financial Report

We have audited the accompanying financial report of the Communication, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division Western Australian Divisional Branch, comprising the Statement of Financial Position as at 31 December 2015, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Members' Funds, Statement of Cash Flows and the Statement of Recovery of Wages Activity for the year ended then ended, notes comprising a Summary of Significant Accounting Policies and Other Explanatory Notes and the Committee of Management Statement, for the year ended 31 December 2015.

Committee's Responsibility for the Financial Report

The Committee of Management of the Union is responsible for the preparation and fair presentation of the financial report with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009 and for such internal control as the Committee determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee, as well as evaluating the overall presentation of the financial report.

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

**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,
CTA
Registered Company Auditor

Vick Gelevitis
B.BUS (ACC), FCPA,
CTA

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

Hewitt Turner & Gelevitis
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**COMMUNICATION, ELECTRICAL, ELECTRONIC,
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COMMUNICATION, ELECTRICAL, ELECTRONIC,
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WESTERN AUSTRALIA DIVISIONAL BRANCH
(continued)**

*HEWITT
TURNER &
GELEVITIS*

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In our opinion:

- (a) the general purpose financial report of the Communication, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Electrical, Energy and Services Division, Western Australia Divisional Branch for the year ended 31 December 2015 is presented fairly in accordance with:
- a. applicable Australian Accounting Standards; and
 - 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 financial report properly and fairly report all information required by the reporting guidelines of the general manager, 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 contributions deducted from recovered money; and
 - c. any other requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.
- (b) Management's use of the going concern basis of accounting in the preparation of the Union's financial statements is appropriate.



Signed at Perth this 6th day of May 2016.



**HEWITT TURNER & GELEVITIS
AUDIT ASSURANCE DIVISION**



**TIMOTHY TURNER
REGISTERED COMPANY AUDITOR**



9 June 2016

Mr Les McLaughlan
Branch Secretary

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services
Union of Australia - Electrical, Energy and Services Division - Western Australian Divisional Branch
Sent via email: cepu@etuwa.com.au

Dear Mr McLaughlan,

Lodgement of Financial Report - Reminder to lodge on or before 15 July 2016

The Fair Work Commission's (the Commission) records disclose that the financial year of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia - Electrical, Energy and Services Division - Western Australian Divisional Branch (the reporting unit) ended on the 31 December 2015.

As you would be aware, the *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires that a reporting unit prepare a financial report in accordance with the RO Act, make it available to the members and then must lodge the financial report within 14 days after the general meeting of members, or if the rules of the reporting unit allow, the Committee of Management meeting (s.268).

The maximum period of time allowed under the RO Act for the completion of the financial reporting process is six months and 14 days after the expiry date of its financial year (s.253, s.254, s.265, s.266, s.268). For your reporting unit that requires lodgement of its financial report on or before **15 July 2016, and in any event no later than 14 days after the relevant meeting.**

The Commission encourages your reporting unit to lodge its financial report at the earliest opportunity in order to ensure compliance with its obligations. Failure of a reporting unit to lodge its financial report is a breach of a civil penalty provision of the RO Act. This can result in the General Manager instituting an inquiry or investigation into a reporting unit's non-compliance under Chapter 11, Part 4 of the RO Act. The actions available to the General Manager following an investigation include issuing Federal Court legal proceedings for breach of a civil penalty provision. The orders available to the Federal Court include imposition of a pecuniary penalty on the organisation or individual officer, whose conduct led to the contravention, of up to \$54,000 per contravention on the organisation and up to \$10,800 per contravention on an officer whose conduct led to the contravention.

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

We encourage you to lodge the full financial report directly to orgs@fwc.gov.au. That is the official email address for electronic lodgements of material related to registered organisations matters.

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

Yours sincerely,

Sam Gallichio
Regulatory Compliance Branch

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Telephone : (03) 8661 7777
Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au



15 January 2016

Mr Les McLaughlan
Divisional State Secretary
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia - Electrical, Energy and Services Division - Western Australian Divisional Branch
Sent via email: cepu@etuwa.com.au

Dear Mr McLaughlan,

**Re: Lodgement of Financial Report - [FR2015/449]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia - Electrical, Energy and Services Division - Western Australian Divisional Branch (the reporting unit) ended on 31 December 2015.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date under s.268 of the RO Act, namely 15 July 2016 (being the expiry date of 6 months and 14 days from the end of the financial year).

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

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. Further, the General Manager's updated Reporting Guidelines that apply to all financial reports prepared on or after 30 June 2014 are also available on the website supported by a webinar presentation.

The Fair Work Commission has developed a model set of financial statements. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. The model statement and other resources can be accessed through our website under [Financial Reporting](#) in the Compliance and Governance section.

I request that the financial report and any statement of loans, grants or donations made during the financial year (statement must be lodged within 90 days of end of financial year) be emailed, rather than posted, to orgs@fwc.gov.au. A sample statement of loans, grants or donations is available at [sample documents](#).

It should be noted that s.268 is a civil penalty provision. Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$51,000 for a body corporate and \$10,200 for an individual per contravention) being imposed upon an officer whose conduct led to the contravention and/or your organisation.

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

Yours sincerely,

Sam Gallichio
Adviser
Regulatory Compliance Branch

TIMELINE/ PLANNER

Financial reporting period ending:	/ /	
Prepare financial statements and Operating Report.		
<p>(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.</p> <p>(b) A # designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).</p>	/ /	As soon as practicable after end of financial year
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	<p>Within a reasonable time of having received the GPFR</p> <p>(NB: Auditor's report must be dated on or after date of Committee of Management Statement</p>
<p>Provide full report free of charge to members – s265</p> <p>The full report includes:</p> <ul style="list-style-type: none"> the General Purpose Financial Report (which includes the Committee of Management Statement); the Auditor's Report; and the Operating Report. 	/ /	<p>(a) if the report is to be presented to 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,</p> <p>or</p> <p>(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.</p>
Present full report to:		
(a) General Meeting of Members - s266 (1),(2); OR	/ /	Within 6 months of end of financial year
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /	Within 6 months of end of financial year
Lodge full report with the Fair Work Commission, together with the #Designated Officer's certificate++ – s268	/ /	Within 14 days of meeting

* the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.

++ The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.