



3 April 2019

Mr Greg Rayner
Divisional Secretary, Communications Division
CEPU

Dear Mr Rayner

Re: – Financial reporting – Communications Division, Divisional Office, Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia - for year ending 31 March 2018 (FR2018/9)

I refer to the financial report of the Divisional Office of the Communications Division of the Communications Division, Divisional Office, Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia in respect of the year ending 31 March 2018. The documents were lodged with the Registered Organisations Commission ('the ROC') on 30 August 2018.

The report has now been filed. In view of the timeframe, I set out for the record some details of the consideration of this report.

The report disclosed figures in respect of a transaction with the Victorian Telecommunications and Services Branch ('the CTSV Branch'). The transaction related to the payment of redundancy entitlements to a former employee of the CTSV Branch and various issues appeared relevant to clarify, as follows:-

- On 26 September 2018, I wrote to you requesting clarification about:-
 - (i) the amount disclosed in the Divisional Office's amended statement of loans, grants and donations for a loan made to the CTSV Branch;
 - (ii) the amount disclosed in the report as a receivable from the CTSV Branch; and
 - (iii) whether an amount payable to the Australian Taxation Office ('ATO') should also have been disclosed in the report.
- On 19 October 2018, you provided me some advice in relation to those matters.
- On 3 December 2018, and on 11 January 2019, I emailed the Divisional Office's Financial Controller, Mr Avinash Pala, requesting further clarification.
- On 22 March 2019, Mr Pala advised me that following a review of the transactions:-
 - (i) the amount receivable from the CTSV Branch included the amount sought in repayment for the payment of the former employee's redundancy entitlement, and would be carried forward into the subsequent financial year's report;
 - (ii) the difference between the amount of the loan to the CTSV Branch (as disclosed in the Divisional Office's amended statement of loans, grants and donations), and the amount disclosed as a grant by the CTSV Branch in its financial report was an amount for PAYG Withholding which was not an expense or future liability of the Divisional Office, but a liability of the CTSV Branch, in accordance with advice from the ATO;

- (iii) the amount disclosed as a loan to the CTSV Branch in the Divisional Office's amended statement of loans, grants and donations was correct;
- (iv) the loan to the CTSV Branch has been treated on an accrual basis; and
- (v) the correspondence dated 16 October 2017 to the then Secretary of the CTSV Branch made it clear what the payment was for and how it was to be treated.

In relation to (v) above I note that the amount which the correspondence referred to as the amount to be repaid by the CTSV Branch included the taxation component rather than being the net amount actually paid to the former employee (i.e. less tax). I also note however that the letter predated the ATO advice and the preparation of the financial report.

I consider the above advice has clarified the relevant issues.

The financial report has been filed based on an advanced review. You are not required to take any further action in respect of the report lodged. However, I make the following comments to assist you when preparing the next report.

Nil Activities disclosure

Item 23 of the applicable Reporting Guidelines (i.e. the 4th edition) stated that if any activities identified in item 22 did not occur in the reporting period, a statement to this effect had to be included either in the financial statements or the notes. There was no such disclosure in relation to:

- RG22(a) – name of fund or account for compulsory levies, voluntary contributions
- RG22(c) – name of any fund or account required by the rules of the organisation or branch
- RG22(d) - transfer to or withdrawal from a fund (other than the general fund), account, asset or controlled entity when kept for a specific purpose

Please see my note below about the new Reporting Guidelines (“Reporting Requirements”).

Officer-Related party remuneration and payment disclosures

In the financial report certain information disclosed at Note 11D on page 33 will be redacted by the ROC before it publishes it on the ROC website. The information identifies names of particular officers in relation to officer remuneration.

The information at Note 11D appears to reflect the requirement of Divisional rules 4C.1(c) and (d) that certain disclosures be made to members in writing within 6 months of the end of the financial year. I draw your attention to Part 2A of Chapter 9 which contains new provisions which supersede those former provisions of the RO Act which had required organisations and branches to have their own rules concerning disclosure in relation to officer remuneration. Section 293J of Part 2A now requires organisations and branches to provide members and lodge with the ROC a copy of an officer and related party disclosure statement in respect of certain remuneration¹ and payments² paid during the relevant financial year. The officer and related party disclosure statement is separate from, and does not form part of, a general purpose financial report required under section 253 of Part 3 of Chapter 8.

Further information about officer and related party statements may be found on the ROC website at the following link: <http://www.roc.gov.au/running-a-registered-organisation/disclosure-obligations>.

The ROC takes its obligations relating to privacy seriously and endeavours to ensure compliance with the requirements under the *Privacy Act 1988* (**Privacy Act**). Redactions are effected in

¹ see section 293BC

² see section 293G

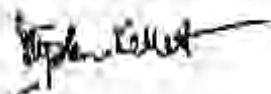
accordance with the ROC privacy policy to protect personal information of persons identified in the financial report. A copy of the ROC privacy policy can be found via [this link](#).

Reporting Requirements

New Reporting Guidelines applied to organisations and branches with financial years commencing on or after 1 July 2017. The new Reporting Guidelines are now available on the ROC website.

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements. The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 Reporting Guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

Yours faithfully

A handwritten signature in black ink, appearing to read 'Stephen Kellett', with a long horizontal flourish extending to the right.

Stephen Kellett
Financial Reporting
Registered Organisations Commission

GEN 18/34
5.3-202

30 August, 2018.

Registered Organisations Commission,
Level 4, 414 LaTrobe Street,
MELBOURNE. VIC. 3000.
Email: regorgs@roc.gov.au

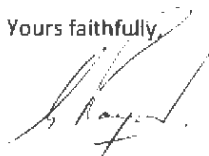
Dear Commission,

**RE: LODGEMENT OF 2018 FINANCIAL REPORT OF THE
COMMUNICATIONS DIVISION OF THE CEPU**

Please find enclosed a copy of the 2018 full financial report for the Communications Division of the CEPU, together with the Secretary's certificate in accordance with s268 of the Fair Work (Registered Organisations) Act.

If you need any further information, please do not hesitate to contact me.

Yours faithfully,



Greg Rayner,
DIVISIONAL SECRETARY.

Enc.

GR:kr

Level 9, 365 Queen Street, Melbourne Vic 3000 (Australia)

cwu.org.au

P (03) 9349 2100

F (03) 9642 0333

E cwu@cwu.org.au

ABN 22 401 014 998 A Division of CEPU

Shane Murphy Divisional President
John O'Donnell Divisional Assistant Secretary (Telecommunications)
Bernie Clarke Divisional Vice-President

Greg Rayner Divisional Secretary
Nicole Robinson Divisional Assistant Secretary (Postal)
Elly Huttly Divisional Vice-President (AA)

Certificate of Secretary or other Authorised Officer

s268 of Fair Work (Registered Organisations) Act 2009.

ANNUAL ACCOUNTS 2018

I, Greg Rayner, being an Officer of the Communications Division of the CEPU certify that:

1. The document lodged herewith is a copy of the 2018 full report referred to in s268 of the Fair Work (Registered Organisations) Act 2009. (Attachment 1)
2. On 2 August 2018, the full report was presented to the Communications Division Divisional Executive (Branch Committee of Management of the Reporting Unit). The Divisional Executive adopted the Committee of Management Certificate on this date.

I was authorised to sign the Committee of Management Certificate and did so on 2 August 2018.
3. The Audit Certificate was then signed by the Auditor on 2 August 2018.
4. The full report was posted on the Communications Division website (www.cwu.org.au) on 3 August 2018.
5. The full report was presented to the Communications Division Divisional Executive (Branch Committee of Management of the Reporting Unit) on 30 August 2018 in accordance with Section 266(3). The full report was formally adopted on this date.
6. I attach a statement of Loans and Donations made pursuant to s237 of the Fair Work (Registered Organisations) Act 2009 as provided to the Fair Work Commission/Registered Organisations Commission dated 2 May 2018 (Attachment 2).

Signature:



Greg Rayner,
DIVISIONAL SECRETARY

Date: 30 August 2018.

ATTACHMENT 1

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY,
INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA,
COMMUNICATIONS DIVISION,
DIVISIONAL CONFERENCE
ABN 22 401 014 988**

**FINANCIAL REPORT
FOR THE YEAR ENDED
31 MARCH 2018**

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA, COMMUNICATIONS DIVISION,
DIVISIONAL CONFERENCE
ABN 22 401 014 998**

OPERATING REPORT FOR THE PERIOD ENDED 31 MARCH 2018

In accordance with Section 254 of the Fair Work (Registered Organisations) Act 2009 ("Act") the Committee of Management present their Operating Report on Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications division, Divisional Conference ("the Union"), the relevant Reporting Unit, for the financial year ended 31 March 2018.

Principal Activities

The principal activities of the Union during the financial year were to provide industrial and organising services to each of the Branches of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications division, Divisional Conference and their members, consistent with the objectives of the National Council and particularly the objective of protecting and improving the interests of the various Branches and their members.

Operating Result

The operating loss of the Union for the financial year was \$133,996 (2017: loss \$377,491). No provision for tax was necessary as the Union is exempt from income tax. The Divisional Office accounts remain in good order and barring unexpected expenditure, the budget for the year proposes a surplus in the 2019 financial year.

Significant change

There were no significant changes in the principal activities or financial affairs of the Union during the financial year.

Rights of Members

Pursuant to the Reporting Unit Rule 21 and Section 174 of the Fair Work (Registered Organisations) Act 2009, members have the right to resign from membership by providing written notice addressed to and delivered to the Secretary of the Reporting Unit.

A notice of resignation from membership of the Union takes effect:

- (a) where the member ceases to be eligible to become a member of the Union
 - (i) on the day on which the notice is received by the Union
 - (ii) on the day specified in the notice which is a day not earlier than the day when the member ceases to be eligible to become a member;whichever is the later, or

- (b) in any other case:
 - (i) at the end of two weeks after the notice is received by the Union, or
 - (ii) on the day specified in the noticewhichever is the later.

Superannuation Officeholders

The following officers and members of the Union held a Directorship of an Australian Superannuation Fund during the financial year:

Name	Fund Name	Fees received by the officer	Fees included in the union's revenue
Greg Rayner	Australian Post Superannuation Scheme		48,657
Shane Murphy	Telstra Superannuation Scheme		65,320

No other officer or member of the Union is:

- (a) is a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (b) a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
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OPERATING REPORT FOR THE PERIOD ENDED 31 MARCH 2018 continued

Other Prescribed Information

In accordance with Regulation 159 of the Fair Work (Registered Organisations) Regulations 2009 ("Regulations"):

- (a) the number of persons that were, at the end of the financial year to which the report relates, recorded in the register of members for Section 230 of the Act and who are taken to be members of the Union under section 244 of the Act was 21,412 (2017: 22,095).
- (b) the number of persons who were, at the end of the financial year to which the report relates, employees of the Union, where the number of employees includes both full-time and part-time employees, measured on a full-time equivalent basis was 12 (2017: 12).
- (c) the names of each person who have been a member of the Committee of Management (Divisional Executive) of the Union at any time during the reporting period, and the period for which he or she held such a position were;

Name	Position
S. Murphy	Divisional President (Honorary)
G. Rayner	Divisional Secretary
B. Clarke	Divisional Vice-President (Honorary)
J. O'Donnell	Divisional Assistant Secretary
N. Robinson	Divisional Assistant Secretary
E. Huttly	Affirmative Action (Honorary)
A. Jansen	Telecommunication and Services
J. Perkins (Resigned 8/6/17)	Telecommunication and Services
J. Ellery	Telecommunication and Services
M. Parker	Telecommunication and Services
P. Chaloner	Postal and Telecommunications
P. O'Connell	Postal and Telecommunications
J. Doyle	Postal and Telecommunications
V. Butler	Postal and Telecommunications

Communications Divisional Branch Representatives:

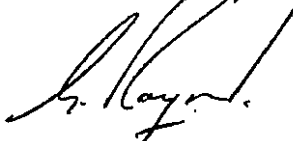
C. Bird
B. Kershaw
B. McVee
N. Tredrea
N. Townsend

Committee members have been in office since the start of the financial year to the date of this report unless otherwise stated.

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

For Committee of Management: Greg Rayner
Title of Office held: Divisional Secretary

Signature:



Dated: 2 August 2018
Melbourne

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA, COMMUNICATIONS DIVISION,
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ABN 22 401 014 998**

**COMMITTEE OF MANAGEMENT STATEMENT FOR
THE YEAR ENDED 31 MARCH 2018**

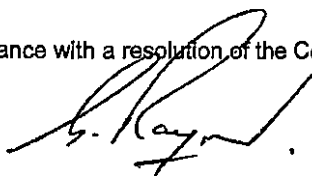
On the 2 August 2018 the Committee of Management of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communication Division, Divisional Conference passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 March 2018:

The Committee of Management declares 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 imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (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 including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (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 with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or commissioner duly made under section 272 of the RO Act has been provided to the member or commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Registered Organisation Commission under section 273 of the RO Act, there has been compliance.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period.

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

Signature of designated officer:



Name and title of designated officer: Greg Rayner - Divisional Secretary

Dated: 2 August 2018

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA, COMMUNICATIONS DIVISION,
DIVISIONAL CONFERENCE
ABN 22 401 014 998**

**STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE
YEAR ENDED 31 MARCH 2018**

	Notes	2018 \$	2017 \$
Revenue			
Membership subscription			-
Capitation fees	3A	1,875,830	1,921,803
Levies	3B	-	-
Interest	3C	183,157	193,815
Rental revenue		-	-
Other revenue	3D	191,851	141,248
Total revenue		2,250,838	2,256,866
Other Income			
Grants and/or donations	3E	-	-
Net gains from sale of assets	3F	-	-
Total other income		-	-
Total income		2,250,838	2,256,866
Expenses			
Employee expenses	4A	1,574,161	1,612,470
Capitation fees	4B	-	-
Affiliation fees	4C	145,069	135,398
Administration expenses	4D	477,983	509,658
Grants or donations	4E	-	49,100
Depreciation	4F	72,551	75,456
Legal costs	4G	77,070	174,836
Audit fees	12	38,000	59,558
Write-down and impairment of assets	4H	-	17,881
Net losses from sale of assets	4I	-	-
Other expenses	4J	-	-
Total expenses		2,384,834	2,634,357
Loss for the year		(133,996)	(377,491)
Other comprehensive income			
Gain on revaluation of land & buildings		-	-
Total comprehensive loss for the year		(133,996)	(377,491)

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

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA, COMMUNICATIONS DIVISION,
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**STATEMENT OF FINANCIAL POSITION AS
AT 31 MARCH 2018**

	Notes	2018 \$	2017 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	7,753,516	7,647,207
Trade and other receivables	5B	414,644	637,262
Other current assets	5C	10,691	2,019
Total current assets		8,178,851	8,286,488
Non-Current Assets			
Buildings	6A	2,127,396	2,190,039
Plant and equipment	6B	8,267	8,649
Total non-financial assets		2,135,663	2,198,688
Total assets		10,314,514	10,485,176
LIABILITIES			
Current Liabilities			
Trade payables	7A	69,118	150,988
Other payables	7B	176,027	171,875
Employee provisions	8A	731,695	690,643
Total current liabilities		976,840	1,013,506
Non-Current Liabilities			
Employee provisions	8A	-	-
Total non-current liabilities		-	-
Total liabilities		976,840	1,013,506
Net assets		9,337,674	9,471,670
EQUITY			
Retained earnings		9,337,674	9,471,670
Total equity		9,337,674	9,471,670

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

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	Retained earnings	Total equity
		\$	\$
Balance as at 31 March 2017		9,849,161	9,849,161
Loss for the year		(377,491)	(377,491)
Other comprehensive income for the year		-	-
Closing balance as at 31 March 2017		9,471,670	9,471,670
Loss for the year		(133,996)	(133,996)
Other comprehensive income for the year		-	-
Closing balance as at 31 March 2018		9,337,674	9,337,674

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

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA, COMMUNICATIONS DIVISION,
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ABN 22 401 014 998**

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

	Notes	2018 \$	2017 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units	9B	2,059,916	2,025,643
Interest		189,489	187,475
Other		<u>215,381</u>	<u>103,320</u>
Cash used			
Employees		(1,536,515)	(1,132,578)
Suppliers		(626,352)	(1,344,928)
Payment to other reporting units	9B	<u>(186,083)</u>	<u>(278,058)</u>
Net cash (used by) operating activities	9A	<u>115,836</u>	<u>(439,126)</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		-	-
Cash used			
Purchase of plant and equipment		(9,527)	(1,560)
Purchase of land and buildings		-	-
Net cash from (used by) investing activities		<u>(9,527)</u>	<u>(1,560)</u>
Net increase (decrease) in cash held		<u>106,309</u>	<u>(440,686)</u>
Cash & cash equivalents at the beginning of the reporting period		<u>7,647,207</u>	<u>8,087,893</u>
Cash & cash equivalents at the end of the reporting period	5A	<u>7,753,516</u>	<u>7,647,207</u>

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
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**RECOVERY OF WAGES ACTIVITY FOR
THE YEAR ENDED 31 MARCH 2018**

	2018	2017
	\$	\$
Cash assets in respect of recovered money at beginning of year	-	-
Receipts		
Amounts recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
Total receipts	-	-
Payments		
Deductions of amount due in respect of membership for:		
12 months or less	-	-
Greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:		
The reporting unit:		
name of account	-	-
name of fund	-	-
Name of other reporting unit of the organisation:		
name of account	-	-
name of fund	-	-
Name of other entity		
name of account	-	-
name of fund	-	-
Deductions of fees or reimbursement of expenses	-	-
Payment to workers in respect of recovered money	-	-
Total payments	-	-
Cash asset's in respect of recovered money at end of year	-	-
Number of workers to which the monies recovered relates	-	-
Aggregate payables to workers attributable to recovered monies but not yet distributed		
Payable balance	-	-
Number of workers the payables relates to	-	-
Fund or account operated for recovery of wages		
N/A	-	-

No revenue has been derived from undertaking recovery of wages activity during the current reporting period.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA, COMMUNICATIONS DIVISION,
DIVISIONAL CONFERENCE
ABN 22 401 014 998**

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**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA, COMMUNICATIONS
DIVISION, DIVISIONAL CONFERENCE
ABN 22 401 014 998**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 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 reporting unit 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 Standard, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

1.3 Significant accounting judgements and estimates

No 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.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

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

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
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DIVISION, DIVISIONAL CONFERENCE
ABN 22 401 014 998**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

Note 1 Summary of significant accounting policies continued

1.4 New Australian Accounting Standards continued

Future Australian Accounting Standards Requirements

Standard Name	Effective date - year ended	Requirements	Impact
AASB 16 Leases	31 March 2019	<p>AASB 16:</p> <p>replaces AASB 117 Leases and some lease-related Interpretations requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases provides new guidance on the application of the definition of lease and on sale and lease back accounting largely retains the existing lessor accounting requirements in AASB 117 requires new and different disclosures about leases.</p>	Under AASB 16 current leases will be reclassified to Statement of Financial Position as a right of use asset with a corresponding liability.
AASB 1058 Income of Not-for-Profit Entities	31 March 2019	<p>AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-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.</p> <p>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</p> <p>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:</p> <p>a Contributions by owners;</p>	There is not expected to be any significant Impact on the reported financial position and performance.

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DIVISION, DIVISIONAL CONFERENCE
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**NOTES TO THE FINANCIAL STATEMENTS
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Note 1 Summary of significant accounting policies continued

1.4 New Australian Accounting Standards continued

Future Australian Accounting Standards Requirements

Standard Name	Effective date - year ended	Requirements	Impact
		b Revenue, or a contract liability arising from a contract with a customer; c A lease liability; d A financial instrument; or e A provision. These related amounts will be accounted for in accordance with the applicable Australian Accounting Standard.	

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Note 1 Summary of significant accounting policies continued

1.5 Revenue

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

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

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

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 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. 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.

1.7 Leases

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

1.8 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.

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Note 1 Summary of significant accounting policies continued

1.9 Financial Instruments

Financial assets and financial liabilities are recognised when a reporting unit entity 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.

1.10 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 remeasurement 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.

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.

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Note 1 Summary of significant accounting policies continued

1.10 Financial assets continued

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.

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.

1.10 Financial assets continued

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Note 1 Summary of significant accounting policies continued
Impairment of financial assets continued

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.

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 reporting unit 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.

1.11 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

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Note 1 Summary of significant accounting policies continued

1.11 Financial liabilities continued

Fair value through profit or loss continued

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.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement 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 reporting unit 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.

1.12 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.

1.13 Land, buildings, plant and equipment

Asset recognition threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Property, plant and equipment

Property, plant and equipment are measured initially at cost. Cost includes all directly attributable expenditure incurred including costs to get the asset ready for its use as intended by management, and an estimate of any expenditure expected to be incurred at the end of the asset's useful life, including restoration, rehabilitation and decommissioning costs. Following initial recognition, property, plant and equipment is carried at cost less subsequent accumulated depreciation and accumulated impairment losses.

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Note 1 Summary of significant accounting policies continued

1.13 Land, buildings, plant and equipment continued

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

Asset Class	Depreciation rates
Buildings	2.5%
Plant and Equipment	10% - 50%

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

1.14 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 reporting unit were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.15 Taxation

The reporting unit is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however it still has obligations 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 cash flow statement 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.

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Note 1 Summary of significant accounting policies continued

1.16 Fair value measurement

Fair values of financial instruments measured at amortised cost are disclosed in Note 16A.

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 reporting unit. 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 reporting unit 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.

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 reporting unit 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.

For the purpose of fair value disclosures, the reporting unit 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.

1.17 Going concern

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

Note 2 Events after the reporting period

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

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	2018	2017
	\$	\$
Note 3 Revenue		
Note 3A: Capitation fees		
Postal and Telecommunications:		
- New South Wales	708,602	693,715
- Victoria	350,105	352,404
Telecommunications and Services:		
- New South Wales	95,354	105,526
- Victoria	157,034	173,607
Communications Divisional Branches		
- Queensland	282,388	288,692
- South Australia/Northern Territory	120,989	125,283
- Tasmania	-	17,881
- Western Australia	161,360	164,695
Total capitation fees	1,875,830	1,921,803
Note 3B: Levies		
Levies	-	-
Total Levies	-	-
Note 3C: Interest		
Deposits	183,157	193,815
Loans	-	-
Total interest	183,157	193,815
Note 3D: Other Revenue		
Fees reimbursed by NSW branch	67,737	47,418
Board Positions	120,569	84,443
Other	3,545	9,387
Total other revenue	191,858	141,248
Note 3E: Grants or donations		
Grants	-	-
Donations	-	-
Total grants or donations	-	-
Note 3F: Net gains from sale of assets		
Land and buildings	-	-
Plant and equipment	-	-
Intangibles	-	-
Total net gain from sale of assets	-	-

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	2018 \$	2017 \$
Note 4 Expenses		
Note 4A: Employee expenses		
Holders of office:		
Wages and salaries	433,296	349,876
Superannuation	72,876	70,484
Leave and other entitlements	7,864	68,867
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses holders of office	514,036	489,227
Employees other than office holders:		
Wages and salaries	794,364	713,291
Superannuation	121,139	127,715
Leave and other entitlements	54,205	184,890
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses employees other than office holders	969,708	1,025,896
Other employee expenses		
Fringe benefits expense	4,148	15,318
Superannuation insurance	-	-
Payroll tax	70,022	70,454
Workcover	16,247	11,575
Subtotal other employee expenses	90,417	97,347
Total employee expenses	1,574,161	1,612,470
Note 4B: Capitation fees		
Capitation fees	-	-
Total capitation fees	-	-
Note 4C: Affiliation fees		
Affiliation fees – ACTU*	145,069	135,398
Total affiliation fees/subscriptions	145,069	135,398

*ACTU Industrial Relations Levy

Levy imposed by the Australian Council of Trade Unions for purposes of funding action for Industrial relations.

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	2018	2017
	\$	\$
Note 4D: Administration expenses		
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	53,954	110,875
Conference and meeting expenses	6,596	37,226
Contractors/consultants	124,097	77,828
Property expenses	86,030	69,213
Office expenses	58,505	24,335
Information communications technology	39,365	34,417
Travel expenses	77,832	110,156
Other	8,404	27,844
Subtotal administration expense	454,583	491,894
Operating lease rentals:		
Minimum lease payments	23,400	17,764
Total administration expenses	477,983	509,658
Note 4E: Grants or donations		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations		
Total paid that were \$1,000 or less	-	100
Total paid that exceeded \$1,000	-	49,000
Total grants or donations	-	49,100
Note 4F: Depreciation		
Depreciation		
Buildings	62,643	62,643
Plant and equipment	9,908	12,813
Total depreciation	72,551	75,456

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	2018	2017
	\$	\$
Note 4G: Legal costs		
Litigation	52,404	153,826
Other legal matters	24,666	21,010
Total legal costs	77,070	174,836
Note 4H: Write-down and impairment of assets		
Asset write-downs and impairments of:		
Other	-	17,881
Total write-down and impairment of assets	-	17,881
Note 4I: Net losses from sale of assets		
Land and buildings	-	-
Plant and equipment	-	-
Intangibles	-	-
Total net losses from asset sales	-	-
Note 4J: Other expenses		
Penalties – via RO Act or RO Regulations	-	-
Total other expenses	-	-
Note 5 Current assets		
Note 5A: Cash and cash equivalents		
Cash at bank	274,571	187,302
Short term deposits	7,478,945	7,459,905
Total cash and cash equivalents	7,753,516	7,647,207

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	2018 \$	2017 \$
Note 5B: Trade and other receivables		
Receivables from other reporting units		
Postal and Telecommunications:		
- New South Wales	61,548	209,896
- Victoria	36,975	47,939
Telecommunications and Services:		
- New South Wales	15,998	19,989
- Victoria	156,551	13,215
Communications Divisional Branches		
- Queensland	23,277	23,746
- South Australia/Northern Territory	20,286	19,709
- Tasmania	-	-
- Western Australia	12,286	13,050
Electrical Divisional Branches		
- Victoria	28,012	73,810
Plumbing Divisional branches		
- Victoria	4,538	17,885
National Council	342	103,331
Total receivables from other reporting units	359,813	542,570
Less provision of doubtful debts	-	-
Receivable from other reporting units (net)	359,813	542,570
Other receivables:		
Other receivables	54,831	94,692
Total other receivables	54,831	94,692
Total trade and other receivables (net)	414,644	637,262
Note 5C: Other current assets		
Prepayments	10,691	2,019
Total other current assets	10,691	2,019

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	2018	2017
	\$	\$
Note 6		
Non-current assets		
Note 6A: Buildings		
Buildings		
at cost	2,505,723	2,505,723
accumulated depreciation	(378,327)	(315,684)
Total Buildings	2,127,396	2,190,039

**Reconciliation of the opening and closing balances of buildings
As at 1 April**

Gross book value	2,505,723	2,505,723
Accumulated depreciation	(315,684)	(253,041)
Net book value 1 April	2,190,039	2,252,682
Additions	-	-
Depreciation expense	(62,643)	(62,643)
Net book value 31 March	2,127,396	2,190,039
Net book value as of 31 March represented by:		
Gross book value	2,505,723	2,505,723
Accumulated depreciation	(378,328)	(315,684)
Net book value 31 March	2,127,396	2,190,039

Buildings were measured using the cost model.

Note 6B: Plant and equipment

Plant and equipment		
at cost	178,578	169,051
accumulated depreciation	(170,310)	(160,402)
Total plant and equipment	8,268	8,649

**Reconciliation of the opening and closing balances of plant and equipment
As at 1 April**

Gross book value	169,051	167,495
Accumulated depreciation	(160,402)	(147,593)
Net book value 1 April	8,649	19,902
Additions by purchase	9,527	1,560
Depreciation expense	(9,908)	(12,813)
Net book value 31 March	8,268	8,649
Net book value as of 31 March represented by:		
Gross book value	178,578	169,055
Accumulated depreciation	(170,310)	(160,406)
Net book value 31 March	8,268	8,649

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	2018	2017
	\$	\$
Note 7 Current liabilities		
Note 7A: Trade payables		
Trade creditors and accruals	68,887	109,743
Subtotal trade creditors	68,887	109,743
Payables to other reporting units		
National Council	-	40,883
Postal and Telecommunications - New South Wales	250	250
Telecommunications and Services - New South Wales	-	-
Telecommunications and Services - Victoria	-	-
Communications Divisional Branches		
- Queensland	-	131
- South Australia/Northern Territory	-	-
- Western Australia	(19)	(19)
Subtotal payables to other reporting units	231	41,245
Total trade payables	69,118	150,988

Settlement is usually made within 30 days.

Note 7B: Other payables

Wages and salaries	8,498	10,432
Superannuation	17,836	17,308
Consideration to employers for payroll deductions	-	-
Legal costs		
Litigation	-	5,061
Other legal matters	-	-
GST payable	104,445	94,022
Sundry creditors	47,247	45,052
Total other payables	176,026	171,875

Total other payables are expected to be settled in:

No more than 12 months	176,026	171,875
More than 12 months	-	-
Total other payables	176,026	171,875

No liabilities have been acquired during the year as part of an amalgamation, restructure, change in the reporting unit or determination or revocation by the General Manager

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	2018	2017
	\$	\$
Note 8 Provisions		
Note 8A: Employee provisions		
Office Holders:		
Annual leave	29,486	33,591
Long service leave	57,509	43,384
Separations and redundancies	-	-
Other - sick leave	-	-
Subtotal employee provisions-office holders	86,995	76,975
Employees other than office holders		
Annual leave	117,936	121,864
Long service leave	304,284	280,736
Separations and redundancies	-	-
Other - sick leave	222,480	211,068
Subtotal employee provisions- employees other than office holders	644,700	613,668
Total employee provisions	731,695	690,643
Current	731,695	690,643
Non-current	-	-
Total employee provisions	731,695	690,643

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	2018	2017
	\$	\$
Note 9 Cash flow		
Note 9A: Cash flow reconciliation		
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:		
Cash and cash equivalents as per:		
Cash flow statement	7,753,516	7,647,207
Balance sheet	7,753,516	7,647,207
Difference	<u>-</u>	<u>-</u>
Reconciliation of loss to net cash from operating activities:		
Loss for the year	(133,996)	(377,491)
Adjustments for non-cash items		
Depreciation	72,551	75,456
Changes in assets/liabilities		
Decrease/(increase) in net receivables	222,618	(157,523)
(Increase) in prepayments	(8,672)	9,099
Increase/(decrease) in payables	(41,013)	(54,561)
Increase/(decrease) in other payables	(36,704)	(61,481)
(Decrease)/increase in employee provisions	41,052	127,375
Net cash from (used by) operating activities	<u>115,836</u>	<u>(439,126)</u>

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	2018	2017
	\$	\$
Note 9B: Cash flow information		
Cash inflows		
Postal and Telecommunications:		
- New South Wales	856,950	608,680
- Victoria	361,069	400,505
Telecommunications and Services:		
- New South Wales	99,345	123,777
- Victoria	160,316	290,183
Communications Divisional Branches		
- Queensland	137,566	289,779
- South Australia/Northern Territory	120,412	136,953
- Western Australia	162,124	175,766
- Electrical Divisional Victoria Branch	45,798	-
- Plumbing Divisional Victoria Branch	13,005	-
- National Council	103,331	-
Total cash inflows	2,059,916	2,025,643
Cash outflows		
National Council	185,952	232,049
Postal and Telecommunications:		
- New South Wales	-	6,451
- Victoria	-	-
Telecommunications and Services:		
- New South Wales	-	-
- Victoria	-	642
Communications Divisional Branches		
- Queensland	131	10,196
- South Australia/Northern Territory	-	6,219
- Tasmania	-	11,362
- Western Australia	-	11,139
Total cash outflows	186,083	278,058

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Note 10 Contingent liabilities, assets and commitments

Note 10A: Commitments and contingencies

Operating lease commitments – as lessee

Future minimum rentals payable under non-cancellable operating leases as at 31 March are as follows:

	2018	2017
	\$	\$
Within one year	23,400	23,400
After one year but not more than five years	22,200	73,341
More than five years	-	-
	<u>45,600</u>	<u>96,741</u>

Contingent assets

On 11 August 2016, the Fair Work Commissions approved the alteration of the rules of communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia.

Under the rule changes it allowed the Communication Division, Tasmania Branch to merge with the Electrical, Energy and Services Division – Tasmanian Branch (CEPU Tasmania)

In addition a Memorandum of Understanding was agreed between the Electrical Division and the Communications Division detailing that:

In the event that the sale of the real property transferred from the CWU Tasmania (the building located at 105 New Town Road, New Town), the proceeds (after any debts and liabilities) shall divided evenly between the respective Divisional Funds of the Electrical Divisions and the Communications Division.

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Note 11 Related party disclosures

Note 11A: Related party transactions for the reporting period

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

	2018	2017
	\$	\$
Revenue received from related branches includes the following:		
Postal and Telecommunications:		
- New South Wales	708,602	693,715
- Victoria	350,105	352,404
Telecommunications and Services:		
- New South Wales	95,354	105,526
- Victoria	158,363	173,607
Communications Divisional Branches		
- Queensland	282,386	288,692
- South Australia/Northern Territory	120,989	125,283
- Tasmania	-	17,881
- Western Australia	161,360	164,695
 Expenses paid to related branches includes the following:		
National Council	185,952	232,049
Postal and Telecommunications:		
- New South Wales	-	6,451
- Victoria	-	-
Telecommunications and Services:		
- New South Wales	-	-
- Victoria	-	642
Communications Divisional Branches		
- Queensland	131	10,196
- South Australia/Northern Territory	-	6,219
- Tasmania	-	11,362
- Western Australia	-	11,139
 Assets transferred from/to related parties includes the following:		
N/A	-	-

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Note 11 Related party disclosures continued

Note 11A: Related party transactions for the reporting period continued

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. Impairment of receivables relating to amounts owed by related parties and declared person or body are as disclosed in Note 5B to the financial statements. 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.

No property was transferred to related parties during the financial year ended 31 March 2018.

	2018	2017
Fees paid by NSW branch for services provided	67,747	47,418

Note 11B: Key management personnel remuneration for the reporting period

	2018	2017
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	506,171	418,743
Annual leave accrued	40,593	152,505
Performance bonus	-	-
Total short-term employee benefits	546,764	571,248
Post-employment benefits:		
Superannuation	72,876	70,484
Total post-employment benefits	72,876	70,484
Other long-term benefits:		
Long-service leave	10,555	-
Total other long-term benefits	10,555	-
Termination benefits	-	-
Total	630,195	641,732

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Note 11C: Transactions with key management personnel and their close family members

Loans to/from key management personnel	-	-
Other transactions with key management personnel	-	-

Note 11D Pursuant and in accordance with the rules of the union, and the provisions of the Fair Work (Registered Organizations) Act 2009, the following is the remuneration and the form/value of non-cash benefits for the top three selected officials of the Branch for the year ended 31 March 2018:

Name	Remuneration	Super	Non-cash benefit	Super Board received by the branch	Material Person Interest
E	172,092	29,028	Motor Vehicle	48,657	Nil
	137,167	23,040	-	-	Nil
	124,037	20,808	-	-	Nil

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	2018	2017
	\$	\$
Note 12 Remuneration of auditors		
Value of the services provided		
Financial statement audit services		
Current auditors – Hall Chadwick	33,500	-
Previous auditors – Grant Thornton Audit Pty Ltd	-	48,390
Other services		
Forensic services: Previous auditors – Grant Thornton Audit Pty Ltd	-	960
Compliance audit - Hall Chadwick	4,500	-
Compliance audit: Previous auditors – Grant Thornton Audit Pty Ltd	-	10,208
Total remuneration of auditors	38,000	59,558

Note 13 Financial instruments

The entity's financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans to and from related unions.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

Note 13A: Categories of financial instruments

Financial assets

Held-to-maturity investments:

Cash and cash equivalents	7,753,516	7,647,207
Total	7,753,516	7,647,207

Loans and receivables:

Receivables - refer to Note 5B	414,644	637,262
Total	414,644	637,262

Carrying amount of financial assets	8,188,160	8,284,469
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Financial liabilities

Trade and other payables	245,144	322,863
Total	245,144	322,863

Carrying amount of financial liabilities	245,144	322,863
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Note 13B: Net income and expense from financial assets

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Held-to-maturity		
Interest revenue	183,157	193,815
Exchange gains/(loss)	-	-
Impairment	-	-
Gain/loss on disposal	-	-
Net gain/(loss) held-to-maturity	<u>183,157</u>	<u>193,815</u>
Net gain/(loss) from financial assets	<u>183,157</u>	<u>193,815</u>

The net income/expense from financial assets not at fair value through profit and loss is \$183,157 (2017:\$193,815).

Note 13C: Net income and expense from financial liabilities

The net income/expense from financial liabilities not at fair value through profit and loss is Nil (2017: Nil).

Note 13D: Credit risk

Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the entity.

Credit risk is managed through maintaining procedures (such as the utilisation of systems for the approval, granting and removal of credit limits, regular monitoring of exposure against such limits and monitoring of the financial stability of significant customers and counterparties) ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the committee has otherwise cleared as being financially sound.

Credit risk exposures

The maximum exposure 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 any provisions) as presented in the statement of financial position.

There is no collateral held by the entity securing trade and other receivables.

The entity has no significant concentrations of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of trade and other receivables are provided in Note 5B.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 5B.

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Note 13D: Credit risk continued

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

Financial assets		
Trade and other receivables	414,644	637,262
Total	414,644	637,262
Financial liabilities		
Trade and other payables	245,144	322,863
Total	245,144	322,863

In relation to the entity's gross credit risk the following collateral is held: Nil

Ageing of financial assets that were past due but not impaired for 2018

No financial assets are past due or impaired as the divisional office does not specify specific payment terms.

Note 13E: Liquidity risk

Contractual maturities for financial liabilities 2018

	On Demand	<1 year \$	1-2 years \$	2-5 years \$	>years \$	Total \$
Trade and other payables		245,144				245,144
Total						

Contractual maturities for financial liabilities 2017

	On Demand	<1 year \$	1-2 years \$	2-5 years \$	>years \$	Total \$
Trade and other payables	-	322,863	-	-	-	322,863
Total	-		-	-	-	

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Note 13F: Market risk

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.

Sensitivity analysis of the risk that the entity is exposed to for 2018

Risk Variable	Change in risk variable %	Effect on	
		Profit and loss \$	Equity \$
Interest rate risk	- +2%	155,070	155,070
Interest rate risk	- -2%	(155,070)	(155,070)

Sensitivity analysis of the risk that the entity is exposed to for 2017

Risk Variable	Change in risk variable %	Effect on	
		Profit and loss \$	Equity \$
Interest rate risk	- +2%	152,994	152,994
Interest rate risk	- -2%	(152,994)	(152,994)

Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held.

Note 14 Fair value measurement

Note 14A: Financial assets and liabilities

Management of the reporting unit assessed that cash, trade receivables and trade payables approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 31 March 2018 was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the reporting entity based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 31 March 2018 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

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Note 14A: Financial assets and liabilities continued

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

	Carrying amount	Fair value	Carrying amount	Fair value
	2018	2018	2017	2017
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	7,753,516	7,753,516	7,647,207	7,647,207
Trade and other receivables	414,644	414,644	637,262	637,262
Total	8,168,160	8,168,160	8,284,469	8,284,469
Financial Liabilities				
Trade payables	245,144	245,144	322,863	322,863
Total	245,144	245,144	322,863	322,863

Note 14B: Fair value hierarchy

No financial and non-financial assets and liabilities are measured at a fair value that is different to their carrying amount as at 31 March 2018.

Note 15 Administration of financial affairs by a third party

Name of entity providing service:	N/A
Terms and conditions:	N/A
Nature of expenses/consultancy service:	N/A

Note 16 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 General Manager:

1. A member of a reporting unit, or the General Manager, 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).

**INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS OF COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY,
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AUSTRALIA, COMMUNICATIONS DIVISION, DIVISIONAL CONFERENCE**

SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
Australia
Ph: (612) 9263 2600
Fx: (612) 9263 2800

Opinion

We have audited the financial report of Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing And Allied Services Union Of Australia, Communications Division, Divisional Conference, which comprises the statement of financial position as at 31 March 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing And Allied Services Union Of Australia, Communications Division, Divisional Conference, as at 31 March 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 Reporting 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 my report. We are independent of the Reporting 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 my 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.

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Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Reporting Unit 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 Reporting Unit'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 Reporting 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 our 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain 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 Reporting 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 Reporting 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

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or conditions may cause the Reporting 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 Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Union 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 I identify during our audit.

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

Hall Chadwick

Hall Chadwick
Level 40, 2 Park Street
Sydney NSW 2000

Graham Webb

Graham Webb
Partner
Dated: 2 August 2018