



3 July 2019

Mr Allen Hicks
National Secretary
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied
Services Union of Australia

By e-mail: admin@etuaustralia.org.au

Dear Mr Hicks

**Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied
Services Union of Australia
Financial Report for the year ended 31 December 2018 - FR2018/327**

I acknowledge receipt of the financial report for the year ended 31 December 2018 for the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia (**the reporting unit**). The financial report was lodged with the Registered Organisations Commission (**ROC**) on 17 June 2019.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

Whilst the 2018 report has been filed the following should be addressed in the preparation of the next financial report.

1. General Purpose Financial Report (GPFR)

Nil disclosures disclosed more than once

The **officer's declaration statement (ODS)** provides reporting units with an option to disclose nil activities not reported elsewhere within the financial report.

Reporting guideline 21 states that if any activity described within items 10-20 of the reporting guidelines has not occurred in the reporting period, a statement to this effect must be included in the financial statements, the notes **or** in an ODS. Nil activities should be disclosed only **once**.

I note that the reporting unit's ODS includes the following items for which there was already a disclosure in the body of the notes.

- Item 10 – agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount) – is disclosed in both the officer's declaration statement and Note 1.18
- Item 11 – agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount) – is disclosed in both the officer's declaration statement and Note 1.18

- Item 13(c) – receive revenue via compulsory levies – is disclosed in both the officer’s declaration statement and Note 3B levies \$294,962
- Item 14(j)(ii) – pay legal costs relating to other legal matters – is disclosed in both the officer’s declaration statement and Note 4D
- Item 16(b)(ii) - have a payable in respect of legal costs relating to other legal matters – is disclosed in both the officer’s declaration statement and Note 6B

Reporting guideline activities – not disclosed

Item 21 of the reporting guidelines states that if any activity described within items 10-20 of the reporting guidelines has not occurred in the reporting period, a statement to this effect must be included the GPF or in an officer’s declaration statement.

The notes contained nil activity information for all prescribed reporting guideline categories except the following:

- Item 14(d) – pay compulsory levies

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) 9603 0707 or by email at ken.morgan@roc.gov.au

Yours faithfully



KEN MORGAN
Financial Reporting Specialist
Registered Organisations Commission

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

Section 268 Fair Work (Registered Organisations) Act 2009

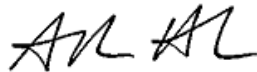
CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the year ended 31 December 2018

I, Allen Hicks, being the National Secretary of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia certify:

- that the documents lodged herewith are copies of the full report for the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, (CEPU) National Council for the period ended 31 December 2018 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- the full report was provided to members of the reporting unit on the 23 May 2019 in accordance with s.265 of the *Fair Work (Registered Organisations) Act 2009*; and
- the full report was presented to the committee of management of the reporting unit on the 14 June 2019 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signed:



Name: Mr Allen Hicks
Date: 17 June 2019
Office Held: National Secretary, CEPU National Council

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL**

ABN 78 117 032 302

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

CONTENTS

	Page No
Committee of Management's Operating Report	3
Auditor's Independence Declaration	9
Committee of Management Statement	10
Independent Audit Report	11
Statement of Comprehensive Income	14
Statement of Financial Position	15
Statement of Changes in Equity	16
Statement of Cash Flows	17
Report required under Subsection 255(2A) of the <i>Fair Work Registered Organisations Act 2009</i>	18
Notes to the Financial Statements	19
Officer's Declaration Statement	55

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL**

COMMITTEE OF MANAGEMENT'S OPERATING REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

Operating Report

The Committee of Management presents its report on the operations of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – National Council (the Union) for the financial year ended 31 December 2018.

Principal Activities

The principal operating activities of the Union include:

1. Implementation of the decisions of the National Executive and National Council.
2. Implementation of the union's organising agenda, including direct assistance and strategic advice on particular sector or site organising projects, the training and development of officials and assistance to Divisions and branches on planning and resourcing campaigns.
3. Industrial support including representation of industry grievances, advice on legal and legislative matters, pursuing relevant changes to the conditions of eligibility rules of the union, and responding to other unions' rules applications where they impact on membership of the CEPU.
4. The administration of federal industrial relations system, industrial returns, advising peak Councils on major test cases (such as living wage) and making submissions to Government and industry on behalf of the CEPU.
5. National media and communications to members via Divisions and to the broader community via media releases in support of campaigns, video and film development, and targeted publications.
6. National bargaining in key multi Divisional national industries, and assistance to Divisions on legal and industrial relations matters by request.

The national office has consulted with the ACTU on the development of claims on behalf of all Australian workers and their families. Where appropriate, the national office has assisted branches in the implementation of relevant decisions via the variation of awards.

The national office has also been involved in lobbying and negotiations with different levels of Government and key industry organisations around issues of importance to CEPU members.

Operating Result

The surplus for the financial year amounted to \$43,694 (2017: \$39,341 deficit). No provision for tax was necessary as the Union is considered exempt.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL**

COMMITTEE OF MANAGEMENT'S OPERATING REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Significant Changes in Financial Affairs

There were no significant changes to the financial affairs of the Union during the year.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Union, the results of those operations or the state of affairs of the Union in future financial years.

Future Developments

Likely developments in the operations of the Union or the expected result of those operations in future financial years have not been included in this report as such information is likely to result in unreasonable prejudice to the Union.

Environmental Issues

The Union's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Number of Employees

The number of persons who were, at the end of the year to which the report relates, employees of the Union, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis is 0.8.

Members Right to Resign

The right of members to resign from the Union is set out in the Rules of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – National Council. Each member must provide written notice addressed and delivered to the secretary of the relevant Divisional Branch.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
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COMMITTEE OF MANAGEMENT'S OPERATING REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Officer or Members who are superannuation Fund Trustees/ Directors of a Company that is a Superannuation fund Trustee

Those who hold a position of trustee or director of an entity, scheme or company as described in s.254 (2) (d) of the *Fair Work (Registered Organisations) Act 2009*, where a criterion of such entity is that the holder of such position must be a member or official of a registered organisation are as follows:

Name	Position	Superannuation Fund
Communications Division		
Greg Rayner	Divisional Secretary	Australia Post Super Scheme
Shane Murphy	Secretary NSW P&T Branch	Telstra Super Pty Ltd
Electrical Division		
Allen Hicks	National Secretary	CBUS – Construction and Building Industry Superannuation Scheme (Alternate Member Director)
John Adley	Secretary, SA Branch	Electricity Industry Superannuation Scheme
Plumbing Division		
Earl Setches	Divisional Secretary	CBUS – Construction and Building Industry Superannuation Scheme

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL**

COMMITTEE OF MANAGEMENT'S OPERATING REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Wages Recovery Activity

The Union has not undertaken any recovery of wages activity for the financial year ended 31 December 2018.

Number of Members

Total number of members at 31 December 2018: 99,593.

Members of the Committee of Management

The name of each person who has been a member of the Committee of Management of the Union at any time during the reporting period, and the period for which he or she held such as position is as follows:

Name	Position	Period of Office
Allen Hicks	National Secretary	01/01/2018 – 31/12/2018
Greg Rayner	National President	01/01/2018 – 31/12/2018
Earl Setches	Assistant National Secretary	01/01/2018 – 31/12/2018
Shane Murphy	National Vice President	01/01/2018 – 31/12/2018
ELECTRICAL DIVISION		
Peter Simpson	National Councillor	01/01/2018 – 15/01/2018
Peter Ong	National Councillor	19/02/2018 – 31/12/2018
Dave McKinley	National Councillor	01/01/2018 – 31/12/2018
Glen Potter	National Councillor	01/01/2018 – 31/12/2018
Troy Gray	National Councillor	01/01/2018 – 31/12/2018
Daniel Filazzola	National Councillor	01/01/2018 – 31/12/2018
Trevor Gauld	National Councillor	01/01/2018 – 16/02/2018
Michael Anderson	National Councillor	16/02/2018 – 31/12/2018
John Adley	National Councillor	01/01/2018 – 31/12/2018
Peter Carter	National Councillor	01/01/2018 – 31/12/2018
PLUMBING DIVISION		
Patrick McCrudden	National Councillor	01/01/2018 – 31/12/2018
David Broadley	National Councillor	01/01/2018 – 07/02/2018
Chris Seet	National Councillor	14/02/2018 – 31/12/2018
Theo Samartzopoulos	National Councillor	01/01/2018 – 31/12/2018
Gary O'Halloran	National Councillor	01/01/2018 – 31/12/2018
Michael Wiech	National Councillor	01/01/2018 – 31/12/2018
Glenn Menzies	National Councillor	01/01/2018 – 31/12/2018
Brian Bintley	National Councillor	01/01/2018 – 31/12/2018

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL**

COMMITTEE OF MANAGEMENT'S OPERATING REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Members of the Committee of Management (Continued)

Name	Position	Period of Office
COMMUNICATIONS DIVISION		
Nicole Robinson	National Councillor	01/01/2018 – 31/12/2018
John O'Donnell	National Councillor	01/01/2018 – 31/12/2018
Elly Huttly	National Councillor	01/01/2018 – 31/12/2018
Peter Chaloner	National Councillor	01/01/2018 – 31/12/2018
Joan Doyle	National Councillor	01/01/2018 – 31/12/2018
Peter O'Connell	National Councillor	01/01/2018 – 31/12/2018
Alex Jansen	National Councillor	01/01/2018 – 31/08/2018
Val Butler	National Councillor	01/01/2018 – 31/12/2018
Maureen Parker	National Councillor	01/01/2018 – 31/12/2018
John Ellery	National Councillor	01/01/2018 – 31/12/2018
Cameron Bird	National Councillor	01/01/2018 – 31/12/2018
Brian Kershaw	National Councillor	01/01/2018 – 31/12/2018
Barry McVee	National Councillor	01/01/2018 – 31/12/2018
Norman (John) Tredrea	National Councillor	01/01/2018 – 31/12/2018
Nick Townsend	National Councillor	01/01/2018 – 31/12/2018
Dan Dwyer	National Councillor	03/12/2018 – 31/12/2018

Indemnifying Officers or Auditors

The Union has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor:

- indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against liability for the costs or expenses to defend legal proceedings.

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PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL**

COMMITTEE OF MANAGEMENT'S OPERATING REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Auditor's Independence Declaration

A copy of the auditor's independence declaration is set out on page 9.

This report is made in accordance with a resolution of the Committee of Management and is signed for and on behalf of the Committee of Management by:



.....
Allen Hicks
National Secretary

20 May 2019

Rosebery

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE COMMITTEE OF MANAGEMENT OF THE**

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL**, e: info@mgisq.com.au
www.mgisq.com.au

As lead auditor for the audit of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – National Council for the year ended 31 December 2018; I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

M.C.F

MGI Audit Pty Ltd

G I Kent

Director – Audit & Assurance

Brisbane

20 May 2019

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/2

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL**

COMMITTEE OF MANAGEMENT STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

On 20 May 2019, the Committee of Management of the Union passed the following resolution to the General Purpose Financial statements (GPFR) of the reporting unit for the financial year ended 31 December 2018.

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 any other requirements by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*;
- (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; and
- (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 and
 - ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation;
 - iii. the financial records of the reporting unit have been kept and maintained in accordance with the *RO Act*;
 - iv. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation;
 - v. where information has been sought in any request of a member of the reporting unit or the Commissioner duly made under section 272 of the *RO Act*, that information has been provided to the member or the Commissioner; and
 - vi. where any order for inspection of financial records made by the Fair Work Commission under section 273 of the *RO Act* during the year, there has been compliance.

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

Name of Designated Officer: Allen Hicks

Title of Designated Officer: National Secretary

Signature:


.....

Date: 20 May 2019

Independent Audit Report to the Members of the Communications, Electrical, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – National Council

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – National Council (the Union), which comprises the statement of financial position as at 31 December 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement, the subsection 255(2A) report and the Officer Declaration Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – National Council as at 31 December 2018, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

We declare that management's use of the going concern basis in the preparation of the financial statements of the Union is appropriate.

Basis for Opinion

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.

Information Other than the Financial Report and Auditor's Report Thereon

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Union is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management 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 the Committee of Management either intend to liquidate the Union or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objective is 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 an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the 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 my 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 an 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Union to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Union's audit. We remain solely responsible for our audit opinion.

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.

Declaration

I declare that I am an approved auditor, a member of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

M.G.F

MGI Audit Pty Ltd



G I Kent

Director – Audit & Assurance

Brisbane

20 May 2019

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/2

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

		1 Jan 2018 – 31 Dec 2018	1 April 2017 – 31 Dec 2017
	Notes	\$	\$
Revenue			
Capitation fees	3A	560,080	443,232
Levies	3B	294,962	215,993
Interest	3C	3,780	2,815
Total revenue		<u>858,822</u>	<u>662,040</u>
Expenses			
Employee expenses	4A	(172,762)	(113,477)
Affiliation fees	4B	(564,387)	(426,106)
Administration expenses	4C	(13,205)	(21,289)
Legal costs	4D	(33,682)	(134,852)
Audit and accounting fees	11	(4,500)	(4,500)
Other expenses	4E	(26,592)	(1,157)
Total expenses		<u>(815,128)</u>	<u>(701,381)</u>
Surplus/ (deficit) for the year		<u>43,694</u>	<u>(39,341)</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>43,694</u>	<u>(39,341)</u>

The above statement should be read in conjunction with the notes.

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Notes	2018 \$	2017 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	346,535	330,142
Trade and other receivables	5B	13,985	-
Other current assets	5C	2,654	28,215
Total current assets		363,174	358,357
Non-Current Assets			
Property, plant and equipment		-	-
Total non-current assets		-	-
Total assets		363,174	358,357
LIABILITIES			
Current Liabilities			
Trade payables	6A	33,883	32,897
Other payables	6B	42,396	95,201
Employee provisions	7A	254,248	241,306
Total current liabilities		330,527	369,404
Non-Current Liabilities			
Employee provisions	7A	-	-
Total non-current liabilities		-	-
Total liabilities		330,527	369,404
Net assets		32,647	(11,047)
EQUITY			
Retained earnings		32,647	(11,047)
Total equity		32,647	(11,047)

The above statement should be read in conjunction with the notes.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	Retained earnings \$	Total equity \$
Balance as at 1 April 2017		28,294	28,294
Deficit for the period		(39,341)	(39,341)
Other comprehensive income		-	-
Closing balance as at 31 December 2017		(11,047)	(11,047)
Surplus for the year		43,694	43,694
Other comprehensive income		-	-
Closing balance as at 31 December 2018		32,647	32,647

The above statement should be read in conjunction with the notes.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018**

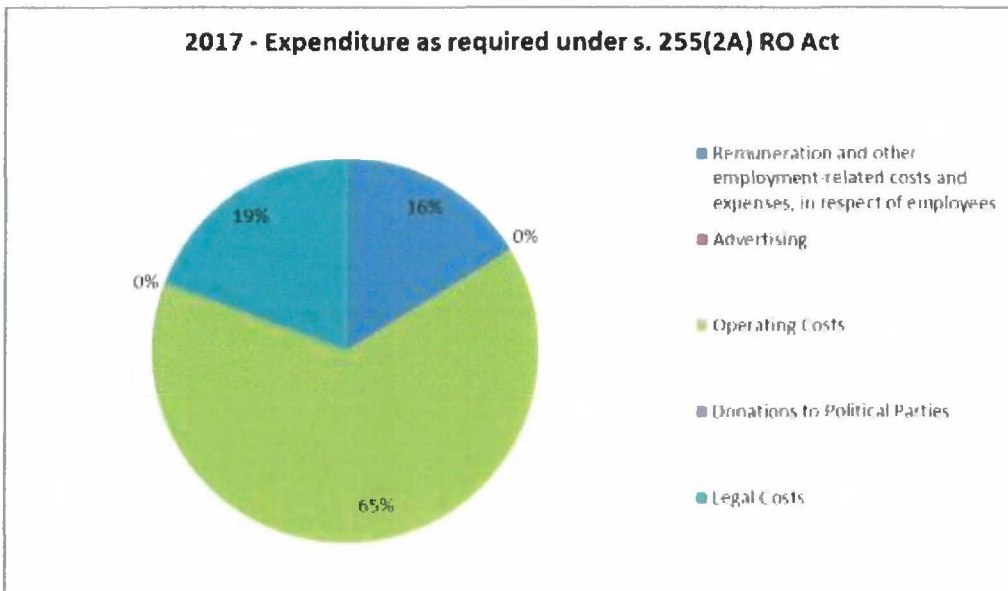
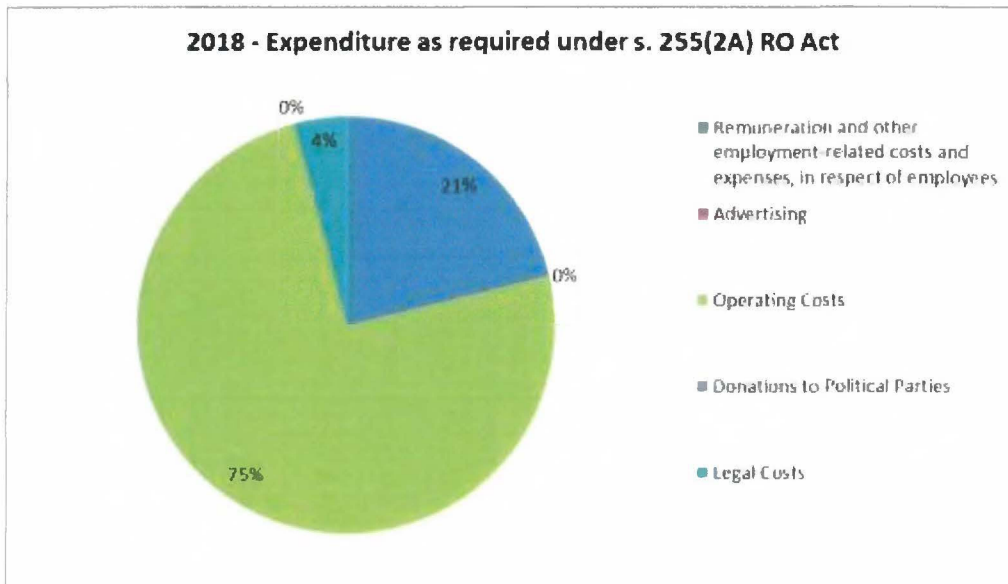
		1 Jan 2018 – 31 Dec 2018	1 April 2017 – 31 Dec 2017
	Notes	\$	\$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units	8B	923,520	769,944
Receipts from members and other customers		-	-
Interest		3,780	2,815
		<u>927,300</u>	<u>772,759</u>
Cash used			
Employees and suppliers		(876,184)	(870,438)
Payment to other reporting units	8B	(34,723)	(149,717)
		<u>(910,907)</u>	<u>(1,020,155)</u>
Net cash provided by operating activities		<u>16,393</u>	<u>(247,396)</u>
INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	-
Payments for property, plant and equipment		-	-
Net cash used in investing activities		<u>-</u>	<u>-</u>
FINANCING ACTIVITIES			
		<u>-</u>	<u>-</u>
Net (decrease)/ increase in cash held		<u>16,393</u>	<u>(247,396)</u>
Cash & cash equivalents at the beginning of the reporting period		330,142	577,538
Cash & cash equivalents at the end of the reporting period	8A	<u>346,535</u>	<u>330,142</u>

The above statement should be read in conjunction with the notes.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL**

**REPORT REQUIRED UNDER SUBSECTION 255(2A) OF THE FAIR WORK (REGISTERED
ORGANISATIONS) ACT 2009
FOR THE YEAR ENDED 31 DECEMBER 2018**

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Branch for the year ended 31 December 2018:



Allen Hicks

National Secretary

Rosebery
20 May 2019

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

Index to the Notes of the Financial Statements

Note 1	Summary of significant accounting policies
Note 2	Events after the reporting period
Note 3	Income
Note 4	Expenses
Note 5	Current assets
Note 6	Current liabilities
Note 7	Provisions
Note 8	Cash flow
Note 9	Contingent liabilities, assets and commitments
Note 10	Related party disclosures
Note 11	Remuneration of auditors
Note 12	Financial instruments
Note 13	Fair value measurements
Note 14	Section 272 <i>Fair Work (Registered Organisations) Act 2009</i>
Note 15	Union details
Note 16	Segment information

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and 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 Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – National Council is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values 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 financial statements are presented in Australian dollars.

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

The following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Key Estimates

Impairment – general

The Union assesses impairment at each reporting period by evaluation of conditions and events specific to the Union that may be indicative of impairment triggers. Recoverable amounts of relevant assets are assessed using value-in-use calculations which incorporate various key assumptions.

No impairment has been recognised in respect of the current year.

Provision for impairment of receivables

The value of the provision for impairment of receivables is estimated by considering the ageing of receivables, communication with the debtors and prior history.

On-cost for employee entitlement provision

The Union revised its estimate for on-costs for employee provision during the year to include superannuation, workers compensation and payroll tax.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 1 Summary of significant accounting policies (Continued)

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date stated in the standard.

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact on the Union include:

- AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019)

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases. The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

The Committee of Management does not believe the effects of AASB 16 will significant affect the Union.

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 1 Summary of significant accounting policies (Continued)

1.4 New Australian Accounting Standards (Continued)

Future Australian Accounting Standards Requirements (continued)

• **AASB 1058 Income of Not-for-Profit Entities**

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-to-profit (NFP) entities, in conjunction with AASB 15 Revenue from Contracts with Customers. These Standards supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions.

Under AASB 1058, the timing of income recognition depends on whether a NFP transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity.

This standard applies when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. In the latter case, the entity will recognise and measure the asset at fair value in accordance with the applicable Australian Accounting Standard (e.g. AASB 116 Property, Plant and Equipment).

Upon initial recognition of the asset, AASB 1058 requires the entity to consider whether any other financial statement elements (called 'related amounts') should be recognised, such as:

- Contributions by owners;
- Revenue, or a contract liability arising from a contract with a customer;
- A lease liability;
- A financial instrument; or
- A provision.

These related amounts will be accounted for in accordance with the applicable Australian Accounting Standard.

The Union is yet to undertake a detailed assessment of the impact of AASB 1058. However, based on the Union's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 31 December 2019.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 1 Summary of significant accounting policies (Continued)

1.5 Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Capitation revenue from Divisions/ Divisional Branches is recognised on an accrual basis and is recorded as revenue in the year in which it relates.

Levy income from Divisions/ Divisional Branches is recognised on an accrual basis and is recorded as revenue in the year in which it relates.

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Interest revenue is recognised on an accrual basis using the effective interest method.

1.6 Gains

Sale of assets

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

1.7 Capitation fees and levies

Capitation fees and levies are recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 1 Summary of significant accounting policies (Continued)

1.8 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

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

Provision is made for separation and redundancy benefit payments. The reporting unit recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

1.9 Leases

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.10 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 1 Summary of significant accounting policies (Continued)

1.11 Financial instruments

Financial assets and financial liabilities are recognised when the Union becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1.12 Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 1 Summary of significant accounting policies (Continued)

1.12 Financial assets (Continued)

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Available-for-sale

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 1 Summary of significant accounting policies (Continued)

1.12 Financial assets (Continued)

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. 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 reporting units 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.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

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 account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 1 Summary of significant accounting policies (Continued)

1.12 Financial assets (Continued)

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Derecognition of financial assets

The Union derecognises 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 profit or loss.

1.13 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 1 Summary of significant accounting policies (Continued)

1.13 Financial Liabilities (Continued)

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other 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 reporting units 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 profit or loss.

1.14 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

1.15 Impairment of non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Union were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 1 Summary of significant accounting policies (Continued)

1.16 Taxation

The Union is exempt from income tax under section 50.1 of the *Income Tax Assessment Act 1997* however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

1.17 Fair value measurement

The Union measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 15.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Union. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Union uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 1 Summary of significant accounting policies (Continued)

1.17 Fair value measurement (Continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Union determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Union has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

1.18 Going concern

The Union is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

The Union has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 2 Events after the reporting period

There were no events that occurred after 31 December 2018, and /or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Union.

	1 Jan 2018 – 31 Dec 2018	1 April 2017 – 31 Dec 2017
	\$	\$
Note 3 Income		
Note 3A: Capitation fees*		
CEPU – Electrical Division	351,991	272,585
CEPU – Communications Division	132,896	110,394
CEPU – Plumbing Division	75,193	60,253
Total capitation fees	<u>560,080</u>	<u>443,232</u>

* Capitation fees paid by each of the Divisions cover the costs of affiliation fees with the ACTU, Global Trade Union Federation, Public Services International and the Building and Woodworkers' International.

Note 3B: Levies

CEPU – Electrical Division	110,869	86,883
CEPU – NSW Electrical Branch/ ETU – NSW	18,745	13,316
CEPU – NSW Communications P&T Branch	22,907	17,138
CEPU – NSW Plumbing Branch	8,543	6,317
CEPU – NSW Communications T&S Branch	2,596	2,110
CEPU – QLD Communications Branch	9,973	7,428
CEPU – QLD Electrical Branch	17,351	12,360
CEPU – QLD Plumbing Branch	11,673	5,798
CEPU – SA Communications Branch	4,562	3,326
CEPU – SA Electrical Branch	3,630	2,703
CEPU – TAS Electrical Branch	2,371	1,518
CEPU – VIC Electrical Branch	19,041	13,114
CEPU – VIC Communications P&T Branch	12,714	9,297
CEPU – VIC Plumbing Branch	32,231	20,906
CEPU – VIC Communications T&S Branch	4,623	3,626
CEPU – WA Communications Branch	5,014	3,736
CEPU – WA Electrical Branch	6,617	5,258
CEPU – WA Plumbing Branch	1,502	1,159
Total levies	<u>294,962</u>	<u>215,993</u>

Levies raised during the year relate to the ongoing funding of the National Council including the employment costs of the National Compliance Officer.

Note 3C: Interest

Deposits	3,780	2,815
Total interest	<u>3,780</u>	<u>2,815</u>

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

	1 Jan 2018 – 31 Dec 2018	1 April 2017 – 31 Dec 2017
	\$	\$
Note 4 Expenses		
Note 4A: Employee expenses		
Holders of office:		
Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses holders of office	<u>-</u>	<u>-</u>
Employees other than office holders:		
Wages and salaries	107,210	72,334
Superannuation	22,025	15,793
Leave and other entitlements	33,595	18,321
Separation and redundancies	-	-
Other employee expenses	9,932	7,029
Subtotal employee expenses employees other than office holders	<u>172,762</u>	<u>113,477</u>
Total employee expenses	<u>172,762</u>	<u>113,477</u>
Note 4B: Affiliation fees		
Australian Council of Trade Unions (ACTU)	529,672	396,926
Union Aid Abroad – APHEDA	4,307	3,801
Global Trade Union Federation	9,281	25,379
Public Services International	6,749	-
Building and Woodworkers' International	14,378	-
Total affiliation fees	<u>564,387</u>	<u>426,106</u>
Note 4C: Administration expenses		
Travel expenses	7,370	18,205
Telephone and IT expenses	5,799	3,048
Other administration expenses	36	36
Total administration expense	<u>13,205</u>	<u>21,289</u>

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

	1 Jan 2018 – 31 Dec 2018	1 April 2017 – 31 Dec 2017
	\$	\$
Note 4D: Legal costs		
Litigation	33,682	134,852
Other legal matters	-	-
Total legal costs	<u>33,682</u>	<u>134,852</u>
Note 4E: Other expenses		
Secretarial services	14,146	1,157
Other operating expenses	12,446	-
Total other expenses	<u>26,592</u>	<u>1,157</u>

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

Note 5	Current Assets	2018	2017
		\$	\$
Note 5A: Cash and Cash Equivalents			
	Cash at bank	346,535	330,142
	Cash on hand	-	-
	Total cash and cash equivalents	346,535	330,142
Note 5B: Trade and Other Receivables			
Receivables from other reporting units			
	CEPU - VIC Communications P&T Branch	13,985	-
		13,985	-
	Less provision for doubtful debts (reporting units)	-	-
	Receivable from other reporting units (net)	13,985	-
	Other Receivables	-	-
	Total trade and other receivables (net)	13,985	-
Note 5C: Other Current Assets			
	Prepayments	-	12,726
	GST receivable	2,654	15,489
		2,654	28,215

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

Note 6	Current Liabilities	2018	2017
		\$	\$
Note 6A: Trade payables			
	Trade creditors and accruals	4,500	6,501
	Subtotal trade creditors	<u>4,500</u>	<u>6,501</u>
Payables to other reporting units			
	CEPU –Electrical Division	29,383	26,396
	Subtotal payables to other reporting units	<u>29,383</u>	<u>26,396</u>
	Total trade payables	<u>33,883</u>	<u>32,897</u>

Settlement is usually made within 30 days.

Note 6B: Other payables

	Legal costs		
	Litigation	29,449	86,422
	Other legal matters	-	-
	PAYG payable	9,697	8,779
	Superannuation payable	3,075	-
	Other	175	-
	Total other payables	<u>42,396</u>	<u>95,201</u>

Total other payables are expected to be settled in:

	No more than 12 months	42,396	95,201
	More than 12 months	-	-
	Total other payables	<u>42,396</u>	<u>95,201</u>

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	\$	\$
Note 7 Provisions		
Note 7A: Employee Provisions		
Office Holders:		
Annual leave	-	-
Long service leave	-	-
Retirement allowance	-	-
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—office holders	<u>-</u>	<u>-</u>
Employees other than office holders:		
Annual leave	17,690	23,345
Long service leave	111,796	105,330
Retirement allowance	117,183	108,628
Separations and redundancies	-	-
Other	7,579	4,003
Subtotal employee provisions—employees other than office holders	<u>254,248</u>	<u>241,306</u>
Total employee provisions	<u>254,248</u>	<u>241,306</u>
Current	254,248	241,306
Non-Current	-	-
Total employee provisions	<u>254,248</u>	<u>241,306</u>

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

	1 Jan 2018 – 31 Dec 2018	1 April 2017 – 31 Dec 2017
	\$	\$
Note 8 Cash Flow		
Note 8A: Cash Flow Reconciliation		
Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement:		
Cash and cash equivalents as per:		
Cash flow statement	346,535	330,142
Statement of financial position	346,535	330,142
Difference	<u>-</u>	<u>-</u>
Reconciliation of surplus to net cash from operating activities:		
Surplus/ (deficit) for the year	43,694	(39,341)
Adjustments for non-cash items	-	-
Changes in assets/liabilities		
(Increase)/ decrease in net receivables	(13,985)	173,690
(Increase)/ decrease in GST receivable and other current assets	25,561	(27,134)
Increase/ (decrease) in trade creditors and other payables	(51,819)	(353,977)
Increase/ (decrease) in employee provisions	12,942	(634)
Net cash provided by/ (used in) operating activities	<u>16,393</u>	<u>(247,396)</u>

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

	1 Jan 2018 – 31 Dec 2018	1 April 2017 – 31 Dec 2017
	\$	\$
Note 8 Cash Flow (Continued)		
Note 8B: Cash flow information		
Cash inflows from other reporting units		
CEPU – Communications Division	145,593	161,414
CEPU – Plumbing Division	82,214	81,818
CEPU – Electrical Division	507,199	424,276
CEPU – NSW Electrical Branch/ ETU – NSW	20,620	-
CEPU – NSW Communications P&T Branch	25,198	25,136
CEPU – NSW Plumbing Branch	9,398	9,265
CEPU – NSW Communications T&S Branch	2,855	3,095
CEPU – QLD Communications Branch	10,970	-
CEPU – QLD Electrical Branch	19,086	-
CEPU – QLD Plumbing Branch	12,840	8,504
CEPU – SA Communications Branch	5,018	4,879
CEPU – SA Electrical Branch	3,993	3,965
CEPU – TAS Electrical Branch	2,608	2,226
CEPU – VIC Electrical Branch	20,945	19,233
CEPU – VIC Communications P&T Branch	-	13,635
CEPU – VIC Plumbing Branch	35,454	-
CEPU – VIC Communications T&S Branch	5,085	5,319
CEPU – WA Communications Branch	5,515	5,479
CEPU – WA Electrical Branch	7,278	-
CEPU – WA Plumbing Branch	1,652	1,700
Total cash inflows	923,520	769,944
Cash outflows to other reporting units		
CEPU – Communications Division	-	(103,312)
CEPU – Electrical Division	(34,095)	(46,153)
CEPU – SA Electrical Branch	(628)	(252)
Total cash outflows	(34,723)	(149,717)

Note: Cash flow information to/ from other reporting units disclosed include 10% GST on applicable transactions.

Note 8C: Non-cash transactions

There have been no non-cash financing or investing activities during the year ended 31 December 2018 (31 December 2017: Nil).

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	\$	\$
Note 9D: Net debt reconciliation		
Cash and cash equivalents	346,535	330,143
Borrowings – repayable within one year	-	-
Borrowings – repayable after one year	-	-
Net debt	<u>346,535</u>	<u>330,143</u>

Note 9E: Reconciliation of movements of liabilities to cash flows arising from financing activities

	Other Assets	Liabilities from financing activities		
	Cash assets	Borrowings – due within 1 year	Borrowings – due after 1 year	Total
Net debt at 1 April 2017	577,538	-	-	577,538
Cash flows	(247,396)	-	-	(247,396)
Net debt at 31 December 2017	330,142	-	-	330,142
Cash flows	16,393	-	-	16,393
Net debt at 31 December 2018	346,535	-	-	346,535

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 9 Contingent Liabilities, Assets and Commitments

Note 9A: Commitments and Contingencies

Capital commitments

At 31 December 2018 the Union did not have any capital commitments (31 December 2017: Nil).

Other contingent assets or liabilities (i.e. legal claims)

Legal Case

During the year, the Registered Organisations Commission (ROC) has brought proceedings against the Union on the basis that the Union had breached obligations it owed under section 230 and 233(2) of the *Fair Work Registered Organisations Act*.

Whilst the Union has admitted the contraventions, the Union has pleaded that the Union and its officials have acted honestly and the Union should, having regard to all the circumstances of the case, be excused for the contraventions.

If the Union is wholly excused by the Court then it will not be liable for penalty.

It is unlikely that the claim made by ROC will be heard and determined by the Court within the coming financial year.

The Committee of Management are unable to determine the financial impact (if any) of the proceedings and therefore are not in a position to recognise any liability at 31 December 2018.

Legal Fees

The Union has in principle agreed that legal fees and costs associated with the above court proceedings are to be funded by each of the Union's Divisions (comprising of the Communications, Electrical and Plumbing Divisions). The basis for allocating costs between each Division has yet to be determined by the Committee of Management, however, the net impact to the Union is likely to be nil (i.e. for any legal fees, court costs/ penalties etc. incurred, this will likely be offset by the raising of levies on each of the Division's).

Further, all legal fees associated with the above mentioned court proceedings (outside of Senior Counsel fees) are to be reviewed by an independent third party assessor and as a result, it has been determined impracticable for the Union to assess (with any certainty) the extent to legal fees that have been incurred at 31 December 2018 but not yet billed.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 10 Related Party Disclosures

**Note 10A: Related Party Transactions for the Reporting Period
Holders of office and related reporting units**

For financial reporting purposes, under the *Fair Work (Registered Organisations) Act 2009*, the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia is divided into the following separate reporting units (and deemed related parties):

Electrical Division

CEPU – Electrical, Energy and Services Division
CEPU – QLD Electrical Branch
CEPU – NSW Electrical Branch/ ETU – NSW
CEPU – VIC Electrical Branch
CEPU – TAS Electrical Branch
CEPU – SA Electrical Branch
CEPU – WA Electrical Branch

Plumbing Division

CEPU – Plumbing Division
CEPU – QLD Plumbing Branch
CEPU – NSW Plumbing Branch
CEPU – VIC Plumbing Branch
CEPU – WA Plumbing Branch

Communications Division

CEPU – Communications Division
CEPU – QLD Communications Branch
CEPU – NSW Communications T&S Branch
CEPU – NSW Communications P&T Branch
CEPU – VIC Communications T&S Branch
CEPU – VIC Communications P&T Branch
CEPU – SA/ NT Communications Branch
CEPU – WA Communications Branch

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 10 Related Party Disclosures (Continued)

**Note 10A: Related Party Transactions for the Reporting Period
Holders of office and related reporting units (Continued)**

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

	1 Jan 2018 – 31 Dec 2018	1 April 2017 – 31 Dec 2017
	\$	\$
Revenue received from CEPU – Communications Division includes the following:		
Capitation fees	126,955	101,364
Global Trade Union Federation affiliation contribution	5,942	9,030
Revenue received from CEPU – Plumbing Division includes the following:		
Capitation fees	70,218	52,937
Global Trade Union Federation affiliation contribution	4,975	7,316
Revenue received from CEPU – Electrical Division includes the following:		
Capitation fees	332,500	242,625
Levies	110,871	86,883
Global Trade Union Federation affiliation contribution	19,491	29,960
Expenses paid to CEPU – Electrical Division includes the following:		
Secretarial costs	14,146	1,157
Reimbursement of payroll tax	8,168	4,995
Reimbursement of legal costs	-	1,800
Reimbursement of affiliation fees	-	25,379
Reimbursement of travel expenses	-	18,173
Reimbursement of other operating expenses	12,139	4,366
Amounts owed to CEPU – Electrical Division include the following:		
Secretarial costs	15,560	
Reimbursement payroll tax	470	-
Reimbursement of operating costs	13,353	26,396

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 10 Related Party Disclosures (Continued)

**Note 10A: Related Party Transactions for the Reporting Period
Holders of office and related reporting units (Continued)**

	1 Jan 2018 – 31 Dec 2018	1 April 2017 – 31 Dec 2017
Revenue received from CEPU – NSW Electrical Branch/ ETU NSW includes the following:		
Levies	18,745	13,316
Revenue received from CEPU – NSW Communications P&T Branch includes the following:		
Levies	22,907	17,138
Revenue received from CEPU – NSW Plumbing Branch includes the following:		
Levies	8,543	6,317
Revenue received from CEPU – NSW Communications T&S Branch includes the following:		
Levies	2,596	2,110
Revenue received from CEPU – QLD Communications Branch includes the following:		
Levies	9,973	7,428
Revenue received from CEPU – QLD Electrical Branch includes the following:		
Levies	17,351	12,360
Revenue received from CEPU – QLD Plumbing Branch includes the following:		
Levies	11,673	5,798
Revenue received from CEPU – SA Communications Branch includes the following:		
Levies	4,562	3,326
Revenue received from CEPU – SA Electrical Branch includes the following:		
Levies	3,630	2,703
Expenses paid to CEPU – SA Electrical Division includes the following:		
Reimbursement of travel expenses	571	229
Revenue received from CEPU – TAS Electrical Branch includes the following:		
Levies	2,371	1,518

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING
AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 10 Related Party Disclosures (Continued)

**Note 10A: Related Party Transactions for the Reporting Period
Holders of office and related reporting units (Continued)**

	1 Jan 2018 – 31 Dec 2018	1 April 2017 – 31 Dec 2017
	\$	\$
Revenue received from CEPU – VIC Electrical Branch includes the following:		
Levies	19,041	13,114
Revenue received from CEPU – VIC Communications P&T Branch includes the following:		
Levies	12,714	9,297
Amounts owed by CEPU – VIC Communications P&T Branch include the following:		
Levies	13,985	-
Revenue received from CEPU – VIC Plumbing Branch includes the following:		
Levies	32,231	20,906
Revenue received from CEPU – VIC Communications T&S Branch includes the following:		
Levies	4,623	3,626
Revenue received from CEPU – WA Communications Branch includes the following:		
Levies	5,014	3,736
Revenue received from CEPU – WA Electrical Branch includes the following:		
Levies	6,617	5,258
Revenue received from CEPU – WA Plumbing Branch includes the following:		
Levies	1,502	1,159

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2018, the Union has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (31 December 2017: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 10 Related Party Disclosures (Continued)

Note 10B: Key Management Personnel Remuneration for the Reporting Period

Key management personnel comprise those individuals who have the authority and responsibility for planning, directing and controlling the activities of the Union. The Union has determined key management personnel comprise of:

- Allen Hicks (National Secretary)
- Earl Setches (National Assistant Secretary)
- Greg Rayner (National President)
- Share Murphy (National Vice – President)
- All remaining members of the Committee of Management.

During the year, key management personnel of the Union were remunerated as follows:

	1 Jan 2018 – 31 Dec 2018	1 April 2017 – 31 Dec 2017
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	-	-
Other	-	-
Total short-term employee benefits	<u>-</u>	<u>-</u>
Post-employment benefits:		
Superannuation	-	-
Total post-employment benefits	<u>-</u>	<u>-</u>
Other long-term benefits:		
Long-service leave	-	-
Total other long-term benefits	<u>-</u>	<u>-</u>
Termination benefits	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>

No other transactions occurred during the year with elected officers, close family members or other related parties than those related to their membership or employment and on terms no more favourable than those applicable to any other member of employee.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

	1 Jan 2018 – 31 Dec 2018	1 April 2017 – 31 Dec 2017
	\$	\$
Note 11 Remuneration of Auditors and Consultants		
Value of the services provided by MGI Audit Pty Ltd		
Financial statement audit services	4,500	4,500
Other services	-	-
Total remuneration of auditors	4,500	4,500

Note 12 Financial Instruments

Financial Risk Management Policy

The Committee of Management monitors the Union's financial risk management policies and exposure and approves financial transactions entered into. It also reviews the effectiveness of internal controls relating to the counterparty credit risk, liquidity risk, market risk and interest rate risk. The Committee of Management meets on a regular basis to review the financial exposure of the Union.

(a) Credit Risk

Exposure to credit risk relating to financial assets arise from the potential non-performance by counterparties of contract obligations that could lead to a financial loss of Union. The Union does not have any material credit risk exposures as its major source of revenue is the receipt of capitation fees from the Electrical, Communications and Plumbing divisional officers as well as levies from each divisional branch.

The maximum exposures to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of provisions) as presented in the statement of financial position.

The Union has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Union.

On a geographical basis, the Union's trade and other receivables are all based in Australia.

The following table details the Union's trade and other receivables exposed to credit risk. Amounts are considered 'past due' when the debt has not been settled, within the terms and conditions agreed between the Union and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Union.

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

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 12 Financial Instruments (Continued)

Ageing of financial assets that were past due but not impaired for year ended 31 December 2018

	Within trading terms	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$	\$
Trade and other receivables	-	-	-	-	-	-
Receivables from other reporting units	-	-	-	-	13,985	13,985
Accrued income from other reporting units	-	-	-	-	-	-
Total	-	-	-	-	13,985	13,985

Ageing of financial assets that were past due but not impaired for period ended 31 December 2017

	Within trading terms	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$	\$
Trade and other receivables	-	-	-	-	-	-
Receivables from other reporting units	-	-	-	-	-	-
Accrued income from other reporting units	-	-	-	-	-	-
Total	-	-	-	-	-	-

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

Credit risk related to balances with banks and other financial institutions is managed by the Committee of Management in accordance with approved policy. Such policy requires that surplus funds are only invested with counterparties with a strong reputation and backed by the Commonwealth Government's bank guarantee. At 31 December 2018, all funds were held by financial institutions backed by the Commonwealth Government's bank guarantee.

Collateral held as security

The Union does not hold collateral with respect to its receivables at 31 December 2018 (2017: Nil).

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 12 Financial Instruments (Continued)

(b) Liquidity Risk

Liquidity risk arises from the possibility that the Union might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The Union manages this risk through the following mechanisms:

- preparing forward looking cash flow estimates;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect an undiscounted contractual maturity analysis for non-derivative financial liabilities. The Union does not hold directly any derivative financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates

Financial Instrument Composition and Maturity Analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade payables	33,883	32,897	-	-	-	-	33,883	32,897
Other payables	42,396	95,201	-	-	-	-	42,396	95,201
Total expected outflows	76,279	128,098	-	-	-	-	76,279	128,098
Financial assets – cash flow receivable								
Cash and cash equivalents	346,535	330,142	-	-	-	-	346,535	330,142
Trade and other receivables	13,985	-	-	-	-	-	13,985	-
Other current assets	2,654	15,490	-	-	-	-	2,654	15,490
Total anticipated inflows	363,174	345,632	-	-	-	-	363,174	345,632
Net (outflow) / inflow on financial instruments	286,895	217,534	-	-	-	-	286,895	217,534

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 12 Financial Instruments (Continued)

(c) Market Risk

i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Division is also exposed to earnings volatility on floating rate instruments.

Interest rate risk is managed using a mix of fixed and floating financial instruments. The effective interest rate expenditure to interest rate financial instruments is as follows:

	Weighted Average Effective Interest Rate			
	2018	2017	2018	2017
	%	%	\$	\$
Floating rate instruments				
Cash and cash equivalents	1.10%	1.08%	346,535	330,142

ii. Foreign exchange risk
The Union is not exposed to direct fluctuations in foreign currencies.

iii. Price risk
The Union is not exposed to any material commodity price risk.

iv. Interest rate risk
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 equity which could result from a change in this risk.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 12 Financial Instruments (Continued)

v. Sensitivity Analysis

The following table illustrates sensitivities to the Union's exposures to changes in interest rates and equity prices. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit	Equity
	\$	\$
Year ended 31 December 2018		
+1% in interest rates	3,465	3,465
-1% in interest rates	(2,185)	(2,185)
Period ended 31 December 2017		
+1% in interest rates	3,301	3,301
-1% in interest rates	(2,146)	(2,146)

No sensitivity analysis has been performed on foreign exchange risk as the Union has no material direct exposures to currency risk. There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 13 Fair Value Measurement

Fair Values

Fair value estimation

The fair values of financial assets and liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties at an arm's length transaction.

Fair value may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair values is extracted from the market, with more reliable information available from markets that are actively traded.

In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Union. Most of these instruments, which are carried at amortised cost (i.e. accounts receivable), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the Union.

The following table contains the carrying amounts and related fair values for the Union's financial assets and liabilities:

	Footnote	2018		2017	
		Carrying value	Fair value	Carrying value	Fair value
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	(i)	346,535	346,535	330,142	330,142
Accounts receivable and other debtors	(i)	13,985	13,985	-	-
Other current assets	(i)	2,654	2,654	15,490	15,490
Total financial assets		363,174	363,174	345,632	345,632
Financial liabilities					
Trade payables	(i)	33,883	33,883	32,897	32,897
Other payables	(i)	42,396	42,396	95,201	95,201
Total financial liabilities		76,279	76,279	128,098	128,098

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, accounts receivable and other debtors and accounts payable and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is outside the scope of AASB 139.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 13 Fair Value Measurement (Continued)

The fair values disclosed in the above table have been determined based on the following methodologies:

- (ii) Cash and cash equivalents, accounts receivable and other debtors, other current assets, accounts payable and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is outside the scope of AASB 139.

Fair Value Hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categories fair value measurement into one of the three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Fair Value hierarchy

The Union does not have any assets or liabilities that are recorded using the above fair value techniques (2017: Nil).

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 14 Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or the Registered Organisations Commission:

- (1) A member of a reporting unit, or the Commissioner, 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).

Note 15 Union Details

The registered office of the Union is:

Suite 408, Level 4
30-40 Harcourt parade
ROSEBERY NSW 2018

Note 16 Segment Information

The Union operates solely in one reporting segment, being the provision of industrial services.

The Union operates from one reportable geographical segment being Australia.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – NATIONAL COUNCIL**

OFFICER DECLARATION STATEMENT

I Allen Hicks, being the National Secretary of the Communications, Electrical, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – National Council declare that the following did not occur during the reporting period ended 31 December 2018:

The reporting unit did not:

- Agree to receive financial support from another reporting unit to continue as a going concern (refer to agreement regarding financial support not dollar amounts)
- Agree to provide financial support to another reporting unit to ensure they continued as a going concern (refer to agreement regarding financial support not dollar amounts)
- Acquired an asset or liability due to an amalgamation Under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination of revocation by the General Manager, Fair Work Commission
- Receive periodic or membership subscriptions
- Receive revenue via compulsory levies
- Receive donations or grants
- Receive revenue from undertaking recovery of wages activity
- Incur fees as consideration for employers making payroll deductions of membership subscriptions
- Pay capitation fees to another reporting unit
- Pay a compulsory levy
- Pay a grant that was \$1,000 or less
- Pay a grant that exceeds \$1,000
- Pay a donation that was \$1,000 or less
- Pay a donation that exceeded \$1,000
- Pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- Incur expenses due to holding a meeting as required under the rules of the organisation
- Pay legal costs relating to other legal matters
- Pay a penalty imposed under the RO Act or the *Fair Work Act 2009*
- Have a payable to an employer for that employer making payroll deductions of membership subscriptions
- Have a payable in respect of legal costs relating to other legal matters
- Have a fund of account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- Transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- Have another entity administer the financial affairs of the reporting unit
- Make a payment to a former related party of the reporting unit



Allen Hicks

Divisional Secretary

20 May 2019