Australian Government
Registered Organisations Commission

20 July 2017

Mr Les McLaughlan
Secretary, Western Australian Divisional Branch
Electrical, Energy and Services Division,
CEPU

By email: kim@etuwa.com.au

CC: Ms Lucy Gardner, Auditor

Dear Mr McLaughlan,

CEPU, Electrical, Energy and Services Division, Western Australian Divisional Branch - Financial Report for the year ended 31 December 2016 - [FR2016/388]

I acknowledge receipt of the financial report of the Western Australian Divisional Branch of the Electrical, Energy and Services Division of the CEPU. The documents were lodged with the Registered Organisations Commission ('the ROC') on 9 June 2017.

The financial report has now been filed.

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

Please note that the financial report for the period ending 31 December 2017 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. However I make the following comments to assist in preparing the next financial report. My comments reflect a discussion today with Ms Kim Stewart from the Branch who has provided me with relevant advice and information.

<u>Disclosure of grants and donations</u>

Reporting Guideline 16(e) requires that where grants or donations have been paid, a total amount paid is to be disclosed for each of the following sub-categories:

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

It was not necessary for the 2016 report to individually itemise donations, but should have disclosed a total balance in respect of subcategories (iii) and (iv).

Reporting guideline 17 requires a nil balance or a statement to that effect for any of the above sub-categories for which there was no activity during the year. The 2016 report should therefore have disclosed a nil balance in respect of the subcategories for grants.[1]

Disclosure of legal costs

Reporting Guideline 16(j) requires legal costs expenses to be disclosed by the sub-categories (i) litigation and (ii) other legal matters. Note 5 discloses a single balance for legal costs expenses but does not identify the sub-category or sub-categories to which this amount belongs.[2]

Reporting Requirements

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

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

If you have any queries regarding this letter, please contact me via email at stephen.kellett@roc.gov.au.

Yours faithfully

Stephen Kellett

Stephen Kellett
Financial Reporting
Registered Organisations Commission

[1] The model financial statements Note 4E illustrate a balance for each sub-category and this approach is recommended.
[2] A similar sub-category break-down applies to the disclosure in respect of legal costs payables as per Reporting guideline 20(b).

From: KELLETT,Stephen
Sent: Thursday, 20 July 2017 4:30 PM
To: 'Kim'
Cc: 'lpg@butlersettineri.com.au'; 'Annette@etuaustralia.org.au'
Subject: RE: Attention Kim Stewart - financial reporting - y/e 31 Dec 2016 - filing [SEC=UNCLASSIFIED]

Dear Kim,

Thank you very much for your advice and assistance today. Please see attached my letter to the Secretary in relation to the above.

Yours faithfully

STEPHEN KELLETT
Senior Adviser
Financial Reporting
Registered Organisations Commission

Tel: (02) 6746 3283
Email: stephen.kellett@roc.gov.au

GPO Box 2983, MELBOURNE VIC 3001 | Level 13, 175 Liverpool Street, Sydney NSW 2000

www.roc.gov.au

Australian Government
Registered Organisations Commission

CEPU WA FR2016 388 (primary final).pdf

From: Kim [mailto:kim@etuwa.com.au]
Sent: Thursday, 20 July 2017 3:41 PM
To: KELLETT,Stephen
Subject: RE: Attention Kim Stewart - financial reporting - y/e 31 Dec 2016 - issues for discussion [SEC=UNCLASSIFIED]

Dear Mr. Kellett,

In response to our telephone discussion I wish to thank you for your advice on outlining the Registered Organisations requirement for audit reports and Statement of Loans and Grants. I have noted the areas that the CEPU WA Branch needs to address in the next reports.

In confirmation the values were for the financial year ending 31 December 2016:-

Grants NIL
Loans – NIL
Donations less than $1000 = $2,315
Donations greater than $1,000 = $49,439
Total Donations as per audit report = $51,754

Hoping this clarifies the matter and thanking you once again for your assistance.

Kind Regards,
Kim
CPA

Electrical Trades Union, WA Branch
P: 08 9440 3522 | **F**: 08 9440 3544

From: Kim [mailto:kim@etuwa.com.au]
Sent: Friday, 9 June 2017 4:02 PM
To: ROC - Registered Org Commission
Cc: Annette Moran (annette@etuaustralia.org.au)
Subject: FR2016/388 CEPU EESD WA

Dear Sam Gallichio - Adviser, Registered Organisations Commission

Please find attached the Financial Audit Report of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Electrical, Energy and Services Division, Western Australian Divisional Branch as at 31st December 2016 for lodgement as required.

Any queries please do not hesitate to contact the undersigned.

Kind regards

Kim
CPA

Electrical Trades Union, WA Branch
P: 08 9440 3522 | F: 08 9440 3544

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 2016

CONTENTS

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

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER FOR THE YEAR ENDED 31 DECEMBER 2016

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 2016 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 6.4.2017; and

- That the full report was presented to a meeting of the committee of management of the reporting unit on 7.6.2017 in accordance with s266 of the Fair Work (Registered Organisations) Act 2009.

Les McLaughlan
Name

Branch Secretary
Title

Signature

9/6/2017
Date

OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

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 for the financial year of $216,745 (2015: $784,442). The decrease in the surplus is largely attributable to an increase in campaign and sustentation fee costs. There was also an increase in employee cost due to the payout of two senior clerical staff.

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 4.7 which sets out the conditions for resignation of a member.

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	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	Organiser	Board member of Combined Skills Training
Kim Stewart	Office Manager	Board member of Combined Skills Training
		Board member of the Audit & Risk Committee – Shire of Mundaring

Number of members

The number of persons who, at the end of the financial year, were recorded on the Register of members was 7,011 (2015: 7,610).

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 15 (2015: 16).

OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016 (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
G Wilton	President
M Coulter	Deputy Branch President
L McLaughlan	Branch Secretary
J Murie	Assistant Branch Secretary
P Carter	Branch Councillor
D Clancey	Branch Councillor
J Dellavanzo	Branch Councillor
D Fowlie	Branch Councillor
T Hayes	Branch Councillor
R Manhood	Branch Councillor
S O'Regan	Branch Councillor – Resigned 3 August 2016
S Taylor	Branch Councillor
J Collis	Branch Councillor – Resigned 3 August 2016
R MacLachlan	Branch Councillor
R Tiller	Branch Councillor
C Coombes	Branch Councillor
S Nicholson	Branch Councillor
G Taylor	Branch Councillor – Elected 3 August 2016
D Tyler	Branch Councillor
A Woodage	Branch Councillor

Les McLaughlan
Name

Branch Secretary
Title

Signature

5/4/2017
Date

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

COMMITTEE OF MANAGEMENT STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

On the 5th April 2017, 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 2016*:

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 for 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.

COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016 (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: 5/4/2017

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	NOTE	2016	2015
Revenue		$	$
Membership subscriptions	4	4,077,009	4,056,790
ETU insurance rebate		195,709	275,640
Interest	4	58,870	96,956
Wages subsidy – board fees		8,624	18,474
Other revenue		8,398	16,733
Total revenue		4,348,610	4,464,593
Other income			
Contribution from CEPU National Office		-	5,000
Levies received – Western Power campaign		20,750	-
Sponsorship		2,273	30,455
Donations		1,100	4,100
Total other income		24,123	39,555
Total income		4,372,733	4,504,148
Expenses			
Affiliation fees	5	98,070	85,008
Audit fees	5	25,734	49,912
Campaign costs		244,908	96,675
Conferences and meeting expenses		76,808	24,702
Depreciation and amortisation		91,750	88,583
Employee costs	5	2,266,321	2,097,220
Fees/allowances – meetings and conferences		-	14,531
Finance costs	5	54,329	58,890
Donations	5	51,754	47,575
Impairment of receivables		82,591	23,905
Insurance		94,681	84,092
Legal costs		41,525	32,892
Loss on sale of assets		13,970	23,209
Other expenses		349,204	397,047
Rental expenses and occupancy costs		60,696	90,793
Sustentation fees/capitation fees	5	537,166	420,550
Travel		66,481	84,122
Total expenses		4,155,988	3,719,706
Profit for the year		**216,745**	**784,442**
Other comprehensive income		**-**	**-**
Total comprehensive income		**216,745**	**784,442**

The accompanying notes form part of these financial statements.

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

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	NOTE	2016 $	2015 $
Current assets			
Cash and cash equivalents	6	382,689	407,277
Trade and other receivables	7	212,288	410,704
Total current assets		**594,977**	**817,981**
Non-current assets			
Other financial assets	8	5,142,225	5,502,037
Property, plant & equipment	9	647,632	446,584
Total non-current assets		**5,789,857**	**5,948,621**
Total assets		**6,384,834**	**6,766,602**
Current liabilities			
Trade and other payables	10	666,955	1,048,810
Employee provisions	11	1,173,891	1,390,549
Total current liabilities		**1,840,846**	**2,439,359**
Total liabilities		**1,840,846**	**2,439,359**
Net assets		**4,543,988**	**4,327,243**
Members' funds			
Retained earnings		4,543,988	4,327,243
General fund		-	-
Special purpose fund		-	-
Total members' funds		**4,543,988**	**4,327,243**

The accompanying notes form part of these financial statements.

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

STATEMENT OF CHANGES IN MEMBERS' FUNDS FOR THE YEAR ENDED 31 DECEMBER 2016

	Special purpose fund $	General fund $	Retained earnings $	Total $
Balance at 1 January 2015	-	-	3,542,801	3,542,801
(Loss) 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**
Profit for the year	-	-	216,745	216,745
Other comprehensive income for the year	-	-	-	-
Transfers to/from funds	-	-	-	-
Balance at 31 December 2016	**-**	**-**	**4,543,988**	**4,543,988**

The accompanying notes form part of these financial statements.

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

STATEMENT OF CASH FLOWS7
FOR THE YEAR ENDED 31 DECEMBER 2016

	NOTE	2016 $	2015 $
Cash flows from operating activities			
Receipts from member contributions		4,009,702	3,985,010
Receipts from members' entrance fees		410	207
Interest received		1,103	91,957
ETU insurance rebate		185,709	299,102
Wage subsidies received		8,624	18,474
Donations received		1,100	4,100
Sponsorship received		2,273	30,455
Other receipts		5,977	18,203
Payments to supplies & employees		(4,357,718)	(3,574,090)
Contribution from National office		-	5,000
Net cash (used in)/provided by operating activities	**12**	**(142,820)**	**878,418**
Cash flows from investing activities			
Payment for property, plant & equipment		(465,092)	(138,106)
Payments for financial assets		-	(542,305)
Proceeds from financial assets		420,000	-
Proceeds from sale of property, plant and equipment		158,324	34,271
Payments to PTEU for transfer of plumbing division		-	(31,284)
Bonds refunded		5,000	-
Net cash provided by/(used in) investing activities		**118,232**	**(677,424)**
Net (decrease)/increase in cash held		(24,588)	200,994
Cash and cash equivalents at the beginning of the year		407,277	206,283
Cash and cash equivalents at the end of the year	6	**382,689**	**407,277**

The accompanying notes form part of these financial statements.

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

STATEMENT OF RECOVERY OF WAGES ACTIVITY FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 $	2015 $
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	-	-
Total Receipts	-	-
Payments		
Deductions of amounts dues in respect of membership	-	-
Deductions of fees or reimbursement of expenses	-	-
Payments to workers in respect of recovered money	-	-
Total Payments	-	-
Cash assets in respect of recovered at the end of the year	-	-
Number of workers to which the monies recovered relates	-	-
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	-	-

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, Electrical, Energy and Services Division, Western Australian Divisional 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 Australian 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 5th April 2017, 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:

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*

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. Re-measurement as a result of experience adjustments and changes in actuarial assumptions are recognised in profit and loss.

I. 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.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

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

1. 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.

1. Statement of significant accounting policies (continued)

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.

1. Statement of significant accounting policies (continued)

h) Impairment of non-financial assets (continued)

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

1. 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 - 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 43% (2015: 22%) 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 (2015: 3.5%) 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.

1. Statement of significant accounting policies (continued)

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 2016. Information on the more significant standard(s) is presented below:

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.

AASB 2014-4: Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138).

AASB 2014-9: Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements.

AASB 2015-1: Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle.

AASB 2015-2: Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101.

AASB 2015-3: Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality.

AASB 2015-4: Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent.

AASB 2015-5: Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception.

AASB 2015-9: AASB 2015-9 inserts scope paragraphs into AASB 8 *Operating Segments* and AASB 133 *Earnings per Share* in place of application paragraph text in AASB 1057.

1. Statement of significant accounting policies (continued)

n) New and Amended Standards Adopted by the Union (continued)

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

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	*Financial Instruments*	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. AASB 9 is effective for annual periods beginning on or after 1 January 2018. 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 timelier basis. 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. AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below. 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.

1. Statement of significant accounting policies (continued)

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

Reference	Title	Summary
AASB 9 (continued)	*Financial Instruments (continued)*	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. 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. d. Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: ► The change attributable to changes in credit risk are presented in other comprehensive income (OCI) ► The remaining change is presented in profit or loss 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. 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. AASB 2014-7 incorporates the consequential amendments arising from the issuance of AASB 9 in Dec 2014. This may impact the classification and measurement of the Union's financial assets and liabilities.

1. Statement of significant accounting policies (continued)

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

Reference	Title	Summary
AASB 2014-10	*Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	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: (a) A full gain or loss to be recognised when a transaction involves a business (whether it is housed in a subsidiary or not) (b) A 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. Effective for periods commencing 1 January 2018. This amendment is not anticipated to significantly impact the Union.
AASB 2015-6	*Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, AASB 124 & AASB 1049]*	This Standard makes amendments to AASB 124 *Related Party Disclosures* to extend the scope of that Standard to include not-for-profit public sector entities. Effective for periods commencing 1 January 2017. This amendment is not anticipated to significantly impact the Union.
AASB 2015-7	*Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities [AASB 13]*	This Standard makes amendments to AASB 13 *Fair Value Measurement* to exempt not-for-profit public sector entities from certain requirements of the Standard. Effective for periods commencing 1 January 2017. This amendment is not anticipated to significantly impact the Union.

1. Statement of significant accounting policies (continued)

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

Reference	Title	Summary
AASB 1058 1-1-19	*Income of Not-for-Profit Entities*	AASB 1058 and AASB 2016-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities* will defer income recognition in some circumstances for NFP entities, particularly where there is a performance obligation or any other liability. In addition, certain components in an arrangement, such as donations, may be separated from other types of income and recognised immediately. The Standard also expands the circumstances in which NFP entities are required to recognise income for goods and services received for consideration that is significantly less than the fair value of the asset principally to enable the entity to further its objectives (discounted goods and services), including for example, peppercorn leases. AASB 1004 *Contributions* is also amended, with many of its requirements being revised and relocated AASB 1058. The scope of AASB 1004 is effectively limited to address issues specific to government entities and contributions by owners in a public sector entity context. AASB 1058 will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted, provided AASB *15 Revenue from Contracts with Customers* is applied on or before the date of initial application. The Union is currently assessing the impact of AASB 1058.

1. Statement of significant accounting policies (continued)

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

Reference	Title	Summary
AASB 16	*Leases*	The key features of AASB 16 are as follows: **Lessee accounting** • Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. • Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. • AASB 16 contains disclosure requirements for lessees. **Lessor accounting** • AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. • AASB 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk. Effective for periods commencing 1 January 2019. Based on the current number of operating leases held by the Union, the impact is not expected to be significant.

1. Statement of significant accounting policies (continued)

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

Reference	Title	Summary
AASB 2016-1	*Amendments to Australian Accounting Standards - Recognition of Deferred Tax Assets for Unrealised Losses [AASB 112]*	The standard amends AASB 112 *Income Taxes* (July 2004) and AASB 112 *Income Taxes* (August 2015) to clarify the requirements on recognition of deferred tax assets for unrealised losses on debit instruments measured at fair value. Effective for periods commencing 1 January 2017. This amendment will not impact the Union as the Union is currently exempt from tax.
AASB 2016-2	*Amendments to Australian Accounting Standards – Disclosure initiative: Amendments to AASB 107*	The standard amends AASB 107 Statement of Cash Flows (August 2015) to require entities preparing financial statements in accordance with Tier1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. Effective for periods commencing 1 January 2017. This amendment is not anticipated to significantly impact the Union.
AASB 2016-4	*Amendments to Australian Accounting Standards – Recoverable Amount of Non-cash-Generating Specialised Assets of Not-For-Profit Entities [AASB 136]*	This standard amends AASB 136 to remove references to depreciated replacement cost as a measure of value in use for not-for-profit entities and clarify that not-for-profit entities holding non-cash-generating specialised assets at fair value in accordance with AASB 13 [under the revaluation model in AASB 116 and AASB 138] no longer need to consider AASB 136. Not-for-profit entities holding such assets at cost will determine recoverable amounts using current replacement cost in AASB 13. Effective for periods commencing 1 January 2017. This amendment is not anticipated to significantly impact the Union.

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

1. Statement of significant accounting policies (continued)

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 2016.

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 (2015: $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)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

3. Principal place of business

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

4. Revenue and other income

	Note	2016 $	2015 $
Members' funding			
Members' contributions		4,076,599	4,056,583
Entrance fees		410	207
		4,077,009	**4,056,790**
Interest earned			
CBA general account		1,104	731
Retirement account		13,033	28,672
CBA online saver		44,733	67,553
		58,870	**96,956**
Sundries income			
Levies received – Western Power campaign		20,750	-
Donations		1,100	4,100
Contribution from CEPU National Office		-	5,000
ETU insurance rebate		195,709	275,640
Wages subsidy-board fees		8,624	18,474
Other		8,398	16,733
Sponsorship		2,273	30,455
		236,854	350,402
Total income		**4,372,733**	**4,504,148**

5. Significant expenses

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

		2016 $	2015 $
Affiliation fees	(a)	98.070	85.008
Audit fees	(b)	25.734	49.912
Campaign Costs		244.908	96.675
Conferences and meeting expenses		76.808	24.702
Depreciation and amortisation		91.750	88.583
Employee costs – officer	(c)	2,266,321	2.097,220
Fees/allowances – meetings and conferences		-	14.531
Finance costs	(e)	54.329	58.890
Donations	(f)	51,754	47.575
Impairment of receivables		82.591	23.905
Insurance		94,681	84,092
Legal costs		41,525	32.892
Loss on sale of assets		13,970	23.209
Other expenses		349,204	397,047
Rental expenses and occupancy costs		60.696	90.793
Sustentation fees/Capitation fees	(g)	537.166	420.550
Travel		66.481	84.122
Total expenses		**4,155,988**	**3,719,706**
(a) Affiliation fees			
Unions WA		48.784	44.434
Australian Labor Party		49.286	40.574
		98,070	**85,008**
(b) Audit fees			
Audit services		17.734	32.512
Other services – presentation of financial statements		8.000	17.400
Total fees – continuing operations		**25,734**	**49,912**

5. Significant expenses from continuing operations (continued)

		2016	2015
(c) Employee expenses – officer		**$**	**$**
Wages and salaries		1,388,727	1,154,328
Superannuation		277,304	221,477
Leave and other entitlements		194,089	271,211
Separation and redundancies		11,436	19,479
Other employee expenses		135,642	112,538
		2,007,198	**1,779,033**
(d) Employee expenses – other than office holders			
Wages and salaries		169,322	214,343
Superannuation		37,136	42,443
Leave and other entitlements		20,576	48,483
Separation and redundancies		32,089	667
Other employee expenses		-	12,251
		259,123	**318,187**
Total employee expenses		**2,266,321**	**2,097,220**
(e) Finance costs			
Bank charges		30,113	31,914
Debt collector fees		24,216	26,976
		54,329	**58,890**
(f) Donations			
Unions WA		1,000	-
Greg Wilton Kokoda Trail hike for Mates in Construction	(i)	7,939	11,593
Political Parties		25,979	-
O'Brien Family		-	5,000
Asbestos Disease Society		-	909
CFMEU		2,000	-
MPV Boat Strike		-	5,000
CCWA ANFA		2,000	-
CUB		5,000	-
AHEDA Dinner		800	-
Mates in Construction		-	15,000
NAIDOC		5,000	5,000
Labor movement internship programme		2,000	2,000
Other		36	3,073
		51,754	**47,575**

(i) Donation paid for Kokoda Trail hike	7,939	11,593
Less donations received from other entities for this cause	-	(9,000)
Net donation paid by the Union	**7,939**	**2,593**

5 Significant expenses from continuing operations (continued)

	2016	2015
(g) Sustentation fees/Capitation fees	$	$
National Office - Communications, Electrical, Energy, Information, Postal, Plumbing and Allied Services Union of Australia	**537,166**	**420,550**

6. Cash and cash equivalents

	2016	2015
Commonwealth bank – general account	381,549	406,137
Petty cash on hand	1,140	1,140
	382,689	**407,277**

The effective interest rate on the general account is 0.29% (2015: 0.28%). This account is at call.

7. Trade and other receivables

	2016	2015
Accounts receivable	375,393	473,062
Less: Provision for impairment	(163,105)	(80,593)
Bonds paid	-	5,000
Accounts paid in advance	-	13,235
Receivable from other reporting units	-	-
Less: Provision for doubtful debts	-	-
Net receivable from other reporting units	-	-
	212,288	**410,704**

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.

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.

			Past Due but Not Impaired (Days Overdue)				
	Gross Amount	**Past Due and Impaired**	**< 30**	**31-60**	**61-90**	**>90**	**Within Initial Trade Terms**
2016	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Accounts receivable	375,393	163,105	41,958	4,016	6,434	108,261	51,619
Total	**375,393**	**163,105**	41,958	4,016	6,434	108,261	51,619
2015							
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

8. Other financial assets

	2016	**2015**
	$	**$**
Held to maturity assets		
CBA retirement account	938,640	1,045,607
CBA online saver account	4,203,585	4,456,430
	5,142,225	**5,502,037**

These deposits are held in short-term interest bearing accounts with financial institutions with an average maturity of 90 days. The weighted average interest rate on short term deposits was 1.12% (2015: 1.48%).

The Retirement Account is specifically set aside to fund payment of the retirement allowances and long service leave and hence have been classified as a non-current asset.

9. Property, plant and equipment

	2016	2015
Land and buildings	$	$
House at cost – 1 / 30 Demetre Crescent, Karratha	102,818	102,818
Accumulated depreciation	(51,305)	(48,735)
	51,513	54,083
Strata unit at cost – Rockingham	328,600	135,526
Accumulated depreciation	(2,469)	(18,927)
	326,131	116,599
Total land and buildings	**377,644**	**170,682**
Furniture and equipment		
Furniture and fittings at cost	100,141	121,861
Accumulated depreciation	(94,205)	(112,972)
	5,936	8,889
Furniture and fittings at cost – Demetre Street	16,160	16,160
Accumulated depreciation	(8,205)	(7,090)
	7,955	9,070
Total furniture and equipment	**13,891**	**17,959**
Motor vehicles		
Motor vehicles at cost	411,224	390,125
Accumulated depreciation	(177,614)	(165,534)
Total motor vehicles	**233,610**	**224,591**
Office equipment		
Office equipment at cost	77,234	85,828
Accumulated depreciation	(54,747)	(52,476)
Total office equipment	**22,487**	**33,352**
Total property, plant and equipment	**647,632**	**446,584**

9. Property, plant and equipment (continued)

Year ended 31 December 2016

Movement in carrying amounts	Land & buildings $	Furniture & equipment $	Motor vehicles $	Office equipment $	Total $
Balance at the beginning of year	170.682	17.959	224.591	33.352	446.584
Additions	328.600	-	133.609	2.883	465,092
Disposals	(113.210)	(179)	(58.416)	(489)	(172.294)
Depreciation Expense	(8,428)	(3.889)	(66,174)	(13,259)	(91.750)
Carrying amount at the end of year	377,644	13,891	233,610	22,487	647,632

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	170,682	17,959	224,591	33,352	446,584

10. Trade and other payables

	2016 $	2015 $
Trade creditors & accruals - unsecured	-	216,488
Payroll deductions - superannuation	30,233	-
Payable to employees for payroll deductions	-	-
Legal fees payable	-	-
Payables to other reporting units – PTEU Office	189	552
Membership fees received in advance	636,533	831,770
	666,955	**1,048,810**

Settlement is usually within 30 days.

11. Employee provisions

	Note	2016 $	2015 $
Office holders			
Provision for annual leave	(a)	188,563	153,266
Provision for long service leave	(b)	255,608	276,601
Provision for retirement allowance	(c)	576,233	565,720
		1,020,404	**995,587**
Employees other than office holders			
Provision for annual leave	(a)	18,842	30,364
Provision for long service leave	(b)	25,414	83,850
Provision for retirement allowance	(c)	109,231	280,748
Other		-	-
		153,487	**394,962**
Total employee provisions		**1,173,891**	**1,390,549**

a) Provision for annual leave

	2016	2015
Opening balance	183,630	134,972
Annual leave entitlements paid & increase in provision	23,775	48,658
Closing balance	**207,405**	**183,630**

b) Provision for long service leave

	2016	2015
Opening balance	360,451	312,249
LSL entitlements paid & (decrease)/increase in provision	(79,429)	48,202
Closing balance	**281,022**	**360,451**

c) Provision for retirement allowance

	2016	2015
Opening balance	846,468	871,020
Retirement allowance entitlements paid & decrease in provision	(161,004)	(24,552)
Closing balance	**685,464**	**846,468**

Total provision for employee benefits

	2016	2015
Opening balance	1,390,549	1,318,241
Entitlements paid & increase in provision	(216,658)	72,308
Closing balance	**1,173,891**	**1,390,549**

12. Notes to the Statement of Cash Flows

(a) Reconciliation of Cash Flow From Operations with Profit / (Loss)	2016 $	2015 $
Profit for the year	**216,745**	**784,442**
Adjustments for non-cash items		
- Depreciation	91,750	88,583
- Loss on sale of fixed assets	13,970	23,209
- Non-operating interest	(60,188)	-
- Impairment of receivables	-	23,905
Changes in assets and liabilities		
- Decrease / (increase) in receivables	193,416	(122,356)
- (Decrease) / increase in sundry creditors & accruals	(381,855)	8,327
- (Decrease) / increase in provision for employee benefits	(216,658)	72,308
Net cash (used in) / provided by operating activities	**(142,820)**	**878,418**

(b) Credit facilities
The Union has a $50,000 credit card facility with the bank (2015: $50,000). Amount used at 31 December 2016 $Nil (2015: $Nil).

(c) Non-cash financing and investing activities
During the year motor vehicles were traded in for a value of NIL (2015: $Nil). The trade in value was applied against the acquisition price of the new replacement vehicles.

(d) Cash inflows from other reporting units		
CEPU National Office (for Les McLaughlan Kokoda trail walk)	-	5,000
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)

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
- G Wilton
- D Fowlie
- R Manhood
- G Taylor – Elected 3 August 2016
- L McLaughlan
- J Collis - Resigned – 3 August 2016

14. Related party transactions

a) Names of officers

The name and title of persons who have held office in the Union at all times during the financial year are stated on the operating report on page 6.

b) Identification of Related Parties Ultimate Parent Entity

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Communication, Electrical, Electronic, Energy, Information, Postal, Pluming and Allied Services Union of Australia – National Office.

	2016	2015
Revenue received from:	**$**	**$**
CEPU National Office		
Donations	5,000	5,000
Various expense reimbursements	2,671	2,039
ETU Vic – Electrical Division		
Income Protection Fees	195,709	275,640
Expenses Paid to:		
CEPU National Office		
WA Branch Sustentation fees	(537,166)	(420,550)
Payment of National Journal Costs	(26,208)	(42,156)
Payment of wage costs	(4,543)	(4,543)
Contribution for political campaigns	(5,969)	(17,428)
Other payments	(13,094)	(14,800)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

14. Related party transactions (continued)

c) Key Management Personnel Compensation

Key management personnel comprise those individuals who have the authority and responsibility for planning, directing and controlling the activities of the Union. During the year, the key management personal of the Union were remunerated as follows:

Year ended 30 June 2016	**Total**
Short term employee benefits	**$**
Wages and salaries	1,388,727
Annual leave accrued	188,813
Performance bonus	-
Fringe benefits tax	38,855
Payroll tax	96,787
Total short term employee benefits	**1,713,182**
Post-employment benefits Superannuation	277,304
Other long-term benefits	
Long service leave	5,276
Termination benefits	11,436
Total	**2,007,198**

c) Key Management Personnel Compensation (continued)

Year ended 30 June 2015	**Total**
Short term employee benefits	**$**
Wages and salaries	1,154,328
Annual leave accrued	178,237
Performance bonus	-
Fringe benefits tax	44,041
Payroll tax	68,498
Total short term employee benefits	1,445,104
Post-employment benefits Superannuation	221,477
Other long-term benefits	
Long service leave	92,974
Termination benefits	19,478
Total	**1,779,033**

No payments have been made to key management personnel or close family members other than the remuneration paid as being employees of the Union.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

14. Related party transactions (continued)

d) Other transactions with officers

Branch President, Mr Greg Wilton participated in a Mates In Construction Kokoda Trail walk which the Union contributed $7,939 (2015: $11,593).

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.

15. Capital management

The primary focus of the Union's capital management policy is to ensure adequate working capital to fund the cost of protecting and improving the interests of members. This is done through careful budgeting and a membership fee approval process which involves obtaining approval from the Committee of Management.

The Union's working capital as at the balance date was:

	2016 $	2015 $
Cash and cash equivalents	382,689	407,277
Other financial assets	5,142,225	5,502,037
Trade and other receivables	212,288	410,704
Trade and other payables	(666,955)	(831,770)
	5,070,247	5,488,248

16. 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 2016 (2015: Nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

16. 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 2016

	Floating Interest Rate Within 1 year $	Fixed Interest $	Non-Interest Bearing Within 1 year $	Total $
Financial assets				
Cash and deposits	381,549	-	1,140	382,689
Held to maturity investments	5,142,225	-	-	5,142,225
Accounts receivable	-	-	212,288	212,288
	5,523,774	-	213,428	5,737,202
Weighted average interest rate	1.065%			
Financial liabilities				
Trade and other creditors	-	-	666,955	666,955
Net financial assets/(liabilities)	**5,523,774**	**-**	**(453,527)**	**5,070,247**

16. Financial instruments (continued)

b) Interest Rate Risk and Liquidity Analysis (continued)

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**

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 2016, 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:

16. Financial instruments (continued)

	Higher / (Lower) 2016 $	Higher / (Lower) 2015 $
Change in operating surplus		
- Increase in interest rate by 100 basis points	55,238	59.082
- Decrease in interest rate by 100 basis points	(55,238)	(59,082)
Change in members' funds		
- Increase in interest rate by 100 basis points	55,238	59,082
- Decrease in interest rate by 100 basis points	(55,238)	(59,082)

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.

d) Net fair values (continued)

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.

17. Contingent liabilities

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

18. Employee numbers

	2016	2015
Number of full time equivalent employees at the end of financial year	15	16

19. 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:

	2016	2015
Minimum lease payments payable:	$	$
- Not later than 12 months	-	7,700
- Between 12 months and 5 years	-	-
- Later than 5 years	-	-
	-	7,700

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.

20. Fair value

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

21. Post balance date events

There were no events that occurred after 31 December 2016 prior to the signing of the financial statements that would affect the ongoing structure and financial activities of the Union.

BUTLER SETTINERI

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE COMMUNICATION, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA, ELECTRICAL, ENERGY AND SERVICES DIVISION, WESTERN AUSTRALIA DIVISIONAL BRANCH ("THE UNION")

Opinion on the Financial Report

We have audited the accompanying financial report of the Union, comprising the statement of financial position as at 31 December 2016, and the statement of profit or loss and other comprehensive income, the statement of changes in members' funds, the statement of cash flows, statement of recovery of wages activity for the year 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 2016.

In our opinion, the general purpose financial report of the Union is in accordance with the requirements of Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 including:

a) presenting fairly the entity's financial position as at 31 December 2016 and its performance for the year ended on that date; and

b) complying with Australian Accounting Standards (including Australian Accounting Interpretations).

Opinion on the Recovery of Wages Activity

We have audited the Recovery of Wages Activity included on page 13 of the Union's general purpose financial report for the year ended 31 December 2016.

The members of the Committee of Management are responsible for the preparation and presentation of the Recovery of Wages Activity in accordance with Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

Our responsibility is to express an opinion on the Recovery of Wages Activity, based on our audit conducted in accordance with Australian Auditing Standards.

In our opinion the Recovery of Wages Activity is in accordance with the reporting guidelines of the Industrial Registrar for the year ended 31 December 2016, including:

a) presenting fairly and properly the Recovery of Wages Activity's financial position as at 31 December 2016 and its performance for the year ended on that date, including:

   (i) any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity, and

   (ii) any donations or other contributions deducted from recovered money.

Basis for Opinions

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Union in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Going Concern Basis of Preparation

Based on all reasonably foreseeable circumstances impacting the Union and the information obtained during the audit, we concur with management's decision to prepare the financial report on the going concern basis.

Committee's Responsibility for the Financial Report

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

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

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue and auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

- Identify and assess risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain and understanding of internal control relevant to the audit 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 Union's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.

- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Union to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

BUTLER SETTINERI (AUDIT) PTY LTD

LUCY P GARDNER
Approved auditor as per Regulation 4
CA ANZ Number 28941
Director

Perth
Date: 5 April 2017