Australian Government
Registered Organisations Commission

6 October 2017

Mr John Ellery
Secretary, Victorian Telecommunications and Services Branch
Communications Division
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia

Sent via email: jellery@cwu.asn.au

Dear Mr Ellery

Re: – Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Victorian Telecommunications and Services Branch - financial report for year ending 31 March 2017 (FR2017/14)

I refer to your letter dated 19 September 2017 providing advice in relation to the issues I raised concerning the financial report of the Victorian Telecommunications and Services Branch of the Communications Division of the CEPU.

I note in particular your advice relating to the Branch's current net asset deficiency position and management's plans to address the problem. The Registered Organisations Commission would anticipate that the next financial report should reflect an amelioration of the Branch's financial position, including reporting how the liability for the redundancy incurred on 4 August 2017 is discharged. This assumes that any dispute over payment for debts will be resolved.

On the basis of the information you have provided, the report has been filed.

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

Yours faithfully

Stephen Kellett

Stephen Kellett
Financial Reporting
Registered Organisations Commission

communication workers union
CWUnion
Victoria

T&S - Vic Branch
JOHN ELLERY Secretary
M. PO Box 415, Carlton South Vic 3053
A. B2/L3, Trades Hall, 2 Lygon St. Carlton South
P. 03 9663 6815 | F. 03 9663 8249

Ref: VB17/66
19th September, 2017

Stephen Kellett
Registered Organisations Commission
GPO Box 2983
MELBOURNE VIC 3001

By Email: stephen.kellett@roc.gov.au

Dear Mr Kellett,

CEPU – Victorian Telecommunications & Services Branch – Financial Report for Year Ending 31 March 2017 (FR2017/14)

I refer to your letter of 5 September 2017 in which you seek advice and clarification in respect of the following matters arising from the 2016/17 Branch Financial Report:

- Going concern;
- Number of employees; and
- Related party transactions – reconciliations.

Going Concern

By using the numbering in your letter I provide the following information:

(1) The growing current net asset deficiency is primarily a function of falling membership subscriptions. Falling membership in turn is a result of profound structural change in the industry concerned combined with the refusal of the national organisation to facilitate changes in the coverage/eligibility of the Division.

(2) The current net asset deficiency is being addressed by:

- Improved financial outcomes as reflected in the statement of profit and loss;
- Further reductions in expenditure in particular in relation to employee expenses and legal costs;
- Proposed continued expenditure restraint combined with some low cost recruitment initiatives;
- A budgeted $30,000.00 profit for 2017/2018 following a review of operations; and currently showing a significant improvement on profit & loss over this period last year;
- A plan that over a realistic time horizon the position will be addressed.

(3) The redundancy provision in note 8A is the redundancy element of the payment the subject of the Court order.

(4) The Branch does not know if the redundancy payment will be paid this year. If the National Council maintains the position reflected in its resolution of 6 April 2016, the payment will need to be made by some other part of the organisation. (See below).

(5) The dispute over access to the funds has not been resolved.

(6) At the time of preparing the financial report:

(a) The employment of the employee the subject of the Court proceedings had not been terminated. (Her employment was subsequently terminated with effect from 8 August 2017);

(b) The overwhelming potential liability of the Branch was employee entitlements. Under the Unions' National rules (rule 6.2.1.5) provision for all employment entitlements for Officers and employees is required to be made by Divisions at Divisional or Branch level. In the absence of access by the Branch to its Investment Fund resources, previously identified by the Division as available for such purposes, responsibility for making provision for such entitlements lies with the Division under the rules. Accordingly, if and when employee entitlement liabilities were crystallised provision would need to be made by the Division;

(c) The Division's position in relation to the property proceeds is reflected in its resolution of 14 July 2006 (DE 06/25):

"That further to Divisional Executive 06/20 on the sale of 67-71 and 58 Cromwell Street, Collingwood, Divisional Executive resolves:

(a) That the Victorian T&S Branch retain as funds the proceeds of the sale that exceed the booked value amount transferred from the Divisional Special Fund for the property.
(b) That to meet the requirements of National Rule 6.2.1.5 the Victorian P&T and T&S Branches' invested funds from the sale be considered as available to meet officials and employees employment entitlements, if a need arises.

Further, the Divisional Executive recommends to the Victorian Branches that part of the investment be nominated as an investment to cover the provision for employee entitlements."

(d) The National Council, on 6 April 2016 consistently with rule 6.2.1.5 had referred to the Division:

"the issue of payment of employee entitlements in excess of funds required by the Branch to operate";

(e) The National Council had shown a willingness to permit access to the Industry Fund Portfolio Services Investment for special purposes, namely payment of capitation fees by the Branch. The National Council had adopted a resolution on 6 April 2016 as follows:

"National Council will now resolve to permit the Victorian T&S to make payment of its capitation debt plus 22.5% of the branch's membership contribution income for the final month of the financial year March 2016 from the preserved funds. For the avoidance of doubt this resolution does not

require the Victorian T&S branch to make payment, instead simply permits such payments should have been authorised in accordance with the branch's internal processes."

There was no good reason to believe it would not do so in respect of employee entitlements once crystallised and viewed as a liability due to a former employee;

(f) The Branch contributed $200,000.00 of Branch funds to the Industry Fund Portfolio Services Investment in 2013 for the purposes of securing better investment returns on Branch funds. Those funds did not represent the proceeds of the sale of the property and accordingly were not within the scope of the Court's restriction founded upon rule 7.1.2.8 in relation to the redundancy. This is because the power of the National Council in respect of the Investment Fund is confined to the corpus of the proceeds of the sale of the Cromwell Street property as made clear by the Federal Court. As such these are Branch funds (see rule 58) unrestricted by the Court's Orders directed to the use of the proceeds of the sale of the property for the purposes of a redundancy payment, and also beyond the power of the National Council under rule 7.1.2.8; and

(g) It was considered that the organisation as a whole would be unlikely to permit the Branch to be in a position of not paying its debts, particularly given the past practice of the Division waiving capitation fees for branches if necessary, and liabilities ultimately attaching to the organisation itself.

(7) The information contained in the Going Concern section in this letter were provided to and discussed with the auditor as part of their assessment of the Branch's Going Concern disclosure and its ability to continue as a going concern. Management did not seek any advice from the auditor.

(8) See item 6.

(9) No.

Number of Employees

The FTE number should have been reported as: 3.4.

Related Party Transactions

We attach explanations in relation to these matters, as provided by the Branch Auditor.

Yours faithfully

JOHN ELLERY
Branch Secretary
CEPU Communications Division (CWU)
Victorian Telecommunications & Services Branch
0419 823 580 | JEllery@cwu.asn.au

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18 September 2017

Mr John Ellery
CEPU Communications Division T & S Vic Branch
PO Box 415
CARLTON SOUTH VIC 3053

Dear John,

Re: – Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Victorian Telecommunications and Services Branch - financial report for year ending 31 March 2017 (FR2017/14) - Related party (intra-Divisional) transactions – reconciliations

We refer to Mr. Kellett's (Financial Reporting – Registered Organisations Commission) letter dated 5 September 2017.

Please find attached our explanations for the variances between the related party disclosures of the respective reporting units.

Yours sincerely
MSI RAGG WEIR

LEE WONG
Partner

Item 1:

Note 13A discloses a $0 balance for revenue charged to "CEPU T&S insurance reimbursement" for 2017. The corresponding note 13A of the report for the Victorian Postal & Telecommunications Branch discloses a $9,019 balance for expenses paid to "CEPU T&S Vic Branch reimbursement of insurance expenses".

Note 11B discloses a $0 cash inflow from the Victorian Postal & Telecommunications Branch. The corresponding Note 11B of the report for the Victorian Postal & Telecommunications Branch discloses a $9,018 cash outflow to the "CEPU T&S Vic Branch".

Explanation for item 1:

The workcover reimbursement has been recorded accurately in CEPU T&S's MYOB GL as debit entry to the General Account and credit entry to Workcover Expenses on 1 August 2016.

The reason that the reimbursement was not disclosed was because both management and auditor were using the "Sales by Customer" report from MYOB when preparing and reviewing the disclosure respectively.

Thus the non-disclosure was unintentional.

GL extract from CEPU T&S below:

C.E.P.U. T.& S. VIC. BRANCH
PO Box 415
Carlton South Vic 3053

General Ledger [Detail]

1/04/2016 To 31/03/2017

ID#	Src	Date	Memo	Debit	Credit
1-1110	General Account				
CR008336	CR	1/08/2016	CWU P&T - Share of Workcover I	$9,019.77	
6-5800	Workcover				
Beginning Balance:	$0.00cr				
CR008336	CR	1/08/2016	CWU P&T - Share of Workcover Insurance		$9,019.77

Item 2:

Notes 4B and 13A disclose a $159,708 balance for capitation expense to CEPU Divisional Conference. The corresponding notes 3A and 13A of the report for the Communications Divisional disclose a $173,607 balance for capitation received from the Victorian T&S Branch.

Explanation for item 2:

	$	
Disclosure as per CEPU Div Comm =	173,607	
Div Comm (GST not included on 2 invoices) =	(2,541)	
Actual capitation (excluding GST) =	171,066	
CEPU T&S (GL - capitation fees before audit adjustment) =	171,066	
Audit adjustment =	(11,358)	(reversal of prior year March'16 capitation accrual already included in $171,066)
Disclosure as per CEPU T&S =	159,708	

The amounts disclosed in the financial statements of CEPU T&S is therefore correct.

Item 3:

Note 11B discloses a $328,026 cash outflow to CEPU Divisional Conference. The corresponding note 11B of the report for the Communications Division discloses a $290,183 cash inflow from the Victorian T&S Branch.

Explanation for item 3:

	$	
Cashflow disclosure as per CEPU Communications Division =	290 193	Note 1
Add. GST on invoices =	25.546	Note 1
Add Payment of capitation invoice on 5/5/16 not included in cashflow of CEPU Comm Division =	12.287	Note 2
Cashflow disclosure as per CEPU T&S =	328.026	

Note 1 - We note that the disclosure as per Note 11B for the report of Communications Division does not include GST

Note 2 - We note that the disclosure in the report of the Communications Division has not included the payment of the March'2016 capitation invoice dated 31 March 2016 This invoice was paid on 5 May 2016 (invoice value of $12 287)

The amount disclosed in the financial statements of CEPU T&S is correct

5 September 2017

Mr John Ellery
Secretary, Victorian Telecommunications and Services Branch
Communications Division
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia

Sent via email: jellery@cwu.asn.au

Dear Mr Ellery

Re: – Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Victorian Telecommunications and Services Branch - financial report for year ending 31 March 2017 (FR2017/14)

I refer to the financial report of the Victorian Telecommunications and Services Branch of the Communications Division of the CEPU. The documents were lodged with the Registered Organisations Commission ('the ROC') on 2 August 2017.

Before filing the report, I am writing to seek your advice and clarification in relation to the following matters.

Going Concern

Australian Accounting Standard *AASB 101: Presentation of Financial Statements* paragraph 25 relates to the assessment of an entity's ability to continue as a going concern. Australian Auditing Standard *ASA 570: Going Concern* looks at the requirements for auditors in relation to their responsibility to obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial report and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern.

I note that the Auditor's Statement has drawn attention to the current net asset deficiency position of $318,294, disclosed in Note 1.28, stating that this indicates the existence of a significant uncertainty in relation to the Branch's ability to continue as a going concern.

The current net asset deficiency as at 31 March 2017 was larger than the current net asset deficiency reported as at 3 March 2016, to which I drew your attention in my previous correspondence.[1] It is also larger than the current net asset deficiency of $241,217 shown in the statement of financial position as at 31 March 2015.

Your note 1.28 indicates that the Branch's access to funds of $671,267 from investments disclosed in the Branch's non-current assets is subject to a Court order dated 1 July 2016 that the Branch refrain from making any redundancy payment from those funds.

[1] See letter dated 31 August 2016

I have examined the Court order and the judgment of the related matter,[2] which indicate a dispute, between the Branch on the one hand and the National Council and Communications Division on the other, over the availability of the aforementioned investment funds for operational purposes including making the said redundancy payment. Whilst the declaration in the Committee of Management statement that *"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"* might be thought to reflect the view of management, stated in Note 1.28, that the Branch[3] has access to the investment funds *"pursuant to Rule 58…and based on previous usage of the funds",* it is not clear whether this subjective view will be, or is likely to be, objectively given effect, and if so when. Paragraph 26 of Australian Accounting Standard 101 states that

> "in assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period."

Paragraph 12 of ASA 570 requires an auditor to evaluate management's assessment of the reporting unit's ability to continue as a going concern. Paragraph A10 of ASA 570 describes that this evaluation

> "may include an evaluation of the process management followed to make its assessment, the assumptions on which the assessment is based and management's plans for future action and whether management's plans are feasible in the circumstances."

Finally, I draw attention to the duties of officers under sections 285 and 287 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act) in relation to the financial management of the Branch. These sections require officers to exercise their powers and discharge their duties with care and diligence, in the best interest of the organisation and not to cause detriment to the organisation. It is incumbent on officers to take appropriate steps to address the going concern issue and ensure its continuing solvency.

On the basis of the above considerations, I would ask you to provide additional information as follows:

(1) What factors have led to the growing current net asset deficiency;
(2) What steps management are taking to address the current net asset deficiency;
(3) Whether the provision of $95,361 for redundancy disclosed in Note 8A represents the provision for the redundancy that was the subject of the Court order;
(4) Whether the redundancy will be paid during the current year and if so, how it will be paid;
(5) Whether the dispute over the issue of access to the investment funds has been resolved, and if so, how;
(6) In view of the nature of the dispute, at the time of preparing the financial report for 2017, what considerations led management to be confident that the Branch would be able to pay its debts when they became due and payable;
(7) Whether management sought or received any advice, including any advice from the auditor, as part of its process of assessing the Branch's ability to continue as a going concern for the purposes of the 2017 report;
(8) If the dispute is not resolved, how will the Branch pay its debts as they become due and payable over the next 12 months;
(9) Whether management has identified any relevant events or circumstances that will have an impact on the Branch's ability to continue as a going concern over the next 12 months.

<u>Operating report - number of employees</u>

Pursuant to sub-section 254(2)(f), regulation 159(b) requires the disclosure, in the Operating Report, of the number of persons that were, at the end of the financial year to which the report relates, employees of the reporting unit. Regulation 159(b) also requires that where the number of

[2] *Rayner v Ellery* [2016] FCA 771 in matter VID 342 of 2016 at http://www.austlii.edu.au/cgi-bin/viewdoc/au/cases/cth/FCA/2016/771.html

[3] It seems clear from the context that references to "the Union" represent references to the Branch.

employees includes both full-time and part-time employees they are to be measured on a full-time equivalent basis. This means that part-time employees have to be calculated as a full-time equivalent and the calculated equivalent added to the figure for full-time employees for a single figure.

The Operating Report did not disclose a full-time equivalent number but stated that the number *"measured on a full-time equivalent basis was 3 and part-time basis was 1"*. Please clarify the single full-time-equivalent number.

Related party (intra-Divisional) transactions – reconciliations

Note 13A discloses a $0 balance for revenue charged to "CEPU T&S insurance reimbursement" for 2017. The corresponding note 13A of the report for the Victorian Postal & Telecommunications Branch discloses a $9,019 balance for expenses paid to "CEPU T&S Vic Branch reimbursement of insurance expenses".

Note 11B discloses a $0 cash inflow from the Victorian Postal & Telecommunications Branch. The corresponding Note 11B of the report for the Victorian Postal & Telecommunications Branch discloses a $9,018 cash outflow to the "CEPU T&S Vic Branch".

Notes 4B and 13A disclose a $159,508 balance for capitation expense to CEPU Divisional Conference. The corresponding notes 3A and 13A of the report for the Communications Divisional disclose a $173,607 balance for capitation received from the Victorian T&S Branch.

Note 11B discloses a $328,026 cash outflow to CEPU Divisional Conference. The corresponding note 11B of the report for the Communications Division discloses a $290,183 cash inflow from the Victorian T&S Branch.

Please provide your advice as to the reasons that would explain these differences.

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

Yours faithfully

Stephen Kellett

Stephen Kellett
Financial Reporting
Registered Organisations Commission

T&S - Vic Branch
LEN COOPER Secretary
M. PO Box 415, Carlton South Vic 3053
A. B2/L3, Trades Hall, 2 Lygon St. Carlton South
P. 03 9663 6815 | F. 03 9663 8249

Ref: VB 17/58
2 August 2017

Registered Organisations Commission
GPO Box 2983
Melbourne Vic 3001
Lodged by email: regorgs@roc.gov.au

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

CERTIFICATE BY SECRETARY

I Christopher John Ellery being the Branch Secretary of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union Of Australia, Communications Division, Telecommunications and Services Branch (Victoria), (Communication Workers Union) certify:

- that the document lodged herewith is a copy of the General Purpose Financial Report for the Communication Workers Union, Telecommunications and Services Branch (Victoria) for the period ended 31 March 2017 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and

- that the the General Purpose Finance Report year ended 31 March 2017, was endorsed at the Committee of Management meeting of the reporting unit on Wednesday 20th June 2017, and

- that the Full Report was provided to members of the reporting unit on the 22nd June 2017, and

- that the full report was presented to a meeting of the Branch Executive of the reporting unit on 25th July 2017 in accordance with section s.266 of the *Fair Work (Registered Organisations) Act 2009*.

  Note: The General Meeting on 25 July 2017 was declared inquorate. A meeting of Committee of Management members also lapsed for lack of quorum. The meeting then reverted to a Branch Executive meeting of the reporting unit, a quorum of which was present.

Yours faithfully

JOHN ELLERY
Branch Secretary
Communication Workers Union
Communications Division CEPU
Telecommunication & Services Branch Victoria
m. 0419 823 580 | e. jellery@cwu.asn.au

Attached: General Purpose Financial Report 2017 [SLD 17/33A]

SLD 17/33A

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

ABN 13 511 341 559

FINANCIAL REPORT

FOR THE YEAR ENDED 31 MARCH 2017

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA, COMMUNICATIONS DIVISION, TELECOMMUNICATIONS AND SERVICES BRANCH (VICTORIA)
ABN 13 511 341 559

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, Telecommunications and Services Branch (Victoria) ("the Union"), the relevant Reporting Unit for the financial year ended 31 March 2017.

Principal Activities
The principal activities of the Union during the financial year were to provide industrial and organising services to members of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Telecommunications and Services Branch (Victoria), consistent with the objectives of the Union and particularly the objective of protecting and improving the interests of the members.

Operating Result
The results of the principal activities of the Union during the financial year was to further the interests of communications workers through improvements in wages and conditions, health and safety, legal rights and company compliance with Australian labour standards.

The operating loss of the Union for the financial year was $3,412 (2016: $96,900). No provision for tax was necessary as the Union is exempt from income tax.

The other comprehensive income of the Union for the financial year was $4,768 (2016: $29,528 loss). The other comprehensive income was in regards to the revaluation of financial assets at the end of the financial year.

The total comprehensive income of the Union for the financial year was $1,356 (2016: $126,428 loss).

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

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

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

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

Superannuation Officeholders
No other officer or member of the Union is:
(a) is a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
(b) a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

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 1,700 (2016: 1,835).

(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 3 and part-time basis was 1.

(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	
Roger Bland	Branch President (Honorary) (resigned 18 August 2016)
Kelvin Welbourn	Branch President (Honorary) (appointed 14 September 2016)
Amy Stubberfield	Branch Vice-President (Honorary) (appointed 14 September 2016)
Christopher John Ellery	Branch Secretary
Susan Riley	Branch Assistant Secretary
Paul Lightfoot	Committee of Management Technical Division
Neil Johnson	Committee of Management Technical Division
Ian McCallum	Committee of Management Technical Division
Robert Parker	Committee of Management Technical Division
David Smithwick	Committee of Management Technical Division
Mark Dennis	Committee of Management Technical Division
Scott Thomson	Committee of Management Technical Division
David Francey	Committee of Management Technical Division (appointed 29 March 2017)
Andrew Young	Committee of Management Technical Division (appointed 29 March 2017)
Mihi Shaw	Committee of Management Technical Division (resigned 14 September 2016)
Maureen Parker	Committee of Management Operator Division

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: Christopher John Ellery
Title of Office held: Branch Secretary

John Ellery

Signature:

Dated: 22/6/2017

Melbourne

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA, COMMUNICATIONS DIVISION, TELECOMMUNICATIONS AND SERVICES BRANCH (VICTORIA)
ABN 13 511 341 559

COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017

On 20/6/2017 the Committee of Management present their Operating Report on Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Telecommunications and Services Branch (Victoria) and passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 March 2017:

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 the reporting guidelines of the General Manager;

(c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;

(d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and

(e) during the financial year to which the GPFR relates and since the end of that year:

- (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
- (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
- (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
- (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
- (v) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
- (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

(f) no revenue has been derived from undertaking recovery of wages activity during the reporting period;

(g) that the members receive a copy of the concise financial report.

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

Signature of designated officer: ....

Name and title of designated officer: Christopher John Ellery - Branch Secretary

Dated: 22/6/2017

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA, COMMUNICATIONS DIVISION, TELECOMMUNICATIONS AND SERVICES BRANCH (VICTORIA)
ABN 13 511 341 559

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 $	2016 $
Revenue			
Membership subscription		**768,416**	830,770
Capitation fees	3A	**-**	-
Levies	3B	**-**	-
Interest	3C	**244**	1,636
Rental revenue	3D	**-**	-
Other revenue		**44,788**	50,084
Total revenue		**813,448**	882,490
Other Income			
Grants and/or donations	3E	**-**	-
Share of net profit from associate	6E	**-**	-
Net gains from sale of assets	3F	**-**	-
Total other income		**-**	-
Total income		**813,448**	882,490
Expenses			
Employee expenses	4A	**427,451**	542,853
Capitation fees	4B	**166,479**	186,935
Affiliation fees	4C	**5,362**	5,702
Administration expenses	4D	**108,997**	213,594
Grants or donations	4E	**200**	-
Depreciation and amortisation	4F	**7,363**	9,182
Finance costs	4G	**-**	-
Legal costs	4H	**66,851**	-
Audit fees	14	**22,543**	16,550
Share of net loss from associate	6E	**-**	-
Write-down and impairment of assets	4I	**7,401**	518
Net losses from sale of assets	4J	**-**	-
Other expenses	4K	**4,213**	4,056
Total expenses		**816,860**	979,390
Loss for the year		**(3,412)**	(96,900)
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss		**-**	-
Gain on revaluation of land & buildings		**-**	-
Gain/(loss) on revaluation of financial assets		**4,768**	(29,528)
Total comprehensive income/(loss) for the year		**1,356**	(126,428)

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, TELECOMMUNICATIONS AND SERVICES BRANCH (VICTORIA)
ABN 13 511 341 559

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	Notes	2017 $	2016 $
ASSETS			
Current Assets			
Cash and cash equivalents	5A	**54,618**	191,261
Trade and other receivables	5B	**15,871**	19,540
Other current assets	5C	**3,739**	3,300
Total current assets		**74,228**	214,101
Non-Current Assets			
Land and buildings	6A	**-**	-
Plant and equipment	6B	**21,725**	28,367
Investment Property	6C	**-**	-
Intangibles	6D	**1,339**	2,060
Investments in associates	6E	**-**	-
Other investments	6F	**671,267**	637,427
Other non-current assets	6G	**-**	-
Total non-financial assets		**694,331**	667,854
Total assets		**768,559**	881,955
LIABILITIES			
Current Liabilities			
Trade payables	7A	**37,597**	179,276
Other payables	7B	**40,194**	44,030
Employee provisions	8A	**314,731**	283,968
Total current liabilities		**392,522**	507,274
Non-Current Liabilities			
Employee provisions	8A	**-**	-
Other non-current liabilities	9A	**-**	-
Total non-current liabilities		**-**	-
Total liabilities		**392,522**	507,274
Net assets		**376,037**	374,681
EQUITY			
Financial reserves	10A	**36,240**	31,472
Retained earnings		**339,797**	343,209
Total equity		**376,037**	374,681

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, TELECOMMUNICATIONS AND SERVICES BRANCH (VICTORIA)
ABN 13 511 341 559

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Financial Reserve	Retained earnings	Total equity
		$	$	$
Balance as at 1 April 2015		61,000	440,109	501,109
Adjustment for errors		-	-	-
Adjustment for changes in accounting policies		-	-	-
Loss for the year		-	(96,900)	(96,900)
Other comprehensive loss for the year		(29,528)	-	(29,528)
Transfer to/from [insert fund name]	10A	-	-	-
Transfer from retained earnings		-	-	-
Closing balance as at 31 March 2016		31,472	343,209	374,681
Adjustment for errors		-	-	-
Adjustment for changes in accounting policies		-	-	-
Loss for the year		-	**(3,412)**	**(3,412)**
Other comprehensive income for the year		**4,768**	-	**4,768**
Transfer to/from [insert fund name]	10A	-	-	-
Transfer from retained earnings		-	-	-
Closing balance as at 31 March 2017		**36,240**	**339,797**	**376,037**

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 $	2016 $
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units/controlled entity(s)	11B	-	14,514
Interest		244	1,636
Other		848,037	945,744
Cash used			
Employees		(396,688)	(496,263)
Suppliers		(271,764)	(306,024)
Payment to other reporting units/controlled entity(s)	11B	(330,155)	(132,700)
Net cash from (used by) operating activities	11A	(150,326)	26,907
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		-	-
Proceeds from sale of land and buildings		-	-
Other -Proceeds from redemption of investments		120,835	107,533
Cash used			
Purchase of plant and equipment		-	-
Purchase of land and buildings		-	-
Other – Purchase of investments		-	(71,771)
Net cash from investing activities		120,835	35,762
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		(29,491)	62,669
Cash & cash equivalents at the beginning of the reporting period		191,261	128,592
Reclassification of cash and cash equivalents to other investments		(107,152)	-
Cash & cash equivalents at the end of the reporting period	5A	54,618	191,261

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

RECOVERY OF WAGES ACTIVITY
FOR THE YEAR ENDED 31 MARCH 2017

	2017 $	2016 $
Cash assets in respect of recovered money at beginning of year	-	-
Receipts		
Amounts recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
Total receipts	-	-
Payments		
Deductions of amounts due in respect of membership for:		
12 months or less	-	-
Greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:		
The reporting unit:		
name of account	-	-
name of fund	-	-
Name of other reporting unit of the organisation:		
name of account	-	-
name of fund	-	-
Name of other entity:		
name of account	-	-
name of fund	-	-
Deductions of fees or reimbursement of expenses	-	-
Payments to workers in respect of recovered money	-	-
Total payments	-	-
Cash asset's in respect of recovered money at end of year	-	-
Number of workers to which the monies recovered relates	-	-
Aggregate payables to workers attributable to recovered monies but not yet distributed		
Payable balance	-	-
Number of workers the payable relates to	-	-
Fund or account operated for recovery of wages	-	-

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

Index to the Notes to the Financial Statements

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 Organisations) Act 2009. For the purpose of preparing the general purpose financial statements, the reporting unit is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

1.2 Comparative amounts

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. There has been no adjustments made for this financial year end's comparative figures.

1.3 Significant accounting judgements and estimates

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

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. Value in use calculation performed in assessing recoverable amounts incorporates a number of key estimates.

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.

Note 1 Summary of significant accounting policies continued

1.4 New Australian Accounting Standards continued

Future Australian Accounting Standards Requirements

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

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

Note 1 Summary of significant accounting policies continued

1.4 New Australian Accounting Standards continued

Future Australian Accounting Standards Requirements

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

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 $36,345 worth of operating leases which we anticipate will be brought onto the statement of financial position. Interest and amortisation expense will increase and rental expense will decrease.

1.5 Investment in associates

An associate is an entity over which the reporting unit has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with AASB 5 'Non-current Asset Held for Sale and Discontinued Operations. 'Under the equity method, an investment in an associate is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the share of the profit or loss and other comprehensive income of the associate. When the share of losses of an associate exceeds the interest in that associate, the reporting unit discontinues recognising its share of further losses. Additional losses are recognised only to the extent that it has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Note 1 Summary of significant accounting policies continued

1.6 Business combinations

The acquisition method of accounting is used to account for all business combinations, except for those identified in the Fair Work Commission's reporting guidelines under item 12.The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interest issued by the parent entity. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values on acquisition date. On an acquisition-by-acquisition basis, the parent entity recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the parent entity's share of the net identifiable assets, is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

If it is determined that the combination results in mutual benefit to both the members of the acquirer and the acquiree, the surplus of the fair value of the net identifiable assets acquired over the consideration paid will be recognised in member's funds as a business combination reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

1.7 Acquisition of assets and or liabilities that do not constitute a business combination

The net book value of assets and or liabilities transferred to reporting unit for no consideration is used to account for an amalgamation under Part 2 of Chapter 3 of the Fair Work (Registered Organisations) Act 2009/a restructure of the branches of the reporting unit/a determination by the General Manager under subsections 245(1) of the Fair Work (Registered Organisations) Act 2009/ a revocation by the General Manager under subsection 249(1) of the Fair Work (Registered Organisations) Act 2009.

The assets and liabilities are recognised as at the date of transfer.

Note 1 Summary of significant accounting policies continued

1.8 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.

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

Donation income is recognised when it is received.

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

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

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

1.9 Government grants

Government grants are not recognised until there is reasonable assurance that the reporting unit will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the reporting unit recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the reporting unit should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the reporting unit with no future related costs are recognised in profit or loss in the period in which they become receivable.

1.10 Gains

Sale of assets

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

1.11 Capitation fees and levies

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

Note 1 Summary of significant accounting policies continued

1.12 Employee benefits

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

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

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

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

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

1.13 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.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

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.

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

1.14 Borrowing costs

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

Note 1 Summary of significant accounting policies continued

1.15 Cash

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

1.16 Financial instruments

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

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

1.17 Financial assets

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

Fair value through profit or loss

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

A financial asset is classified as held for trading if:

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

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

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

Note 1 Summary of significant accounting policies continued

1.17 Financial assets continued

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

Held-to-maturity investments

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

Available-for-sale

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

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

Loan and receivables

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

Effective interest method

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

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

Note 1 Summary of significant accounting policies continued

1.17 Financial assets continued

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

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

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

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

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

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

Note 1 Summary of significant accounting policies continued

1.17 Financial assets continued

Derecognition of financial assets

The reporting unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

1.18 Financial liabilities

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

Fair value through profit or loss

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

A financial liability is classified as held for trading if:

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

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

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

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

Other financial liabilities

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

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Note 1 Summary of significant accounting policies continued

1.18 Financial liabilities continued

Derecognition of financial liabilities

The reporting unit derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

1.19 Contingent liabilities and contingent assets

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

1.20 Land, buildings, plant and equipment

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

Revaluations—land and buildings
Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

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

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

Class of Fixed Asset	**Depreciation Rate**
Motor Vehicles	10% - 25%%
Office Equipment	2% - 50%
Leasehold improvements	20%

Note 1 Summary of significant accounting policies continued

1.20 Land, buildings, plant and equipment continued

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.

1.21 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

1.22 Intangibles

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The useful life of reporting unit intangible assets are:

	2017	2016
Intangibles	**35%**	35%

Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit and loss when the asset is derecognised.

1.23 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.

Note 1 Summary of significant accounting policies continued

1.24 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

1.25 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.

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

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

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

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

Note 1 Summary of significant accounting policies continued

1.26 Fair value measurement continued

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

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

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

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

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

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.

1.27 Financial Support

Communications, electrical, electronic, energy, information, postal, plumbing and allied services union of Australia, communications division, telecommunications and services branch (Victoria) did not receive or offer financial support from/to another reporting unit during the financial year.

1.28 Going Concern

At 31 March 2017, the Union reported a net current asset deficiency of $318,294. Notwithstanding this factor, the financial report has been prepared on the basis that the Union is a going concern, which assumes continuity of normal business activities and the realisation and the settlement of liabilities in the normal course of business.

The Union has $671,267 of investments under management which are classified as non-current assets in the Statement of financial position as at 31 March 2017. Based on the court order dated 1 July 2016, the Union has been ordered to refrain from making any redundancy payment from the funds under investment.

Note 1 Summary of significant accounting policies continued

1.28 Going Concern

Notwithstanding the above, Management is of the view that the Union has access to these investments funds for operational expenses as and when required pursuant to Rule 58 of the Union's rules and based on previous usage of the funds. Management also note that during financial year end 31 March 2017, they were allowed access to use the investment funds to pay outstanding capitation fees.

If the Union is unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial report.

No adjustments have been made to the financial report relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Union not continue as going concern.

Note 2 Events after the reporting period

There were no events that occurred after 31 March 2017, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of reporting unit.

	2017	2016
	$	$
Note 3 Income		
Note 3A: Capitation fees		
CEPU Divisional Conference	-	-
CEPU National Council	-	-
Total capitation fees	-	-
Note 3B: Levies		
Levies	-	-
Total levies	-	-
Note 3C: Interest		
Deposits	**244**	1,636
Loans	-	-
Total interest	**244**	1,636

	2017	2016
	$	$
Note 3D: Rental revenue		
Properties	-	-
Other	-	-
Total rental revenue	-	-
Note 3E: Grants or donations		
Grants	-	-
Donations	-	-
Total grants or donations	-	-
Note 3F: Net gains from sale of assets		
Land and buildings	-	-
Plant and equipment	-	-
Intangibles	-	-
Investments	-	-
Total net gain from sale of assets	-	-
Note 4 Expenses		
Note 4A: Employee expenses		
Holders of office:		
Wages and salaries	**215,178**	248,635
Superannuation	**32,627**	33,347
Leave and other entitlements	**2,305**	3,554
Separation and redundancies	-	-
Other employee expenses	**14,280**	19,513
Subtotal employee expenses holders of office	**264,390**	305,049

	2017	2016
	$	$
Note 4A: Employee expenses contiued		
Employees other than office holders:		
Wages and salaries	112,230	121,876
Superannuation	15,016	15,777
Leave and other entitlements	28,458	(2,799)
Separation and redundancies	-	95,361
Other employee expenses	7,357	7,589
Subtotal employee expenses employees other than office holders	163,061	237,804
Total employee expenses	427,451	542,853

Note 4B: Capitation fees

CEPU Divisional Conference	159,708	184,748
CEPU National Council	6,771	2,187
Total capitation fees	166,479	186,935

Note 4C: Affiliation fees

Ballarat Trades Hall Council	1,100	1,013
Bendigo Trades Hall Council	760	189
Geelong Trades Hall Council	330	327
Miscellaneous	285	1,764
Victorian Trades Hall Council	2,887	2,409
Total affiliation fees/subscriptions	5,362	5,702

Note 4D: Administration expenses

Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	1,029	2,812
Contractors/consultants	600	62,424
Property expenses	25,333	26,820
Office expenses	38,634	46,254
Information communications technology	(862)	83
Debts forgiven by CEPU Divisional Conference	(9,844)	-
Other	36,047	57,205
Subtotal administration expense	90,937	195,598
Operating lease rentals:		
Minimum lease payments	18,060	17,996
Total administration expenses	108,997	213,594

	2017	2016
	$	$
Note 4E: Grants or donations		
Grants:		
Total paid that were $1,000 or less	-	-
Total paid that exceeded $1,000	-	-
Donations:		
Total paid that were $1,000 or less	200	-
Total paid that exceeded $1,000	-	-
Total grants or donations	200	-

Note 4F: Depreciation and amortisation

	2017	2016
Depreciation		
Land & buildings	-	-
Property, plant and equipment	6,642	8,073
Total depreciation	6,642	8,073
Amortisation		
Intangibles	721	1,109
Total amortisation	721	1,109
Total depreciation and amortisation	7,363	9,182

Note 4G: Finance costs

	2017	2016
Finance leases	-	-
Overdrafts/loans	-	-
Unwinding of discount	-	-
Total finance costs	-	-

Note 4H: Legal costs

	2017	2016
Litigation	-	-
Other legal matters	66,851	-
Total legal costs	66,851	-

	2017	2016
	$	$
Note 4I: Write-down and impairment of assets		
Asset write-downs and impairments of:		
Land and buildings	-	-
Plant and equipment	-	-
Intangible assets	-	-
Doubtful debt provision	7,401	518
Total write-down and impairment of assets	7,401	518
Note 4J: Net losses from sale of assets		
Land and buildings	-	-
Plant and equipment	-	-
Intangibles	-	-
Total net losses from asset sales	-	-
Note 4K: Other expenses		
Penalties - via RO Act or RO Regulations	-	-
Computer expenses	4,213	4,056
Total other expenses	4,213	4,056

Note 5Current assets

Note 5A: Cash and cash equivalents

	2017	2016
Cash at bank	54,618	84,109
Cash on hand	-	-
Short term deposits	-	-
Other – cash management account*	-	107,152
Total cash and cash equivalents	54,618	191,261

* For financial year ended 31 March 2017, other – cash management account has been classified as other investments (note 6F) as it relates specifically to the Industrial Fund Portfolio Service investment.

	2017	2016
	$	$
Note 5 Current assets continued		
Note 5B: Trade and other receivables		
Receivables		
Trade receivables	-	5,000
Members' dues in arrears	31,271	22,521
Sundry debtors	68	86
Total receivables	31,339	27,607
Less provision for doubtful debts		
Trade receivables provision for impairment - CEPU Divisional Conference	-	-
Members' dues in arrears-provision for impairment	(15,468)	(8,067)
Total provision for doubtful debts	(15,468)	(8,067)
Receivable	15,871	19,540
Other receivables:		
Other receivables	-	-
Sundry receivables	-	-
Total other receivables	-	-
Total trade and other receivables (net)	15,871	19,540

Note 5C: Other current assets

	2017	2016
Prepayments	3,739	3,300
Total other current assets	3,739	3,300

Note 6 Non-current assets

Note 6A: Land and buildings

	2017	2016
Land and buildings:		
fair value	-	-
accumulated depreciation	-	-
Total land and buildings	-	-

Note 6 Non-current assets

Note 6A: Land and buildings continued

	2017 $	2016 $
Reconciliation of the opening and closing balances of land and buildings		
As at 1 April		
Gross book value	-	-
Accumulated depreciation and impairment	-	-
Net book value 1 April	-	-
Additions:		
By purchase	-	-
From acquisition of entities (including restructuring)	-	-
Revaluations	-	-
Impairments	-	-
Depreciation expense	-	-
Other movement	-	-
Disposals:		
From disposal of entities (including restructuring)	-	-
Other	-	-
Net book value 31 March	-	-
Net book value as of 31 March represented by:		
Gross book value	-	-
Accumulated depreciation and impairment	-	-
Net book value 31 March	-	-

If land and buildings were measured using the cost model, the carrying amounts would be as follows:

	2017 $	2016 $
Cost	-	-
Accumulated depreciation and impairment	-	-
Net carrying amount	-	-

	2017	2016
	$	$
Note 6B: Plant and equipment		
Plant and equipment:		
Office equipment		
at cost	**91,784**	91,784
accumulated depreciation	**(81,682)**	(79,582)
	10,102	12,202
Motor vehicles		
at cost	**19,891**	19,891
accumulated depreciation	**(10,836)**	(8,084)
	9,055	11,807
Leasehold improvements		
at cost	**8,950**	8,950
accumulated depreciation	**(6,382)**	(4,592)
	2,568	4,358
Total plant and equipment	**21,725**	28,367

Reconciliation of the opening and closing balances of plant and equipment

	2017	2016
As at 1 April		
Gross book value	**120,625**	120,625
Accumulated depreciation and impairment	**(92,258)**	(84,185)
Net book value 1 April	**28,367**	36,440
Additions:		
By purchase	**-**	-
From acquisition of entities (including restructuring)	**-**	-
Impairments	**-**	-
Depreciation expense	**(6,642)**	(8,073)
Other movement	**-**	-
Disposals:	**-**	-
From disposal of entities (including restructuring)	**-**	-
Other	**-**	-
Net book value 31 March	**21,725**	28,367
Net book value as of 31 March represented by:		
Gross book value	**120,625**	120,625
Accumulated depreciation and impairment	**(98,900)**	(92,258)
Net book value 31 March	**21,725**	28,367

	2017	2016
	$	$
Note 6C: Investment property		
Opening balance as at 1 April 2016	-	-
Additions	-	-
Net gain from fair value adjustment	-	-
Closing balance as at 31 March 2017	-	-
Note 6D: Intangibles		
Computer website at cost:		
internally developed	-	-
Purchased	9,540	9,540
accumulated amortisation	(8,201)	(7,480)
Total intangibles	1,339	2,060
Reconciliation of the opening and closing balances of intangibles		
As at 1 April		
Gross book value	9,540	9,540
Accumulated amortisation and impairment	(7,480)	(6,371)
Net book value 1 April	2,060	3,169
Additions:		
By purchase	-	-
From acquisition of entities (including restructuring)	-	-
Impairments	-	-
Amortisation	(721)	(1,109)
Other movements [give details below]	-	-
Disposals:		
From disposal of entities (including restructuring)	-	-
Other	-	-
Net book value 31 March	1,339	2,060
Net book value as of 31 March represented by:		
Gross book value	9,540	9,540
Accumulated amortisation and impairment	(8,201)	(7,480)
Net book value 31 March	1,339	2,060
Note 6E: Investments in associates		
Investments in associates:		
Associates	-	-
Total equity accounted investments	-	-

	2017	2016
	$	$
Note 6F: Other investments		
Financial assets		
Unlisted Investments at cost:		
3CR	500	500
International Bookshop Co-Op	100	100
Total unlisted Investments at cost:	600	600
Available for sale financial assets:		
Shares in Telstra at cost	746	746
Investment in managed funds at fair value	669,921	636,081
Total available for sale financial assets	670,667	636,827
Total other investments	671,267	637,427

Note 6G: Other non-current assets

Prepayments	-	-
Other	-	-
Total other non-financial assets	-	-

Note 7 Current liabilities

Note 7A: Trade payables

Trade creditors and accruals	19,063	32,527
Operating lease rentals	-	-
Subtotal trade creditors	19,063	32,527
Payables to other reporting unit[s]		
CEPU Divisional Conference	13,215	146,749
CEPU National Council	5,319	-
Subtotal payables to other reporting unit[s]	18,534	146,749
Total trade payables	37,597	179,276

Settlement is usually made within 30 days.

	2017	2016
	$	$
Note 7B: Other payables		
Wages and salaries	-	-
Superannuation	-	-
Consideration to employers for payroll deductions	-	-
Legal costs	-	-
Prepayments received/unearned revenue	38,583	49,948
GST payable	(809)	(8,338)
Other	2,420	2,420
Total other payables	40,194	44,030
Total other payables are expected to be settled in:		
No more than 12 months	40,194	44,030
More than 12 months	-	-
Total other payables	40,194	44,030

Note 8 Provisions

Note 8A: Employee provisions

	2017	2016
Office Holders:		
Annual leave	24,705	26,521
Long service leave	55,786	51,667
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—office holders	80,491	78,188
Employees other than office holders:		
Annual leave	67,954	47,563
Long service leave	70,925	62,856
Separations and redundancies	95,361	95,361
Other	-	-
Subtotal employee provisions—employees other than office holders	234,240	205,780
Total employee provisions	314,731	283,968
Current	314,731	283,968
Non-Current	-	-
Total employee provisions	314,731	283,968

	2017	2016
	$	$

Note 9 Non-current liabilities

Note 9A: Other non-current liabilities

Other non-current liabilities	-	-
Total other non-current liabilities	-	-

Note 10 Equity

Note 10A: Financial Reserve

Financial reserves		
Balance as at start of year	**31,472**	61,000
Transferred to/(from) reserve	**4,768**	(29,528)
Transferred out of reserve	-	-
Balance as at end of year	**36,240**	31,472
Reserves		
Balance as at start of year	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	-	-
Total Reserves	**36,240**	31,472

	2017	2016
	$	$

Note 11 Cash flow

Note 11A: Cash flow reconciliation

	2017 $	2016 $
Cash and cash equivalents as per:		
Statement of cash flows	**54,618**	191,261
Statement of financial position	**54,618**	191,261
Difference	-	-
Reconciliation of profit/(deficit) to net cash from operating activities:		
Profit/(deficit) for the year	**(3,412)**	(96,900)
Adjustments for non-cash items		
Depreciation/amortisation	**7,363**	9,182
Net write-down of non-financial assets	-	-
Fair value movements in investment property	-	-
Investment distributions reinvested	**(42,755)**	-
Gain on disposal of assets	-	-
Bad and doubtful debts	**7,401**	518
Changes in assets/liabilities		
(Increase)/decrease in net receivables	**(3,732)**	(7,230)
(Increase)/decrease in prepayments	**(439)**	934
Increase/(decrease) in supplier payables	**(145,515)**	86,294
Increase/(decrease) in other payables	-	(12,481)
Increase/(decrease) in employee provisions	**30,763**	46,590
Increase/(decrease) in other provisions	-	-
Net cash from (used by) operating activities	**(150,326)**	26,907

Note 11B: Cash flow information

	2017 $	2016 $
Cash inflows		
CEPU Divisional conference	-	6,608
CEPU P&T	-	7,906
Total cash inflows	-	14,514
Cash outflows		
CEPU Divisional conference	**(328,026)**	(130,294)
CEPU National Council	**(2,129)**	(2,406)
Total cash outflows	**(330,155)**	(132,700)

	2017	2016
	$	$

Note 12 Contingent liabilities, assets and commitments

Note 12A: Commitments and contingencies

Details of the nature of the leases and the average remaining term

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

	2017	2016
Within one year	**14,561**	11,660
After one year but not more than five years	**21,784**	5,225
More than five years	-	-
	36,345	16,885
Within one year	-	-
After one year but not more than five years	-	-
After five years	-	-
	-	-

Finance lease commitments—as lessee

	2017	2016
Within one year	-	-
After one year but not more than five years	-	-
More than five years	-	-
Total minimum lease payments	-	-
Less amounts representing finance charges	-	-
Present value of minimum lease payments	-	-
Included in the financial statements as:	-	-
Current interest-bearing loans and borrowings	-	-
Non-current interest-bearing loans and borrowings	-	-
Total included in interest-bearing loans and borrowings	-	-

	2017	2016
	$	$
Note 12A: Commitments and contingencies (continued)		
Finance leases—lessor		
Minimum lease payments	-	-
Unguaranteed residual value	-	-
Gross investment	-	-
Unearned finance income	-	-
Net investment (present value of the minimum lease payments)	-	-
Gross amount of minimum lease payments:		
Within one year	-	-
After one year but not more than five years	-	-
More than five years	-	-
Total gross amount of minimum lease payments	-	-
Present value of minimum lease payments:		
Within one year	-	-
After one year but not more than five years	-	-
More than five years	-	-
Total present value of minimum lease payments	-	-

	2017	2016
	$	$

Note 13 Related party disclosures

Note 13A: Related party transactions for the reporting period

[List all related party transactions including the nature of the related party relationship, information about those transactions, terms and conditions, amount of the transaction and outstanding balances including commitments.]

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

	2017 $	2016 $
Revenue charged to related party includes the following:		
CEPU T&S insurance reimbursement	-	7,906
CEPU Divisional Conference	-	6,608
Expenses charged by related party includes the following:		
CEPU Divisional Conference – capitation fees	**159,708**	184,748
CEPU Divisional Conference – payroll tax	**15,910**	20,090
CEPU National Council	**6,771**	2,187
Debts forgiven by related party includes the following:		
CEPU Divisional Conference – other fees	**(9,844)**	-
Amounts owed by related party include the following:		
CEPU Divisional Conference	-	-
CEPU Divisional Conference – provision for impairment	-	-
Amounts owed to related party include the following:		
CEPU Divisional Conference	**13,215**	146,749
CEPU National Council	**5,319**	-
Loans from/to related party includes the following:		
NA	-	-
Assets transferred from/to related party includes the following:		
NA	-	-

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 yearend 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 2017, the reporting unit has recorded $10,828 (2016: $Nil) of impairment of receivables relating to amounts owed by related parties and declared person or body. 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 loans were provided throughout the year. No property was transferred throughout the year.

Note 13B: Key management personnel remuneration for the reporting period

2017	Christopher John Ellery	Leonard Cooper	Susan Riley	Total
Short-term employee benefits				
Salary (including annual leave taken)	116,345	-	98,833	215,178
Annual leave accrued	7,223	-	4,472	11,695
Performance bonus	-	-	-	-
Other	-	-	-	-
Total short-term employee benefits	123,568	-	103,305	226,873
Post-employment benefits:				
Superannuation	19,779	-	12,848	32,627
Total post-employment benefits	19,779	-	12,848	32,627
Other long-term benefits:				
Long service leave accrued	794	-	3,325	4,119
Long-service leave taken	-	-	-	-
Total other long-term benefits	794	-	3,325	4,119
Termination benefits	-	-	-	-
Total	144,141	-	119,478	263,619

2016	Christopher John Ellery	Leonard Cooper	Susan Riley	Total
Short-term employee benefits				
Salary (including annual leave taken)	132,156	24,408	92,071	248,635
Annual leave accrued	6,447	5,944	12,439	24,830
Performance bonus	-	-	-	-
Other	-	-	-	-
Total short-term employee benefits	138,603	30,352	104,510	273,465
Post-employment benefits:				
Superannuation	20,298	2,025	11,024	33,347
Total post-employment benefits	20,298	2,025	11,024	33,347
Other long-term benefits:				
Long service leave accrued	3,813	(247)	8,156	11,722
Long-service leave taken	-	-	-	-
Total other long-term benefits	3,813	(247)	8,156	11,722
Termination benefits	-	-	-	-
Total	162,714	32,130	123,690	318,534

	2017	2016
	$	$
Note 13C: Transactions with key management personnel and their close family members		
Loans to/from key management personnel		
NA	-	-
Other transactions with key management personnel		
NA	-	-

Note 14 Remuneration of auditors

	2017	2016
Value of the services provided		
Financial statement audit services	13,250	12,800
Other services – Financial statements, FBT and accounting advice	9,293	3,750
Total remuneration of auditors	22,543	16,550

No other services were provided by the auditors of the financial statements.

Note 15 Financial instruments

The entity's financial instruments consist mainly of deposits with banks, investments, accounts receivable and accounts payable.

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

	2017 $	2016 $
Note 15A: Categories of financial instruments		
Financial assets		
Fair value through profit or loss:		
NA	-	-
Total	-	-
Held-to-maturity investments:		
Cash and cash equivalents	-	-
Total	-	-
Available-for-sale assets:		
Investments at fair value	-	-
Unlisted investments as cost	-	-
Total	-	-
Loans and receivables:		
Trade receivables	-	-
Total	-	-
Carrying amount of financial assets	-	-
Financial liabilities		
Fair value through profit or loss:		
NA	-	-
Total	-	-
Other financial liabilities:		
Trade and other payables	77,791	223,306
Total	77,791	223,306
Carrying amount of financial liabilities	77,791	223,306

Note 15B: Net income and expense from financial assets

	2017 $	2016 $
Held-to-maturity		
Interest revenue	43	416
Exchange gains/(loss)	-	-
Impairment	-	-
Gain/loss on disposal	-	-
Net gain/(loss) held-to-maturity	43	416
Loans and receivables		
Interest revenue	-	-
Exchange gains/(loss)	-	-
Impairment	(7,401)	(518)
Gain/loss on disposal	-	-
Net gain/(loss) from loans and receivables	-	-
Available for sale		
Interest revenue	201	1,220
Dividend revenue	44,753	39,827
Exchange gains/(loss)	-	-
Gain/loss recognised in equity	4,768	(29,528)
Amounts reversed from equity:		
Impairment	-	-
Fair value changes reversed on disposal	-	-
Gain/loss on disposal	-	-
Net gain/(loss) from available for sale	42,321	11,001
Fair value through profit and loss		
Held for trading:		
Change in fair value	-	-
Interest revenue	-	-
Dividend revenue	-	-
Exchange gains/(loss)	-	-
Total held for trading	-	-
Designated as fair value through profit and loss:		
Change in fair value	-	-
Interest revenue	-	-
Dividend revenue	-	-
Exchange gains/(loss)	-	-
Total designated as fair value through profit and loss	-	-
Net gain/(loss) at fair value through profit and loss	-	-
Net gain/(loss) from financial assets	42,364	11,417

The net income/expense from financial assets is $42,364 (2016: $11,417).

Note 15C: Net income and expense from financial liabilities

	2017 $	2016 $
At amortised cost		
Interest expense	-	-
Exchange gains/(loss)	-	-
Gain/loss on disposal	-	-
Net gain/(loss) financial liabilities - at amortised cost	-	-
Fair value through profit and loss		
Held for trading:		
Change in fair value	-	-
Interest expense	-	-
Exchange gains/(loss)	-	-
Total held for trading	-	-
Designated as fair value through profit and loss:		
Change in fair value	-	-
Interest expense	-	-
Total designated as fair value through profit and loss	-	-
Net gain/(loss) at fair value through profit and loss	-	-
Net gain/(loss) from financial liabilities	-	-

The net income/expense from financial liabilities not at fair value from profit and loss is $Nil (2016:$Nil).

Note 15D: Credit risk

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

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

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

Credit risk exposures

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

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

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

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 7A.

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

	2017 $	2016 $
Financial assets		
Trade and other receivables	**15,871**	19,540
Other investments	**671,267**	637,427
Total	**687,138**	656,967
Financial liabilities		
Trade and other payables	**77,791**	223,306
Total	**77,791**	223,306

In relation to the entity's gross credit risk the following collateral is held: None

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

	Not past due nor impaired 2017 $	Past due or impaired 2017 $	Not past due nor impaired 2016 $	Past due or impaired 2016 $
Class	-	-	-	-
Total	-	-	-	-

Note 15D: Credit risk continued

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

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	$	$	$	$	$
Trade and other receivables	5,504	418	9,949	-	15,871
Total	5,504	418	9,949	-	15,871

Ageing of financial assets that were past due but not impaired for 2016

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	$	$	$	$	$
Trade and other receivables	14,589	4,304	647	-	19,540
Total	14,589	4,304	647	-	19,540

Note 15E: Liquidity risk

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

- preparing forward-looking cash flow analyses in relation to its operational, investing and financing activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timings of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will be rolled forward.

Contractual maturities for financial liabilities 2017

2017	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
		$	$	$	$	$
Trade and other payables	-	77,791	-	-	-	77,791
Total	-	77,791	-	-	-	77,791
	On	**< 1 year**	**1– 2 years**	**2– 5 years**	**>5 years**	**Total**
2016	**Demand**	**$**	**$**	**$**	**$**	**$**
Trade and other payables	-	223,306	-	-	-	223,306
Total	-	223,306	-	-	-	223,306

Note 15F: 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 2017

	Risk variable	Change in risk variable %	Effect on Profit and loss $	Effect on Equity $
Interest rate risk	**54,618**	**+2%**	**1,092**	**1,092**
Interest rate risk	**54,618**	**-2%**	**(1,092)**	**(1,092)**

Sensitivity analysis of the risk that the entity is exposed to for 2016

	Risk variable	Change in risk variable %	Effect on Profit and loss $	Effect on Equity $
Interest rate risk	191,261	+2%	3,825	3,825
Interest rate risk	191,261	-2%	(3,825)	(3,825)

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.

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

	Risk variable	Change in risk variable %	Effect on Profit and loss $	Effect on Equity $
Other price risk	**671,267**	**+2%**	**13,425**	**13,425**
Other price risk	**671,267**	**-2%**	**(13,425)**	**(13,425)**

Sensitivity analysis of the risk that the entity is exposed to for 2016

	Risk variable	Change in risk variable %	Effect on Profit and loss $	Effect on Equity $
Other price risk	637,427	+2%	12,749	12,749
Other price risk	637,427	-2%	(12,749)	(12,749)

Note 15G: Asset pledged/or held as collateral

There were no assets pledged or held as collateral as at 31 March 2017 (2016: $Nil).

Note 16 Fair value measurement

Note 16A: Financial assets and liabilities

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

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

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The performance risk as at 31 March 2017 was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the reporting entity based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 31 March 2017 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

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

	Carrying amount 2017 $	Fair value 2017 $	Carrying amount 2016 $	Fair value 2016 $
Financial Assets				
Cash and cash equivalents	**54,618**	**54,618**	191,261	191,261
Trade and other receivables	**15,871**	**15,871**	19,540	19,540
Other investments	**671,267**	**671,267**	637,427	637,427
Total	**741,756**	**741,756**	848,228	848,228
Financial Liabilities				
Trade and other payables	**77,791**	**77,791**	223,306	223,306
Total	**77,791**	**77,791**	223,306	223,306

Note 16B: Fair value hierarchy

The following tables provide an analysis of financial and non-financial assets and liabilities that are measured at fair value, by fair value hierarchy.

Fair value hierarchy – 31 March 2017

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		**$**	**$**	**$**
Other Investments	31 March 2017	**671,267**	-	-
Total		**671,267**	-	-
Liabilities measured at fair value				
Total		-	-	-

Fair value hierarchy – 31 March 2016

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		**$**	**$**	**$**
Other Investments	31 March 2016	637,427	-	-
Total		637,427	-	-
Liabilities measured at fair value				
Total		-	-	-

Note 17: Business combinations
Subsidiaries acquired

Name of entity	Principal activity	Date of acquisition	Proportion of shares acquired %	Consideration transferred
2017:				
	-	-	-	-
2016:				
	-	-	-	-

	2017	2016
	$	$
Note 18 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 RO Regulations	-	-
Other expenses	-	-
Total expenses	-	-

Note 19 Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or General Manager:

(1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

(3) A reporting unit must comply with an application made under subsection (1).

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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, TELECOMMUNICATIONS AND SERVICES BRANCH (VICTORIA)

Opinion

We have audited the financial report of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Telecommunications and Services Branch (Victoria) (the Reporting Entity), which comprises the statement of financial position as at 31 March 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes and the committee of management's declaration of the reporting entity for the financial year.

In our opinion, the accompanying financial report:

a. (i) presented fairly, in all material respects, the financial position of the Reporting Entity as at 31 March 2017, and its financial performance and its cash flows for the year then ended in accordance with the provisions of the Fair Work (Registered Organisations) Act 2009, other requirements imposed by these Reporting Guidelines or Part 3 of Chapter 8 of the Act;
   (ii) complied with the Australian Accounting Standards (including Australian Accounting Interpretations); and
   (iii) indicates that management's use of the going concern basis of accounting in preparation of the financial statements is appropriate.

b. properly and fairly report all information in relation to recovery of wages activity required by the reporting guidelines of the General Manager of the Fair Work Commission including;
   (i) any fees charged to or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
   (ii) any donations or other contributions deducted from recovered money

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the 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 our audit of the financial report in Australia. We have also fulfilled our other responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The committee of management is responsible for the other information. The other information comprises the operating report and the committee of management statement.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Committee of Management's Responsibility 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.

The committee of management is responsible for overseeing the Reporting Entity's financial reporting process.

Auditor's Responsibility

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/Home.aspx. This description forms part of our auditor's report.

Material Uncertainty Related to Going Concern

Without qualifying our opinion expressed above, we draw attention to Note 1.28 in the financial report which indicates that the Union is in a current net asset deficiency position of $318,294. These conditions indicate the existence of a significant uncertainty which may cast significant doubt about the Union's ability to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Our opinion is not qualified in respect of this matter.

MSI RaggWeir

MSI RAGG WEIR
Chartered Accountants

L.S.WONG
Partner
Approved Auditor and Member of 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) (AA2017/29).

Melbourne: 22 June 2017

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

Scope

We have compiled the accompanying special purpose financial statements of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Telecommunications and Services Branch (Victoria) which comprises the attached Detailed Income and Expenditure statement for the year ended 31 March 2017 on pages 56 to 58. The specific purposes for which the special purpose financial statements have been prepared is to provide 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 information provided by the committee of management we have compiled the accompanying Detailed Income and Expenditure statement in accordance with the basis of accounting and APES 315: Compilation of Financial Information.

We have applied our 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, we are 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, we 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. We do not accept responsibility for the contents of the special purpose Detailed Income and Expenditure statement.

MSI Ragg Weir

MSI RAGG WEIR
Chartered Accountants

Melbourne: 22 June 2017

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA, COMMUNICATIONS DIVISION, TELECOMMUNICATIONS AND SERVICES BRANCH (VICTORIA)
ABN 13 511 341 559

DETAILED INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

	2017 $	2016 $
REVENUE		
Membership Subscription	**768,416**	830,770
Interest	**244**	1,636
Other revenue	**44,788**	50,084
	813,448	882,490
OTHER INCOME		
Net gains from sale of assets	**-**	-
	-	-
TOTAL INCOME	**813,448**	882,490
EXPENDITURE		
Employee benefits expense:		
Salaries and allowances		
- elected officials	**215,178**	248,635
- employees	**112,230**	121,876
Superannuation contributions		
- elected officials	**32,627**	33,347
- employees	**15,016**	15,777
Provision for annual leave	**18,575**	(8,917)
Provision for long service leave	**12,188**	9,672
Other		
- fringe benefit tax	**2,002**	2,346
- payroll tax	**15,910**	20,090
- insurance	**-**	-
- reimbursement	**-**	-
- workcover	**3,725**	4,666
- redundancy	**-**	95,361
	427,451	542,853
Capitation fees		
CEPU Divisional Conference	**159,708**	184,748
CEPU National Council	**6,771**	2,187
	166,479	186,935
Affiliation fees		
- Ballarat Trades Hall Council	**1,100**	1,013
- Bendigo Trades Hall Council	**760**	189
- Geelong Trades Hall Council	**330**	327
- Miscellaneous	**285**	1,764
- Victorian Trades Hall Council	**2,887**	2,409
	5,362	5,702

This statement should be read in conjunction with the attached compilation report on page 55

DETAILED INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

	2017 $	2016 $
Administration expense:		
Bank Charges	8,632	17,089
Car Hire & Fares	748	1,028
Campaigns	64	2,672
Commission paid	446	539
Consultancy fees	600	38,124
Debt Collection	-	28
Debts forgiven by CEPU Divisional Conference	(9,844)	-
General expenses	672	1,477
Gippsland TLC	305	-
Goulburn Valley TLC	103	-
Industrial fund financial planning	-	-
Insurance	1,394	1,502
Laptops	(862)	83
Leasing charges	18,060	17,996
Light, Power & Cleaning	3,500	3,360
Meeting expenses	1,029	2,812
Member services	2,923	3,300
Motor vehicle expenses	12,414	18,334
Office rental	20,439	21,958
Postage	5,319	1,347
Printing and stationery	6,718	10,819
Recruitment assist/services	-	26,300
Repairs and maintenance	8,006	7,942
Staff amenities	1,734	1,992
Telephone and fax	26,597	34,088
Training and education	-	804
	108,997	213,594
Grants or donations		
Donations	200	-
	200	-
Depreciation and amortisation		
Depreciation	7,363	9,182
	7,363	9,182
Legal costs		
Legal fees	66,851	-
	66,851	-
Audit Fees		
Audit	22,543	16,550
	22,543	16,550

This statement should be read in conjunction with the attached compilation report on page 55

DETAILED INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

	2017 $	2016 $
Write-down and impairment of assets		
Doubtful debt provision	7,401	518
	7,401	518
Other expenses		
Computer charges	-	-
Computer consultant	4,213	4,056
	4,213	4,056
Total Expenditure	816,860	979,390
Net (loss) for the year	(3,412)	(96,900)
Other comprehensive income/(loss)	4,768	(29,528)
TOTAL COMPREHENSIVE INCOME (LOSS)	1,356	(126,428)

This statement should be read in conjunction with the attached compilation report on page 55