



12 August 2019

Mr Barry McVee
Branch Secretary, Western Australian Communications Division Branch
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied
Services Union of Australia

cc. Mr Simon Fermanis, Auditor

Dear Secretary,

Re: – CEPU, Western Australian Communications Division Branch - financial report for year ending 31 March 2019 (FR2019/20)

I refer to the financial report of the Western Australian Communications Division Branch. The documents were lodged with the Registered Organisations Commission (**ROC**) on 24 June 2019.

The financial report has been filed. The financial report was filed based on a primary review. This involved confirming whether the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009 (RO Act)* have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements. Please note the report for year ending 31 March 2020 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report.

Nil activity disclosures

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

- RG10 - agree to receive financial support from another reporting unit to continue as a going concern [see also Note 1(t)]
- RG11 - agree to provide financial support to another reporting unit to ensure they continue as a going concern [see also Note 1(t)]
- RG13(b) - receive capitation fees from another reporting unit [Note 2]
- RG13(c) - receive revenue via compulsory levies [Note 2]
- RG13(d) - receive donations or grants [Note 2]
- RG13(e) - receive revenue from undertaking recovery of wages activity [Note 2]
- RG14(d) - pay compulsory levies [Note 3]
- RG14(e)(i) - pay a grant that was \$1,000 or less [Note 3]
- RG14(e)(ii) - pay a grant that exceeded \$1,000 [Note 3]

- RG14(e)(iv) - pay a donation that exceeded \$1,000 [Note 3]
- RG14(h) - pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit [Note 3]
- RG14(j)(i) - pay legal costs relating to litigation [Note 3]
- RG14(k) - pay a penalty imposed under the RO Act or the Fair Work Act 2009 [Note 3]
- RG16(a) - have a payable to an employer for that employer making payroll deductions of membership subscriptions [Note 10]
- RG16(b)(i) - have a payable in respect of legal costs relating to litigation [Note 10]
- RG16(b)(ii) - have a payable in respect of legal costs relating to other legal matters [Note 10]
- RG17(a) - have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch [Note 12]
- RG17(b) - transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity [Note 12]
- receive cash flows from another reporting units and/or controlled entity

The officer's declaration statement also included a nil activity disclosure for (a) RG14(i) – incur expenses due to holding a meeting as required under the rules of the organisation - which appears inconsistent with information relating to meeting expenses in Note 3; and for (b) RG18 - provide cash flows to another reporting unit and/or controlled entity - which appeared inconsistent with information in the cash flow statement.

Cash Flows

Reporting guideline 18 states:

Where another reporting unit and/or controlled entity of the organisation is the source of a cash inflow or the application of a cash outflow, the following details of such cash flow should be separately disclosed either in the cash flow statement or in the notes to the financial statements:

- the name of the other reporting unit and/or controlled entity concerned; and
- the amount paid to/received from each.

The Cash Flow statement or the Note in relation to cash flows should have included appropriate details.

This is in addition to the requirement to disclose revenues/expenses from/to another reporting unit [i.e. in accordance with reporting guidelines 13(b) and 14(b)].¹

Reference

The reference to “Registered Organisations Commission” in declaration (e)(vi) in the committee of management statement should be “Fair Work Commission” because orders for inspection of records under section 273 are made by that Commission. I draw your attention to the wording of the committee of management statement at reporting guideline 26 and in the sample committee of management statement (as attached) in the 2018-2019 model financial statements.

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements. The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting

¹ e.g. as disclosed as expenses to Communications Division and National Council in Notes 3 and 15.

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

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

Yours faithfully

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

Stephen Kellett
Financial Reporting
Registered Organisations Commission

24 June 2019

Ref: 5.01/001

Sam Gallichio
Regulatory Compliance Branch
Fair Work Commission
GPO Box 1994
MELBOURNE VIC 3001

Dear Sir,

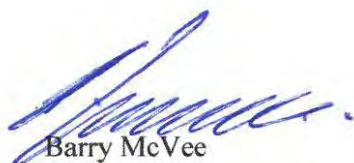
**Lodgement of Financial Statements and Accounts – Western
Australian Branch, Communications Division, CEPU – for year
ending 31 March 2019**

I, Barry McVee, being the Secretary of the Communications Electrical,
Electronic, Energy, Information, Postal, Plumbing and Allied Services
Union of Australia, Communications Division, WA Branch certify:

- That the document lodged herewith is a copy of the full Financial Report, for the year ending 31st March 2019, in accordance with s.268 of the Registered Organisations Act;
- That the Full Financial Report was placed on our website (www.cwuwa.org) for members on 16th May 2019. The AGM Meeting Notice was placed on the website on the same date in accordance with s265(6); and
- The full report was passed by our Branch Committee of Management on Wednesday 15th May 2019; and
- That the full report was endorsed at the Annual General Meeting on Wednesday 19th June 2019, in accordance with s266 of the Fair Work (Registered Organisations) Act.

Please contact me if you have any queries.

Yours sincerely


Barry McVee
Branch Secretary
CEPU Communications Division
WA Branch



**COMMUNICATIONS
ELECTRICAL
PLUMBING
UNION**

**COMMUNICATIONS
DIVISION**
Western Australia

ABN 41 035 284 629

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PERTH 6000

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

Notice of Annual General Meeting

The Annual **General** Meeting will be held on:

Wednesday 19 June 2019

Commencing at:

7.00 pm

Venue:

**CEPU Communications Division Office
196 Lord Street
PERTH WA 6000**

Business:

- 1 Apologies
- 2 Minutes
- 3 Presentation of Branch Secretary's Report
- 4 Presentation of 2018/2019 Financial Reports CEPU WA Branch
- 5 Election of Auditor
- 6 Election of Returning Officer
- 7 Election of Branch Solicitors
- 8 Proxies Motion—Divisional Executive/Conference & National Council
- 9 Notified Business

Members are advised that the Financial Report is available for your information on the Union's website of www.cwuwa.org

The Branch Committee of Management Meeting will be held at 6.00 pm prior to the Annual General Meeting.

Barry McVee
Branch Secretary
16 May 2019

Communications Electrical Plumbing Union Communications Division WA

Financial Report

For the year ended 31 March 2019

Communications Electrical Plumbing Union
Communications Division WA

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNICATIONS ELECTRICAL PLUMBING UNION COMMUNICATIONS DIVISION WA

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Communications Electrical Plumbing Union Communications Division WA (the Reporting Unit), which comprises the statement of financial position as at 31 March 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Committee of Management statement, the subsection 255(2A) report and the Officer Declaration Statement.

In our opinion the accompanying financial report presents fairly, in all material aspects, the financial position of Communications Electrical Plumbing Union - Communications Division WA as at 31 March 2019, and its financial performance and its cash flows for the year ended on that date in accordance with:

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

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Reporting Unit in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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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.

Responsibilities of the Committee of Management for the Financial Report

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

In preparing the financial report, the Committee of Management is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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 the 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for our audit opinion.

We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

I declare that I am an auditor registered under the RO Act.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 257(7) of the RO Act, we are required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act.

We have no items to report in this regard.



PKF PERTH



SIMON FERMANIS
PARTNER

15 MAY 2019
WEST PERTH,
WESTERN AUSTRALIA

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/102.

Communications Electrical Plumbing Union
Communications Division WA

Prescribed Designated Officer Certificate

For the year ended 31 March 2019

I, Barry McVee, being the officer responsible of the Communications Electrical Plumbing Union - Communications Division WA, certify:

- That the documents lodged herewith are copies of the full report for the Communications Electrical Plumbing Union - Communications Division WA for the year ended 31 March 2019 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- That the full report was provided to members of the reporting unit on 16 May 2019; and
- That the full report was presented to a meeting of the committee of management of the reporting unit on 15 May 2019 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer



Name of prescribed designated officer

BARRY McVEE

Title of prescribed designated officer

BRANCH SECRETARY

Date

19.06.2019

Report required under subsection 255(2A)

For the year ended 31 March 2019

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

Descriptive form

Categories of expenditures	2019 \$	2018 \$
Remuneration and other employment-related costs and expenses - employees	489,761	514,367
Advertising	-	-
Operating costs	302,343	317,114
Donations to political parties	-	-
Legal costs	672	-

Signature of prescribed designated officer



Name of prescribed designated officer

Barry McVee

Date

15/05/2019

Operating Report

For the year ended 31 March 2019

The committee of management presents its report on the reporting unit for the financial year ended 31 March 2019.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

The principal activity of the Communications Electrical Plumbing Union - Communications Division WA during the financial year was as a communication union. There were no significant changes in the Reporting Unit's activity during the financial year.

Significant changes in financial affairs

There were no significant changes in the nature of the Reporting Unit's principal financial affairs during the financial year.

Right of members to resign

All members of the Reporting Unit have the right to resign from the Reporting Unit in accordance with Rule 14 of the Reporting Unit Rules (and Section 174 of the Fair Work (Registered Organisations) Act 2009); namely by providing notice addressed and delivered to the Secretary of the Reporting Unit, including via email.

Officers or members who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such position

To the best of our knowledge and belief, no officer of the Reporting Unit, by virtue of their office of Communications Electrical Plumbing Union - Communications Division WA is:

- a. A trustee of a superannuation entity or exempt public sector superannuation scheme; or
- b. An exempt public sector superannuation scheme; and
- c. Where a criterion for the officer being the trustee or director is that the office is an officer of a registered organisation.

Bryan Watkins, branch president of the Postal Industry Section W.A., is a director of a superannuation trustee company.

Number of members

Number of members on the register of members on 31 March 2019 was 1,808 (2018: 1,740)

Number of employees

As at 31 March 2019, the Reporting Unit employed two full time Elected Officials, one part time employee and two full time employees.

Communications Electrical Plumbing Union
Communications Division WA

Operating Report (continued)

For the year ended 31 March 2019

Names of Committee of Management members and period positions held during the financial year

The names of each person who has been a member of the committee of management of the Reporting Unit at any time during the reporting period, and the period for which he or she held such a position is as follows

Telecommunications & Information Technology Industry Section

Peter John Noble	Branch Vice-President	01/04/2018 – 31/03/2019
Colleen Mary Noonan	Branch Vice-President / Affirmative Action	01/04/2018 – 31/03/2019
John Edward Kus	Committee of Management	01/04/2018 – 31/03/2019
Norman John Tredrea	Committee of Management	01/04/2018 – 31/03/2019
Machiel Van der Stelt	Committee of Management	01/04/2018 – 31/03/2019
Clinton Thomas	Committee of Management	01/04/2018 – 31/03/2019

Postal Industry Section

Barry McVee	(Branch Secretary)	01/04/2018 – 31/03/2019
Bryan David Watkins	(Branch President)	01/04/2018 – 31/03/2019
Roy Waller	(Branch Vice President)	01/04/2018 – 31/03/2019
John Vagg	(Committee of Management Member)	01/04/2018 – 31/03/2019
Stephen Plichta	(Committee of Management Member)	01/04/2018 – 31/03/2019
John Evangelista	(Committee of Management Member)	01/04/2018 – 31/03/2019
Christine Rabey	(Committee of Management Member)	01/04/2018 – 31/03/2019
Matthew Wilson	(Committee of Management Member)	01/04/2018 – 31/03/2019

Signature of designated officer:

Name and title of designated officer:

Dated:

Communications Electrical Plumbing Union
Communications Division WA

Committee of Management Statement

For the year ended 31 March 2019

On 15 May 2019 the Branch Executive Council of the Communications Electrical Plumbing Union - Communications Division WA passed the following resolution in relation to the general purpose financial report for the year ended 31 March 2019:

The Communications Electrical Plumbing Union - Communications Division WA declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Reporting Unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the Reporting Unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the General Purpose Financial Report 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 the Commissioner duly made under section 272 of the RO Act has been provided to the member or the Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Registered Organisations Commission under section 273 of the RO Act, there has been compliance.

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

Signature of designated officer:



Name and title of designated officer:

Barry McVee / Branch Secretary

Dated:

15/05/2019

Communications Electrical Plumbing Union
Communications Division WA

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2019

	Notes	2019 \$	2018 \$
Revenue			
Membership subscription	2	696,348	725,734
Capitation fees and other revenue from another reporting unit	2	-	-
Levies	2	-	-
Interest	2	17,877	18,727
Other revenue	2	59,891	58,489
Total revenue		<u>774,116</u>	<u>802,950</u>
Other Income			
Grants and/or donations	2	-	-
Share of net profit from associate		-	-
Net gain from sale of assets		-	-
Revenue from recovery of wages activity	2	-	-
Total other income		<u>-</u>	<u>-</u>
Total revenue and other income		<u>774,116</u>	<u>802,950</u>
Expenses			
Employee expenses	3	(489,761)	(514,367)
Capitation fees other expenses to another reporting unit	3	(152,811)	(161,360)
Affiliation fees	3	(1,676)	(1,780)
Administration expenses	3	(96,946)	(84,525)
Grants or donations	3	(103)	-
Depreciation and amortisation	3	(10,361)	(13,319)
Legal costs	3	(672)	-
Audit fees	17	(16,554)	(16,555)
Share of net loss from associate		-	-
Write down and impairment of assets		-	-
Net losses from sale of assets		-	-
Other expenses	3	(23,892)	(39,578)
Total expenses		<u>(792,776)</u>	<u>(831,484)</u>
Surplus / (deficit) for the year		<u>(18,660)</u>	<u>(28,534)</u>
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss			
Gain on revaluation of land & buildings		-	(226,546)
Total comprehensive income for the year		<u>(18,660)</u>	<u>(255,080)</u>

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

Communications Electrical Plumbing Union
Communications Division WA

Statement of Financial Position

As at 31 March 2019

	Notes	2019 \$	2018 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	636,187	784,596
Trade and other receivables	5	11,087	11,087
Other current assets	6	38,331	48,468
Total current assets		685,605	844,151
Non-Current Assets			
Land and buildings	7	1,092,445	1,100,000
Plant and equipment	8	3,582	5,028
Total non-Current assets		1,096,027	1,105,028
Total assets		1,781,632	1,949,179
LIABILITIES			
Current Liabilities			
Trade payables and accruals	9	17,058	21,199
Other payables	10	48,808	46,121
Employee provisions	11	126,618	279,234
Total current liabilities		192,484	346,554
Non-Current Liabilities			
Employee provisions	11	13,736	8,553
Total non-current liabilities		13,736	8,553
Total liabilities		206,220	355,107
Net assets		1,575,412	1,594,072
EQUITY			
General funds	12	1,028,102	1,028,102
Retained earnings		547,310	565,970
Total equity		1,575,412	1,594,072

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

Communications Electrical Plumbing Union
Communications Division WA

Statement of Changes in Equity

For the year ended 31 March 2019

	Notes	General Funds	Retained earnings	Total equity
		\$	\$	\$
Balance as at 1 April 2017		1,254,648	594,504	1,849,152
Surplus for the year		-	(28,534)	(28,534)
Loss on revaluation of land & buildings		(226,546)	-	(226,546)
Closing balance as at 31 March 2018		1,028,102	565,970	1,594,072
Deficit for the year		-	(18,660)	(18,660)
Loss on revaluation of land & buildings		-	-	-
Closing balance as at 31 March 2019		1,028,102	547,310	1,575,412

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

Communications Electrical Plumbing Union
Communications Division WA

Statement of Cash Flows

For the year ended 31 March 2019

	Notes	2019 \$	2018 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units / controlled entities		-	-
Members		696,348	710,709
Interest		17,877	18,727
Other		59,891	58,489
Cash used			
Employees		(637,193)	(487,089)
Suppliers		(134,642)	(122,316)
Payments to other reporting units / controlled entities		(148,819)	(162,054)
Net cash from operating activities	13	<u>(146,538)</u>	<u>16,466</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		-	-
Proceeds from sale of land and buildings		-	-
Other		-	-
Cash used			
Purchase of plant and equipment		(1,360)	(1,090)
Purchase of land and buildings		-	-
Investment on term deposit		(511)	-
Net cash used by investing activities		<u>(1,871)</u>	<u>(1,090)</u>
FINANCING ACTIVITIES			
Cash received			
Contributed equity		-	-
Other		-	-
Cash used			
Repayment of borrowings		-	-
Other		-	-
Net cash from (used by) investing activities		<u>-</u>	<u>-</u>
Net increase in cash held		(148,409)	15,376
Cash & cash equivalents at the beginning of the financial year		784,596	769,220
Cash & cash equivalents at the end of the financial year	4	<u>636,187</u>	<u>784,596</u>

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

Notes to the Financial Statements

Note 1	Summary of Significant Accounting Policies
Note 2	Revenue
Note 3	Expenses
Note 4	Cash and cash equivalents
Note 5	Trade and other receivables
Note 6	Other current assets
Note 7	Land and buildings
Note 8	Plant and equipment
Note 9	Trade creditors and accruals
Note 10	Other payables
Note 11	Employee provisions
Note 12	Funds
Note 13	Cash flow reconciliation
Note 14	Contingent liabilities, assets and commitments
Note 15	Related party disclosures
Note 16	Key management personnel
Note 17	Remuneration of auditor
Note 18	Financial instruments
Note 19	Fair value measurement
Note 20	Events after the reporting period
Note 21	Section 272 Fair Work (Registered organisations) Act 2009

Notes to the Financial Statements

For the year ended 31 March 2019

Note 1 Summary of significant accounting policies

Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, the Communications Electrical Plumbing Union Communications Division WA (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. 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.

a) Comparative amounts

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

b) 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.

Estimation of useful lives of assets

The Reporting Unit determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent experience and historical collection rates.

Notes to the Financial Statements

For the year ended 31 March 2019

Note 1 Summary of significant accounting policies (continued)

c) 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.

The accounting policies adopted are consistent with those of the previous financial year except for the following standard, which has been adopted for the first time this financial year.

AASB 9 Financial Instruments

The Reporting Unit has adopted AASB 9 from 1 January 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available. The impact of the adoption is not material.

Future Australian Accounting Standards Requirements

The following Australian Accounting Standards have been issued early but are not yet effective. The following have not been adopted in preparation of the financial statements at the reporting date but will be adopted at application date. The Reporting Unit has assessed the potential impact on the financial statements from the adoption of these standards and interpretations including the effect of AASB15 and AASB16 and there are not material effect on the Reporting Unit's profit or loss.

Notes to the Financial Statements

For the year ended 31 March 2019

Note 1 Summary of significant accounting policies (continued)

AASB No.	Title	Application date of standard	Issue date
AASB 2016-8	Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities	1 January 2019	December 2016
AASB 2017-4	Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments	1 January 2019	July 2017
AASB 2017-6	Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation	1 January 2019	October 2017
AASB 2018-1	Amendments to Australian Accounting Standards – Annual Improvements 2015-2017 Cycle	1 January 2019	February 2018
AASB 2018-2	Amendments to Australian Accounting Standards – Plan Amendment, Curtailment or Settlement	1 January 2019	March 2018
AASB 2018-4	Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public Sector	1 January 2019	September 2018
AASB 2018-5	Amendments to Australian Accounting Standards - Deferral of AASB 1059	1 January 2019	October 2018
AASB 2018-6	Amendments to Australian Accounting Standards – Definition of a Business	1 January 2020	December 2018
AASB 2018-7	Amendments to Australian Accounting Standards – Definition of Material	1 January 2020	December 2018
*AASB 2018-8	Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities	1 January 2019	December 2018
AASB 15	Revenues from Contracts with Customers	1 January 2019	October 2015
AASB 16	Leases	1 January 2019	February 2016
AASB 17	Insurance Contracts	1 January 2021	July 2017
AASB 1058	Income of Not-for-Profit Entities [Appendix D]	1 January 2019	December 2016
Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019	June 2017
Not yet issued by the AASB	Conceptual Framework for Financial Reporting [#]	1 January 2020	March 2018

(*) applicable for not-for-profit organisations.

d) 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.

Notes to the Financial Statements

For the year ended 31 March 2019

Note 1 Summary of significant accounting policies (continued)

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.

e) 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 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.

f) Gains and losses

Sale of assets

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

g) 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.

Notes to the Financial Statements

For the year ended 31 March 2019

Note 1 Summary of significant accounting policies (continued)

h) 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.

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.

i) 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 lease 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 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.

j) Borrowing costs

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

Notes to the Financial Statements

For the year ended 31 March 2019

Note 1 Summary of significant accounting policies (continued)

k) Cash and cash equivalents

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.

l) Trade and other receivables

Trade and other receivables are recognised at amortisation cost, less any provision for impairment. The amounts are usually due for settlement no more than 30 days after recognition. Collectability of debtors is reviewed on an ongoing basis. Debts, which are known to be uncollectable, are written off.

m) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Reporting Unit has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Reporting Unit intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The Reporting Unit recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Reporting Unit's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Notes to the Financial Statements

For the year ended 31 March 2019

Note 1 Summary of significant accounting policies (continued)

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

n) 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.

o) 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 profit/loss. 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.

Notes to the Financial Statements

For the year ended 31 March 2019

Note 1 Summary of significant accounting policies (continued)

Depreciation

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

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

	2019	2018
Buildings	40 years	40 years
Plant and equipment	3 to 7 years	3 to 7 years
Motor Vehicles	4 years	4 years

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.

p) 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.

q) 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.

Notes to the Financial Statements

For the year ended 31 March 2019

Note 1 Summary of significant accounting policies (continued)

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.

r) 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 19.

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

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

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

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

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

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

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

Notes to the Financial Statements

For the year ended 31 March 2019

Note 1 Summary of significant accounting policies (continued)

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.

s) Trade and other payables

These amounts represent liabilities for goods or services provided to the Reporting Unit by a third party during the financial year which remain unpaid at year end. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

t) Going concern

Communications Electrical Plumbing Union - Communications Division WA is not reliant on any financial support to continue on a going concern basis.

The Reporting Unit has not agreed to provide any financial support to any other party-related or non-related to ensure they can continue on a going concern basis.

u) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Reporting Unit's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Reporting Unit's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current

Notes to the Financial Statements

For the year ended 31 March 2019

Note 2 Revenue

	2019	2018
	\$	\$
Membership subscription	696,348	725,734
Capitation fees	-	-
Revenue from another reporting unit	-	-
Levies	-	-
Interest	17,877	18,727
Other revenue	59,891	58,489
Grants	-	-
Donations	-	-
Net gain from sale of assets	-	-
Revenue from recovery of wages activity	-	-
	<u>774,116</u>	<u>802,950</u>

Note 3 Expenses

Employee expenses

Holders of office:

Wages and salaries	157,699	235,128
Superannuation	32,060	38,598
Leave and other entitlements	(164,588)	9,234
Separation and redundancies	140,224	-
Other employee expenses	13,074	18,852
Subtotal employee expenses holders of office	<u>178,469</u>	<u>301,812</u>

Employees other than office holders:

Wages and salaries	229,010	159,724
Superannuation	40,985	23,941
Leave and other entitlements	17,156	18,045
Separation and redundancies	-	-
Other employee expenses	24,141	10,845
Subtotal employee expenses employees other than office holders	<u>311,292</u>	<u>212,555</u>
Total employee expenses	<u>489,761</u>	<u>514,367</u>

Communications Electrical Plumbing Union
Communications Division WA

Notes to the Financial Statements

For the year ended 31 March 2019

Note 3	Expenses	2019	2018
		\$	\$
<u>Capitation fees and other expenses to another reporting unit</u>			
Capitation fees			
	CEPU Communication Division	142,340	161,360
	Total capitation fees	142,340	161,360
Other expenses to another reporting unit			
	CEPU – National Council	10,471	-
	Total other expenses to another reporting unit	10,471	-
	Total Capitation fees and other expenses to another reporting unit	152,811	
<u>Affiliation fees</u>			
	Australian Labour Party	1,676	1,780
	Other	-	-
	Total affiliation fees	1,676	1,780
<u>Administration expenses</u>			
	Total paid to employers for payroll deductions of membership subscriptions	3,314	3,945
	Compulsory levies	-	-
	Fees/allowances - meeting and conferences	-	-
	Conference and meeting expenses	4,548	2,414
	Contractors / consultants	-	-
	Property expenses	20,670	21,269
	Office expenses	23,393	24,044
	Information communications technology	7,974	8,975
	Rental (printer)	1,977	1,797
	Other	35,070	22,081
	Total administration expense	96,946	84,525
<u>Grants or donations</u>			
Grants:			
	Total paid that were \$1,000 or less	-	-
	Total paid that exceeded \$1,000	-	-
Donations:			
	Total paid that were \$1,000 or less	103	-
	Total paid that exceeded \$1,000	-	-
	Total grants or donations	103	-

Communications Electrical Plumbing Union
Communications Division WA

Notes to the Financial Statements

For the year ended 31 March 2019

Note 3	Expenses (continued)	2019	2018
		\$	\$
<u>Depreciation</u>			
	Depreciation		
	Land and buildings	7,555	8,836
	Property, plant and equipment	2,806	4,483
	Total depreciation	10,361	13,319
<u>Legal costs</u>			
	Litigation	-	-
	Other legal matters	672	-
	Total legal costs	672	-
<u>Other expenses</u>			
	Penalties - via RO Act or The fair Work Act 2009	-	-
	Other expenses	34,363	39,578
	Total other expenses	34,363	39,578

Note 4 **Cash and cash equivalents**

Cash on hand	195	195
Cash at bank	63,854	71,133
Short term deposits	572,138	713,268
Total cash and cash equivalents	636,187	784,596

The weighted average interest rate at 31 March 2019 is 2.48% (2018: 2.38%).

Note 5 **Trade and other receivables**

Receivables from other reporting units

Other reporting unit	-	-
Total receivables from other reporting units	-	-

Less provision for doubtful debts

Other reporting unit	-	-
Total provision for doubtful debts	-	-
Net receivable from other reporting units	-	-

Other receivables

Membership fees	33,675	33,675
Provision for credit losses – membership fees	(26,529)	(26,529)
Accrued interest	3,941	3,941
Total other receivables	11,087	11,087
Total net trade and other receivables	11,087	11,087

Notes to the Financial Statements

For the year ended 31 March 2019

Note 6	Other current assets	2019	2018
		\$	\$
	Term deposit	11,406	10,896
	Prepaid expenses	26,925	37,572
	Total other current assets	38,331	48,468

Note 7	Land and buildings		
	Fair value	1,100,000	1,380,000
	Accumulated depreciation	(7,555)	-
	Total land and buildings	1,092,445	1,100,000

Reconciliation of the opening and closing balances of Land and buildings

As at 1 April		
Gross book value	1,100,000	1,380,000
Accumulated depreciation and impairment	-	(44,617)
Net book value 1 April	1,100,000	1,335,383
Revaluation	-	(226,546)
Impairment	-	-
Depreciation expense	(7,555)	(8,837)
Net book value 31 March	1,092,445	1,100,000
Net book value as of 31 March represented by:		
Gross book value	1,100,000	1,100,000
Accumulated depreciation and impairment	(7,555)	-
Net book value 31 March	1,092,445	1,100,000

Valuations of land and buildings

The revalued land and buildings consist of one property at 196, Lord Street, Perth. Management determined that this constitute one class of asset under AASB 13, based on the nature, characteristics and risks of the property.

Fair value of the properties was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property. As at 31 March 2019, the properties' fair values are based on valuations performed by National Property Valuers, an accredited independent valuer at 31 March 2018 less depreciation incurred.

Significant unobservable valuation input	Range
Price per square metre	\$2,000

A significant increase (decrease) in estimated price per square metre in isolation would result in a significantly higher (lower) fair value.

See note 19 for further information on fair value measurement.

Notes to the Financial Statements

For the year ended 31 March 2019

Note 8 Plant and equipment	2019 \$	2018 \$
Motor vehicles:		
At cost	65,160	65,160
Accumulated depreciation	(65,160)	(65,160)
	-	-
Plant and equipment:		
At cost	103,094	110,690
Accumulated depreciation	(99,512)	(105,662)
	3,582	5,028
Total plant and equipment	3,582	5,028

Reconciliation of the opening and closing balances of plant and equipment

2019	Motor vehicles	Plant and equipment	Total
As at 1 April 2018			
Gross book value	65,160	110,690	175,850
Accumulated depreciation and impairment	(65,160)	(105,662)	(170,822)
Net book value 1 April 2018	-	5,028	5,028
Additions:			
By purchase	-	1,360	1,360
Depreciation expense	-	(2,806)	(2,806)
Disposals	-	-	-
Net book value 31 March 2019	-	3,582	3,582
Net book value as of 31 March 2019 represented by:			
Gross book value	65,160	103,094	168,254
Accumulated depreciation and impairment	(65,160)	(99,512)	(164,672)
Net book value 31 March 2019	-	3,582	3,582
2018	Motor vehicles	Plant and equipment	Total
As at 1 April 2017			
Gross book value	65,160	109,600	174,760
Accumulated depreciation and impairment	(65,160)	(101,179)	(166,339)
Net book value 1 April 2017	-	8,421	8,421
Additions:			
By purchase	-	1,090	1,090
Depreciation expense	-	(4,483)	(4,483)
Net book value 31 March 2018	-	5,028	5,028
Net book value as of 31 March 2018 represented by:			
Gross book value	65,160	110,690	175,850
Accumulated depreciation and impairment	(65,160)	(105,662)	(170,822)
Net book value 31 March 2018	-	5,028	5,028

Communications Electrical Plumbing Union
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Notes to the Financial Statements

For the year ended 31 March 2019

	2019 \$	2018 \$
Note 9 Trade creditors and accruals		
Trade creditors and accruals	7,354	10,030
Subtotal trade creditors	<u>7,354</u>	<u>10,030</u>
Payables to other reporting units		
CEPU Communication Division	9,704	11,169
Subtotal payables to other reporting units	<u>9,704</u>	<u>11,169</u>
Total trade payables	<u><u>17,058</u></u>	<u><u>21,199</u></u>

Settlement is usually made within 30 days.

Note 10 Other payables

Wages and salaries	-	-
Superannuation	6,489	5,342
Payables to employers for making payroll deductions of membership subscriptions	-	-
Legal costs	-	-
Unearned revenue	12,727	12,727
GST net payable	5,436	3,603
Other payables	24,156	24,449
Total other payables	<u><u>48,808</u></u>	<u><u>46,121</u></u>

Settlement is usually made within 90 days.

Total other payables are expected to be settled in:

No more than 12 months	48,808	46,121
More than 12 months	-	-
Total other payables	<u><u>48,808</u></u>	<u><u>46,121</u></u>

Communications Electrical Plumbing Union
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Notes to the Financial Statements

For the year ended 31 March 2019

	2019 \$	2018 \$
Note 11 Employee provisions		
Office holders:		
Annual leave	30,086	67,186
Long service leave	43,880	171,369
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—office holders	73,966	238,555
Employees other than office holders:		
Annual leave	26,111	16,446
Long service leave	40,277	32,786
Separation and redundancies	-	-
Other	-	-
Subtotal employee provisions—employees other than office holders	66,388	49,232
Total employee provisions	140,354	287,787
 Current	 126,618	 279,234
Non-current	13,736	8,553
Total employee provisions	140,354	287,787

Note 12 Funds

General funds

Asset revaluation reserve

Balance as at start of year	1,028,102	1,254,648
Transferred to reserve	-	-
Transferred out of reserve (*)	-	(226,546)
Balance as at end of year	1,028,102	1,028,102

Other specific disclosures - Funds

Compulsory levy/voluntary contribution fund – if invested in assets

- -

Other funds required by rules

Other

Balance as at start of year	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	-	-

(*) Refer to Note 7 for Valuations of land and buildings.

Communications Electrical Plumbing Union
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Notes to the Financial Statements

For the year ended 31 March 2019

	2019 \$	2018 \$
Note 13 Cash flow reconciliation		
Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement:		
Cash and cash equivalents as per:		
Cash flow statement	784,596	784,596
Statement of Financial Position	784,596	784,596
Difference	-	-
Reconciliation of profit/(loss) to net cash from operating activities:		
Surplus / (deficit) for the year	(18,660)	(28,534)
Adjustments for non-cash items		
Depreciation/amortisation	10,361	13,319
Provision for credit losses of receivables	-	14,250
Changes in assets/liabilities		
(Increase)/decrease in trade and other receivables	-	(15,025)
(Increase)/decrease in other assets	10,647	977
Increase/(decrease) in payables and accruals	(4,141)	1,946
Increase/(decrease) in other payables	2,687	2,255
Increase/(decrease) in employee provisions	(147,432)	27,278
Net cash from (used by) operating activities	146,538	16,466
<u>Cash flow information</u>		
Cash inflows		
Communications Electrical Plumbing Union	774,116	787,925
Communications Division WA		
Total cash inflows	774,116	787,925
Cash outflows		
Communications Electrical Plumbing Union	(922,524)	(772,549)
Communications Division WA		
Total cash outflows	(922,524)	(772,549)

Notes to the Financial Statements

For the year ended 31 March 2019

Note 14 Contingent liabilities, assets and commitments

Operating lease commitments – as lessee

The operating lease is for a photocopier that is leased by the Reporting Unit and it was renewed for more five years with the contract expiring on 02 May 2021. The Reporting Unit pays the lease through fixed monthly instalments.

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

	2019	2018
	\$	\$
Within one year	2,156	2,156
After one year but not more than five years	2,282	4,474
More than five years	-	-
	<u>4,438</u>	<u>6,630</u>

Operating lease commitments – as lessor

The Reporting Unit had no operating lease commitments during the 2019 and 2018 financial years.

Capital commitments

The Reporting Unit had no capital commitments during the 2019 and 2018.

Finance lease commitments

The Reporting Unit had no finance lease commitments during the 2019 and 2018 financial years.

Other contingent assets of liabilities

At reporting date there are no known contingent liabilities or assets that would have a material effect on the presentation of the annual financial statements.

Note 15 Related party disclosures

Related parties transactions for the reporting period

CEPU Communication Division

- This is the Communication Divisional of CEPU.

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services - CEPU

- This is the National Council.

Communications Electrical Plumbing Union
Communications Division WA

Notes to the Financial Statements

For the year ended 31 March 2019

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

	2019	2018
	\$	\$
CEPU Communication Division		
Revenue received from Communication Division		
Communication Division reimbursements	5,448	2,136
Expenses paid to Communication Division		
Capitation fees	142,340	161,360
Amounts owed by Communication Division		
Reimbursements owed by Communication Division	-	-
Amounts owed to Communication Division		
Capitation fees	9,704	11,169
Loans from/to Communication Division	-	-
Assets transferred from/to Communication Division	-	-
CEPU National Council		
Revenue received from National Council		
Other	-	-
Expenses paid to National Council		
National council funding	10,471	-
Amounts owed by National Council		
Other	-	-
Amounts owed to National Council		
National council funding	5,457	-
Loans from/to National Council	-	-
Assets transferred from/to National Council	-	-

Notes to the Financial Statements

For the year ended 31 March 2019

Note 16 Key management personnel	2019	2018
	\$	\$
(a) Remuneration for the reporting period		
The key management personnel are the Officials.		
Short-term employee benefits		
Salary (including leave taken)	157,699	235,128
Annual leave accrued - movement	(37,100)	(2,763)
Performance bonus	-	-
Total short-term employee benefits	120,599	232,365
Post-employment benefits:		
Superannuation	32,060	38,598
Total post-employment benefits	32,060	38,598
Other long-term benefits:		
Long-service leave accrued - movement	(127,488)	11,997
Total other long-term benefits	(127,488)	11,997
Termination benefits	140,224	-
Total	165,395	282,960

(b) Transactions with key management personnel and their close family members

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

Note 17 Remuneration of auditor

Value of the services provided		
Financial statement audit services	16,554	16,555
Other services	1,800	1,200
Total remuneration of auditor	18,354	17,755

Notes to the Financial Statements

For the year ended 31 March 2019

Note 18 Financial instruments

Financial risk management objectives

The Reporting Unit's activities do not expose it to many financial risks and therefore are not actively managing these risks.

Categories of financial instruments

<u>Financial Assets</u>	2019	2018
	\$	\$
Cash and cash equivalents	636,187	784,596
Term deposit	11,406	10,896
Total	647,593	795,492
Loans and receivables:		
Trade and other receivables	7,146	7,146
Total	7,146	7,146
Carrying amount of financial assets	654,739	802,638
<u>Financial Liabilities</u>		
Other financial liabilities:		
Trade payables and accruals	17,058	21,199
Other payables	36,081	33,394
Carrying amount of financial liabilities	53,139	54,593
Net income and expense from financial assets		
Cash and cash equivalent		
Interest revenue	17,877	18,727
Exchange gains / (losses)	-	-
Impairment	-	-
Gain / (loss) on disposal	-	-
Net gain / (loss) from held-to-maturity	17,877	18,727
Loans and receivables		
Interest revenue	-	-
Exchange gains / (losses)	-	-
Impairment	-	-
Gain / (loss) on disposal	-	-
Net gain / (loss) from loans and receivables	-	-
Net gain / (loss) from financial assets	17,877	18,727

Notes to the Financial Statements

For the year ended 31 March 2019

Note 18 Financial instruments (continued)

The net income/expense from financial assets not at fair value through profit or loss is \$0 (2018: \$0).

Net income and expenses from financial liabilities	2019	2018
	\$	\$
Other financial liabilities		
Change in fair value	-	-
Interest expense	-	-
Exchange gains / (losses)	-	-
Net gain / (loss) from other financial liabilities	-	-
Net gain / (loss) from financial liabilities	-	-

The net income/expense from financial liabilities not at fair value through profit or loss is Nil (2018: Nil)

Credit risk

The Reporting Unit is not exposed to any significant credit risk however it actively monitors all receivables to ensure receipt.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Branch Committee of Management. The Reporting Unit manages liquidity risk by maintaining adequate reserves and banking facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Contractual maturities for financial liabilities

The following tables detail the Reporting Unit's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

2019	On demand	< 1 year	1 – 2 years	2 – 5 years	> 5 years	Total
	\$	\$	\$	\$	\$	\$
Trade creditors and accruals	-	17,058	-	-	-	17,058
Other payables	-	36,081	-	-	-	36,081
Total	-	53,139	-	-	-	53,139

Notes to the Financial Statements

For the year ended 31 March 2019

Note 18 Financial instruments (continued)

2018	On demand \$	< 1 year \$	1 – 2 years \$	2 – 5 years \$	> 5 years \$	Total \$
Trade creditors and accruals	-	21,199	-	-	-	21,199
Other payables	-	33,394	-	-	-	33,394
Total	-	54,593	-	-	-	54,593

Market risk

The Reporting Unit is not exposed to any significant market risks, including interest rate risk, price risk and currency risk, and therefore a sensitivity analysis is immaterial.

Note 19 Fair value measurement

Management of the Reporting Unit assessed that cash and cash equivalents, trade and other receivables, trade payables and accruals and other payables approximate their carrying amounts largely due to the short term maturities of these instruments.

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

- Long-term fixed-rate and variable-rate receivables/creditors are evaluated by the Reporting Unit 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 2019 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The following table contains the carrying amount and related fair values for the Reporting Unit's financial assets and liabilities:

	Carrying amount 2019 \$	Fair value 2019 \$	Carrying amount 2018 \$	Fair value 2018 \$
Financial assets				
Cash and cash equivalents	636,187	636,187	784,596	784,596
Trade and other receivables	7,146	7,146	7,146	7,146
Other assets	11,406	11,406	10,896	10,896
Total	654,739	654,739	802,638	802,638
Financial liabilities				
Trade payables and accruals	17,058	17,058	21,199	21,199
Other payables	36,081	36,081	33,394	33,394
Total	53,139	53,139	54,593	54,593

Notes to the Financial Statements

For the year ended 31 March 2019

Note 19 Fair value measurement (continued)

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 2019

	Date of valuation \$	Level 1 \$	Level 2 \$	Level 3 \$
Assets measured at fair value				
Land and buildings	31/03/18	-	1,092,445	-
Total		-	1,092,445	-

Fair value hierarchy – 31 March 2018

Assets measured at fair value				
Land and buildings	31/03/18	-	1,100,000	-
Total		-	1,100,000	-

Note 20 Events after the reporting period

There were no events that occurred after 31 March 2019, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Reporting Unit.

Note 21 Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or the Commissioner:

- (1) A member of a reporting unit, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

Officer Declaration Statement


I, Barry McVee, being the branch secretary of the Communications Electrical Plumbing Union Communications Division WA, declare that the following activities did not occur during the reporting period ending 31 March 2019.

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive capitation fees from another reporting unit
- receive revenue via compulsory levies
- receive donations or grants
- receive revenue from undertaking recovery of wages activity
- pay compulsory levies
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- pay a donation that exceeded \$1,000
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- incur expenses due to holding a meeting as required under the rules of the organisation
- pay legal costs relating to litigation
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund
- provide cash flows to another reporting unit and/or controlled entity
- receive cash flows from another reporting units and/or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Signed by the officer:

Dated:


15/05/2019