COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,

PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA, COMMUNICATIONS DIVISION,

DIVISIONAL CONFERENCE

ABN 22 401 014 998

FINANCIAL REPORT

FOR THE YEAR ENDED

31 MARCH 2019

SYDNEY
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Sydney NSW 2000
Australia
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA, COMMUNICATIONS DIVISON, DIVISIONAL CONFERENCE

Opinion

We have audited the financial report of Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing And Allied Services Union Of Australia, Communications Division, Divisional Conference, which comprises the statement of financial position as at 31 March 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies; the committee of management statement, the subsection 255(2A) report and the officer declaration statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing And Allied Services Union Of Australia, Communications Division, Divisional Conference, as at 31 March 2019, and its financial performance and its cash flows for the year ended on that date in accordance with:

a) the Australian Accounting Standards; and
b) any other requirements imposed by 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 Reporting Union 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 my report. We are independent of the Reporting Union 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 my 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 our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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Responsibilities of Committee of Management for the Financial Report

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

Auditor's Responsibilities for the Audit of the Financial Report

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the reporting unit's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.

- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the reporting unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA, COMMUNICATIONS DIVISON, DIVISIONAL CONFERENCE

or conditions may cause the reporting unit to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Union audit. We remain solely responsible for our audit opinion.

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

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

Report on Other Legal and Regulatory Requirements

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

Our opinion on the financial report is not modified in respect of the following matters because, in our opinion, it has been appropriately addressed by the reporting unit and is not considered material in the context of the audit of the financial report as a whole.

Hall Chadwick

Hall Chadwick
Level 40, 2 Park Street
Sydney NSW 2000

GWebb

Graham Webb
Partner
Dated: 6 August 2019

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OPERATING REPORT FOR THE PERIOD ENDED 31 MARCH 2019

In accordance with Section 254 of the Fair Work (Registered Organisations) Act 2009 ("Act") the Committee of Management present their Operating Report on Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications division, Divisional Conference ("the Union"), the relevant Reporting Unit, for the financial year ended 31 March 2019.

Principal Activities
The principal activities of the Union during the financial year were to provide industrial and organising services to each of the Branches of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications division, Divisional Conference and their members, consistent with the objectives of the National Council and particularly the objective of protecting and improving the interests of the various Branches and their members.

Operating Result
The operating surplus of the Union for the financial year was $101,056 (2018: deficit $133,996). No provision for tax was necessary as the Union is exempt from income tax. The Divisional Office accounts remain in good order and barring unexpected expenditure, the budget for the year 2020 projects a surplus.

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

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

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

  whichever is the later, or

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

  whichever is the later.

Superannuation Officeholders
The following officers and members of the Union held a Directorship of an Australian Superannuation Fund during the financial year:

Name	**Fund Name**	**Fees received by the officer**	**Fees included in the union's revenue**
Greg Rayner	Australian Post Superannuation Scheme		49,631
Shane Murphy	Telstra Superannuation Scheme		81,468

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

Other Prescribed Information

In accordance with Regulation 159 of the Fair Work (Registered Organisations) Regulations 2009 ("Regulations"):

(a) the number of persons that were, at the end of the financial year to which the report relates, recorded in the register of members for Section 230 of the Act and who are taken to be members of the Union under section 244 of the Act was 21,191 (2018: 21,412).

(b) the number of persons who were, at the end of the financial year to which the report relates, employees of the Union, where the number of employees includes both full-time and part-time employees, measured on a full-time equivalent basis was 7 (2018: 12).

(c) the names of each person who have been a member of the Committee of Management (Divisional Executive) of the Union at any time during the reporting period, and the period for which he or she held such a position were;

Name	Position
S. Murphy	Divisional President (Honorary)
G. Rayner	Divisional Secretary
B. Clarke	Divisional Vice-President (Honorary)
J. O'Donnell	Divisional Assistant Secretary
N. Robinson	Divisional Assistant Secretary
E. Huttly	Affirmative Action (Honorary)
A. Jansen (retired -03.09.2018, position vacant)	Telecommunication and Services
J. Ellery	Telecommunication and Services
M. Parker	Telecommunication and Services
P. Chaloner	Postal and Telecommunications
P. O'Connell	Postal and Telecommunications
J. Doyle	Postal and Telecommunications
V. Butler	Postal and Telecommunications

Communications Divisional Branch Representatives:

C. Bird
B. Kershaw
B. McVee
N. Tredrea
N. Townsend

Committee members have been in office since the start of the financial year to the date of this report unless otherwise stated.

Signed in accordance with a resolution of the Committee of Management.

For Committee of Management: Greg Rayner
Title of Office held: Divisional Secretary

Signature:

Dated: 06 August 2019
Melbourne

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REPORT REQUIRED UNDER SUBSECTION 255(2A) for the year ended 31 March 2019

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

Categories of Expenditure	31 March 2019	31 March 2018
Remuneration and other employment-related costs and expenses - employees	1,144,550	1,574,161
Advertising	-	-
Operating costs	511,703	881,844
Donations to political parties	1,000	-
Legal costs	162,973	77,070

Signature of designated officer: .... GREG RAYNER ....
Divisional Secretary

Dated: ....06 August 2019..............................

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COMMITTEE OF MANAGEMENT STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

On the 6 August 2019 the Committee of Management of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communication Division, Divisional Conference passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 March 2019:

The Committee of Management declares that in its opinion:

(a) the financial statements and notes comply with the Australian Accounting Standards;

(b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);

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

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

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

   (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and

   (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and

   (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and

   (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and

   (v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and

   (vi) where any order for inspection of financial records has been made by the Registered Organisation Commission under section 273 of the RO Act, there has been compliance.

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

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

Signature of designated officer:

Name and title of designated officer: Greg Rayner - Divisional Secretary

Dated: 6 August 2019

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STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 $	2018 $
Revenue			
Capitation fees	3A	$1,651,969	1,875,830
Levies	3B	-	-
Interest	3C	194,200	183,157
Other revenue	3D	170,580	191,851
Total revenue		2,016,749	2,250,838
Other Income			
Grants and/or donations	3E	-	-
Net gains from sale of assets	3F	4,159	-
Total other income		4,159	2,250,838
Total income		2,020,908	2,250,838
Expenses			
Employee expenses	4A	1,144,550	1,574,161
Capitation fees	4B	-	-
Affiliation fees	4C	134,543	145,069
Administration expenses	4D	411,224	477,983
Grants or donations	4E	1,000	-
Depreciation	4F	12,562	72,551
Legal costs	4G	162,973	77,070
Audit fees	12	53,000	38,000
Total expenses		1,919,852	2,384,834
Surplus/(Deficit) for the year		101,056	(133,996)
Other comprehensive income			
Gain on revaluation of buildings		1,872,604	-
Total comprehensive income for the year		1,973,660	(133,996)

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

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STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	Notes	2019 $	2018 $
ASSETS			
Current Assets			
Cash and cash equivalents	5A	7,894,043	7,753,516
Trade and other receivables	5B	413,730	414,644
Other current assets	5C	12,569	10,691
Total current assets		8,320,342	8,178,851
Non-Current Assets			
Buildings	6A	4,000,000	2,127,396
Plant and equipment	6B	34,711	8,267
Total non-financial assets		4,034,711	2,135,663
Total assets		12,355,053	10,314,514
LIABILITIES			
Current Liabilities			
Trade payables	7A	320,789	69,118
Other payables	7B	124,671	176,027
Employee provisions	8A	598,507	731,695
Total current liabilities		1,043,967	976,840
Non-Current Liabilities			
Employee provisions	8A	-	-
Total non-current liabilities		-	-
Total liabilities		1,043,967	976,840
Net assets		11,311,086	9,337,674
EQUITY			
Asset revaluation reserve		1,872,604	-
Retained earnings		9,438,482	9,337,674
Total equity		11,311,086	9,337,674

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

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Retained earnings	Asset revaluation reserve	Total equity
		$	$	$
Balance as at 31 March 2018		9,471,670	-	9,471,670
Deficit for the year		(133,996)	-	(133,996)
Other comprehensive income for the year		-	-	-
Closing balance as at 31 March 2018		9,337,674	-	9,337,674
Surplus for the year		**101,056**	-	**101,056**
Revaluation increment		-	1,872,604	**1,872,604**
Closing balance as at 31 March 2019		**9,438,482**	1,872,604	**11,311,086**

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

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 $	2018 $
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units	9B	2,342,618	2,059,916
Interest		194,200	189,489
Other		170,580	215,381
Cash used			
Employees		(1,144,550)	(1,536,515)
Suppliers		(1,033,968)	(626,352)
Payment to other reporting units	9B	(353,507)	(186,083)
Net cash (used by) operating activities	9A	175,373	115,836
INVESTING ACTVITIES			
Cash received			
Proceeds from sale of plant and equipment		4,159	-
Cash used			-
Purchase of plant and equipment		(39,005)	(9,527)
Net cash from (used by) investing activities		(34,846)	(9,527)
Net increase (decrease) in cash held		140,527	106,309
Cash & cash equivalents at the beginning of the reporting period		7,753,516	7,647,207
Cash & cash equivalents at the end of the reporting period	5A	7,894,043	7,753,516

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

Index to the Notes of the Financial Statements

Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the reporting unit is a not-for-profit entity.

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

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

No 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.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

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

The accounting policies adopted are consistent with those of the previous financial year except for the following standards and amendments, which have been adopted for the first time this financial year:

- AASB 9 Financial Instruments and relevant amending standards, which replaces AASB 139 Financial Instruments: Recognition and Measurement. The impact of applying this standard is discussed further below.
- AASB Interpretation 22 Foreign Currency Transactions and Advance Considerations, which clarifies that the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. The adoption of this amendment did not have an impact on the CEPU Communications Division.

Impact on adoption of AASB 9

(a) Initial application

AASB 9 Financial Instruments (AASB 9) replaces AASB 139 Financial Instruments: Recognition and Measurement (AASB 139) for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.
CEPU Communications Division has applied AASB 9 retrospectively, with an initial application date of 1 April 2018. CEPU Communications Division has not restated the comparative information, which continues to be reported under AASB 139. There were no quantifiable differences arising from the adoption of AASB 9.

Note 1 Summary of significant accounting policies continued

Note 1 Adoption of New Australian Accounting Standard requirements (cont'd)

(i) Classification and measurement

Under AASB 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI (other comprehensive income). The classification is based on two criteria: CEPU Communications Division's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of CEPU Communications Division's business model was made as of the date of initial application, 1 April 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a significant impact to the CEPU Communications Division.

- Trade receivables and other non-current financial assets (i.e. loan to a related party) previously classified as loans and receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are now classified and measured as debt instruments at amortised cost.

The CEPU Communications Division has not designated any financial liabilities as at fair value through surplus or deficit. There are no changes in classification and measurement for the CEPU Communications Division's financial liabilities.

In summary, upon adoption of AASB 9, the CEPU Communications Division applied the following required or elected reclassifications:

1 July 2018		AASB 9 measurement category		
		Fair value through profit or loss	Amortised cost	Fair value through OCI
	$	$	$	$
AASB 139 measurement category				
Loans and receivables				
Trade and other receivables	413,730	-	413,730	-
	413,730	-	413,730	-

(ii) Impairment loss

The adoption of AASB 9 has fundamentally changed the CEPU Communications Division's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking ECL (expected credit loss) approach. AASB 9 requires the CEPU Communications Division to recognise an allowance for ECLs for all debt instruments not held at fair value through the surplus or deficit and contract assets, i.e. those held at amortised cost and at FVTOCI (fair value through other comprehensive income).

Upon adoption of AASB 9 the CEPU Communications Division did not recognise any additional impairment on trade receivables or loans receivable from a related party.

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 CEPU

Note 1 Summary of significant accounting policies continued

Future Australian Accounting Standards Requirements

Standard Name	Effective date - year ended	Requirements	Impact
AASB 16 Leases	31 March 2020	AASB 16: replaces AASB 117 Leases and some lease-related Interpretations requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases provides new guidance on the application of the definition of lease and on sale and lease back accounting largely retains the existing lessor accounting requirements in AASB 117requires new and different disclosures about leases. Under AASB 16 current leases will be reclassified to Statement of Financial Position as a right of use asset with a corresponding liability.	There is no expected Impact on the reported financial position and performance. This is on the basis that there is only operating leases for two printers as at 31 March 2019 which will expire prior to 31 March 2020.
AASB 1058 Income of Not-for-Profit Entities	31 March 2020	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 an 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 an 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	There is no expected Impact on the reported financial position and performance.

Note 1 Summary of significant accounting policies continued

1.4 New Australian Accounting Standards (continued)

Future Australian Accounting Standards Requirements (Cont'd)

Standard Name	Effective date - year ended	Requirements	Impact
		financial statement elements (called 'related amounts') should be recognised, such as: a Contributions by owners; b Revenue, or a contract liability arising from a contract with a customer; c A lease liability; d A financial instrument; or e A provision. These related amounts will be accounted for in accordance with the applicable Australian Accounting Standard.	

1.5 Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

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

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment loss allowance due to expected credit losses at each reporting date. A provision matrix that is based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment has been established. Historically, all CEPU branches have paid their capitation/ACTU affiliation fees and the CEPU Communications Division expects this to continue and has therefore not recognised any loss allowance. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

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

1.6 Employee benefits

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

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

Note 1 Summary of significant accounting policies continued

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

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

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

1.7 Leases

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

1.8 Cash

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

1.9 Gains

Sale of Assets

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

1.10 Financial Instruments

Financial assets and financial liabilities are recognised when the CWU Communications Division becomes a party to the contractual provisions of the instrument.

1.11 Financial Assets

Initial recognition and measurement

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the CEPU Communication Division's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the CEPU Communication Division initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

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

The CEPU Communication Division's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Note 1 Summary of significant accounting policies continued

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss.

Financial assets at amortised cost

The CEPU Communication Division measures financial assets at amortised cost if both of the following conditions are met:

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

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

The CEPU Communication Division's financial assets at amortised cost includes trade receivables.

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The CEPU Communication Division has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either:

  a) the CEPU Communication Division has transferred substantially all the risks and rewards of the asset, or
  b) CEPU Communication Division has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the CEPU Communication Division has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the CEPU Communication Division continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting

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

Note 1 Summary of significant accounting policies continued

Impairment

(i) Trade receivables

For trade receivables that do not have a significant financing component, the CEPU Communication Division applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the CEPU Communication Division does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL's at each reporting date. The CEPU Communication Division has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Historically, all CEPU branches have paid their capitation/ACTU affiliation fees and the CEPU Communication Division expects this trend to continue and has therefore not recognised any loss allowance.

(ii) Debt instruments other than trade receivables

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the CEPU Communication Division recognises an allowance for expected credit losses using a general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the CWU Communications Division expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).
- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The CEPU Communication Division considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the CEPU Communication Division may also consider a financial asset to be in default when internal or external information indicates that the CEPU Communication Division is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

1.12 Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The CEPU Communication Division's financial liabilities include trade and other payables.

Note 1 Summary of significant accounting policies continued

Subsequent measurement

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in 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 Land, buildings, plant and equipment

Asset recognition threshold

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

Revaluations - Buildings

Following initial recognition at cost, the buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do no differ materially from those that would be determined using fair values as at the reporting date.

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

Depreciation

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

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

Asset Class	**2019**	**2018**
Buildings	40 years	40 years

Plant and equipment	2 to 10 years	2 to 10 years

Note 1 Summary of significant accounting policies continued

Derecognition

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

1.15 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 CEPU Communications Division were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.16 Taxation

The CEPU Communications 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 CEPU Communications Division measures financial instruments, such as, financial assets as at fair value through the profit and loss, financial assets at fair value through OCI, and non-financial assets such as land and building, at fair value at each balance sheet date. CEPU Communications Division restated its building at fair value as at 31 March 2019. Previously it was reported at cost. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 14A.

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

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

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

Note 1 Summary of significant accounting policies continued

The CEPU Communications 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 CEPU Communications 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 buildings. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the CEPU Communications Division has determined classes of assets and liabilities on the basis of the nature, characteristics and the risks of the assets or liability and the level of the fair value hierarchy.

1.18 **Going Concern**

The CEPU Communications Division is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis. The reporting unit has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

Note 2 Events after the reporting period

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

	2019	2018
	$	$
Note 3 Revenue		
Note 3A: Capitation fees		
Postal and Telecommunications:		
- New South Wales	615,753	708,602
- Victoria	334,996	350,105
Telecommunications and Services:		
- New South Wales	75,032	95,354
- Victoria	141,827	157,034
Communications Divisional Branches		
- Queensland	239,829	282,386
- South Australia/Northern Territory	102,192	120,989
- Tasmania		-
- Western Australia	142,340	161,360
Total capitation fees	1,651,969	1,875,830
Note 3B: Levies		
Levies	-	-
Total Levies	-	-
Note 3C: Interest		
Deposits	194,200	183,157
Loans	-	-
Total interest	194,200	183,157
Note 3D: Other Revenue		
Fees reimbursed by NSW branch		67,737
Board Positions	131,099	120,569
Other	39,481	3,545
Total other revenue	170,580	191,851
Note 3E: Grants or donations		
Grants	-	-
Donations	-	-
Total grants or donations	-	-
Note 3F: Net gains from sale of assets		
Plant and equipment	4,159	-
Total net gain from sale of assets	4,159	-

	2019 $	2018 $
Note 4 Expenses		
Note 4A: Employee expenses		
Holders of office:		
Wages and salaries	343,099	433,296
Superannuation	57,756	72,876
Leave and other entitlements	(32,506)	7,864
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses holders of office	368,349	514,036
Employees other than office holders:		
Wages and salaries	677,137	794,364
Superannuation	98,034	121,139
Leave and other entitlements	(72,441)	54,205
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses employees other than office holders	702,730	969,708
Other employee expenses		
Fringe benefits expense	2,227	4,148
Superannuation insurance	-	-
Payroll tax	59,294	70,022
Work cover	11,950	16,247
Subtotal other employee expenses	73,471	90,417
Total employee expenses	1,144,550	1,574,161
Note 4B: Capitation fees		
Capitation fees	-	-
Total capitation fees	-	-
Note 4C: Affiliation fees		
Affiliation fees – ACTU*	128,602	145,069
Affiliation - G.T.U.F.	5,941	-
Total affiliation fees/subscriptions	134,543	145,069

*ACTU Industrial Relations Levy — Levy imposed by the Australian Council of Trade Unions for purposes of funding action for Industrial relations.

	2019 $	2018 $
Note 4D: Administration expenses		
Fees/allowances - meeting and conferences expenses	54,420	53,954
Contractors/consultants	144,645	148,911
Property expenses	27,881	61,216
Office expenses	68,688	84,684
Information communications technology	26,938	26,086
Travel expenses	62,781	77,632
Other	2,471	2,100
Subtotal administration expense	387,824	454,583
Operating lease rentals:		
Minimum lease payments	23,400	23,400
Total administration expenses	411,224	477,983
Note 4E: Grants or donations		
Grants:		
Total paid that were $1,000 or less	-	-
Total paid that exceeded $1,000	-	-
Donations		
Total paid that were $1,000 or less	1,000	-
Total paid that exceeded $1,000	-	-
Total grants or donations	1,000	-
Note 4F: Depreciation		
Depreciation		
Buildings	-	62,643
Plant and equipment	12,562	9,908
Total depreciation	12,562	72,551
Note 4G: Legal costs		
Litigation	135,089	52,404
Other legal matters	27,884	24,666
Total legal costs	162,973	77,070

	2019	2018
	$	$
Note 5 Current assets		
Note 5A: Cash and cash equivalents		
Cash at bank	189,276	274,571
Short term deposits	7,704,767	7,478,945
Total cash and cash equivalents	7,894,043	7,753,516
Note 5B: Trade and other receivables		
Receivables from other reporting units		
Postal and Telecommunications:		
- New South Wales	62,525	61,548
- Victoria	42,195	36,975
Telecommunications and Services:		
- New South Wales	6,573	15,998
- Victoria **	155,831	156,551
Communications Divisional Branches		
- Queensland	20,656	23,277
- South Australia/Northern Territory	14,753	20,286
- Tasmania	-	-
- Western Australia	10,674	12,286
Electrical Divisional Branches		
- Victoria	30,755	28,012
- Federal	183	-
Plumbing Divisional branches		
- Victoria	65,374	4,538
National Council	-	342
Total receivables from other reporting units	409,519	359,813
Less allowance for expected credit losses	-	-
Receivable from other reporting units (net)	409,519	359,813

*** Included in this balance is an amount of $145,288 receivable which is in excess of 180 days. Following a private ruling sought from the Australian Taxation Office (ATO) and discussions with the Registered Organization Commission (ROC)as to the nature of the transaction, this balance is expected to be repaid in full.*

	2019	2018
Other receivables:		
Other receivables	4,211	54,831
Total other receivables	4,211	54,831
Total trade and other receivables (net)	413,730	414,644
Note 5C: Other current assets		
Prepayments	12,569	10,691
Total other current assets	12,569	10,691

	2019	2018
	$	$

Note 6 Non-current assets

Note 6A: Buildings

	2019 $	2018 $
Buildings		
at Market value (2018: at cost)	4,000,000	2,505,723
accumulated depreciation	-	(378,327)
Total Buildings	4,000,000	2,127,396

	2019 $	2018 $
Reconciliation of the opening and closing balances of buildings		
As at 1 April		
Gross book value	2,505,723	2,505,723
Accumulated depreciation	(378,328)	(315,684)
Net book value 1 April	2,127,396	2,190,039
Additions / Revaluations	1,872,604	-
Depreciation expense	-	2,127,396
Net book value 31 March	4,000,000	(62,643)
Net book value as of 31 March represented by:		
Gross book value	4,000,000	2,505,723
Accumulated depreciation	-	(378,328)
Net book value 31 March	4,000,000	2,127,396

The revaluation consists of buildings. Management determined that these constitute one class of asset under AASB 13, based on the nature, characteristics and risks of the property.

Fair value of the properties was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for the difference in the nature, location or condition of the specific property. As at the date of revaluation [11.04.2019], the properties' fair values are based on valuations performed by First Valuation Group, an accredited independent valuer.

Note 6B: Plant and equipment

	2019 $	2018 $
Plant and equipment		
at cost	149,500	178,578
accumulated depreciation	(114,789)	(170,310)
Total plant and equipment	34,711	8,268

	2019 $	2018 $
Reconciliation of the opening and closing balances of plant and equipment		
As at 1 April		
Gross book value	178,578	169,051
Accumulated depreciation	(170,310)	(160,402)
Net book value 1 April	8,268	8,649
Additions by purchase	39,005	9,527
Depreciation expense	(12,562)	(9,908)
Net book value 31 March	34,711	8,268
Net book value as of 31 March represented by:		
Gross book value	149,500	178,578
Accumulated depreciation	(114,789)	(170,310)
Net book value 31 March	34,711	8,268

	2019 $	2018 $
Note 7 Current liabilities		
Note 7A: Trade payables		
Trade creditors and accruals	124,802	68,887
Subtotal trade creditors	124,802	68,887
Payables to other reporting units		
National Council	-	-
Postal and Telecommunications - New South Wales	195,006	250
Telecommunications and Services - New South Wales	-	-
Telecommunications and Services - Victoria	-	-
Communications Divisional Branches		
- Queensland	-	-
- South Australia/Northern Territory	-	-
- Western Australia	(19)	(19)
Subtotal payables to other reporting units	195,987	231
Total trade payables	320,789	69,118

Settlement is usually made within 30 days.

Note 7B: Other payables		
Wages and salaries	-	6,498
Superannuation	8,582	17,836
Consideration to employers for payroll deductions	-	-
Legal costs		
Litigation	-	-
Other legal matters	-	-
GST payable	81,017	104,445
Sundry creditors	35,072	47,247
Total other payables	124,671	176,026
Total other payables are expected to be settled in:		
No more than 12 months	124,671	176,026
More than 12 months	-	-
Total other payables	124,671	176,026

No liabilities have been acquired during the year as part of an amalgamation, restructure, and change in the reporting unit or determination or revocation.

Note 8 Provisions

	2019 $	2018 $
Note 8A: Employee provisions		
Office Holders:		
Annual leave	44,484	29,486
Long service leave	28,795	57,509
Separations and redundancies	-	-
Other - sick leave	-	-
Subtotal employee provisions-office holders	73,279	86,995
Employees other than office holders		
Annual leave	152,643	117,936
Long service leave	134,608	304,284
Separations and redundancies	-	-
Other - sick leave	237,977	222,480
Subtotal employee provisions- employees other than office holders	525,228	644,700
Total employee provisions	598,507	731,695
Current	598,507	731,695
Non-current	-	-
Total employee provisions	598,507	731,695

	2019 $	2018 $
Note 9 Cash flow		
Note 9A: Cash flow reconciliation		
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:		
Cash and cash equivalents as per:		
Cash flow statement	7,894,043	7,753,516
Balance sheet	7,894,043	7,753,516
Difference	-	-
Reconciliation of surplus/(deficit) to net cash from operating activities:		
Surplus / (Deficit) for the year	101,056	(133,996)
Profit on disposal of plant and equipment	(4,159)	-
Adjustments for non-cash items		
Depreciation	12,562	72,551
Changes in assets/liabilities		
Decrease/(increase) in net receivables	914	222,618
(Increase) in prepayments	(1,878)	(8,672)
Increase/(decrease) in payables	251,671	(41,013)
Increase/(decrease) in other payables	(51,605)	(36,704)
(Decrease)/increase in employee provisions	(133,188)	41,052
Net cash from (used by) operating activities	175,373	115,836

	2019 $	2018 $
Note 9B: Cash flow information		
Cash inflows		
Postal and Telecommunications:		
- New South Wales	652,700	856,950
- Victoria	377,229	361,069
Telecommunications and Services:		
- New South Wales	75,032	99,345
- Victoria	154,775	160,316
Communications Divisional Branches		
- Queensland	240,176	137,566
- South Australia/Northern Territory	102,192	120,412
- Western Australia	144,126	162,124
- Electrical Divisional Victoria Branch	336,682	45,798
- Plumbing Divisional Victoria Branch	256,684	13,005
- Plumbing Divisional Federal Office	3,022	-
- National Council	-	103,331
Total cash inflows	2,342,618	2,059,916
Cash outflows		
National Council	133,564	185,952
Plumbing Division	27,484	-
Postal and Telecommunications:		
- New South Wales	178,758	-
- Victoria	568	-
Telecommunications and Services:		
- New South Wales	-	-
- Victoria	-	-
Communications Divisional Branches		
- Queensland	519	131
- South Australia/Northern Territory	149	-
- Tasmania	-	-
- Western Australia	12,465	-
Total cash outflows	353,507	186,083

Note 10 Contingent liabilities, assets and commitments

Note 10A: Commitments and contingencies

Operating lease commitments – as lessee

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

	2019	2018
	$	$
Within one year	22,200	23,400
After one year but not more than five years	-	22,200
More than five years	-	-
	22,200	45,600

Contingent assets

On 11 August 2016, the Fair Work Commissions approved the alteration of the rules of communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia.

Under the rule changes it allowed the Communication Division, Tasmania Branch to merge with the Electrical, Energy and Services Division – Tasmanian Branch (CEPU Tasmania)

In addition, a Memorandum of Understanding was agreed between the Electrical Division and the Communications Division detailing that:

In the event that the sale of the real property transferred from the CWU Tasmania (the building located at 105 New Town Road, New Town), the proceeds (after any debts and liabilities) shall divided evenly between the respective Divisional Funds of the Electrical Divisions and the Communications Division.

Note 11 Related party disclosures

Note 11A: Related party transactions for the reporting period

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

	2019 $	2018 $
Revenue received from related branches includes the following:		
Postal and Telecommunications:		
- New South Wales	652,700	708,602
- Victoria	377,229	350,105
Telecommunications and Services:		
- New South Wales	75,032	95,354
- Victoria	154,775	158,363
Communications Divisional Branches		
- Queensland	240,176	282,386
- South Australia/Northern Territory	102,192	120,989
- Tasmania	-	-
- Western Australia	144,126	161,360
Electrical Divisional Victoria Branch	336,682	-
Plumbing Divisional Victoria Branch	256,685	-
Plumbing Divisional Federal Office	3,022	-
Expenses paid to related branches includes the following:		
National Council	133,564	185,952
Postal and Telecommunications:		
- New South Wales	178,758	-
- Victoria	568	-
Telecommunications and Services:		
- New South Wales	-	-
- Victoria	-	-
Communications Divisional Branches		
- Queensland	519	131
- South Australia/Northern Territory	149	-
- Tasmania	-	-
- Western Australia	12,465	-
Plumbing Division	27,484	-
Assets transferred from/to related parties includes the following	-	-

Note 11 Related party disclosures continued

Note 11A: Related party transactions for the reporting period continued

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the yearend are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. Impairment of receivables relating to amounts owed by related parties and declared person or body are as disclosed in Note 5B to the financial statements. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

No property was transferred to related parties during the financial year ended 31 March 2019.

	2019	2018
Fees paid by NSW branch for services provided	67,747	47,418

Note 11B: Key management personnel remuneration for the reporting period

	2019 $	2018 $
Salary (including annual leave taken)	343,099	506,171
Annual leave accrued	28,264	40,593
Performance bonus	-	-
Total short-term employee benefits	371,363	546,764
Post-employment benefits:		
Superannuation	57,756	72,876
Total post-employment benefits	57,756	72,876
Other long-term benefits:		
Long-service leave	11,305	10,555
Total other long-term benefits	11,305	10,555
Termination benefits	-	-
Total	440,424	630,195

Short-term employee benefits

Note 11C: Transactions with key management personnel and their close family members

There were no Loans to/from key management personnel	-	-
Other transactions with key management personnel	-	-

	2019 $	2018 $
Note 12 Remuneration of auditors		
Value of the services provided		
Financial statement audit services	30,000	33,500
Other services		
Accounting services:	8,000	-
Forensic services:	15,000	4,500
Total remuneration of auditors	53,000	38,000

Note 13 Financial instruments

The entity's financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans to and from related unions.

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

Note 13A: Categories of financial instruments

Financial assets		
Held-to-maturity investments:		
Cash and cash equivalents	7,894,043	7,753,516
Total	7,894,043	7,753,516
Loans and receivables:		
Receivables - refer to Note 5B	413,730	414,644
Total	413,730	414,644
Carrying amount of financial assets	8,307,773	8,168,160
Financial liabilities		
Trade and other payables	445,460	245,144
Total	445,460	245,144
Carrying amount of financial liabilities	445,460	245,144

Note 13B: Net income and expense from financial assets

Held-to-maturity		
Interest revenue	**194,200**	**183,157**
Gain/loss on disposal	**4,159**	**-**
Net gain/(loss) held-to-maturity	**198,359**	**183,157**
Net gain/(loss) from financial assets	**198,359**	**183,157**

The net income/expense from financial assets not at fair value through profit and loss is $198,359 (2018: $183,157).

Note 13C: Net income and expense from financial liabilities

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

Note 13D: Credit risk

Credit risk

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

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

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

Credit risk exposures

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

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

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

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 5B.

Note 13D: Credit risk continued

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

Financial assets		
Trade and other receivables	**413,730**	**414,644**
Total	**413,730**	**414,644**
Financial liabilities		
Trade and other payables	**445,460**	**245,144**
Total	**445,460**	**245,144**

In relation to the entity's gross credit risk the following collateral is held: Nil

Currently the CWU Communications Division does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

Set out below is the information about the credit risk exposure on financial assets using a provision matrix:

30 June 2019	Trade and other receivables Days past due						
	Current	<30 days	30-60 days	61-90 days	>91 days	>180 days	Total
	$	$	$	$	$	$	$
Expected credit loss rate	-0%	-0%	-0%	-0%	-0%	-0%	-0%
Estimate total gross carrying amount at default			-	-	-	-	-
Expected credit loss			-	-	-	-	-

30 June 2018	Trade and other receivables Days past due						
	Current	<30 days	30-60 days	61-90 days	>91 days	>180 days	Total
	$	$	$	$	$	$	$
Expected credit loss rate	-0%	-0%	-0%	-0%	-0%	-0%	-0%
Estimate total gross carrying amount at default			-	-	-	-	-
Expected credit loss			-	-	-	-	-

Note 13E: Liquidity risk

Contractual maturities for financial liabilities 2019

	On Demand	<1 year $	1-2 years $	2-5 years $	>5 years $	Total $
Trade and other payables		445,460	-	-	-	445,460
Total		445,460	-	-	-	445,460

Contractual maturities for financial liabilities 2018

	On Demand	<1 year $	1-2 years $	2-5 years $	>5 years $	Total $
Trade and other payables	-	245,144	-	-	-	245,144
Total	-	245,144	-	-	-	245,144

Note 13F: Market risk

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows.

Sensitivity analysis of the risk that the entity is exposed to for 2019

	Risk Variable	Change in risk variable %	Effect on Profit and loss $	Effect on Equity $
Interest rate risk	-	+1%	79,000	79,000
Interest rate risk	-	-1%	(79,000)	(79,000)

Sensitivity analysis of the risk that the entity is exposed to for 2018

	Risk Variable	Change in risk variable %	Effect on Profit and loss $	Effect on Equity $
Interest rate risk	-	+1%	155,070	155,070
Interest rate risk	-	-1%	(155,070)	(155,070)

Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held.

Note 14 Fair value measurement

Note 14A: Financial assets and liabilities

Management of the reporting unit assessed that cash; trade receivables and trade payables approximate their carrying amounts largely due to the short term maturities of these instruments.

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

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 31 March 2019 was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
    - Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the reporting entity based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 31 March 2019 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

Note 14A: Financial assets and liabilities continued

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

	Carrying amount	**Fair value**	Carrying amount	Fair value
	2019	**2019**	2018	2018
	$	**$**	$	$
Financial Assets				
Cash and cash equivalents	**7,894,043**	7,894,043	**7,753,516**	**7,753,516**
Trade and other receivables	413,730	413,730	**414,644**	**414,644**
Total	8,307,773	8,307,773	**8,168,160**	**8,168,160**
Financial Liabilities				
Trade payables	445,460	445,460	**245,144**	**245,144**
Total	445,460	445,460	**245,144**	**245,144**

Note 14B: Fair value Measurement

No financial and non-financial assets and liabilities are measured at a fair value that is different to their carrying amount as at 31 March 2019.

Note 14C: Financial and non-financial assets and liabilities fair value hierarchy

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

Fair value hierarchy – 31 March 2019

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		$	$	$
Property, plant & equipment	11/04/2019	4,034,711	-	-
Total		4,034,711	-	-
Liabilities measured at fair value				
NIL		-	-	-
Total		-	-	-

Property, plant and equipment was classified as level 1 due to independent valuation obtained.

Fair value hierarchy – 30 June 2018

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		$	$	$
NIL		-	-	-
Total		-	-	-
Liabilities measured at fair value				
NIL		-	-	-
Total		-	-	-

Note 15 Administration of financial affairs by a third party

Name of entity providing service: N/A

Terms and conditions: N/A

Nature of expenses/consultancy service: N/A

Note 16 Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or General Manager:

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

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA, COMMUNICATIONS DIVISION, DIVISIONAL CONFERENCE
ABN 22 401 014 998

OFFICER DECLARATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019

Officer declaration statement

I, Greg Rayner, being the Divisional Secretary of the Communications, Electrical, Electronic, Energy, Information Postal, Plumbing and Allied Services Union of Australia, Communications Division, Divisional Conference, declare that the following activities did not occur during the reporting period ending 31 March, 2019.

The reporting unit did not:

* agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)

* agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)

* acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission

* receive periodic or membership subscriptions * 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 compulsory levies

* pay a grant that was $1,000 or less

* pay a grant that exceeded $1,000

* pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit

* incur expenses due to holding a meeting as required under the rules of the organisation

* pay legal costs relating to litigation

* pay a penalty imposed under the RO Act or the Fair Work Act 2009

* have a payable to an employer for that employer making payroll deductions of membership subscriptions

* have a payable in respect of legal costs relating to litigation

* have a payable in respect of legal costs relating to other legal matters

* have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch

* transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity

* have a balance within the general fund

* provide cash flows to another reporting unit and/or controlled entity

* receive cash flows from another reporting units and/or controlled entity

* have another entity administer the financial affairs of the reporting unit

* make a payment to a former related party of the reporting unit

G. Rayner.

Signed by the officer: GREG RAYNER
Dated: 06 August 2019