



Australian Government
Registered Organisations Commission

10 March 2020

Leroy Lazaro
Branch Secretary
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services
Union of Australia-Communications Division - Victorian Postal and Telecommunications Branch

Sent via email: office@cwuvic.asn.au
CC: lwong@morrows.com.au

Dear Leroy Lazaro,

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia-Communications Division - Victorian Postal and Telecommunications Branch
Financial Report for the year ended 31 March 2019 – (FR2019/19)

I acknowledge receipt of the financial report for the year ended 31 March 2019 for the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia-Communications Division - Victorian Postal and Telecommunications Branch **(the reporting unit)**. The documents were lodged with the Registered Organisations Commission **(the ROC)** on 3 September 2019.

I also acknowledge receipt of the amended designated officer's certificate which was lodged with the ROC on 10 October 2019.

The financial report has now been filed.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these matters have been addressed prior to filing next year's report.

General purpose financial report (GPFR)

Difference in figure reporting in loans, grants and donations statement and financial report

A loans, grants and donations statement for the reporting unit was lodged with the ROC under subsection 237(1) of the *Fair Work (Registered Organisations) Act 2009 (RO Act)* on 13 June 2019. A figure for donations that exceeded \$1,000 was also disclosed in the financial report under note 4E *Grants & Donations*, however this figure for donations is different to the total of the figures disclosed in the loans, grants and donations statement.

The reporting unit's auditor provided an explanation on 9 October 2019 that the difference was due to the donations that exceeded \$1,000 disclosed under Note 4E includes donation payments of \$1,000 each.

Please ensure that next year's financial report includes an adjustment to the comparative figure relating to donations exceeded \$1,000 to reflect the correct amount.

Subsection 255(2A) report

Item 22 of the reporting guidelines (**RGs**) states that subsection 255(2A) of the RO Act requires a reporting unit to prepare a separate report that shows the total expenditure incurred by the reporting unit during the financial year in relation to each of the following:

- a) remuneration, and other employment-related costs and expenses, in respect of employees;
- b) advertising;
- c) operating costs;
- d) donations to political parties;
- e) legal costs

I note that the subsection 255(2A) report included in the GPFR does not contain all the disclosure requirements as per RG 22. Please ensure in future years that subsection 255(2A) report is disclosed in accordance with the RGs.

Key management personnel compensation

Australian Accounting Standard *AASB 124 Related Party Disclosures* paragraph 17 requires the general purpose financial report to disclose within the statements or the notes compensation paid to key management personnel.

This normally includes a listing of the key management personnel for the organisation, the total amount of compensation paid to all key management personnel, and then totals for each of the following categories:

- Short term employee benefits
- Post-employment benefits
- Other long term employee benefits
- Termination benefits
- Any share based payments.

The definition for these categories can be found within accounting standard *AASB 119: Employee Benefits*.

Note 13 *Key Management Personnel Remuneration for the Reporting Period* contains information relation to key management personnel compensation however this information is not disclosed in accordance with the requirements under *AASB 124* paragraph 17.

Please ensure in future years that information relating to key management personnel compensation is disclosed in accordance with the appropriate Australian Accounting Standard.

Key management personnel compensation – redaction of information

In the financial report, certain information disclosed in Note 13 has been redacted from the copy of the 2018 financial report by the ROC before publishing it on its website.

As abovementioned, *AASB 124* paragraph 17 requires the disclosure of certain information relating to key management personnel compensation however, *AASB 124* does not require a reporting entity to identify those individuals who meet the definition of key management personnel.

The ROC takes its obligations relating to privacy seriously and endeavours to ensure compliance with the requirements under the *Privacy Act 1988* (**Privacy Act**). The redactions have been effected in accordance with the ROC privacy policy to protect the personal information of persons identified in the financial report. A copy of the ROC privacy policy can be found via [this link](#).

Nil activities disclosures

Item 21 of the RGs states that if any of the activities identified within items 10-20 of the RGs have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement. I note that the officer's declaration statement includes the following nil activity disclosures for which there was already an equivalent form of disclosure in the financial statements or the body of the notes:

- "Agree to receive financial support from another reporting unit to continue as a going concern" is disclosed in both Note 1.17 and the officer's declaration statement;
- "Receiving capitation fees from another reporting unit" is disclosed in the statement of comprehensive income, Note 3A and the officer's declaration statement;
- "receiving revenue via compulsory levies" is disclosed in both the statement of comprehensive income and Note 3B;
- "Paying a grant that exceeded \$1,000" is disclosed in both Note 4E and the officer's declaration statement;
- "Paying legal costs relating to litigation" is disclosed in both Note 4G and the officer's declaration statement;
- "Paying a penalty imposed under the RO Act or the *Fair Work Act 2009*" is disclosed in both Note 4F and the officer's declaration statement;
- "Having a payable in respect of legal costs relating to litigation and other legal matters" is disclosed in both Note 7B and the officer's declaration statement;
- "Receiving cash flows from another reporting units and/or controlled entity" is disclosed in both Note 10B and the officer's declaration statement; and
- "Having another entity administer the financial affairs of the reporting unit" is disclosed in both Note 17 and the officer's declaration statement.

Please note that nil activities only need to be disclosed once.

I also note that the notes, officer's declaration statement contained nil activity information for all prescribed RG categories except the following:

- Pay compulsory levies (RG 21)

Please ensure in future years that the above mentioned item is disclosed in either the financial statements, the notes or in the officer's declaration statement as per the RGs.

Recovery of wages disclosure

Please note that under the 5th edition of the RG made under section 255 of the RO Act issued 4 May 2018 a statement in regard to recovery of wages activity is no longer required in the committee of management statement.

In place of the former requirements, item 13(e) of the 5th edition RGs requires the disclosure of any revenue derived from undertaking recovery of wages activity in either the statement of comprehensive income or the notes to the financial statements or the officer's declaration statement.

Inconsistency in disclosure of financial information

The statement of changes in equity discloses a balance of retained earnings of \$2,605,642 for the 2019 financial year (2018: \$2,526,583). The officer's declaration statement includes a nil disclosure in relation to a balance in the general fund. It would appear that retained earnings is the reporting unit's general fund.

In future years, please ensure that items within the financial report are disclosed consistently.

Disclosures relating to other reporting units

The reporting unit has made disclosures of transactions with another reporting unit of the organisation of which it forms part. A comparison made between the disclosures by each relevant reporting unit identified the following differences:

- Capitation expenses from the reporting unit to the CEPU Communication Division is \$319,548, but the capitation revenue received in the CEPU Communication Division's financial report from the reporting unit is \$334,996.

- Affiliation fees expenses from the reporting unit to the CEPU Communication Division is \$13,002, but the Affiliation fees – National Council funding received in CEPU Communication Division's financial report from the reporting unit is \$nil;
- Cash outflow from the reporting unit to CEPU Communication Division is \$364,471, but the cash inflow in the CEPU Communication Division's financial report from the reporting unit is \$377,229;
- Related party expenses from the reporting unit to the CEPU Communication Division is \$319,548, but the related party revenue received in the CEPU Communication Division's financial report from the reporting unit is \$377,229.
- Related party revenue received from CEPU Communication Division is \$nil, but the related party expenses to the reporting unit recorded in the CEPU Communication Division's financial report is \$568.
- Cash outflow from the reporting unit to CEPU Communication Division – Victorian Telecommunications and Services branch (CEPU-CTSV) is \$9,675, but the cash inflow in the CEPU-CTSV's financial report from the reporting unit is \$7,555;

Subsection 252(2) of the RO Act requires that where an organisation consists of 2 or more reporting units, the financial records for each of the reporting units must, as far as practicable, be kept in a consistent manner. Moreover, RG 25(e)(iv) requires the committee of management to make a declaration to that effect, in relation to the general purpose financial report. It is noted also that overall the accounting policies relating to the measurement basis and disclosure of key financial transactions for each reporting unit are the same. It would therefore be expected, in the ordinary course, that amounts disclosed in the respective reports of the relevant reporting units will reconcile.

The reporting unit must take such steps as will ensure that balances for transactions with other reporting units within the organisation in next year's report will correspond with relevant balances disclosed in the reports of those other reporting units. The ROC will assess how this issue has been addressed prior to filing next year's report.

Reporting Requirements

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 RGs 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 RGs and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0764 or via email at kylie.ngo@roc.gov.au.

Yours sincerely,



Kylie Ngo
Registered Organisations Commission

CEPU: COMMUNICATIONS DIVISION:
POSTAL & TELECOMMUNICATIONS BRANCH VICTORIA
s.268 Fair Work (Registered Organisations) Act 2009

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER
Certificate for the period ended 31 March 2019

- I, Leroy Lazaro being the State Secretary of the CEPU: Communications Division, Postal & Telecommunications Branch of Victoria certify: that the documents lodged herewith are copies of the full report for the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Postal and Telecommunications Branch (Victoria) referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; for the period ended 31 March 2019 and
- that the full report was provided to members of the reporting unit on August 2nd, 2019 on the Branch's web-site
- The full report was presented to a general meeting of members of the reporting unit on 24 August 2017 in accordance with s. 266 (2)) 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:

3rd SEPTEMBER 2019

**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 2019**

**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

**REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 31 MARCH 2019**

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 31 March 2019.

Categories of expenditures	2019 \$	2018 \$
Remuneration and other employment-related costs and expenses - employees	903,966	875,015
Operating costs	188,672	215,401
Legal costs	3,984	103,955

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
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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 2019.

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 \$79,059 (2018: \$95,334). No provision for tax was necessary as the Union is exempt from income tax.

Significant changes in financial affairs

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

Rights of members to resign

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 4,339 (2018: 4,387). Total non-financial members at the end of the financial year was 242. (2018:314)
- (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 9.5 (2018:8.5).
- (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

	Branch Secretary / Treasurer/ Branch Committee of Management
Leroy Lazaro	Member
Chris Punshon	Branch President/ Branch Committee of Management Member
	Branch Vice – President/ Branch Committee of Management
Peter Shead	Member
	Branch Vice – President/ Branch Committee of Management
Andy Howson	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
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

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
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ABN 30 490 675 447

OPERATING REPORT continued

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:

A handwritten signature in black ink, appearing to read 'L. Lazaro', written over a horizontal line.

Dated: 24 July 2019

Melbourne

**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

**COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019**

On the 24 July 2019 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 2019:

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 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.

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**COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019 (continued)**

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:

A handwritten signature in black ink, appearing to read 'L. Lazaro', with a stylized flourish at the end.

Dated: 24 July 2019

Melbourne

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA, COMMUNICATIONS DIVISION, POSTAL AND
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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019**

	Notes	2019 \$	2018 \$
Revenue			
Membership subscription		1,573,759	1,751,816
Capitation fees	3A	-	-
Levies	3B	-	-
Interest	3C	46,777	37,692
Other revenue		18,959	30,864
Total revenue		1,639,495	1,820,372
Other Income			
Grants and/or donations*	3D	500	-
Revenue from recovery of wages activity*	3E	-	-
Total other income		500	-
Total income		1,639,995	1,820,372
Expenses			
Employee expenses	4A	903,966	875,015
Capitation fees	4B	319,548	397,918
Affiliation fees	4C	45,672	48,993
Administration expenses	4D	188,672	215,401
Grants and/or donations*	4E	3,007	-
Depreciation and amortisation	4F	31,969	24,525
Legal costs	4G	3,984	103,955
Audit fees	14	20,379	17,650
Journey cover expense	4I	26,998	25,728
Other expenses	4H	16,741	15,853
Total expenses		1,560,936	1,725,039
Profit/(loss) for the year		79,059	95,334

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, POSTAL AND
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**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019**

	Notes	2019 \$	2018 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	1,944,031	1,762,740
Trade and other receivables	5B	70,839	38,808
Other current assets	5C	24,114	8,668
Total current assets		2,038,984	1,810,216
Non-Current Assets			
Land and buildings	6A	1,005,730	1,016,943
Plant and equipment	6B	74,380	41,172
Other investments	6C	1,000	1,000
Total non-current assets		1,081,110	1,059,115
Total assets		3,120,094	2,869,331
LIABILITIES			
Current Liabilities			
Trade payables	7A	64,408	52,418
Other payables	7B	215,189	87,239
Employee provisions	8	238,193	193,001
Total current liabilities		517,790	332,658
Non-Current Liabilities			
Employee provisions	8	34,262	47,690
Total non-current liabilities		34,626	47,690
Total liabilities		552,052	380,348
Net assets		2,568,042	2,488,983
EQUITY			
Retained earnings - General funds	9A	2,605,642	2,526,584
Accumulated loss – Welfare Fund	9B	(37,600)	(37,600)
Total equity		2,568,042	2,488,983

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 2019**

	Retained Earnings	Accumulated Losses Welfare Fund	Total equity
	\$	\$	\$
Balance as at 1 April 2017	2,431,250	(37,600)	2,393,650
Profit/ (loss) for the year	95,333	-	95,333
Closing balance as at 31 March 2018	<u>2,526,583</u>	<u>(37,600)</u>	<u>2,488,983</u>
 Profit/ (loss) for the year	 79,059	 -	 79,059
Closing balance as at 31 March 2019	<u>2,605,642</u>	<u>(37,600)</u>	<u>2,568,042</u>

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

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
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**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019**

	Notes	2019 \$	2018 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units/controlled entity(s)	10B	-	-
Membership contributions		1,797,968	1,713,796
Interest		36,039	37,772
Other		21,405	33,950
Cash used			
Suppliers and employees		(1,246,764)	(1,382,175)
Payment to other reporting units/controlled entity(s)	10B	(374,146)	(435,386)
Net cash from (used by) operating activities	10A	234,501	(32,043)
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		4,812	-
Proceeds from sale of land and buildings		-	-
Other		-	-
Cash used			
Purchase of plant and equipment		(58,022)	-
Purchase of land and buildings		-	-
Other		-	-
Net cash from (used by) investing activities		(53,210)	-
FINANCING ACTIVITIES			
Cash received			
Contributed equity		-	-
Other		-	-
Cash used			
Repayment of borrowings		-	-
Other		-	-
Net cash from (used by) financing activities		-	-
Net increase (decrease) in cash held		181,291	(32,403)
Cash & cash equivalents at the beginning of the reporting period		1,762,740	1,794,783
Cash & cash equivalents at the end of the reporting period	5A	1,944,031	1,762,740

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

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

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.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

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.

Impact on adoption of AASB 9

Initial application

AASB 9 Financial Instruments (AASB 9) replaces AASB139 Financial Instruments: Recognition and Measurement (AASB 139) for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Postal and Telecommunications Branch (Victoria) has applied AASB 9 retrospectively, with an initial application date of 1 April 2018. The Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Postal and Telecommunications Branch (Victoria) has not restated the comparative information, which continues to be reported under AASB 139. Any differences arising from the adoption of AASB 9 have been recognised directly in opening retained earnings and other components of equity as at 1 April 2018. The nature and effect of the changes as a result of adoption of AASB 9 have had minimal impact due to the nature of operations.

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:

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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 for entity	Requirements	Impact
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.	The impact of AASB 15 has not yet been quantified.
AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15		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.	
AASB 2015-8 Amendments to Australian Accounting Standards – Effective date of AASB 15			

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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 for entity	Requirements	Impact
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 \$15,048 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.

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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 Capitation fees and levies

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

1.7 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.

1.8 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.

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Note 1 Summary of significant accounting policies continued

1.9 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.

1.10 Financial instruments

Financial assets and financial liabilities are recognised when a Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Postal and Telecommunications Branch (Victoria) entity becomes a party to the contractual provisions of the instrument.

1.11 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Postal and Telecommunications Branch (Victoria) business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Postal and Telecommunications Branch (Victoria) initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

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Note 1 Summary of significant accounting policies continued

1.11 Financial assets continued

Initial recognition and measurement continued

The Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Postal and Telecommunications Branch (Victoria) business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Postal and Telecommunications Branch (Victoria) commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are as (Other) financial assets at amortised cost

Financial assets at amortised cost

The Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Postal and Telecommunications Branch (Victoria) measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Postal and Telecommunications Branch (Victoria) financial assets at amortised cost includes trade receivables and loans to related parties.

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Note 1 Summary of significant accounting policies continued

1.11 Financial assets continued

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Postal and Telecommunications Branch (Victoria) has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - a) the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Postal and Telecommunications Branch (Victoria) has transferred substantially all the risks and rewards of the asset, or
 - b) the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Postal and Telecommunications Branch (Victoria) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Postal and Telecommunications Branch (Victoria) has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Postal and Telecommunications Branch (Victoria) continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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Note 1 Summary of significant accounting policies continued

1.11 Financial assets continued

Impairment

Trade receivables

For trade receivables that do not have a significant financing component, the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Postal and Telecommunications Branch (Victoria) applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Postal and Telecommunications Branch (Victoria) does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Postal and Telecommunications Branch (Victoria) has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Postal and Telecommunications Branch (Victoria) considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Postal and Telecommunications Branch (Victoria) may also consider a financial asset to be in default when internal or external information indicates that the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Postal and Telecommunications Branch (Victoria) is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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Note 1 Summary of significant accounting policies continued

1.12 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.

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.

1.13 Land, Buildings, Plant and Equipment

Asset recognition threshold

Purchases of land, buildings, plant and equipment are recognised at cost in the Statement of Financial Position. The 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.

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Note 1 Summary of significant accounting policies continued

Depreciation

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

	2019	2018
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.

1.14 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.

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Note 1 Summary of significant accounting policies continued

1.15 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.

1.16 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

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.

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Note 1 Summary of significant accounting policies continued

1.16 Fair value measurement (continued)

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.

1.17 Going concern

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Postal and Telecommunications Branch (Victoria) is not reliant on the agreed financial support of another reporting unit to continue as a going concern basis.

Note 2 Events after the reporting period

There were no events that occurred after 31 March 2019, 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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	2019 \$	2018 \$
Note 3 Income		
Note 3A: Capitation fees		
Capitation Fees	-	-
Total capitation fees	-	-
Note 3B: Levies*		
Levies	-	-
Total levies	-	-
Note 3C: Interest		
Deposits	46,777	37,692
Total interest	46,777	37,692
Note 3D: Grants or donations*		
Grants	-	-
Donations	500	-
Total grants or donations	500	-
Note 3E: Revenue from recovery of wages activity		
Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	-	-
Total revenue from recovery of wages activity	-	-

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	2019 \$	2018 \$
Note 4 Expenses		
Note 4A: Employee expenses		
Employee expenses		
Holders of office:		
Wages and salaries	384,395	376,326
Superannuation	54,043	50,858
Leave and other entitlements	27,218	18,879
Other employee expenses	28,517	25,750
Subtotal employee expenses holders of office	<u>494,173</u>	<u>471,813</u>
Employees other than office holders:		
Wages and salaries	318,973	344,356
Redundancy and termination	14,367	-
Superannuation	43,391	46,698
Leave and other entitlements	4,546	(13,623)
Other employee expenses	28,516	25,771
Subtotal employee expenses employees other than office holders	<u>409,793</u>	<u>403,202</u>
Total employee expenses	<u>903,966</u>	<u>875,015</u>
 Note 4B: Capitation fees		
Capitation fees – CEPU Divisional Conference	319,548	397,918
Total capitation fees	<u>319,548</u>	<u>397,918</u>

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	2019	2018
	\$	\$
Note 4C: Affiliation fees		
Australian Labour Party	24,394	23,243
Trade and Labour Councils:		
- Ballarat	825	1,375
- Bendigo	760	760
- Geelong	1,978	1,953
- North East and Border	604	604
- Goulburn AV	705	388
- Victorian Trades Hall	3,040	6,686
- Australian Asia Worker links	364	-
National Council Funding - CEPU Divisional Conference	13,002	13,984
Total affiliation fees/subscriptions	45,672	48,993

Note 4D: Administration expenses

Included in administration expense

Fees/allowances - meeting and conferences	3,281	2,273
Conference and meeting expenses	929	1,112
Property expenses	9,800	10,358
Office expenses	12,830	13,582
Motor vehicle running expenses	41,559	41,182
Telephone expenses	10,945	14,277
Postage	26,250	25,736
Printing, stationery and publications	26,551	35,722
Information communications technology	15,051	15,988
Other	33,534	47,648
Subtotal administration expense	180,730	207,878

Operating lease rentals:

Minimum lease payments	7,942	7,524
Total administration expenses	188,672	215,401

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	2019 \$	2018 \$
Note 4E: Grants or donations*		
Grants:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	7	-
Total expensed that exceeded \$1,000	3,000	-
Total grants or donations	3,007	-

Note 4F: Depreciation and amortisation

Depreciation		
Buildings	11,213	11,463
Property, plant and equipment	20,756	13,062
Total depreciation	31,969	24,525

Note 4G: Legal costs

Litigation	-	102,416
Other legal matters	3,984	1,539
Total legal costs	3,984	103,955

Note 4H: Other expenses

Bad debts	-	-
Other expenses	16,741	15,853
Penalties - via RO Act or the <i>Fair Work Act 2009</i> *	-	-
Total other expenses	16,741	15,853

Note 4I: Journey cover

Journey cover	26,998	25,728
Total journey cover	26,998	25,728

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	2019	2018
	\$	\$
Note 5 Current Assets		
Note 5A: Cash and Cash Equivalents		
Cash at bank	200,479	51,144
Cash on hand	734	2,058
Cash on deposits	1,742,818	1,709,538
Total cash and cash equivalents	1,944,031	1,762,740
 Note 5B: Trade and other receivables		
Receivables from member contributions		
Membership contributions in arrears	57,815	36,522
Total receivables member contributions	57,815	36,522
 Other receivables:		
Other trade receivables	13,024	2,286
Total other receivables	13,024	2,286
Total trade and other receivables (net)	70,839	38,808
 Note 5C: Other current assets		
Prepayments	24,114	8,668
Total other current assets	24,114	8,668

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	2019 \$	2018 \$
Note 6 Non-current Assets		
Note 6A: Land and buildings		
Reconciliation of the opening and closing balances of land and buildings		
As at 1 April		
Gross book value	1,063,332	1,063,332
Accumulated depreciation and impairment	(46,389)	(34,926)
Net book value 1 April	1,016,943	1,028,406
Depreciation expense	(11,213)	(11,463)
Net book value 31 March	1,005,730	1,016,943
Net book value as of 31 March represented by:		
Gross book value	1,063,332	1,063,332
Accumulated depreciation and impairment	(57,602)	(46,389)
Net book value 31 March	1,005,730	1,016,943
Land – at cost	465,000	465,000
Building:		
cost	598,332	598,332
accumulated depreciation	(57,602)	(46,389)
Total building	540,730	551,943
Total land and buildings	1,005,730	1,016,943

Land and buildings were measured using the cost model.

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	2019 \$	2018 \$
Note 6B: Plant and equipment		
Plant and equipment:		
Motor vehicles		
at cost	189,153	153,369
accumulated depreciation	(133,185)	(120,138)
	<u>55,968</u>	<u>33,231</u>
Furniture and fittings		
at cost	36,977	36,977
accumulated depreciation	(30,831)	(29,036)
	<u>6,146</u>	<u>7,941</u>
Computer Equipment		
at cost	61,366	43,186
accumulated depreciation	(49,100)	(43,186)
	<u>12,266</u>	<u>-</u>
Total plant and equipment	<u><u>74,380</u></u>	<u><u>41,172</u></u>

Reconciliation of the opening and closing balances of plant and equipment

As at 1 April

Gross book value	233,533	233,533
Accumulated depreciation and impairment	(192,361)	(179,299)
Net book value 1 April	41,172	54,234

Additions:

By purchase	58,021	-
Disposals	(4,057)	-
Depreciation expense	(20,756)	(13,062)
Net book value 31 March	74,830	41,172

Net book value as of 31 March represented by:

Gross book value	287,496	233,533
Accumulated depreciation and impairment	(213,116)	(192,361)
Net book value 31 March	74,380	41,172

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	2019 \$	2018 \$
Note 6C: Other Investments		
Other	1,000	1,000
Total other investments	1,000	1,000
Note 7 Current Liabilities		
Note 7A: Trade payables		
Trade creditors and accruals	971	1,458
Subtotal trade creditors	971	1,458
Payables to other reporting unit		
CEPU Divisional Conference	42,195	36,975
CEPU National Office	17,534	13,984
CEPU T&S	3,708	-
Subtotal payables to other reporting unit	63,437	50,959
Total trade payables	64,408	52,418
Settlement is usually made within 30 days.		
Note 7B: Other payables		
Legal costs		
Litigation	-	-
Other legal matters	-	-
Members contributions in advance	120,570	38,520
GST payable	47,317	15,269
Other	47,302	33,450
Total other payables	215,189	87,239
Total other payables are expected to be settled in:		
No more than 12 months	215,189	87,239
More than 12 months	-	-
Total other payables	215,189	87,239

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	2019	2018
	\$	\$
Note 8 Provisions		
Employee Provisions		
Office Holders:		
Annual leave	90,343	73,289
Long service leave	119,220	109,055
Subtotal employee provisions—office holders	209,563	182,344
Employees other than office holders:		
Annual leave	28,630	25,394
Long service leave	34,261	32,951
Subtotal employee provisions—employees other than office holders	62,891	58,345
Total employee provisions	272,455	240,691
 Current	 238,193	 193,001
Non Current	34,262	47,690
Total employee provisions	272,455	240,691

Note 9 Equity

Note 9A: General Funds

Balance as at start of year	2,526,583	2,431,250
Profit/(loss) for the year	79,059	95,333
Balance as at end of year	2,605,642	2,526,583
Total Reserves	2,605,642	2,526,583

Note 9B: Other Specific disclosures – Funds

Compulsory levy/voluntary contribution fund – if invested in assets

Other fund(s) required by rules

Accumulated Losses: welfare fund

Balance as at start of year	37,600	37,600
Balance as at end of year	37,600	37,600

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	2019	2018
	\$	\$
Note 10 Cash Flow		
Note 10A: 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	1,944,031	1,762,740
Balance sheet	1,944,031	1,762,740
Difference	-	-
Reconciliation of profit/(loss) to net cash from operating activities:		
Profit/(loss) for the year	79,059	95,334
Adjustments for non-cash items		
Depreciation/amortisation	31,969	24,525
Profit on disposal of motor vehicle	(755)	
Changes in assets/liabilities		
(Increase)/decrease in net receivables	(10,738)	80
(Increase)/decrease in fixed assets	-	-
(Increase)/decrease in prepayments	(15,447)	47,812
(Increase)/decrease in membership contributions in arrears	(21,293)	18,683
(Increase)/decrease in membership contributions in advance	82,050	(212,502)
Increase/(decrease) in supplier payables	(486)	(1,564)
Increase/(decrease) in other payables	45,900	(1,905)
Increase/(decrease) in employee provisions	31,764	5,256
Increase/(decrease) in amount owing to CEPU Divisional Conference , national office and T&S	12,478	(7,761)
Net cash from (used by) operating activities	234,501	(32,043)

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	2019	2018
	\$	\$
Note 10B: Cash Flow Information		
Cash inflows		
CEPU Divisional Conference	-	-
CEPU T&S Vic Branch	-	-
Total cash inflows	-	-
Cash outflows		
CEPU Divisional Conference	364,471	427,815
CEPU T&S Vic Branch	9,675	7,571
Total cash outflows	374,146	435,386

*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	7,524	15,048
More than five years	-	-
	15,048	22,572

Capital commitments

At 31 March 2019 the entity has commitments of \$Nil (2018: \$Nil).

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	2019	2018
	\$	\$
Note 12 Related Party Disclosures		
The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.		
Revenue received from CEPU Divisional Conference includes the following:		
Reimbursement of recruitment fees	-	-
Reimbursement of photocopying expenses	-	-
Reimbursement of travel expense	-	-
	<hr/>	<hr/>
Expenses paid to CEPU Divisional Conference includes the following:		
Capitation fees	319,548	397,918
Reimbursement of payroll tax expense	40,469	42,700
National Council Funding	13,002	13,894
	<hr/>	<hr/>
Amounts owed to CEPU Divisional Conference include the following:		
Capitation fees	42,195	36,975
National Council Funding	17,534	13,984
	<hr/>	<hr/>
Expenses paid to CEPU T&S Vic Branch includes the following:		
Reimbursement of insurance expenses	8,989	7,571
Reimbursement of electronic mailing expenses	1,587	-
	<hr/>	<hr/>
Amounts owed to CEPU T&S include the following:		
Workcover payable	2,121	-
Reimbursement of electronic mailing expenses	1,587	-
	<hr/>	<hr/>

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 2019, the reporting unit has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2018: \$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 2019.

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Note 13: Key Management Personnel Remuneration for the Reporting Period

2019								Total
Salary								384,395
Annual leave accrued		-			-		-	17,053
Total								401,448
Superannuation		-					-	54,043
Total		-					-	54,043
Long-service leave accrued		-			-		-	10,165
Total		-			-		-	10,165
2018								Total
Salary								376,326
Annual leave accrued		-			-		-	7,067
Total								383,393
Superannuation		-					-	50,858
Total		-					-	50,858
Long-service leave accrued		-			-		-	11,812
Total		-			-		-	11,812

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	2019 \$	2018 \$
Note 14 Remuneration of Auditors		
Value of the services provided		
Financial statement audit services	16,879	12,150
Other services	3,500	5,500
Total remuneration of auditors	<u>20,379</u>	<u>17,650</u>
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.		
Note 15 Financial Instruments		
Note 15A: Categories of Financial Instruments		
Financial Assets		
Held-to-maturity investments:		
-Cash and cash equivalents	1,944,031	1,762,740
Total	<u>1,944,031</u>	<u>1,762,740</u>
Fair value through other comprehensive income:		
-Unlisted investments at cost	1,000	1,000
Total	<u>1,000</u>	<u>1,000</u>
-Loans and receivables – refer to Note 5B:		
-Trade and other receivables	70,839	38,808
Total	<u>70,839</u>	<u>38,808</u>
Carrying amount of financial assets	<u>2,015,870</u>	<u>1,802,548</u>
Financial Liabilities		
Other financial liabilities:		
-Trade payables	64,408	52,418
-Other payables	215,189	87,239
Total	<u>279,597</u>	<u>139,657</u>
Carrying amount of financial liabilities	<u>279,597</u>	<u>139,657</u>

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	2019	2018
	\$	\$
Note 15B: Net Income and Expense from Financial Assets		
Loans and receivables		
Impairment	-	-
Net gain/(loss) from loans and receivables	-	-
Cash and cash equivalents		
Interest revenue	46,777	37,692
Net gain/(loss) from cash and cash equivalents	46,777	37,692

The net income/expense from financial assets not at fair value from profit and loss is \$46,777 (2018:\$37,692).

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.

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	2019	2018
	\$	\$

Note 15C: Credit Risk

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

Financial assets

Other Investments	1,000	1,000
Cash and cash equivalents	1,944,031	1,762,740
Trade and other receivables	70,839	38,808
Total	2,015,870	1,802,548

Financial liabilities

Trade payables	64,408	52,418
Other payables	215,189	87,239
Total	279,597	139,657

In relation to the entity's gross credit risk the following collateral is held: \$Nil (2018: \$Nil)

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

	Not past due nor impaired 2019 \$	Past due or impaired 2019 \$	Not past due nor impaired 2018 \$	Past due or impaired 2018 \$
Other investments	1,000	-	1,000	-
Trade and other receivables	70,839	-	38,808	-
Cash and cash equivalents	1,944,031	-	1,762,740	-
Total	2,015,870	-	1,802,548	-

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2019 2018
\$ \$

Note 15C: Credit Risk continued

Ageing of financial assets that were past due but not impaired for 2019

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade and other receivables	70,839	-	-	-	70,839
Total	70,839	-	-	-	70,839

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
Total	38,808	-	-	-	38,808

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:

- monitoring undrawn credit facilities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and

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 2019

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade payables	-	64,408	-	-	-	64,408
Other payables	-	215,189	-	-	-	215,189
Total	-	279,597	-	-	-	279,597

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
Total	-	139,657	-	-	-	139,657

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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 2019

	Risk variable	Change in risk variable %	Effect on	
			Profit and loss	Equity
			\$	\$
Interest rate risk	1,944,031	+ 0.1%	1,944	-
Interest rate risk	1,944,031	- 0.1%	(1,944)	-

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%	1,794	-
Interest rate risk	1,762,740	- 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 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 2019 \$	Fair value 2019 \$	Carrying amount 2018 \$	Fair value 2018 \$
Financial Assets				
Cash and cash equivalents	1,944,031	1,944,031	1,762,740	1,762,740
Trade and other receivables	70,839	70,839	38,808	38,808
Other investments	1,000	1,000	1,000	1,000
Total	2,015,870	2,015,870	1,802,548	1,802,548
Financial Liabilities				
Trade payables	64,408	64,408	52,418	52,418
Other payables	215,189	215,189	87,239	87,239
Total	279,597	279,597	139,657	139,657

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	2019	2018
	\$	\$

Note 17 Administration of financial affairs by a third party

Name of entity providing service:

Terms and conditions:

Nature of expenses/consultancy service:

Detailed breakdown of revenues collected and/or expenses incurred

Revenue

Membership subscription	-	-
Capitation fees	-	-
Levies	-	-
Interest	-	-
Rental revenue	-	-
Other revenue	-	-
Grants and/or donations	-	-

Total revenue

-	-
---	---

Expenses

Employee expense	-	-
Capitation fees	-	-
Affiliation fees	-	-
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	-	-
Administration expenses	-	-
Grants or donations	-	-
Finance costs	-	-
Legal costs	-	-
Audit fees	-	-
Penalties - via RO Act or the <i>Fair Work Act 2009</i>	-	-
Other expenses	-	-

Total expenses

-	-
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Note 18 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 Commissioner:

- (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).

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OFFICER DECLARATION STATEMENT

I, Leroy Lazaro, being the Branch Secretary of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Postal and Telecommunications Branch (Victoria), declare that the following activities did not occur during the reporting period ending 31 March 2019.

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive capitation fees from another reporting unit
- receive any other revenue from another reporting unit
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay a grant that exceeded \$1,000
- pay legal costs relating to litigation
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a receivable with other reporting unit(s)
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund
- receive cash flows from another reporting units and/or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Signed by the officer:

L. Lazaro

Dated: 24 July 2019

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 2019, 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, the Committee of Management Statement, the subsection 255(2A) report and the Officer Declaration Statement.

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 2019, 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.

Your financial future,
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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)

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

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.

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.

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)

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

- 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.

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.



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)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 257(7) of the RO Act, I am required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act.
None are noted.

Morrows

MORROWS AUDIT PTY LTD



L.S. WONG

Director

Melbourne: 24 July 2019

Approved Auditor and member of the Chartered Accountants in Australia & New Zealand, current holder of a current public practice certificate and registered auditor under the Fair Work (registered Organisations) Act 2009 (the Act) (AA2017/21)

Your financial future,
tailored your way

Morrows Audit Pty Ltd
ABN 18 626 582 232
AAC 509944

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

Scope

I have compiled the accompanying special purpose Detailed Income and Expenditure Statement for the year ended 31 March 2019 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.

Morrrows

MORROWS AUDIT PTY LTD

24 July 2019

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**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 2019**

	2019	2018
	\$	\$
REVENUE		
Members' contributions	1,573,759	1,751,816
Interest received	46,777	37,692
Sundry income	5,409	17,864
Donations	500	-
Reimbursement of motor vehicle expenses	13,550	13,000
TOTAL REVENUE	1,639,995	1,820,372
EXPENDITURE		
Employee benefits expense:		
Salaries and allowances		
- office holders	384,395	376,326
- employees	333,340	344,356
Superannuation contributions		
- office holders	54,043	50,858
- employees	43,391	46,698
Provision for annual leave		
- office holders	17,053	7,067
- employees	3,236	(1,275)
Provision for long service leave		
- office holders	10,165	11,812
- employees	1,310	(10,096)
Other		
- Fringe benefit tax	4,150	2,887
- Workcover levy	8,989	5,933
- Deductions	3,425	-
- Payroll tax	40,469	42,700
	903,966	875,015
Capitation fees		
Capitation fees:		
-CEPU Divisional Conference	319,548	397,918

This statement should be read in conjunction with the attached compilation report on page 53

**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 2019**

	2019	2018
	\$	\$
Affiliation fees		
Affiliation fees:		
-Australian Labour Party	24,394	23,243
Trades and Labour Councils:		
-Ballarat	825	1,375
-Bendigo	760	760
-Geelong	1,978	1,953
-North East and Border	604	604
-Goulburn AV	705	388
-Victorian Trades Hall	3,040	6,686
-Australian Asia Workers links	364	-
-National Council Funding – CEPU Divisional Conference	13,002	13,984
	<hr/> 45,672	<hr/> 48,993
Administration expense		
Bank Charges	8,285	8,503
Computer maintenance	15,051	15,988
Conference and meetings:		
- fees and allowances	3,281	2,273
- conference and meeting expense	929	1,112
Electricity and gas	5,022	5,668
Insurance	11,743	12,101
Land and water rates	4,778	4,690
Loss of wages	4,714	6,436
Motor Vehicle expenses:		
- parking expenses	1,476	1,407
- running expenses	40,083	39,775
Office expenses	12,830	13,625
Other expenses	3,000	6,004
Other allowances, fees and charges	4,214	4,692
Postage	26,250	25,736
Printing, stationary & publications	26,551	35,722
Shop stewards expenses	5,772	9,647
Staff amenities	200	191
Stamp duty	1,851	3,241
Telephone	10,945	14,277
Training expenses	504	95
Travel expenses	1,193	4,218
	<hr/> 188,672	<hr/> 215,401

This statement should be read in conjunction with the attached compilation report on page 53

**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 2019**

	2019 \$	2018 \$
Depreciation expense	31,969	24,525
Donations	3,007	-
Legal expenses		
Litigations	-	102,416
Other legal matters	3,984	1,539
Total legal expenses	3,984	103,955
Audit fees		
- audit of the financial statements	16,879	12,150
- other	3,500	5,500
Total audit fees	20,379	17,650
Other expenses		
Doubtful debts	-	-
Medical expenses	16,646	14,081
Sundry expense	95	1,772
	16,741	15,853
Journey cover expense	26,998	25,728
Total operating expenditure	1,560,936	1,725,039
NET PROFIT/ (LOSS) FOR THE YEAR	79,059	95,334

This statement should be read in conjunction with the attached compilation report on page 53



3 April 2019

Leroy Lazaro
Branch Secretary
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services
Union of Australia-Communications Division - Victorian Postal and Telecommunications Branch
Sent via email: office@cwuvic.asn.au

Dear Leroy Lazaro,

**Re: Lodgement of Financial Report - FR2019/19
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia-Communications Division - Victorian Postal and Telecommunications Branch (the reporting unit) ended on 31 March 2019. This is a courtesy letter to remind you of the reporting unit's obligations regarding financial reporting.

Loans Grants and Donations Statement

The reporting unit is required to lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 of the RO Act requires this statement to be lodged with the Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, that is on or before 29 June 2019.

The attached fact sheet *Loans Grants and Donations* (FS 009) summarises the requirements of the Loans Grants and Donations Statement. A sample statement of loans, grants or donations is available on our [website](#).

It should be noted that s.237 is a civil penalty provision. If a loan, grant or donation over \$1000 has been made, failure to lodge a statement of loans, grants and donations (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

Financial report

The RO Act sets out a particular chronological order in which your financial report must be prepared, audited, provided to members, presented to a meeting and then lodged with the ROC. The attached document *Summary of Financial Reporting timelines* (FS 008) summarises these requirements.

We emphasise that the reporting unit is required to present its audited financial report to a meeting (either of members or of the committee of management, depending on your rules) no later than 30 September 2019 (s.266). The full financial report must be lodged with the ROC within 14 days of that meeting (s.268).

When assessing your financial report, we will continue to focus closely on timelines as well as how loans, grants and donations are reported. The financial report must break down the amounts of

grants and donations and these figures will be compared to the loans, grants and donations statement (see attached *Loans Grants and Donations* fact sheet FS 009).

You can visit our website for more information regarding [financial reporting](#), and fact sheets regarding [financial reporting processes and requirements](#). A model set of financial statements developed by the ROC is also available on our website. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards.

It should be noted that s.268 of the RO Act is a civil penalty provision. Failure to lodge the full financial report (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention (s.268).

Auditor's report

When assessing the financial report we will also focus on the structure and content of the auditor's report to ensure that it complies with the revisions made to the Auditing Standards which came into effect from 15 December 2016. Please find [here](#) a link to guidance note *Illustrative Auditor's Report* (GN 004) relating to these requirements (which can also be located on our website).

REMINDER

YOUR AUDITOR MUST BE REGISTERED (s.256)

You must ensure that your auditor is registered by the Registered Organisations Commissioner. A list of registered auditors is available on our [website](#).

Contact

Should you require any clarification in relation to the above, please email regorgs@roc.gov.au.

Yours faithfully,

Kylie Ngo
Registered Organisations Commission

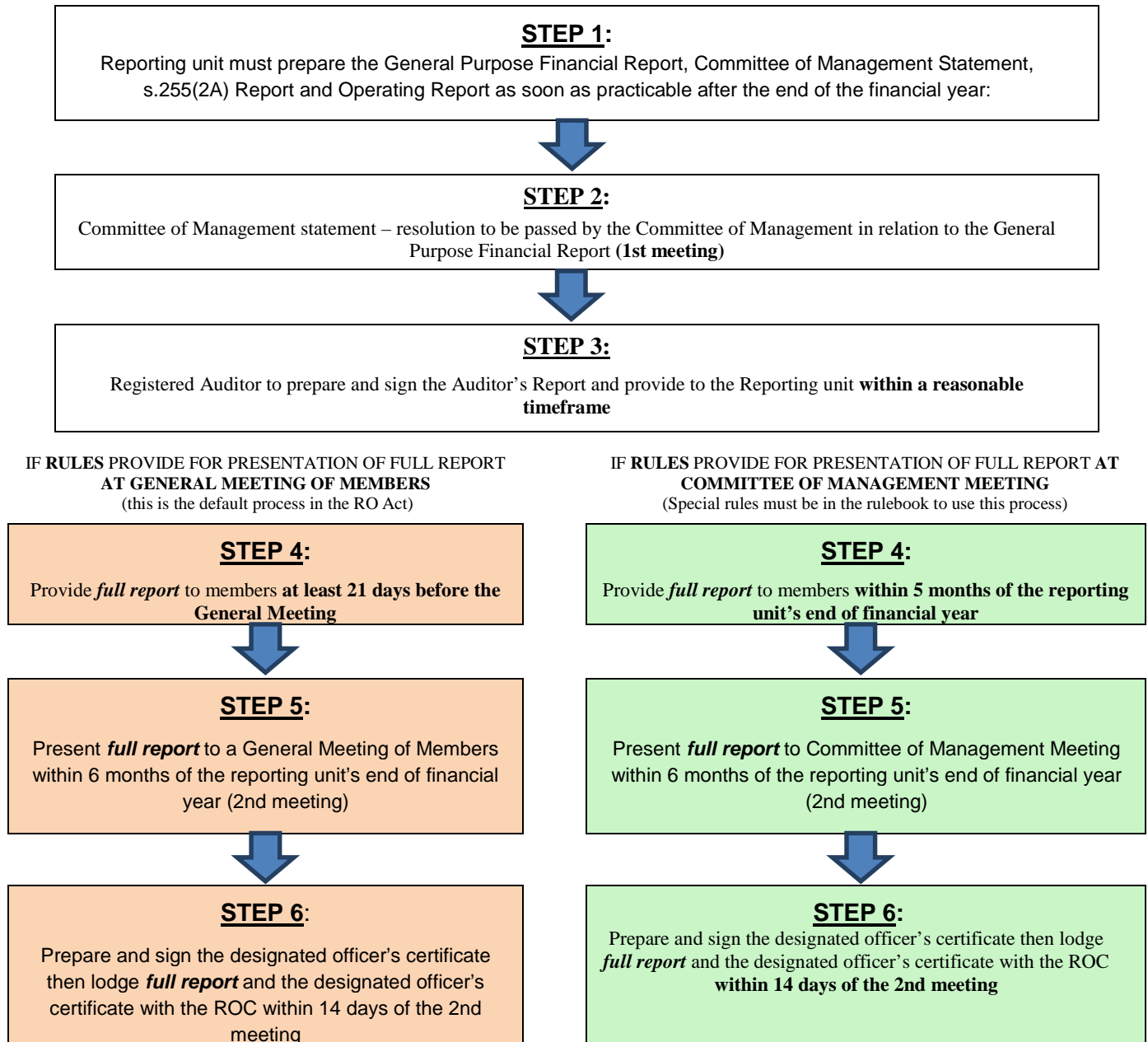


Fact sheet

Summary of financial reporting timelines – s.253 financial reports



















General Information:

- The **full report** consists of the General Purpose Financial Report, Committee of Management Statement, Operating report, s.255(2A) Report and signed Auditors' Report
- For an explanation of each of the steps below see our [Fact sheet—financial reporting process](#).



Misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Financial Reporting Process. They include:

Misconception	Requirement
 The Committee of Management statement is just copied from the Reporting Guidelines	 The Committee of Management statement must have the date of the Committee of Management resolution recorded upon it and it must be signed and dated BEFORE the auditor signs their report Further, if any of the statements within it need to be modified to suit the reporting unit (for instance not holding meetings) these changes must also be made
 The Auditor's Report does not need to be signed until just before it is lodged with the ROC	 The Auditor's Report must be signed and dated BEFORE the full report (including the Auditor's Report) is sent to members and presented to the second meeting
 The Designated Officer's Certificate must be signed before the report is sent to members	 The Designated Officer's Certificate declares what the reporting unit HAS ALREADY DONE to provide the report to members and present it to the meeting. It must be signed and dated AFTER sending the report to members and the second meeting
 Documents can be dated when they should have been signed or when the events in the document occurred	 Documents must always be dated at the date they are actually signed by an officer or auditor
 Any auditor can audit a financial report	 Only registered auditors can audit the financial report
 The Committee of Management statement can be signed at any time	 The resolution passing the Committee of Management Statement must occur and the statement signed and dated BEFORE the auditor's report is signed and dated
 Any reporting unit can present the Full Report to a second COM meeting	 Only reporting units with a 5% rule in their rulebook are able to present their report to a second Committee of Management Meeting. Otherwise, it must be presented to a General Meeting of members
 Everything can be done at one Committee of Management meeting	 If the rules allow for presenting the report to the Committee of Management, there must still be <u>two meetings</u> . The first meeting resolves the Committee of Management statement (including signing and dating it). Between the two meetings the Auditor's report is signed and dated. Only then can the full report be presented to the second Committee of Management meeting (if the rules allow)
 The reporting unit has 6 months and 14 days to lodge their financial report with the ROC	 The reporting unit must lodge the financial report within 14 days of the second meeting

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This fact sheet is not intended to be comprehensive. It is designed to assist in gaining an understanding of the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice.



Fact sheet

Loans, Grants & Donations

The Loans, Grants & Donations Requirements

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the Commissioner's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

The Loans, Grants & Donations Statement

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceeds \$1000. The following information must be supplied to the Registered Organisations Commission (the ROC) for each relevant loan, grant or donation:







- the amount,
- the purpose,
- the security (if it is a loan),
- the name and address of the person to whom it was made,* and
- the arrangements for repaying the loan.*

*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the ROC has a [Template Loans, Grants and Donations Statement](#) on its website. The ROC encourages branches and organisations to lodge the statement even if all of the figures are NIL.

Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
 Only reporting units must lodge the Statement.	 All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
 Employees can sign the Statement.	 The statement must be signed by an elected officer of the relevant branch.
 Statements can be lodged with the financial report.	 The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.

Grants & Donations within the Financial Report

Item 14(e) of the Commissioner's Reporting Guidelines requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines.

In the [ROC's Model Statements](#) the note appears as follows:

Note 4E: Grants or donations*

Grants:	2017	2016
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Total grants or donations	-	-

The Commissioner's Reporting Guidelines requires that these line items appear in the financial statements, the notes or in the officer's declaration statement, even if the figures are NIL.

Implications for filing the Financial Report

During their review of the financial report staff of the ROC may confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their last financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the website.

Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the ROC on regorgs@roc.gov.au