



14 September 2018

Mr Leroy Lazaro  
Secretary, Victorian Postal and Telecommunications Branch,  
Communications Division  
CEPU

Dear Mr Lazaro

**Re: – Communications Division, CEPU, Victorian Postal and Telecommunications Branch - financial report for year ending 31 March 2018 (FR2018/18)**

I refer to the financial report of the Victorian Postal and Telecommunications Branch of the Communications Division of the CEPU. The documents were lodged with the ROC on 30 August 2018.

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

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. Please note the report for year ending 31 March 2019 may be subject to an advanced compliance review.

Auditor's report

Subsection 257(9) provides, in part, that the auditor's report must be dated as at the date that the auditor signs the report. The auditor's report was signed but not dated.

Activities under Reporting Guidelines (RG) not disclosed

The Reporting Guidelines require that if any activities identified in the RGs have not occurred in the reporting period, a statement to this effect (or nil balances) must be included in the GPFR. I note that for the following RG items no such disclosure has been made:

- 10 – whether financial support was received under an agreement from another reporting unit so that the reporting unit could operate as a going concern
- 11 - whether financial support was provided under an agreement to another reporting unit so that the other reporting unit could operate as a going concern
- 12 – whether the reporting unit had acquired an asset or liability due to an amalgamation under Part 2 of Chapter 3, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission under section 245 or 249
- 14(c) - compulsory levies raised
- 14(d) - donations or grants received
- 16(a) - fees incurred as consideration for employers making payroll deductions of membership subscriptions
- 16(d) - compulsory levies paid
- 16(e) - grants or donations paid

- 16(f)(iv) – separation and redundancies (employee benefits expense) for office-holders
- 16(g)(iv) – separation and redundancies (employee benefits expense) for other employees
- 16(k) - penalties imposed under RO Act
- 18(a) - receivable with another reporting unit
- 20(a) - payables to employers as consideration for employer making payroll deductions of membership subscriptions
- 20(c)(iii) – separation and redundancies (employee benefits provision) for office holders
- 20(c)(iv) – other provisions (employee benefits provision) for office-holders
- 20(d)(iii) – separation and redundancies (employee benefits provision) for other employees
- 20(d)(iv) – other provisions (employee benefits provision) for other employees

I refer you, for comparison, to the previous report for the year ending 31 March 2017.

#### Notice setting out sections 272(1), (2) & (3)

The notice drawing attention to the fact that prescribed information is available to members on request appeared at Note 17. This requirement is set out in subsection 272(5) of the RO Act, and it specifically requires the accounts to include a copy of subsections 272(1), (2) & (3) as follows:

- (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).

The notice referred to the “General Manager” which was incorrect because the RO Act was amended in 2017 and section 272 now refers to the “Commissioner”.

#### Reporting requirements

New Reporting Guidelines will apply 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 and any further information or updates on the guidelines will be provided through the [subscription service](#).

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

If you have any questions about the above or the reporting requirements, please do not hesitate to contact me by email at [stephen.kellett@roc.gov.au](mailto:stephen.kellett@roc.gov.au).

Yours faithfully



Stephen Kellett  
Financial Reporting  
Registered Organisations Commission

**Communication Electrical Plumbing Union**

**Communication Workers Union**

**Postal & Telecommunications Branch Victoria**

s.268 *Fair Work (Registered Organisations) Act 2009*

**SAMPLE CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER<sup>1</sup>**

Certificate for the year ended 31 March 2017

I *Leroy Lazaro* being the State Secretary of the CEPU: Communication Division, Postal & Telecommunications Branch Victoria certify:

- that the documents lodged herewith are copies of the full report for the CEPU: Communications Division, Postal & Telecommunications Branch Victoria for the period ended 31 March 2018, referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 27 July 2018 and
- that the full report was presented to the Branch Committee of Management on Wednesday 25 July 2018 and to a *general meeting of members* of the reporting unit on 25 August 2018 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:..... *L. Lazaro*

Name of prescribed designated officer:..... *LEROY LAZARO*

Title of prescribed designated officer: ..... *BRANCH SECRETARY*

Dated: ..... *30 AUGUST 2018*

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<sup>1</sup> Regulation 162 of the *Fair Work (Registered Organisations) Regulations 2009* defines a 'prescribed designated officer' of a reporting unit for the purposes of s.268(c) as:  
(a) the secretary; or  
(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,  
POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA,  
COMMUNICATIONS DIVISION, POSTAL AND TELECOMMUNICATIONS  
BRANCH (VICTORIA)**

**ABN 30 490 675 447**

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

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA, COMMUNICATIONS DIVISION, POSTAL AND  
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**OPERATING REPORT**

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, Postal and Telecommunications Branch (Victoria) ("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 represent the industrial, professional and political interests of Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Postal and Telecommunications Branch (Victoria) workers in the State of Victoria.

**Operating Result**

The results of the principal activities of the Union during the financial year was to further the interests of Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Postal and Telecommunications Branch (Victoria) workers through improvements in wages and conditions, health and safety, legal rights and company compliance with Australian labour standards.

The operating profit of the Union for the financial year was \$95,334 (2017: loss \$4,931). No provision for tax was necessary as the Union is exempt from income tax.

**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**

No 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.

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OPERATING REPORT 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 4,387 (2017: 4,432). Total non-financial members at the end of the financial year was 314. (2017:267)
- (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 8.5 (2017:8.5).
- (c) the names of each person who have 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 a position were:

**Name**

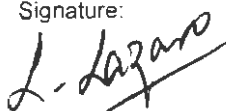
Leroy Lazaro	Branch Secretary / Treasurer/ Branch Committee of Management Member
Chris Punshon	Branch President/ Branch Committee of Management Member
Peter Shead	Branch Vice – President/ Branch Committee of Management Member
Andy Howson	Branch Vice – President/ Branch Committee of Management Member
Cindy Shelley	Branch Organiser/ Branch Committee of Management Member
Brendan Henley	Branch Organiser/ Branch Committee of Management Member
Joan Doyle	Branch Organiser/ Branch Committee of Management Member
Val Butler	Branch Committee of Management Member
Louise Whitefield	Branch Committee of Management Member
Meredith San Jose	Branch Committee of Management Member
Laural McGlashan	Branch Committee of Management Member (retired 29 March 2018)
Wayne Redenbach	Branch Committee of Management Member
Angelo Ozella	Branch Committee of Management Member
Ross Hudson	Branch Committee of Management Member
Kevin Gomez	Branch Committee of Management Member
Ray Gorman	Branch Committee of Management Member
Gary Cleland	Branch Committee of Management Member
Rob Heller	Branch Committee of Management Member
Sebastian Patti	Branch Committee of Management Member ( appointed 29 March 2018)

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: Leroy Lazaro  
Title of Office held: Branch Secretary

Signature:



Dated: 25 July 2018

Melbourne

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

On the 25 July 2018 the Committee of Management of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Postal and Telecommunications Branch (Victoria) ("Union/Reporting Unit") 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 General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
  - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period;
- (g) a copy of the full financial report to be published on the Union website.

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

For Committee of Management: Leroy Lazaro

Title of Office held: Branch Secretary

Signature:



Dated: 25 July 2018

Melbourne

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

	Notes	2018 \$	2017 \$
<b>Revenue</b>			
Membership subscription		1,751,816	1,616,135
Interest	3B	37,692	46,527
Other revenue		<b>30,864</b>	26,755
<b>Total revenue</b>		<b>1,820,372</b>	<b>1,689,417</b>
<b>Expenses</b>			
Employee expenses	4A	875,015	855,850
Capitation fees	4B	397,918	359,974
Affiliation fees	4C	48,993	46,965
Administration expenses	4D	215,401	180,324
Depreciation and amortisation	4E	24,525	27,830
Legal costs	4F	103,955	162,977
Audit fees	14	17,650	19,450
Journey cover expense	4H	25,728	26,918
Other expenses	4G	15,853	14,060
<b>Total expenses</b>		<b>1,725,039</b>	<b>1,694,348</b>
<b>Profit/(loss) for the year</b>		<b>95,334</b>	<b>(4,931)</b>

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



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**STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2018**

	Notes	2018 \$	2017 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5A	1,762,740	1,794,783
Trade and other receivables	5B	38,808	57,570
Other current assets	5C	8,668	56,480
<b>Total current assets</b>		<b>1,810,216</b>	<b>1,908,833</b>
<b>Non-Current Assets</b>			
Land and buildings	6A	1,016,943	1,028,406
Plant and equipment	6B	41,172	54,234
Other investments	6C	1,000	1,000
<b>Total non-current assets</b>		<b>1,059,115</b>	<b>1,083,640</b>
<b>Total assets</b>		<b>2,869,331</b>	<b>2,992,473</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade payables	7A	52,418	61,742
Other payables	7B	87,239	301,647
Employee provisions	8	193,001	200,105
<b>Total current liabilities</b>		<b>332,658</b>	<b>563,493</b>
<b>Non-Current Liabilities</b>			
Employee provisions	8	47,690	35,330
<b>Total non-current liabilities</b>		<b>47,690</b>	<b>35,330</b>
<b>Total liabilities</b>		<b>380,348</b>	<b>598,823</b>
<b>Net assets</b>		<b>2,488,983</b>	<b>2,393,650</b>
<b>EQUITY</b>			
Retained earnings - General funds	9A	2,526,584	2,431,250
Accumulated loss – Welfare Fund	9B	(37,600)	(37,600)
<b>Total equity</b>		<b>2,488,983</b>	<b>2,393,650</b>

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

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STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2018

	Retained Earnings	Accumulated Losses Welfare Fund	Total equity
	\$	\$	\$
<b>Balance as at 1 April 2016</b>	2,436,181	(37,600)	2,398,581
(Loss)/Profit for the year	(4,931)	-	(4,931)
<b>Closing balance as at 31 March 2017</b>	<b>2,431,250</b>	<b>(37,600)</b>	<b>2,393,650</b>
Profit/ (loss) for the year	95,334	-	95,334
<b>Closing balance as at 31 March 2018</b>	<b>2,526,584</b>	<b>(37,600)</b>	<b>2,488,983</b>

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

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**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	2018 \$	2017 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Receipts from other reporting units/controlled entity(s)	10B	-	-
Membership contributions		1,713,796	1,787,771
Interest		37,772	46,682
Other		<b>33,950</b>	29,433
<b>Cash used</b>			
Suppliers and employees		<b>(1,382,175)</b>	(1,375,569)
Payment to other reporting units/controlled entity(s)	10B	<b>(435,386)</b>	(445,598)
<b>Net cash from (used by) operating activities</b>	10A	<b>(32,043)</b>	42,713
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sale of plant and equipment		-	-
Proceeds from sale of land and buildings		-	-
Other		-	-
<b>Cash used</b>			
Purchase of plant and equipment		-	(27,417)
Purchase of land and buildings		-	-
Other		-	-
<b>Net cash from (used by) investing activities</b>		-	<b>(27,417)</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Contributed equity		-	-
Other		-	-
<b>Cash used</b>			
Repayment of borrowings		-	-
Other		-	-
<b>Net cash from (used by) financing activities</b>		-	-
<b>Net increase (decrease) in cash held</b>		<b>(32,403)</b>	15,296
Cash & cash equivalents at the beginning of the reporting period		<b>1,794,783</b>	1,779,487
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	5A	<b>1,762,740</b>	1,794,783

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

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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, 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 committee of management evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

**Key estimates**

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

**Key judgments**

No key judgments have been used in the preparation of this financial report.

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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**

**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 reporting unit include:

Standard Name	Effective date for entity	Requirements	Impact
AASB 9: Financial Instruments (December 2014) and associated Amending Standards	31 March 2019	<p>Significant revisions to the classification and measurement of financial assets, reducing the number of categories and simplifying the measurement choices, including the removal of impairment testing of assets measured at fair value. The amortised cost model is available for debt assets meeting both business model and cash flow characteristics tests. All investments in equity instruments using AASB 9 are to be measured at fair value. Amends measurement rules for financial liabilities that the entity elects to measure at fair value through profit and loss. Changes in fair value attributable to changes in the entity's own credit risk are presented in other comprehensive income.</p> <p>AASB 9 includes a new approach to hedge accounting that is intended to more closely align hedge accounting with risk management activities undertaken by entities when hedging financial and non-financial risks. Some of the key changes from AASB 139 are as follows:</p> <p>a) to allow hedge accounting of risk components of non-financial items that are identifiable and measurable (many of which were prohibited from being designated as hedged items under AASB 139);</p> <p>b) changes in the accounting for the time value of options, the forward element of a forward contract and foreign-currency basis spreads designated as hedging instruments; and</p> <p>c) modification of the requirements for effectiveness testing (including removal of the 'bright-line' effectiveness test that offset for hedging must be in the range 80-125%).</p>	<p>The process for determining impairment on receivables is likely to change and impairment may be recognised on day 1.</p> <p>Other impacts on the reported financial position and performance have not yet been determined</p>

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**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 for entity	Requirements	Impact
AASB 9: Financial Instruments (December 2014) and associated Amending Standards	31 March 2019	<p>Revised disclosures about an entity's hedge accounting have also been added to AASB 7 Financial Instruments: Disclosures.</p> <p>Impairment of assets is now based on expected losses in AASB 9 which requires entities to measure:</p> <p>a) the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or</p> <p>b) full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument.</p>	<p>The process for determining impairment on receivables is likely to change and impairment may be recognised on day 1.</p> <p>Other impacts on the reported financial position and performance have not yet been determined</p>
AASB 15 Revenue from contracts with customers	31 March 2020	AASB 15 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services. Accounting policy changes will arise in timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element. AASB 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.	The changes in revenue recognition requirements in AASB 15 may cause changes to the timing and amount of revenue recorded in the financial statements as well as additional disclosures. The impact of AASB 15 has not yet been quantified.
AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15			
AASB 2015-8 Amendments to Australian Accounting Standards – Effective date of AASB 15			

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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**

<b>Standard Name</b>	<b>Effective date for entity</b>	<b>Requirements</b>	<b>Impact</b>
AASB16 Leases	31 March 2020	AASB 16 will cause the majority of leases of an entity to be brought onto the statement of financial position. There are limited exceptions relating to short-term leases and low value assets which may remain off-balance sheet. The calculation of the lease liability will take into account appropriate discount rates, assumptions about lease term and increases in lease payments. A corresponding right to use asset will be recognised which will be amortised over the term of the lease. Rent expense will no longer be shown; the profit and loss impact of the leases will be through amortisation and interest charges.	Whilst the impact of AASB 16 has not yet been quantified, the entity currently has \$22,572 worth of operating leases which we anticipate will be brought onto the statement of financial position. Interest and amortisation expense will increase and rental expense will decrease.

**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.

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.

**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.



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**Note 1 Summary of significant accounting policies continued**

**1.6 Employee benefits continued**

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.

**1.7 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

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 and other short-term highly liquid investments that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

**1.9 Financial instruments**

Financial assets and financial liabilities are recognised when the reporting unit 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.

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**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.

**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.

Member contributions in arrears is recognised when it is certain to be received.

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.

**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'.

**Other financial liabilities**

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

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**Note 1 Summary of significant accounting policies continued**

**1.11 Financial Liabilities continued**

**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 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.

**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 diminishing 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:

	<b>2018</b>	<b>2017</b>
Buildings	2-10%	2-10%
Computer equipment	7.5% - 30%	7.5% - 30%
Motor vehicles	22.5%	22.5%
Furniture and fittings	20 - 40%	20 - 40%

**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.

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**1.13 Impairment for 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.

**1.14 Taxation**

The reporting unit 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 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.

**1.15 Fair value measurement**

The reporting unit 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.

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.

Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16.

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

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**Note 1 Summary of significant accounting policies continued**

**1.15 Fair value measurement continued**

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.

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 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.

**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
	\$	\$
<b>Note 3      Income</b>		
<b>Note 3A: Capitation fees</b>		
Capitation Fees	-	-
<b>Total capitation fees</b>	-	-
<b>Note 3B: Interest</b>		
Deposits	37,692	46,527
<b>Total interest</b>	37,692	46,527
<b>Note 4      Expenses</b>		
<b>Note 4A: Employee expenses</b>		
<b>Employee expenses</b>		
<b>Holders of office:</b>		
Wages and salaries	376,326	370,799
Superannuation	50,858	51,188
Leave and other entitlements	18,879	(3,597)
Other employee expenses	25,750	22,313
<b>Subtotal employee expenses holders of office</b>	471,813	440,703
<b>Employees other than office holders:</b>		
Wages and salaries	344,356	324,940
Superannuation	46,698	44,271
Leave and other entitlements	(13,623)	23,622
Other employee expenses	25,771	22,313
<b>Subtotal employee expenses employees other than office holders</b>	403,202	415,146
<b>Total employee expenses</b>	875,015	855,850

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	\$	\$
<b>Note 4B: Capitation fees</b>		
Capitation fees – CEPU Divisional Conference	397,918	359,974
<b>Total capitation fees</b>	<b>397,918</b>	<b>359,974</b>
<b>Note 4C: Affiliation fees</b>		
Australian Labour Party	23,243	22,478
Trade and Labour Councils:		
- Ballarat	1,375	1,100
- Bendigo	760	1,030
- Geelong	1,953	1,925
- North East and Border	604	466
- Goulburn AV	388	469
- Victorian Trades Hall	6,686	618
- Keep Me Posted Australia	-	2,000
National Council Funding - CEPU Divisional Conference	13,984	16,879
<b>Total affiliation fees/subscriptions</b>	<b>48,993</b>	<b>46,965</b>
<b>Note 4D: Administration expenses</b>		
<b>Included in administration expense</b>		
Fees/allowances - meeting and conferences	2,273	2,098
Conference and meeting expenses	1,112	842
Property expenses	10,358	9,783
Office expenses	13,582	12,094
Motor vehicle running expenses	41,182	38,493
Telephone expenses	14,277	15,108
Postage	25,736	27,175
Printing, stationery and publications	35,722	21,793
Information communications technology	15,988	7,669
Other	47,648	37,327
<b>Subtotal administration expense</b>	<b>207,878</b>	<b>172,382</b>
Operating lease rentals:		
Minimum lease payments	7,524	7,942
<b>Total administration expenses</b>	<b>215,401</b>	<b>180,324</b>

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	\$	\$
<b>Note 4E: Depreciation and amortisation</b>		
Depreciation		
Buildings	11,463	11,719
Property, plant and equipment	13,062	16,111
<b>Total depreciation</b>	<b>24,525</b>	<b>27,830</b>
<b>Note 4F: Legal costs</b>		
Litigation	102,416	162,977
Other legal matters	1,539	-
<b>Total legal costs</b>	<b>103,955</b>	<b>162,977</b>
<b>Note 4G: Other expenses</b>		
Bad debts	-	(13,918)
Other expenses	15,853	27,978
<b>Total other expenses</b>	<b>15,853</b>	<b>14,060</b>
<b>Note 4H: Journey cover</b>		
Journey cover	25,728	26,918
<b>Total journey cover</b>	<b>25,728</b>	<b>26,918</b>
<b>Note 5      Current Assets</b>		
<b>Note 5A: Cash and Cash Equivalents</b>		
Cash at bank	51,144	138,911
Cash on hand	2,058	257
Cash on deposits	1,709,538	1,655,615
<b>Total cash and cash equivalents</b>	<b>1,762,740</b>	<b>1,794,783</b>



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<b>Note 5B: Trade and other receivables</b>		
<b>Receivables from member contributions</b>		
Membership contributions in arrears	36,522	55,205
<b>Total receivables member contributions</b>	<b>36,522</b>	<b>55,205</b>
<b>Other receivables:</b>		
Other trade receivables	2,286	2,365
<b>Total other receivables</b>	<b>2,286</b>	<b>2,365</b>
<b>Total trade and other receivables (net)</b>	<b>38,808</b>	<b>57,570</b>
<b>Note 5C: Other current assets</b>		
Prepayments	8,668	56,480
<b>Total other current assets</b>	<b>8,668</b>	<b>56,480</b>

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<b>Note 6 Non-current Assets</b>		
<b>Note 6A: Land and buildings</b>		
Reconciliation of the opening and closing balances of land and buildings		
Land – at cost	465,000	465,000
Building:		
cost	598,332	598,332
accumulated depreciation	(46,389)	(34,926)
Total building	551,943	563,406
<b>Total land and buildings</b>	<b>1,016,943</b>	<b>1,028,406</b>
<b>As at 1 April</b>		
Gross book value	1,063,332	1,063,332
Accumulated depreciation and impairment	(34,926)	(23,207)
<b>Net book value 1 April</b>	1,028,406	1,040,125
Depreciation expense	(11,463)	(11,719)
<b>Net book value 31 March</b>	1,016,943	1,028,406
<b>Net book value as of 31 March represented by:</b>		
Gross book value	1,063,332	1,063,332
Accumulated depreciation and impairment	(46,389)	(34,926)
<b>Net book value 31 March</b>	<b>1,016,943</b>	<b>1,028,406</b>

Land and buildings were measured using the cost model.

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<b>Note 6B: Plant and equipment</b>		
<b>Plant and equipment:</b>		
Motor vehicles		
at cost	153,369	153,369
accumulated depreciation	(120,138)	(109,525)
	33,231	43,844
Furniture and fittings		
at cost	36,977	36,977
accumulated depreciation	(29,036)	(26,587)
	7,941	10,390
<b>Total plant and equipment</b>	<b>41,172</b>	<b>54,234</b>
<b>Reconciliation of the opening and closing balances of plant and equipment</b>		
<b>As at 1 April</b>		
Gross book value	233,533	206,115
Accumulated depreciation and impairment	(179,299)	(163,188)
<b>Net book value 1 April</b>	54,234	42,927
Additions:		
By purchase	-	27,418
Depreciation expense	(13,062)	(16,111)
<b>Net book value 31 March</b>	<b>41,172</b>	<b>54,234</b>
<b>Net book value as of 31 March represented by:</b>		
Gross book value	233,533	233,533
Accumulated depreciation and impairment	(192,361)	(179,299)
<b>Net book value 31 March</b>	<b>41,172</b>	<b>54,234</b>

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	\$	\$
<b>Note 6C: Other Investments</b>		
Other	1,000	1,000
<b>Total other investments</b>	<b>1,000</b>	<b>1,000</b>
<b>Note 7 Current Liabilities</b>		
<b>Note 7A: Trade payables</b>		
Trade creditors and accruals	1,458	3,022
<b>Subtotal trade creditors</b>	<b>1,458</b>	<b>3,022</b>
<b>Payables to other reporting unit</b>		
CEPU Divisional Conference	36,975	45,084
CEPU National Office	13,984	13,636
<b>Subtotal payables to other reporting unit</b>	<b>50,959</b>	<b>58,720</b>
<b>Total trade payables</b>	<b>52,418</b>	<b>61,742</b>
<b>Note 7B: Other payables</b>		
Legal costs		
Litigation	-	-
Other legal matters	-	-
Members contributions in advance	38,520	251,023
GST payable	15,269	13,693
Other	33,450	36,931
<b>Total other payables</b>	<b>87,239</b>	<b>301,647</b>
<b>Total other payables are expected to be settled in:</b>		
<b>No more than 12 months</b>	87,239	301,647
<b>More than 12 months</b>	-	-
<b>Total other payables</b>	<b>87,239</b>	<b>301,647</b>

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	\$	\$
<b>Note 8 Provisions</b>		
<b>Employee Provisions</b>		
<b>Office Holders:</b>		
Annual leave	73,289	66,222
Long service leave	111,805	99,993
<b>Subtotal employee provisions—office holders</b>	<b>185,094</b>	166,215
<b>Employees other than office holders:</b>		
Annual leave	25,394	26,669
Long service leave	30,203	42,551
<b>Subtotal employee provisions—employees other than office holders</b>	<b>55,597</b>	69,220
<b>Total employee provisions</b>	<b>240,691</b>	235,435
Current	193,001	200,105
Non Current	47,690	35,330
<b>Total employee provisions</b>	<b>240,691</b>	235,435
<b>Note 9 Equity</b>		
<b>Note 9A: General Funds</b>		
Balance as at start of year	2,431,250	2,436,181
Profit/(loss) for the year	95,334	(4,931)
Balance as at end of year	<b>2,526,584</b>	2,431,250
<b>Total Reserves</b>	<b>2,526,584</b>	2,431,250
<b>Note 9B: Other Specific disclosures – Funds</b>		
<b>Compulsory levy/voluntary contribution fund – if invested in assets</b>		
<b>Other fund(s) required by rules</b>		
<b>Accumulated Losses: welfare fund</b>		
Balance as at start of year	37,600	37,600
Balance as at end of year	<b>37,600</b>	37,600

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	\$	\$
<b>Note 10 Cash Flow</b>		
<b>Note 10A: Cash Flow Reconciliation</b>		
<b>Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:</b>		
<b>Cash and cash equivalents as per:</b>		
Cash flow statement	1,762,740	1,794,783
Balance sheet	1,762,740	1,794,783
<b>Difference</b>	<u>-</u>	<u>-</u>
<b>Reconciliation of profit/(loss) to net cash from operating activities:</b>		
Profit/(loss ) for the year	95,334	(4,931)
<b>Adjustments for non-cash items</b>		
Depreciation/amortisation	24,525	27,830
<b>Changes in assets/liabilities</b>		
(Increase)/decrease in net receivables	80	155
(Increase)/decrease in fixed assets	-	-
(Increase)/decrease in prepayments	47,812	6,304
(Increase)/decrease in membership contributions in arrears	18,683	(34,284)
(Increase)/decrease in membership contributions in advance	(212,502)	27,404
Increase/(decrease) in supplier payables	(1,564)	93
Increase/(decrease) in other payables	(1,905)	(5,203)
Increase/(decrease) in employee provisions	5,256	20,026
Increase/(decrease) in amount owing to CEPU Divisional Conference and national office	(7,761)	5,319
<b>Net cash from (used by) operating activities</b>	<u>(32,043)</u>	<u>42,713</u>

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	\$	\$
<b>Note 10B: Cash Flow Information</b>		
Cash inflows		
CEPU Divisional Conference	-	-
CEPU T&S Vic Branch	-	-
<b>Total cash inflows</b>	<b>-</b>	<b>-</b>
Cash outflows		
CEPU Divisional Conference	427,815	436,578
CEPU T&S Vic Branch	7,571	9,018
<b>Total cash outflows</b>	<b>435,386</b>	<b>445,598</b>

\*As required by the Reporting Guidelines. Item to remain even if 'nil'.

**Note 11 Contingent Liabilities, Assets and Commitments**

**Operating lease commitments—as lessee**

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

Within one year	7,524	7,524
After one year but not more than five years	15,048	22,572
More than five years	-	-
	<b>22,572</b>	<b>30,096</b>

**Capital commitments**

At 31 March 2018 the entity has commitments of \$Nil (2017: \$Nil).

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		2018	2017
		\$	\$
<b>Note 12</b>	<b>Related Party Disclosures</b>		
<p>The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.</p>			
<b>Revenue received from CEPU Divisional Conference includes the following:</b>			
	Reimbursement of recruitment fees	-	-
	Reimbursement of photocopying expenses	-	-
	Reimbursement of travel expense	-	-
		-	-
<b>Expenses paid to CEPU Divisional Conference includes the following:</b>			
	Capitation fees	397,918	359,974
	Reimbursement of payroll tax expense	42,700	31,910
	National Council Funding	13,894	16,878
		554,512	408,762
<b>Amounts owed to CEPU Divisional Conference include the following:</b>			
	Capitation fees	36,975	45,084
	National Council Funding	13,984	13,636
		50,959	58,720
<b>Expenses paid to CEPU T&amp;S Vic Branch includes the following:</b>			
	Reimbursement of insurance expenses	7,571	9,019

**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 March 2018, the reporting unit has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (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.

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



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**Note 13: Key Management Personnel Remuneration for the Reporting Period**

<b>2018</b>	<b>Joan Doyle</b>	<b>Meredith San Jose</b>	<b>Brendan Henley</b>	<b>Leroy Lazaro</b>	<b>Ray Gorman</b>	<b>Val Butler</b>	<b>Kevin Gomez</b>	<b>Cindy Shelley</b>	<b>Total</b>
Salary	80,527	2,597	79,685	78,173	2,128	51,018	2,387	79,811	376,326
Annual leave accrued	964	-	1,315	7,341	-	(1,173)	-	(1,380)	7,067
<b>Total</b>	<b>81,491</b>	<b>2,597</b>	<b>81,000</b>	<b>85,514</b>	<b>2,128</b>	<b>49,845</b>	<b>2,387</b>	<b>78,431</b>	<b>383,393</b>
Superannuation	11,013	-	10,968	10,810	295	6,969	-	10,803	50,858
<b>Total</b>	<b>11,013</b>	<b>-</b>	<b>10,968</b>	<b>10,810</b>	<b>295</b>	<b>6,969</b>	<b>-</b>	<b>10,803</b>	<b>50,858</b>
Long-service leave accrued	3,215	-	3,243	878	-	1,667	-	2,809	11,812
<b>Total</b>	<b>3,215</b>	<b>-</b>	<b>3,243</b>	<b>878</b>	<b>-</b>	<b>1,667</b>	<b>-</b>	<b>2,809</b>	<b>11,812</b>
<b>2017</b>	<b>Joan Doyle</b>	<b>Meredith San Jose</b>	<b>Brendan Henley</b>	<b>Leroy Lazaro</b>	<b>Ray Gorman</b>	<b>Val Butler</b>	<b>Kevin Gomez</b>	<b>Cindy Shelley</b>	<b>Total</b>
Salary	77,686	2,560	77,483	74,869	315	60,407	1,829	75,650	370,799
Annual leave accrued	(5,542)	-	(3,525)	9,304	-	1,973	-	3,294	5,505
<b>Total</b>	<b>72,144</b>	<b>2,560</b>	<b>73,959</b>	<b>84,173</b>	<b>315</b>	<b>62,380</b>	<b>1,829</b>	<b>78,944</b>	<b>376,304</b>
Superannuation	10,729	-	10,773	10,548	-	8,495	-	10,643	51,188
<b>Total</b>	<b>10,728</b>	<b>-</b>	<b>10,733</b>	<b>10,548</b>	<b>-</b>	<b>8,495</b>	<b>-</b>	<b>10,643</b>	<b>51,188</b>
<b>Other long-term benefits:</b>									
Long-service leave accrued	2,105	-	2,165	2,146	-	(10,470)	-	2,146	(1,908)
<b>Total</b>	<b>2,105</b>	<b>-</b>	<b>2,165</b>	<b>2,165</b>	<b>-</b>	<b>(10,470)</b>	<b>-</b>	<b>2,146</b>	<b>(1,909)</b>

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	2018	2017
	\$	\$
<b>Note 14      Remuneration of Auditors</b>		
<b>Value of the services provided</b>		
Financial statement audit services	12,150	13,950
Other services	<u>5,500</u>	<u>5,500</u>
<b>Total remuneration of auditors</b>	<u>17,650</u>	<u>19,450</u>
<p>During the financial year the auditors of the financial services provided other services including assistance with preparation of tax statements, preparation of financial reports and audit of membership information.</p>		
<b>Note 15      Financial Instruments</b>		
<b>Note 15A: Categories of Financial Instruments</b>		
<b>Financial Assets</b>		
Held-to-maturity investments:		
-Cash and cash equivalents	1,762,740	1,794,783
<b>Total</b>	<u>1,762,740</u>	<u>1,794,783</u>
Available-for-sale assets:		
-Unlisted investments at cost	1,000	1,000
<b>Total</b>	<u>1,000</u>	<u>1,000</u>
-Loans and receivables – refer to Note 5B:		
-Trade and other receivables	38,808	57,571
<b>Total</b>	<u>38,808</u>	<u>57,571</u>
<b>Carrying amount of financial assets</b>	<u>1,805,548</u>	<u>1,853,354</u>
<b>Financial Liabilities</b>		
Other financial liabilities:		
-Trade payables	52,418	61,742
-Other payables	87,239	301,647
<b>Total</b>	<u>139,657</u>	<u>363,389</u>
<b>Carrying amount of financial liabilities</b>	<u>139,657</u>	<u>363,389</u>

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	2018	2017
	\$	\$
<b>Note 15B: Net Income and Expense from Financial Assets</b>		
<b>Loans and receivables</b>		
Impairment	-	(235)
<b>Net gain/(loss) from loans and receivables</b>	-	(235)
<b>Cash and cash equivalents</b>		
Interest revenue	37,692	46,527
<b>Net gain/(loss) from cash and cash equivalents</b>	37,692	46,527

The net income/expense from financial assets not at fair value from profit and loss is \$37,692 (2017: \$ 46,292).

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 reporting 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 of management 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 reporting 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.

**Note 15C: Credit Risk**

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

	2018	2017
	\$	\$
<b>Financial assets</b>		
Other Investments	1,000	1,000
Cash and cash equivalents	1,762,740	1,794,783
Trade and other receivables	38,808	57,570
<b>Total</b>	<b>1,802,548</b>	<b>1,853,353</b>
<b>Financial liabilities</b>		
Trade payables	52,418	61,742
Other payables	87,239	301,647
<b>Total</b>	<b>139,657</b>	<b>363,389</b>

In relation to the entity's gross credit risk the following collateral is held: \$Nil (2017: \$Nil)

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**Credit quality of financial instruments not past due or individually determined as impaired**

	Not past due nor impaired 2018 \$	Past due or impaired 2018 \$	Not past due nor impaired 2017 \$	Past due or impaired 2017 \$
Other investments	1,000	-	1,000	-
Trade and other receivables	38,808	-	57,570	-
Cash and cash equivalents	1,762,740	-	1,794,783	-
<b>Total</b>	<b>1,802,548</b>	<b>-</b>	<b>1,853,353</b>	<b>-</b>

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

	0 to 30 days \$	31 to 60 days \$	61 to 90 days \$	90+ days \$	Total \$
Trade and other receivables	38,808	-	-	-	38,808
<b>Total</b>	<b>38,808</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38,808</b>

**Ageing of financial assets that were past due but not impaired for 2017**

	0 to 30 days \$	31 to 60 days \$	61 to 90 days \$	90+ days \$	Total \$
Trade and other receivables	-	-	-	57,570	57,570
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57,570</b>	<b>55,570</b>

**Note 15D: Liquidity Risk**

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

- preparing forward-looking cash flow analyses in relation to its operational, investing and financing activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- 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.

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 timings of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will be rolled forward.

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Note 15D: Liquidity Risk continued

Contractual maturities for financial liabilities 2018

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade payables	-	52,418	-	-	-	52,418
Other payables	-	87,239	-	-	-	87,239
<b>Total</b>	<b>-</b>	<b>139,657</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>139,657</b>

Maturities for financial liabilities 2017

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade payables	-	61,742	-	-	-	61,742
Other payables	-	301,647	-	-	-	301,647
<b>Total</b>	<b>-</b>	<b>363,389</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>363,389</b>

Note 15E: 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.

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	1,762,740	+ 0.1%	\$ 1,762	\$ -
Interest rate risk	1,762,740	- 0.1%	(1,762)	-

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	1,794,783	+ 0.1%	\$ 1,794	\$ -
Interest rate risk	1,794,783	- 0.1%	(1,794)	-

(ii) 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.

The entity is not exposed to securities price risk on available-for-sale investments

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**Note 16 Fair Value Measurement**

Management of the reporting unit assessed that cash, trade receivables, trade payables, and other current liabilities 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.

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

	Carrying Amount 2018 \$	Fair value 2018 \$	Carrying amount 2017 \$	Fair value 2017 \$
<b>Financial Assets</b>				
Cash and cash equivalents	1,762,740	1,762,740	1,794,783	1,794,783
Trade and other receivables	38,808	38,808	57,571	57,571
Other investments	1,000	1,000	1,000	1,000
<b>Total</b>	<b>1,802,548</b>	<b>1,802,548</b>	<b>1,853,354</b>	<b>1,853,354</b>
<b>Financial Liabilities</b>				
Trade payables	52,418	52,418	61,742	61,742
Other payables	87,239	87,239	301,647	301,647
<b>Total</b>	<b>139,657</b>	<b>139,657</b>	<b>363,389</b>	<b>363,389</b>

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**Note 17**      **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, INFORMATION,**  
**POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA, COMMUNICATIONS DIVISION,**  
**POSTAL AND TELECOMMUNICATIONS BRANCH (VICTORIA)**

**Opinion**

I have audited the financial report of the communications, electrical, electronic, energy, information, postal, plumbing and allied services union of Australia, Communications Division, Postal and Telecommunications Branch (Victoria) (the Reporting Entity), which comprises the statement of financial position as at 31 March 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes and the committee of management's statement of the reporting entity for the financial year.

In my 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, Postal and Telecommunications Branch (Victoria) as at 31 March 2018, and its financial performance and its cash flows for the year ended on that date in accordance with:

- (i) the Australian Accounting Standards; and
- (ii) 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).

I declare that the committee of management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

**Basis for Opinion**

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. I am independent of the Reporting Entity 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 the audit of the financial report in Australia. I have also fulfilled my other responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 comprises the operating report and the committee of management statement.

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

In connection with my audit of the financial report, my 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 I have performed, I conclude that there is a material misstatement of this other information, I am to report that fact. I have nothing to report in this regard.



**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA, COMMUNICATIONS DIVISION, POSTAL AND TELECOMMUNICATIONS BRANCH (VICTORIA) CONTINUED**

**Responsibilities of Committee of Management for the Financial Report**

The Reporting Entity's committee of management is responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009 and for such internal control as the committee of management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee of management is responsible for assessing the Reporting Entity'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 intends to liquidate the Reporting Entity or to cease operations, or has no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Report**

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue 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, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 Reporting Unit'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 Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am 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 my auditor's report. However, future events or conditions may cause the Reporting Unit 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. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA, COMMUNICATIONS DIVISION, POSTAL AND TELECOMMUNICATIONS BRANCH (VICTORIA) CONTINUED**

I 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 my audit.

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

**Independence**

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



**L.S.WONG CA**  
**Registered Company Auditor**  
Melbourne:

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108 Power Street  
Hawthorn Victoria  
Australia  
T +613 9819 4011

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/21

## COMPILATION REPORT

### TO THE COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA, COMMUNICATIONS DIVISION, POSTAL AND TELECOMMUNICATIONS BRANCH (VICTORIA)

I have compiled the accompanying special purpose Detailed Income and Expenditure Statement for the year ended 31 March 2018 of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Postal and Telecommunications Branch (Victoria). The specific purpose for which the special purpose Detailed Income and Expenditure Statement has been prepared is to provide detailed additional information relating to the performance of the entity that satisfies the information needs of the committee of management.

#### **The Responsibility of the Committee of Management**

The committee of management is solely responsible for the information contained in the special purpose Detailed Income and Expenditure Statement, the reliability, accuracy and completeness of the information and for the determination that the basis used is appropriate to meet their needs and for the purpose that the special purpose Detailed Income and Expenditure Statement was prepared.

#### **Our Responsibility**

On the basis of the information provided by the committee of management we have compiled the accompanying special purpose Detailed Income and Expenditure Statement in accordance with APES 315: Compilation of Financial Information.

I have applied my expertise in accounting and financial reporting to compile the special purpose Detailed Income and Expenditure Statement in accordance with the requirements of the committee of management.

#### **Assurance Disclaimer**

Since a compilation engagement is not an assurance engagement, I am not required to verify the reliability, accuracy or completeness of the information provided to us by the committee of management to compile the special purpose Detailed Income and Expenditure Statement. Accordingly, I do not express an audit opinion or a review conclusion on the special purpose Detailed Income and Expenditure Statement.

The special purpose Detailed Income and Expenditure Statement was compiled exclusively for the benefit of the committee of management, who are responsible for the reliability, accuracy and completeness of the information used to compile them. I do not accept responsibility for the contents of the special purpose Detailed Income and Expenditure Statement.



**L.S WONG CA**

**Registered Company Auditor**

Level 2  
108 Power Street  
Hawthorn Victoria  
Australia  
T +613 9819 4011

Melbourne:

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/21

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA, COMMUNICATIONS DIVISION, POSTAL AND  
TELECOMMUNICATIONS BRANCH (VICTORIA)**

ABN 30 490 675 447

**DETAILED INCOME AND EXPENDITURE STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2018**

	2018	2017
	\$	\$
<b>REVENUE</b>		
Members' contributions	1,751,816	1,616,135
Interest received	37,692	46,527
Sundry income	17,864	13,755
Reimbursement of motor vehicle expenses	13,000	13,000
<b>TOTAL REVENUE</b>	<b>1,820,372</b>	<b>1,689,417</b>
 <b>EXPENDITURE</b>		
<b>Employee benefits expense:</b>		
Salaries and allowances		
- office holders	376,326	370,799
- employees	342,105	324,940
Superannuation contributions		
- office holders	50,858	51,188
- employees	46,698	44,271
Provision for annual leave		
- office holders	7,067	(6,990)
- employees	(1,275)	12,382
Provision for long service leave		
- office holders	11,812	(1,907)
- employees	(10,096)	16,540
Other		
- Fringe benefit tax	2,887	4,523
- Workcover levy	5,933	8,204
- Payroll tax	42,700	31,900
	<b>875,015</b>	<b>855,848</b>
 <b>Capitation fees</b>		
Capitation fees:		
-CEPU Divisional Conference	397,918	359,974
	<b>397,918</b>	<b>359,974</b>

This statement should be read in conjunction with the attached compilation report on page 39

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA, COMMUNICATIONS DIVISION, POSTAL AND  
TELECOMMUNICATIONS BRANCH (VICTORIA)**

ABN 30 490 675 447

**DETAILED INCOME AND EXPENDITURE STATEMENT CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2018**

	2018	2017
	\$	\$
<b>Affiliation fees</b>		
Affiliation fees:		
-Australian Labour Party	23,243	22,478
Trades and Labour Councils:		
-Ballarat	1,375	1,100
-Bendigo	760	1,030
-Geelong	1,953	1,925
-North East and Border	604	466
-Goulburn AV	388	469
-Victorian Trades Hall	6,686	618
-Keep Me Posted Campaign	-	2,000
-National Council Funding – CEPU Divisional Conference	13,984	16,879
	<u>48,993</u>	<u>46,965</u>
 <b>Administration expense</b>		
Bank Charges	8,503	8,533
Computer maintenance	15,988	7,669
Conference and meetings:		
- fees and allowances	2,273	2,098
- conference and meeting expense	1,112	842
Electricity and gas	5,668	4,625
Insurance	12,101	10,399
Land and water rates	4,690	5,158
Loss of wages	6,436	5,819
Motor Vehicle expenses:		
- parking expenses	1,407	1,539
- running expenses	39,775	36,954
Office expenses	13,582	12,094
Other expenses	6,004	3,467
Other allowances	1,987	2,755
Other fees and charges	2,705	2,274
Postage	25,736	27,175
Printing, stationary & publications	35,722	21,793
Shop stewards expenses	9,647	6,543
Staff amenities	191	141
Stamp duty	3,241	3,216
Telephone	14,277	16,108
Training expenses	95	153
Travel expenses	4,218	1,897
	<u>215,401</u>	<u>180,324</u>

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ABN 30 490 675 447

**DETAILED INCOME AND EXPENDITURE STATEMENT CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2018**

	2018 \$	2017 \$
<b>Depreciation expense</b>	24,525	27,830
<b>Legal expenses</b>		
Litigations	102,416	162,977
Other legal matters	1,539	-
<b>Total legal expenses</b>	103,955	162,977
<b>Audit fees</b>		
- audit of the financial statements	12,150	13,950
- other	5,500	5,500
<b>Total audit fees</b>	17,650	19,450
<b>Other expenses</b>		
Doubtful debts	-	(13,918)
Medical expenses	14,081	13,594
Sundry expense	1,772	14,384
	15,853	14,060
<b>Journey cover expense</b>	25,728	26,918
<b>Total operating expenditure</b>	1,725,039	1,694,348
<b>NET PROFIT/ (LOSS) FOR THE YEAR</b>	95,334	(4,931)

This statement should be read in conjunction with the attached compilation report on page 39