



10 October 2019

Mr Allen Hicks  
Divisional Secretary,  
Electrical, Energy and Services Division  
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied  
Services Union of Australia

cc. Mr Graeme Kent, Auditor

Dear Mr Hicks,

**Re: – Electrical, Energy and Services Division - financial report for year ending 31 December 2018 (FR2018/375)**

I refer to the financial report of the Electrical, Energy and Services Division. The documents were lodged with the Registered Organisations Commission (**ROC**) on 17 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 December 2019 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 - officer's declaration statement

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. 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 1.18]
- RG11 - agree to provide financial support to another reporting unit to ensure they continue as a going concern [see also Note 1.18]

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

Auditor's declaration

I draw the auditor's attention to the new format of declaration at RG29(a).

## 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 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](mailto:stephen.kellett@roc.gov.au).

Yours faithfully

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Stephen Kellett  
Financial Reporting  
Registered Organisations Commission

**Communications, Electrical, Electronic, Energy Information Postal Plumbing  
and Allied Services Union of Australia, Electrical, Energy and Services Division,  
Divisional Council**

**Section 268 Fair Work (Registered Organisations) Act 2009**

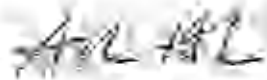
**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER**

Certificate for the year ended 31 December 2018

I, Allen Hicks, being the Divisional Secretary of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Electrical, Energy & Services Division certify:

- that the documents lodged herewith are copies of the full report for the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, (CEPU) Electrical, Energy and Services Division for the period ended 31 December 2018 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on the 17 April 2019; and
- that the full report was presented to the committee of management of the reporting unit on 14th June 2019 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signed:



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Name: Mr Allen Hicks  
Date: 17th June 2019  
Office Held: Divisional Secretary, CEPU Electrical, Energy and Services Division

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

**ABN 60 429 406 804**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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

**COMMITTEE OF MANAGEMENT'S OPERATING REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**Operating Report**

The Committee of Management presents its report on the operations of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division (the Division) for the financial year ended 31 December 2018.

**Principal Activities**

The principal operating activities of the Division include:

- Implementation of the Division's organising agenda, including direct assistance and strategic advice on particular industry or organising projects, the training and development of officials and assistance to branches.
- Industrial support including representation of member grievances, advice on legal and legislative matters, pursuing relevant changes to the conditions of eligibility rules of the Division, and responding to other unions' rules applications where they impact on membership of the CEPU – Electrical Division.
- Co-ordination of national enterprise negotiations on behalf of branches.
- National media and communications to members and to the broader community via media releases in support of campaigns, video development, and targeted publications, including the national magazine ETU News.
- Developing policies and representing the division nationally on skills training, licensing, education of members and industrial relations law reforms.

The Divisional office has consulted with the ACTU on the development of policy on wages, redundancy and family leave. The divisional office has participated in ACTU policy committees in OH&S, VET, union education and superannuation.

The Divisional office has also been involved in lobbying and negotiations with different levels of Government and key industry organisations around issues of importance to CEPU – Electrical Division members, e.g. in submission to government inquiries, skilled career paths, skill shortages, quality and accreditation and workforce issues, occupational health and safety and electrical licensing.

**Operating Result**

The surplus for the financial year amounted to \$318,843. No provision for tax was necessary as the Division is considered exempt.

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

**COMMITTEE OF MANAGEMENT'S OPERATING REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**Significant Changes in Financial Affairs**

There were no significant changes to the financial affairs of the Division during the year.

**After Balance Date Events**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Division, the results of those operations or the state of affairs of the Division in future financial years.

**Future Developments**

Likely developments in the operations of the Division or the expected result of those operations in future financial years have not been included in this report as such information is likely to result in unreasonable prejudice to the Division.

**Environmental Issues**

The Division's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

**Members Right to Resign**

The right of members to resign from the Division is set out in the Rules of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division. Each member must provide written notice addressed and delivered to the secretary of the relevant Branch.

**Number of Employees**

The number of persons who were, at the end of the period to which the report relates, employees of the Division, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis is 12.64.

**Number of Members**

The number of persons who were, at the end of the financial year to which this report relates, recorded in the register of members for s.230 of the Act and who are taken to be members of the Division for the purposes of s.244 of the Act is: 60,894.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,  
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**COMMITTEE OF MANAGEMENT’S OPERATING REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**Officers or Members who are superannuation Fund Trustees/ Directors of a Company that is a  
Superannuation fund Trustee**

Those who hold a position of trustee or director of an entity, scheme or company as described in s.254 (2) (d) of the *Fair Work (Registered Organisations) Act 2009*, where a criterion of such entity is that the holder of such position must be a member or official of a registered organisation are as follows:

<b>Name</b>	<b>Position</b>	<b>Superannuation Fund</b>
Allen Hicks	Divisional Secretary	CBUS Construction & Building Industry Superannuation Scheme (Alternate Member Director)
John Adley	Secretary, SA Branch	Electricity Industry Superannuation Scheme (Member Director)



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

**COMMITTEE OF MANAGEMENT'S OPERATING REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**Members of the Committee of Management**

The name of each person who has been a member of the Committee of Management of the Division at any time during the reporting period, and the period for which he or she held such position is as follows:

<b>Name</b>	<b>Period of Office</b>
Allen Hicks	1/1/18 – 31/12/18
Troy Gray	1/1/18 – 31/12/18
Peter Simpson	11/1/18 – 21/6/18
Peter Ong	21/6/18 – 31/12/18
John Adley	1/1/18 – 31/12/18
Chris McGaw	1/1/18 – 31/12/18
Dave McKinley	1/1/18 – 31/12/18
Justin Page	1/1/18 – 31/12/18
Daniel Filazzola	1/1/18 – 31/12/18
Peter Carter	1/1/18 – 31/12/18
Michael Anderson	1/1/18 – 31/12/18

**Indemnifying Officers or Auditors**

The Division has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor:

- indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against liability for the costs or expenses to defend legal proceedings.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,  
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**COMMITTEE OF MANAGEMENT'S OPERATING REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**Auditor's Independence Declaration**

A copy of the auditor's independence declaration is set out on page 8.

This report is made in accordance with a resolution of the Committee of Management and is signed for and on behalf of the Committee of Management by:



.....  
Allen Hicks  
Divisional Secretary

26 March 2019

Sydney

GPO Box 1087  
Brisbane Qld 4001 Australia  
t: +61 7 3002 4800  
f: +61 7 3229 5603

PO Box 3360 Australia Fair  
Southport Qld 4215 Australia  
t: +61 7 5591 1661  
f: +61 7 5591 1772

e: info@mgisq.com.au  
www.mgisq.com.au

**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE COMMITTEE OF MANAGEMENT OF THE  
COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,  
POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA –  
ELECTRICAL, ENERGY AND SERVICES DIVISION**

As lead auditor for the audit of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division for the year ended 31 December 2018; I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

*M.G.I*

**MGI Audit Pty Ltd**



**G I Kent**

Director – Audit & Assurance

Sydney  
26 March 2019

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/2

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

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

On 26 March 2019, the Committee of Management of the Division passed the following resolution to the General Purpose Financial statements (GPFR) of the reporting unit for the financial year ended 31 December 2018.

The Committee of Management declares in relation to the GPFR that in its opinion:


- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009 (the RO Act)*;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - i. meetings of the Committee of Management were held in accordance with the rules of the organisation and
  - ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation;
  - iii. the financial records of the reporting unit have been kept and maintained in accordance with the *RO Act*;
  - 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 to each of the other reporting units of the organisation;
  - v. where information has been sought in any request of a member of the reporting unit or the Commissioner duly made under section 272 of the *RO Act*, that information has been provided to the member or the Commissioner; and
  - vi. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the *RO Act* during the year, there has been compliance.

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

**Name of Designated Officer:** Allen Hicks

**Title of Designated Officer:** Divisional Secretary

**Signature:**



**Date:**

26 March 2019

## **Independent Audit Report to the Members of Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division**

### **Report on the Audit of the Financial Report**

#### **Opinion**

We have audited the financial report of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division (the Division), which comprises the statement of financial position as at 31 December 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, 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 the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division as at 31 December 2018, and its financial performance and its cash flows for the year ended on that date in accordance with:

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

We declare that management's use of the going concern basis in the preparation of the financial statements of the Division 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 Division 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 ethical responsibilities in accordance with the Code.

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

#### **Information Other than the Financial Report and Auditor's Report Thereon**

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

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the financial report, the Committee of Management is responsible for assessing the Division'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 Division or to cease operations, or have no realistic alternative but to do so.

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

Our objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Division'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 Division'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 Division 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 Division to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Division's 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.

**Declaration**

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

M.G.F

**MGI Audit Pty Ltd**



**G I Kent**

Director – Audit & Assurance

Sydney

26 March 2019

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/2

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

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 \$	2017 \$
<b>Revenue</b>			
Gain on sale of property, plant and equipment		-	12,449
Sustentation Fees	3A	3,571,876	3,727,074
Interest	3B	46,206	37,370
Publication Fees	3C	180,271	331,486
Other revenue	3D	309,188	160,818
<b>Total revenue</b>		<b>4,107,541</b>	<b>4,269,197</b>
<b>Expenses</b>			
Employee expenses	4A	(2,169,062)	(1,848,886)
Affiliation fees	4B	(352,906)	(353,951)
Audit fees	12	(27,080)	(32,620)
Legal costs	4C	(6,662)	(119,951)
Grants or donations	4D	(43,409)	(31,691)
Depreciation and amortisation	4E	(87,474)	(89,026)
Campaign expenses	4F	(24,765)	(122,735)
Finance costs		(981)	(1,086)
Conference and meetings	4G	(122,454)	(40,612)
Other operating expenses	4H	(843,036)	(995,462)
Levies	4I	(110,869)	(115,844)
<b>Total expenses</b>		<b>(3,788,698)</b>	<b>(3,751,864)</b>
<b>Surplus for the year</b>		<b>318,843</b>	<b>517,333</b>
<b>Other comprehensive income</b>			
Revaluation of land and buildings (net of income tax)		-	-
<b>Total comprehensive income for the year</b>		<b>318,843</b>	<b>517,333</b>

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



**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,  
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SERVICES DIVISION**

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

	Notes	2018 \$	2017 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5A	3,252,201	2,658,258
Trade and other receivables	5B	1,210,436	1,061,814
Other current assets		9,011	8,956
<b>Total current assets</b>		<b>4,471,648</b>	<b>3,729,028</b>
<b>Non-Current Assets</b>			
Buildings	6A	1,015,559	1,079,902
Motor vehicles	6B	29,119	49,834
Furniture and fixtures	6C	4,067	6,483
<b>Total non-current assets</b>		<b>1,048,745</b>	<b>1,136,219</b>
<b>Total assets</b>		<b>5,520,393</b>	<b>4,865,247</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade payables	7A	219,821	10,215
Other payables	7B	309,007	255,139
Employee provisions	8A	460,831	250,708
<b>Total current liabilities</b>		<b>989,659</b>	<b>516,062</b>
<b>Non-Current Liabilities</b>			
Employee provisions	8A	13,186	150,480
<b>Total non-current liabilities</b>		<b>13,186</b>	<b>150,480</b>
<b>Total liabilities</b>		<b>1,002,845</b>	<b>666,542</b>
<b>Net assets</b>		<b>4,517,548</b>	<b>4,198,705</b>
<b>EQUITY</b>			
Retained earnings		4,517,548	4,198,705
<b>Total equity</b>		<b>4,517,548</b>	<b>4,198,705</b>

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

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,  
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SERVICES DIVISION**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	Retained earnings \$	Total equity \$
<b>Balance as at 1 January 2017</b>		3,681,372	3,681,372
Surplus for the year		517,333	517,333
Other comprehensive income		-	-
<b>Closing balance as at 31 December 2017</b>		<b>4,198,705</b>	<b>4,198,705</b>
Surplus for the year		318,843	318,843
Other comprehensive income		-	-
<b>Closing balance as at 31 December 2018</b>		<b>4,517,548</b>	<b>4,517,548</b>

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

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,  
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SERVICES DIVISION**

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

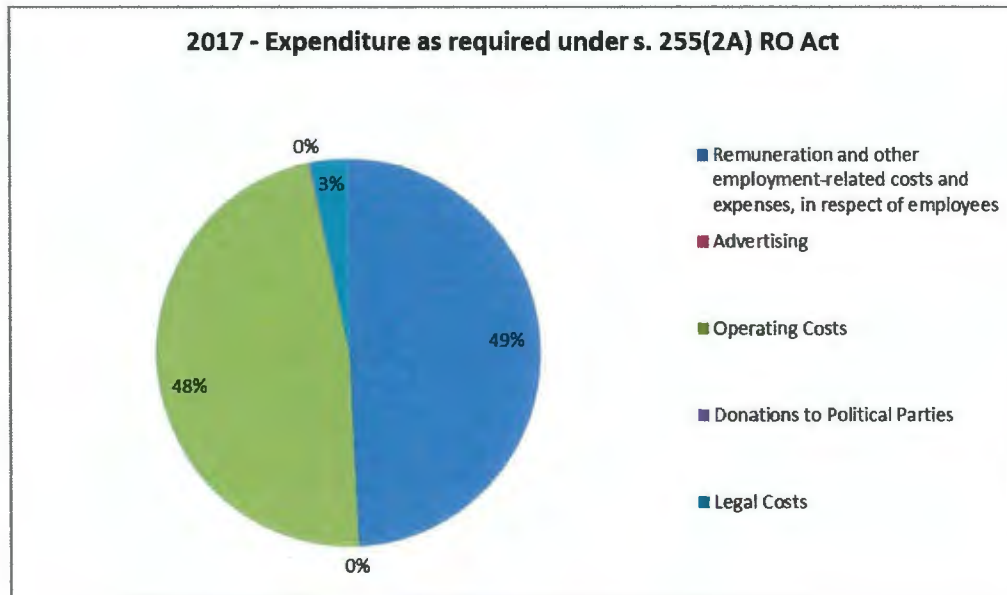
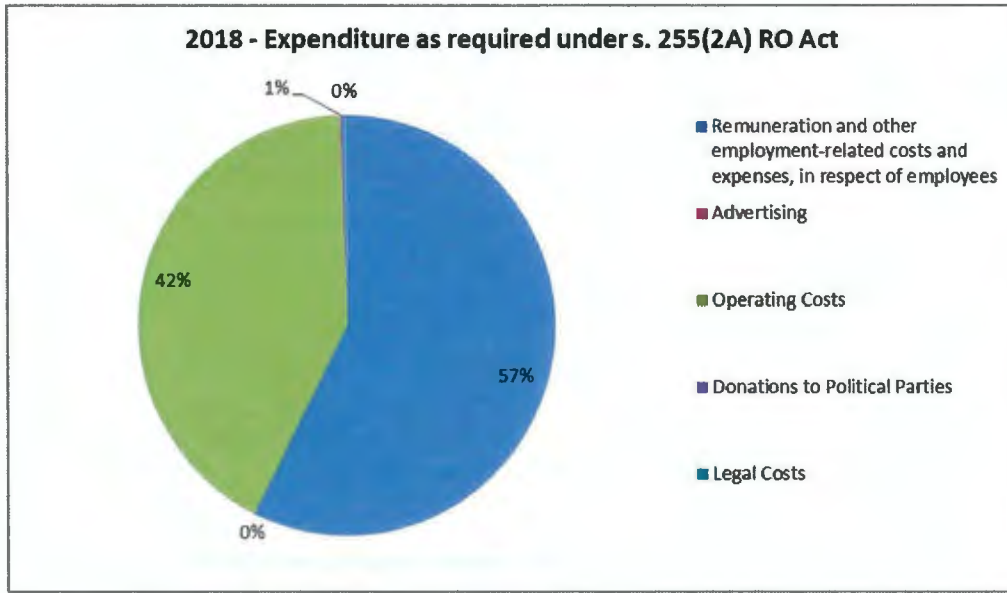
	Notes	2018 \$	2017 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Receipts from other reporting units	9B	4,451,253	4,709,728
Receipts from other customers		217,472	66,337
Interest received		46,206	37,370
<b>Cash used</b>			
Finance Costs		(981)	(1,012)
Payments to employees and suppliers		(3,580,493)	(4,133,056)
Payments to other reporting units	9B	(539,514)	(612,523)
<b>Net cash provided by operating activities</b>	9A	<b>593,943</b>	<b>66,844</b>
<b>INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		-	12,449
Payments for property, plant and equipment		-	(44,927)
<b>Net cash used in investing activities</b>		<b>-</b>	<b>(32,478)</b>
<b>FINANCING ACTIVITIES</b>			
		-	-
<b>Net increase/ (decrease) in cash held</b>		<b>593,943</b>	<b>34,366</b>
Cash & cash equivalents at the beginning of the reporting period		2,658,258	2,623,892
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	9A	<b>3,252,201</b>	<b>2,658,258</b>

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

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

**REPORT REQUIRED UNDER SUBSECTION 255(2A) OF THE FAIR WORK (REGISTERED  
ORGANISATIONS) ACT 2009  
FOR THE YEAR ENDED 31 DECEMBER 2018**

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Branch for the year ended 31 December 2018:



*Allen Hicks*

Allen Hicks  
Divisional Secretary

Sydney  
26 March 2019

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

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

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

**Note 1 Summary of significant accounting policies**

**1.1 Basis of preparation of the financial statements**

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division (the Division) is a not-for-profit entity.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements are in Australian dollars and have been rounded to the nearest dollar.

**1.2 Comparative amounts**

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

**1.3 Significant accounting judgements and estimates**

The 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.

Key Estimates

*Impairment – general*

The Division assesses impairment at each reporting period by evaluation of conditions and events specific to the Division that may be indicative of impairment triggers. Recoverable amounts of relevant assets are assessed using value-in-use calculations which incorporate various key assumptions.

No impairment has been recognised in respect of the current year.

Key Judgements

*Useful lives of plant and equipment*

Plant and equipment are depreciated over the useful life of the asset and the depreciation rates are assessed when the asset are acquired or when there is a significant change that affects the remaining useful life of the asset.

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**Note 1 Summary of significant accounting policies (Continued)**

**1.3 Significant accounting judgements and estimates (Continued)**

Key Judgements

*Provision for impairment of receivables*

The value of the provision for impairment of receivables is estimated by considering the ageing of receivables, communication with the debtors and prior history.

*On-cost for employee entitlement provision*

The Division revised its estimate for on-costs for employee provision during the year to include superannuation, workers compensation and payroll tax.

**1.4 New Australian Accounting Standards**

***Adoption of New Australian Accounting Standard requirements***

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

***Future Australian Accounting Standards Requirements***

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

- AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019)

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases. The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

The Committee of Management anticipate that the adoption of AASB 16 will not have a material impact on the Division's financial statements, given the limited number of operating leases used by the Division.

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**Note 1 Summary of significant accounting policies (Continued)**

**1.4 New Australian Accounting Standards (Continued)**

***Future Australian Accounting Standards Requirements (continued)***

- AASB 1058 Income of Not-for-Profit Entities

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-to-profit (NFP) entities, in conjunction with AASB 15 Revenue from Contracts with Customers. These Standards supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions.

Under AASB 1058, the timing of income recognition depends on whether a NFP transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity.

This standard applies when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. In the latter case, the entity will recognise and measure the asset at fair value in accordance with the applicable Australian Accounting Standard (e.g. AASB 116 Property, Plant and Equipment).

Upon initial recognition of the asset, AASB 1058 requires the entity to consider whether any other financial statement elements (called 'related amounts') should be recognised, such as:

- Contributions by owners;
- Revenue, or a contract liability arising from a contract with a customer;
- A lease liability;
- A financial instrument; or
- A provision.

These related amounts will be accounted for in accordance with the applicable Australian Accounting Standard.

The Division is yet to undertake a detailed assessment of the impact of AASB 1058. However, based on the Division's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 31 December 2019.



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**Note 1 Summary of significant accounting policies (Continued)**

**1.5 Revenue**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any discounts and rebates allowed.

Sustentation revenue from State Branches is recognised on an accrual basis and is recorded as revenue in the year to which it relates.

Publication revenue from State Branches is recognised on an accrual basis and is recorded as revenue in the year to which it relates.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax ("GST").

**1.6 Gains**

***Sale of assets***

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

**1.7 Capitation fees and levies**

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

**1.8 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.

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**Note 1 Summary of significant accounting policies (Continued)**

**1.8 Employee benefits (Continued)**

Under the Divisions rules, those employees who have undertaken 3 or more years of continuous service are entitled to have their Long Service Leave balance paid upon termination (on a pro-rata basis). The Division does not have an unconditional right to deferred settlement (for those employees with greater than 3 or more consecutive years of service), resulting in Long Service Leave entitlements to be reported at reporting date as current liabilities.

**1.9 Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, that are transferred to the Division are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased asset or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Division will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

**1.10 Cash**

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

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**Note 1 Summary of significant accounting policies (Continued)**

**1.12 Financial Instruments**

The adoption of AASB 9 Financial Instruments in the 2018 financial year has not had a material impact on the classification or measurement of financial instruments from AASB 139 Financial Instruments.

***Initial Recognition and Measurement***

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

***Classification and Subsequent Measurement of Financial Assets***

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)
- equity instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Classifications are determined by both:

- The entities business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

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**Note 1 Summary of significant accounting policies (Continued)**

**1.12 Financial Instruments (Continued)**

***Trade and other receivables***

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

***Classification and measurement of financial liabilities***

As the accounting for financial liabilities remains largely unchanged from AASB 139, the Division's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

The Division's financial liabilities include borrowings and trade and other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Division designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

**Impairment**

The Division considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between: financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

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**Note 1 Summary of significant accounting policies (Continued)**

**1.12 Financial Instruments (Continued)**

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument

**Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is no longer have any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in the profit or loss.

**1.13 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.

**1.14 Property, Plant and Equipment**

***Asset Recognition Threshold***

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

**Property**

Freehold land and buildings are measured on the cost basis and therefore carried at cost less accumulated depreciation and any impairment losses in the event that the carrying amount of the land and buildings are greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated reversible amount and impairment losses are recognised either in profit or loss.

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**Note 1 Summary of significant accounting policies (Continued)**

**1.14 Property, Plant and Equipment (continued)**

Property, plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Divisional Executive to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with that item will flow to the Division and the costs of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

***Depreciation***

Depreciable 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:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Buildings	5%
Plant and equipment	5% - 40%
Motor Vehicles	20%

***Derecognition***

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

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**Note 1 Summary of significant accounting policies (Continued)**

**1.15 Impairment of non-financial assets**

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Division were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

**1.16 Taxation**

The Division 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 statement of cash flows 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.

**1.17 Fair value measurement**

The Division 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 14.

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

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

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**Note 1 Summary of significant accounting policies (Continued)**

**1.17 Fair value measurement (continued)**

The principal or the most advantageous market must be accessible by the Division. 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 Division 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 Division 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 Division 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.

**1.18 Going concern**

The Division is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

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



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**Note 2 Events after the reporting period**

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

	2018	2017
	\$	\$
<b>Note 3 Income</b>		
<b>Note 3A: Sustainment fees</b>		
CEPU – QLD/ NT Electrical Branch	947,665	965,895
CEPU – WA Electrical Branch	372,929	362,549
CEPU – NSW Electrical Branch	891,671	826,470
CEPU – SA Electrical Branch	221,934	223,006
CEPU – VIC Electrical Branch	996,435	1,212,894
CEPU – TAS Electrical Branch	141,242	136,260
<b>Total sustainment fees</b>	<b>3,571,876</b>	<b>3,727,074</b>
<b>Note 3B: Interest</b>		
Interest Income	46,206	37,370
<b>Total interest</b>	<b>46,206</b>	<b>37,370</b>
<b>Note 3C: Publication fees</b>		
CEPU – QLD/ NT Electrical Branch	43,582	94,345
CEPU – WA Electrical Branch	17,411	45,440
CEPU – NSW Electrical Branch/ ETU – NSW	41,769	59,728
CEPU – SA Electrical Branch	11,411	20,119
CEPU – VIC Electrical Branch	59,018	101,745
CEPU – TAS Electrical Branch	7,080	10,109
<b>Total publication fees</b>	<b>180,271</b>	<b>331,486</b>

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	2018	2017
	\$	\$
<b>Note 3D: Other revenue</b>		
National apprenticeship officer wage contribution		
CEPU – QLD/ NT Electrical Branch	-	23,960
CEPU – WA Electrical Branch	-	10,485
CEPU – NSW Electrical Branch/ ETU – NSW	-	22,496
CEPU – SA Electrical Branch	-	5,518
CEPU – VIC Electrical Branch	-	23,889
CEPU – TAS Electrical Branch	-	2,360
	<u>-</u>	<u>88,708</u>
Industrial services provided		
CEPU – WA Electrical Branch	<b>80,002</b>	-
CEPU – NSW Electrical Branch/ ETU – NSW	<b>6,118</b>	-
	<u><b>86,120</b></u>	<u>-</u>
Secretarial fees		
CEPU – National Council	<b>14,146</b>	13,657
Sponsorship income	<b>137,500</b>	-
Rental income	<b>12,138</b>	47,360
Board fees income	<b>42,663</b>	6,246
Sundry income	<b>16,621</b>	4,847
<b>Total other revenue</b>	<u><b>309,188</b></u>	<u>160,818</u>

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	2018	2017
	\$	\$
<b>Note 4 Expenses</b>		
<b>Note 4A: Employee expenses</b>		
<b>Holders of office:</b>		
Wages and salaries	371,804	330,316
Superannuation	64,056	61,661
Leave and other entitlements	52,497	50,132
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Subtotal employee expenses holders of office</b>	<u>488,357</u>	<u>442,109</u>
<b>Employees other than office holders:</b>		
Wages and salaries	1,179,749	968,536
Superannuation	198,342	164,100
Leave and other entitlements	184,311	161,161
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Subtotal employee expenses employees other than office holders</b>	<u>1,562,402</u>	<u>1,293,797</u>
Add: Payroll tax expense/ FBT expense	118,303	112,980
<b>Total employee expenses</b>	<u>2,169,062</u>	<u>1,848,886</u>
<b>Note 4B: Affiliation fees</b>		
ACTU	332,500	323,500
Aust. Palestine Advocacy Network	400	400
Industrial Global Union	5,951	16,420
Building Works International	9,216	9,425
Public Services International	4,326	4,115
Energy Skills Australia	273	91
Australian Fair Trade & Investment Network	240	-
<b>Total affiliation fees</b>	<u>352,906</u>	<u>353,951</u>

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	2018	2017
	\$	\$
<b>Note 4 Expenses (Continued)</b>		
<b>Note 4C: Legal costs</b>		
Litigation	4,697	61,510
Other legal matters	1,965	58,441
<b>Total legal costs</b>	<u>6,662</u>	<u>119,951</u>
<b>Note 4D: Grants or donations</b>		
Grants:	-	-
Donations:		
Total paid that were \$1,000 or less	3,409	3,850
Total paid that exceeded \$1,000	40,000	27,841
<b>Total grants or donations</b>	<u>43,409</u>	<u>31,691</u>
<b>Note 4E: Depreciation and amortisation</b>		
Depreciation		
Buildings and improvement	64,343	64,343
Plant and equipment	2,416	4,194
Motor vehicles	20,715	20,489
<b>Total depreciation</b>	<u>87,474</u>	<u>89,026</u>

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	2018	2017
	\$	\$
<b>Note 4 Expenses (Continued)</b>		
<b>Note 4F: Campaign Expenses</b>		
Apprentice campaigns	17,278	78,654
Political campaigns	-	11,610
Other campaigns	7,487	32,471
<b>Total campaign expenses</b>	<u>24,765</u>	<u>122,735</u>
<b>Note 4G: Conference and Meetings</b>		
General	108,444	28,080
Divisional	14,010	12,532
<b>Total conference and meetings</b>	<u>122,454</u>	<u>40,612</u>
<b>Note 4H: Other Operating Expenses</b>		
Fees/ allowances – meetings and conferences	3,120	-
Travel expenses	282,109	234,095
Motor vehicle	16,477	12,993
Advertising and promotion	222,296	376,010
Computer expenses	40,999	37,500
Printing and stationary	14,437	13,775
Rent and occupancy costs	91,610	79,451
Staff training	20,302	13,010
Telephone and internet	33,463	34,530
Subscriptions	55,982	67,087
Other expenses	62,241	127,011
<b>Total other operating expenses</b>	<u>843,036</u>	<u>995,462</u>
<b>Note 4I: Levies</b>		
CEPU National Council levy	110,869	115,844
<b>Total levies</b>	<u>110,869</u>	<u>115,844</u>

The levy represents the Electrical Division's annual contribution associated with the operating costs of the CEPU National Council. The levy is based on the total number of members in the Electrical, Communications and Plumbing Divisions respectively.

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	2018	2017
	\$	\$
<b>Note 5      Current Assets</b>		
<b>Note 5A: Cash and Cash Equivalents</b>		
Cash at bank	3,251,783	2,657,840
Cash on hand	418	418
<b>Total cash and cash equivalents</b>	<u>3,252,201</u>	<u>2,658,258</u>
<b>Note 5B: Trade and Other Receivables</b>		
Receivables from other reporting units		
CEPU – National Council	29,383	26,397
CEPU – SA Electrical Branch	147,234	10,165
CEPU – VIC Electrical Branch	896,126	905,218
CEPU – NSW Electrical Branch / ETU – NSW	48,146	46,097
CEPU – QLD Electrical Branch	47,940	44,635
CEPU – TAS Electrical Branch	7,788	29,302
CEPU – WA Electrical Branch	33,819	-
<b>Receivable from other reporting units (net)</b>	<u>1,210,436</u>	<u>1,061,814</u>
<b>Other receivables:</b>		
Other trade receivables	-	-
<b>Total other receivables</b>	<u>-</u>	<u>-</u>
<b>Total trade and other receivables (net)</b>	<u>1,210,436</u>	<u>1,061,814</u>

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	2018	2017
	\$	\$
<b>Note 6 Non-current Assets</b>		
<b>Note 6A: Buildings</b>		
Buildings		
At Cost	1,286,857	1,286,857
accumulated depreciation	(271,298)	(206,955)
<b>Total Buildings</b>	1,015,559	1,079,902

*Reconciliation of Opening and Closing Balances of Buildings*

<b>As at 1 January</b>		
Gross book value	1,286,857	1,286,857
Accumulated depreciation and impairment	(206,955)	(142,612)
<b>Net book value 1 January</b>	1,079,902	1,144,245
Additions:		
By purchase	-	-
Depreciation expense	(64,343)	(64,343)
Disposals:		
By sale	-	-
<b>Net book value 31 December</b>	1,015,559	1,079,902
<b>Net book value as of 31 December represented by:</b>		
Gross book value	1,286,857	1,286,857
Accumulated depreciation and impairment	(271,298)	(206,955)
<b>Net book value 31 December</b>	1,015,559	1,079,902

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	2018	2017
	\$	\$
<b>Note 6B: Motor Vehicles</b>		
Motor vehicles:		
at cost	83,459	83,459
accumulated depreciation	(54,340)	(33,625)
<b>Total Motor Vehicles</b>	<b>29,119</b>	<b>49,834</b>

*Reconciliation of Opening and Closing Balances of Motor Vehicles*

<b>As at 1 January</b>		
Gross book value	83,459	73,728
Accumulated depreciation and impairment	(33,625)	(48,333)
<b>Net book value 1 January</b>	<b>49,834</b>	<b>25,395</b>
Additions:		
By purchase	-	44,928
Depreciation expense	(20,715)	(20,489)
Disposals:		
By sale	-	-
<b>Net book value 31 December</b>	<b>29,119</b>	<b>49,834</b>
<b>Net book value as of 31 December represented by:</b>		
Gross book value	83,459	83,459
Accumulated depreciation and impairment	(54,340)	(33,625)
<b>Net book value 31 December</b>	<b>29,119</b>	<b>49,834</b>



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	2018	2017
	\$	\$
<b>Note 6C: Furniture and Fixtures</b>		
Furniture and fixtures:		
at cost	42,267	42,267
accumulated depreciation	(38,200)	(35,784)
<b>Total Furniture and Fixtures</b>	<u>4,067</u>	<u>6,483</u>

***Reconciliation of Opening and Closing Balances of Furniture and Fixtures***

<b>As at 1 January</b>		
Gross book value	42,267	42,267
Accumulated depreciation and impairment	(35,784)	(31,589)
<b>Net book value 1 January</b>	<u>6,483</u>	<u>10,678</u>
Additions:		
By purchase	-	-
Depreciation expense	(2,416)	(4,195)
Disposals:		
By sale	-	-
<b>Net book value 31 December</b>	<u>4,067</u>	<u>6,483</u>
<b>Net book value as of 31 December represented by:</b>		
Gross book value	42,267	42,267
Accumulated depreciation and impairment	(38,200)	(35,784)
<b>Net book value 31 December</b>	<u>4,067</u>	<u>6,483</u>

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	2018	2017
	\$	\$
<b>Note 7      Current Liabilities</b>		
<b>Note 7A: Trade payables</b>		
Trade creditors	215,036	9,055
<b>Subtotal trade payables</b>	<u>215,036</u>	<u>9,055</u>
<b>Payables to other reporting units</b>		
CEPU VIC Plumbing Division	4,785	1,160
<b>Subtotal payables to other reporting units</b>	<u>4,785</u>	<u>1,160</u>
<b>Total trade payables</b>	<u><u>219,821</u></u>	<u><u>10,215</u></u>

Settlement is usually made within 30 days.

**Note 7B: Other payables**

Sundry creditors	34,691	48,021
Superannuation payable	31,058	-
PAYG payable	58,554	34,796
Payroll tax payable	1,250	1,000
FBT payable	7,003	5,426
GST payable (net)	176,451	165,896
<b>Total other payables</b>	<u>309,007</u>	<u>255,139</u>
Total other payables are expected to be settled in:		
No more than 12 months	309,007	255,139
More than 12 months	-	-
<b>Total other payables</b>	<u><u>309,007</u></u>	<u><u>255,139</u></u>

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	2018	2017
	\$	\$
<b>Note 8      Provisions</b>		
<b>Note 8A: Employee Provisions</b>		
<b>Office Holders:</b>		
Annual leave	45,181	44,959
Long service leave	63,023	52,983
Separations and redundancies	-	-
Other	6,451	7,523
<b><i>Subtotal employee provisions—office holders</i></b>	<b>114,655</b>	<b>105,465</b>
<b>Employees other than office holders:</b>		
Annual leave	125,287	111,794
Long service leave	218,813	172,953
Separations and redundancies	-	-
Other	15,262	10,977
<b><i>Subtotal employee provisions—employees other than office holders</i></b>	<b>303,089</b>	<b>295,724</b>
<b>Total employee provisions</b>	<b>474,017</b>	<b>401,189</b>
Current	460,830	250,708
Non-Current	13,187	150,480
<b><i>Total employee provisions</i></b>	<b>474,017</b>	<b>401,188</b>

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	2018	2017
	\$	\$

**Note 9 Cash Flow**

**Note 9A: 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	3,252,201	2,658,258
Statement of financial position	3,252,201	2,658,258
<b>Difference</b>	-	-

**Reconciliation of surplus to net cash from operating  
activities:**

Surplus for the year	318,843	517,333
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**Adjustments for non-cash items**

Depreciation/ amortisation	87,474	89,026
Gain on disposal of property, plant and equipment	-	(12,449)
Gain on other current assets	-	(8,956)

**Changes in assets/liabilities**

(Increase)/ decrease in net receivables and other assets	(148,677)	(149,240)
Increase/ (decrease) in trade creditors	252,919	(73,940)
Increase/ (decrease) in provisions	72,829	(313,702)
Increase/ (decrease) in GST payable	10,555	18,772
<b>Net cash (used in)/ provided by operating activities</b>	<b>593,943</b>	<b>66,844</b>

**Note 9B: Cash flow information**

Cash inflows from other reporting units

CEPU – QLD/NT Electrical Branch	1,156,955	1,172,376
CEPU – WA Electrical Branch	503,833	477,263
CEPU – NSW Electrical Branch/ ETU – NSW	1,092,865	986,361
CEPU – SA Electrical Branch	133,502	413,531
CEPU – VIC Electrical Branch	1,230,191	1,341,324
CEPU – TAS Electrical Branch	194,783	142,496
CEPU – National Council	34,095	46,113
CEPU – NSW P & T Branch	88,492	111,227
CEPU – NSW T & S Branch	12,439	14,398
CEPU – VIC Plumbing Branch	3,135	4,639
CEPU – WA Plumbing Branch	963	-
<b>Total cash inflows</b>	<b>4,451,253</b>	<b>4,709,728</b>

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	2018	2017
	\$	\$
<b>Note 9 Cash Flow (Continued)</b>		
<b>Note 9B: Cash flow information (Continued)</b>		
Cash outflows to other reporting units		
CEPU – TAS Electrical Branch	808	52,385
CEPU – VIC Plumbing Branch	22,190	12,758
CEPU – National Council	507,199	513,779
CEPU – QLD/NT Electrical Branch	-	1,450
CEPU – NSW Electrical Branch/ ETU – NSW	-	19,456
CEPU – SA Electrical Branch	4,360	1,293
CEPU – WA Electrical Branch	4,957	11,402
<b>Total cash outflows</b>	<b>539,514</b>	<b>612,523</b>

Note: Cash flow information to/ from other reporting units disclosed include 10% GST on applicable transactions.

**Note 9C: Credit standby arrangements and loan facilities**

The Division has a credit card facility amounting to \$50,000 (2017: \$50,000). This may be terminated at any time at the option of the bank. The balance of this facility is cleared monthly and interest rates are variable.

**Note 9D: Non-cash transactions**

There have been no non-cash financing or investing activities during the year (2017: Nil).

	2018	2017
	\$	\$
<b>Note 9E: Net debt reconciliation</b>		
Cash and cash equivalents	3,252,201	2,658,258
Borrowings – repayable within one year	-	-
Borrowings – repayable after one year	-	-
<b>Net debt</b>	<b>3,252,201</b>	<b>2,658,258</b>

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**Note 9 Cash Flow (Continued)**

**Note 9F: Reconciliation of movements of liabilities to cash  
flows arising from financing activities**

	Other Assets	Liabilities from financing activities		
	Cash assets	Borrowings – due within 1 year	Borrowings – due after 1 year	Total
<b>Net debt at 1 January 2017</b>	2,623,892	-	-	2,623,892
Cash flows	34,366	-	-	34,366
<b>Net debt at 31 December 2017</b>	2,658,258	-	-	2,658,258
<b>Cash flows</b>	<b>593,943</b>	-	-	<b>593,943</b>
<b>Net debt at 31 December 2018</b>	<b>3,252,201</b>	-	-	<b>3,252,201</b>

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	2018	2017
	\$	\$
<b>Note 10</b>		
<b>Contingent Liabilities, Assets and Commitments</b>		

**Note 10A: Commitments and Contingencies**

**Capital commitments**

At 31 December 2018 the Division did not have any capital commitments (2017: Nil).

**Other contingent assets or liabilities (i.e. legal claims)**

The Committee of Management is not aware of any contingent assets or liabilities that are likely to have a material effect on the results of the Division.

**Note 10B: Leasing Commitments**

**Operating Leases (as a lessee)**

Non-cancellable operating leases contracted for but not capitalised in the financial statements.

**Payable – Minimum lease payments**

not later than 12 months	7,854	7,854
between 12 months and 5 years	14,399	14,399
greater than 5 years		
<b>Minimum lease payments</b>	<b>22,253</b>	<b>22,253</b>

The Division leases photocopiers for a period of up to 5 years.

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**Note 11 Related Party Disclosures**

**Note 11A: Related Party Transactions for the Reporting Period  
Holders of office and related reporting units**

For financial reporting purposes, under the *Fair Work (Registered Organisations) Act 2009*, the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia is divided into the following separate reporting units (and deemed related parties):

CEPU National Council

Electrical Division

CEPU – QLD Electrical Branch  
CEPU – NSW Electrical Branch/ ETU – NSW  
CEPU – VIC Electrical Branch  
CEPU – TAS Electrical Branch  
CEPU – SA Electrical Branch  
CEPU – WA Electrical Branch

Plumbing Division

CEPU Plumbing Division  
CEPU – QLD Plumbing Branch  
CEPU – NSW Plumbing Branch  
CEPU – VIC Plumbing Branch  
CEPU – WA Plumbing Branch

Communications Division

CEPU Communications Division  
CEPU – QLD Communications Branch  
CEPU – NSW Communications T&S Branch  
CEPU – NSW Communications P&T Branch  
CEPU – VIC Communications T&S Branch  
CEPU – VIC Communications P&T Branch  
CEPU – SA/ NT Communications Branch  
CEPU – WA Communications Branch

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



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**Note 11 Related Party Disclosures (Continued)**

**Note 11A: Related Party Transactions for the Reporting Period  
Holders of office and related reporting units (Continued)**

	2018	2017
	\$	\$
<b>Revenue received from CEPU – National Council includes the following:</b>		
Reimbursement of payroll tax	8,168	5,689
Secretarial fees	14,146	13,657
Reimbursement of affiliation fee paid	-	25,379
Reimbursement of travel expenses	-	18,173
Reimbursement of legal fees	-	1,800
Reimbursement of IT/ telephone expenses	-	3,047
Other operating expense reimbursements	12,139	1,318
<b>Expenses paid to CEPU – National Council includes the following:</b>		
Reimbursement of legal expenses	-	491
Reimbursement of affiliation fees	332,500	323,500
National Council levy	110,871	115,844
Reimbursement of global union affiliations	19,491	29,960
<b>Amounts owed by CEPU – National Council includes the following:</b>		
Reimbursement of legal expenses	-	1,800
Reimbursement of travel expenses	-	19,922
Secretarial fees	15,560	-
Reimbursement of payroll tax	470	-
Other operating expense reimbursements	13,353	4,675
<b>Revenue received from CEPU – NSW Electrical Branch/ ETU – NSW includes the following:</b>		
Sustentation fees	891,671	826,470
Reimbursement of wage costs	-	22,496
Reimbursement of national journal costs	41,769	59,728
Reimbursement of travel expenses	13,036	2,996
Subscriptions/ research	17,278	9,976
Provision of industrial services	6,188	-
Merchandise reimbursement	25,504	-
<b>Amounts owed by CEPU – NSW Electrical Branch/ ETU – NSW includes the following:</b>		
Reimbursement of national journal costs	45,946	39,957
Subscriptions/ research	-	6,140
Reimbursement of travel expenses	2,200	-

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**Note 11 Related Party Disclosures (Continued)**

**Note 11A: Related Party Transactions for the Reporting Period  
Holders of office and related reporting units (Continued)**

	2018	2017
	\$	\$
<b>Revenue received from CEPU – NSW Communications P&amp;T Branch includes the following:</b>		
Reimbursement of payroll tax expense	88,492	82,836
<b>Revenue received from CEPU – NSW Communications T&amp;S Branch includes the following:</b>		
Reimbursement of payroll tax expense	12,439	14,398
<b>Revenue received from CEPU – QLD Electrical Branch includes the following:</b>		
Reimbursement of wage costs	-	23,960
Reimbursement of national journal costs	43,582	94,345
Reimbursement of travel expenses	20,532	5,208
Sustentation fees	947,665	965,895
Subscriptions/ research	24,251	17,261
Merchandise reimbursement	18,751	-
<b>Expenses paid to CEPU – QLD Electrical Branch includes the following:</b>		
Reimbursement of travel expenses	-	1,318
<b>Amounts owed by CEPU – QLD Electrical Branch includes the following:</b>		
Reimbursement of National Journal costs	47,940	44,635

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**Note 11 Related Party Disclosures (Continued)**

**Note 11A: Related Party Transactions for the Reporting Period  
Holders of office and related reporting units (Continued)**

	2018	2017
	\$	\$
<b>Revenue received from CEPU – SA Electrical Branch includes the following:</b>		
Reimbursement of wage costs	-	5,518
Reimbursement of national journal costs	11,411	20,119
Reimbursement of travel expenses	7,728	2,100
Sustentation fees	221,934	223,006
Subscriptions/ research	4,321	6,638
Campaign contribution	-	10,000
Other operating expense reimbursements	840	219
<b>Expenses paid to CEPU – SA Electrical Branch includes the following:</b>		
Reimbursement of travel expenses	3,964	1,176
<b>Amounts owed by CEPU – SA Electrical Branch includes the following:</b>		
Reimbursement of national journal costs	12,552	10,165
Sustentation fees	134,682	-
<b>Revenue received from CEPU – TAS Electrical Branch includes the following:</b>		
Reimbursement of wage costs	-	2,360
Reimbursement of national journal costs	7,080	10,109
Sustentation fees	141,242	136,260
Reimbursement of travel expenses	2,828	1,993
Subscriptions/ research	2,219	5,560
Other operating expense reimbursements	4,150	156
<b>Expenses paid to CEPU – TAS Electrical Branch includes the following:</b>		
Reimbursement of travel expenses	734	2,452
Reimbursement of wage expenses	-	44,320
Other operating expense reimbursements	-	603
<b>Amounts owed by CEPU – TAS Electrical Branch includes the following:</b>		
Reimbursement of National Journal costs	7,788	5,561
Sustentation fees	-	23,741

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**Note 11 Related Party Disclosures (Continued)**

**Note 11A: Related Party Transactions for the Reporting Period  
Holders of office and related reporting units (Continued)**

	2018	2017
	\$	\$
<b>Revenue received from CEPU – VIC Electrical Branch includes the following:</b>		
Reimbursement of wage costs	-	23,889
Reimbursement of national journal costs	59,018	101,745
Sustentation fees	996,435	1,212,894
Reimbursement of travel expenses	13,634	3,546
Subscriptions/ research	31,607	10,045
Campaign contribution	-	10,509
Merchandise reimbursements	9,395	-
<b>Amounts owed by CEPU – VIC Electrical Branch includes the following:</b>		
Reimbursement of National Journal costs	64,921	47,045
Subscriptions/ research	-	122
Sustentation fees	831,206	858,051
<b>Revenue received from CEPU – VIC Plumbing Branch includes the following:</b>		
Reimbursement of wage costs	-	2,850
Reimbursement of national journal costs	-	1,240
Sustentation fees	-	140
Subscriptions/ research	2,850	-
<b>Expenses paid to CEPU – VIC Plumbing Branch includes the following:</b>		
Reimbursement of office rent	23,469	12,653
<b>Amounts owed by CEPU – VIC Plumbing Branch includes the following:</b>		
Reimbursement of office rent	4,785	1,160

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**Note 11 Related Party Disclosures (Continued)**

**Note 11A: Related Party Transactions for the Reporting Period  
Holders of office and related reporting units (Continued)**

	2018	2017
	\$	\$
<b>Revenue received from CEPU – WA Electrical Branch includes the following:</b>		
Reimbursement of wage costs	-	10,485
Reimbursement of National Journal costs	17,411	45,439
Sustentation fees	372,929	362,549
Reimbursement of travel expenses	10,125	3,012
Subscriptions	7,945	8,234
Provision of industrial services	80,002	
Other operating expense reimbursements	363	4,270
<b>Expenses paid to CEPU – WA Electrical Branch includes the following:</b>		
Campaign donation	-	10,000
Reimbursement of travel expenses	4,563	1,274
<b>Amounts owed by CEPU – WA Electrical Branch includes the following:</b>		
Provision of industrial services	14,668	1,160
Reimbursement of National Journal costs	19,152	-
<b>Revenue received from CEPU – WA Plumbing Branch includes the following:</b>		
Provision of industrial services	875	-

**Terms and conditions of transactions with related parties**

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2018, the Division has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2017: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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**Note 11 Related Party Disclosures (Continued)**

**Note 11A: Related Party Transactions for the Reporting Period  
Holders of office and related reporting units (Continued)**

Key Management Personnel

Key management personnel comprise those individuals who have the authority and responsibility for planning, directing and controlling the activities of the Division. The Division has determined key management personnel comprise of:

- Allen Hicks (Divisional Secretary)
- David Mier (Divisional Assistant Secretary)
- Michael Wright (Divisional Legal Officer)
- All remaining members of the Divisional Executive.

During the year, key management personnel of the Division were remunerated as follows:

	2018	2017
	\$	\$

**Note 11B: Key Management Personnel Remuneration for the Reporting Period**

**Short-term employee benefits**

Salary (including annual leave taken)	598,363	482,545
Other	-	-
<b>Total short-term employee benefits</b>	<b>598,363</b>	<b>482,545</b>

**Post-employment benefits:**

Superannuation	100,220	87,632
<b>Total post-employment benefits</b>	<b>100,220</b>	<b>87,632</b>

**Other long-term benefits:**

Long-service leave	11,714	12,308
<b>Total other long-term benefits</b>	<b>11,714</b>	<b>12,308</b>

**Termination benefits**

	-	-
<b>Total</b>	<b>710,297</b>	<b>582,485</b>

No other transactions occurred during the year with elected officers, close family members or other related parties than those related to their membership or employment and on terms no more favourable than those applicable to any other member of employee.

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	2018	2017
	\$	\$
<b>Note 12 Remuneration of Auditors and Consultants</b>		
<b>Value of the services provided</b>		
Financial statement audit services	24,750	24,250
Other services	2,330	8,370
<b>Total remuneration of auditors</b>	<u>27,080</u>	<u>32,620</u>

Other services relate to taxation services provided to the Division during the year.

**Note 13 Financial Instruments**

**Financial Risk Management Policy**

The Committee of Management monitors the Division's financial risk management policies and exposure and approves financial transactions entered into. It also reviews the effectiveness of internal controls relating to the counterparty credit risk, liquidity risk, market risk and interest rate risk. The Division Committee of Management meets on a regular basis to review the financial exposure of the Division.

**(a) 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 of the Division. The Division does not have any material credit risk exposures as its major source of revenue is the receipt of sustentation fees from state branches.

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

The Division has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Division.

On a geographical basis, the Division's trade and other receivables are all based in Australia.

The following table details the Division's trade and other receivables exposed to credit risk. Amounts are considered 'past due' when the debt has not been settled, within the terms and conditions agreed between the Division and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Division.

The balance of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
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**Note 13 Financial Instruments (Continued)**

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

	Within trading terms	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$	\$
Trade and other receivables	-	-	-	-	-	-
Receivables from other reporting units	215,636	28,914	965,886	-	-	1,210,436
<b>Total</b>	<b>215,636</b>	<b>28,914</b>	<b>965,886</b>	<b>-</b>	<b>-</b>	<b>1,210,436</b>

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

	Within trading terms	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$	\$
Trade and other receivables	-	-	-	-	-	-
Receivables from other reporting units	180,022	-	881,792	-	-	1,061,814
<b>Total</b>	<b>180,022</b>	<b>-</b>	<b>881,792</b>	<b>-</b>	<b>-</b>	<b>1,061,814</b>

The Division has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties.

Credit risk related to balances with banks and other financial institutions is managed by the Committee of Management in accordance with approved policy. Such policy requires that surplus funds are only invested with counterparties with a strong reputation and backed by the Commonwealth Government's bank guarantee. At 31 December 2018, all funds were held by financial institutions backed by the Commonwealth Government's bank guarantee.

***Collateral held as security***

The Division does not hold collateral with respect to its receivables at 31 December 2018 (2017: Nil).



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**Note 13 Financial Instruments (Continued)**

**(b) Liquidity Risk**

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

- preparing forward looking cash flow estimates;
- 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.

The tables below reflect an undiscounted contractual maturity analysis for non-derivative financial liabilities. The Division does not hold directly any derivative financial liabilities.

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 timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates

**Financial Instrument Composition and Maturity Analysis**

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial liabilities due for payment</b>								
Trade payables	219,821	10,215	-	-	-	-	219,821	10,215
Other payables	309,007	255,139	-	-	-	-	309,007	255,139
<b>Total expected outflows</b>	<b>528,828</b>	<b>265,354</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>528,828</b>	<b>265,354</b>
<b>Financial assets – cash flow receivable</b>								
Cash and cash equivalents	3,252,201	2,658,258	-	-	-	-	3,252,201	2,658,258
Trade and other receivables	1,210,436	1,061,814	-	-	-	-	1,210,436	1,061,814
<b>Total anticipated inflows</b>	<b>4,462,637</b>	<b>3,720,072</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,462,637</b>	<b>3,720,072</b>
<b>Net inflow on financial instruments</b>	<b>3,933,809</b>	<b>3,454,718</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,933,809</b>	<b>3,454,718</b>

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**Note 13 Financial Instruments (Continued)**

**(c) 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 or the fair value of fixed rate financial instruments. The Division is also exposed to earnings volatility on floating rate instruments.

Interest rate risk is managed using a mix of fixed and floating financial instruments. The effective interest rate expenditure to interest rate financial instruments is as follows:

	Weighted Average Effective Interest Rate			
	2018	2017	2018	2017
	%	%	\$	\$
<b>Floating rate instruments</b>				
Cash and cash equivalents	1.32	1.27	3,252,201	2,658,258

- ii. Foreign exchange risk  
The Division is not exposed to direct fluctuations in foreign currencies.
- iii. Price risk  
The Division is not exposed to any material commodity price risk.
- iv. Interest rate risk  
The Branch has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk.
- v. Sensitivity Analysis  
The following table illustrates sensitivities to the Division's exposures to changes in interest rates and equity prices. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that the Committee of Management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit	Equity
	\$	\$
<u>Interest rates</u>		
<b>Year ended 31 December 2018</b>		
+1% in interest rates	+32,522	+32,522
-1% in interest rates	-24,647	-24,647
<b>Year ended 31 December 2017</b>		
+1% in interest rates	+26,583	+26,583
-1% in interest rates	-23,524	-23,524

No sensitivity analysis has been performed on foreign exchange risk as the Division has no material direct exposures to currency risk. There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year. There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
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**Note 14 Fair Value Measurement**

**Fair Values**

*Fair value estimation*

The fair values of financial assets and liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties at an arm's length transaction.

Fair value may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair values is extracted from the market, with more reliable information available from markets that are actively traded.

In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Division. Most of these instruments, which are carried at amortised cost (i.e. accounts receivable), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the Division.

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

	Footnote	2018		2017	
		Carrying value	Fair value	Carrying value	Fair value
		\$	\$	\$	\$
<b>Financial assets</b>					
Cash and cash equivalents	(i)	3,252,201	3,252,201	2,658,258	2,658,258
Accounts receivable and other debtors	(i)	1,210,436	1,210,436	1,061,814	1,061,814
<b>Total financial assets</b>		<b>4,462,637</b>	<b>4,462,637</b>	<b>3,720,072</b>	<b>3,720,072</b>
<b>Financial liabilities</b>					
Trade payables	(i)	219,821	219,821	10,215	10,215
Other payables	(i)	309,007	309,007	255,139	255,139
<b>Total financial liabilities</b>		<b>528,828</b>	<b>528,828</b>	<b>265,354</b>	<b>265,354</b>

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, accounts receivable and other debtors and accounts payable and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is outside the scope of AASB 139.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
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**Note 14 Fair Value Measurement (Continued)**

**Fair Value Hierarchy**

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categories fair value measurement into one of the three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

**Level 1**

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2**

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Division did not have any assets or liabilities that were recorded using the above fair value hierarchy at 31 December 2018 and 31 December 2017.

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**Note 15 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 Commission:

- (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).

**Note 16 Division Details**

The registered office of the Division is:

CEPU – Electrical Division  
Suite 408, Level 4  
30 – 40 Harcourt Parade  
ROSEBERY NSW 2018

**Note 17 Segment Information**

The Division operates solely in one reporting business segment being the provision of trade union services.

The Division operates from one reportable geographical segment being Australia.

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**OFFICER DECLARATION STATEMENT**

I Allen Hicks, being the Divisional Secretary of the Communications, Electrical, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division, declare that the following did not occur during the reporting period ended 31 December 2018:

The reporting unit did not:

- Agree to receive financial support from another reporting unit to continue as a going concern (refer to agreement regarding financial support not dollar amounts)
- Agree to provide financial support to another reporting unit to ensure they continued as a going concern (refer to agreement regarding financial support not dollar amounts)
- Acquired 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 of revocation by the General Manager, Fair Work Commission
- Receive periodic or membership subscriptions
- Receive revenue via compulsory levies
- Receive donations or grants
- Receive revenue from undertaking recovery of wages activity
- Incur fees as consideration for employers making payroll deductions of membership subscriptions
- Pay capitation fees to another reporting unit
- Pay a grant that was \$1,000 or less
- Pay a grant that exceeds \$1,000
- 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 of 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 another entity administer the financial affairs of the reporting unit
- Make a payment to a former related party of the reporting unit



.....  
Allen Hicks

Divisional Secretary

26 March 2019