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 2012

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

OPERATING REPORT

In accordance with Section 254 of the Fair Work (Registered Organisations) Act 2009 ("Act") the Committee of Management present their Operating Report on the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union Of Australia, Communications Division, Divisional Conference, the relevant Reporting Unit for the financial year ended 31 March 2012.

Principal Activities and Results of Principal Activities

The CEPU Communications Division operated as a Trade Union and mainly represented the Industrial interests of employees in the Postal Industry (e.g. Australia Post), and the Telecommunications Industry (e.g. Telstra and Optus).

Our objectives are to improve and protect the economic condition, job security, working conditions and other industrial concerns of our members. In our representation of the employees in the Postal and Telecommunications Industries, we negotiated and enforced industrial awards and agreements.

In carrying out this function we provided representation in Industrial tribunals, provided legal assistance where deemed necessary, negotiated workplace change and assisted with individual grievances. The union also provided information for its membership by the regular publication of Journals, Bulletins and provision of Web Sites.

The union also pursued and assisted kindred organisations by affiliations and other means to uphold the rights and entitlements of workers by Industrial, Political, and Community action.

Operating Result

The operating profit of the Union for the financial year was $3,764,363 (2011: Loss $176,647). No provision for tax was necessary as the Union is exempt from income tax.

Significant change

The Union sold the land and buildings at 139-155 Queensberry Street, Carlton South during the financial year for a profit of $4,184,092. The Union also purchased new office premises from the ACTU at level 9, 365 Queen Street, Melbourne. Other than these matters, there were no significant changes in the nature of activities of the Union during the financial year.

Rights of Members

Pursuant to Rule 11 of the Reporting Unit rules 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 and Board Representation

The following officers or members of the Reporting Unit are trustees of superannuation funds:

		Fund Name	Fees received by officer	Fees included in the union's revenue
Jim Metcher		Australia Post Superannuation Scheme	Not known	NIL
Burt Blackburne		Comcare	$30,788	$30,788
Cameron Thiele	1 April 2011 to 31 July 2011	Australia Post Superannuation Scheme	$22,261	$22,261
Dan Dwyer	appointed 19 October 2011	Australia Post Superannuation Scheme	$22,590	$22,590
Carol Gee	appointed 22 November 2011	Telstra Superannuation Scheme	$16,141	$16,141

OPERATING REPORT continued

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

(a) the number of persons that were, at the end of the financial year to which the report relates, recorded in the register of members for Section 230 of the Act and who are taken to be members of the Union under section 244 of the Act was 24,818 (2011: 26,051)

(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 16.

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

Position	**Name**
Divisional President (Honorary)	L. Cooper
Divisional Secretary	C. Thiele (1 November 2010 to 1 August 2011)
	D. Dwyer (1 August 2011 to date)
Divisional Vice-President	S. Wharton (2 November 2010 to 22 February 2012)
Divisional Assistant Secretaries	I. Bryant (term expired 1 August 2011)
	B. Blackburne (term expired 1 August 2011)
	K. Hardisty (1 August 2011 to date)
	M. O'Nea (1 August 2011 to date)
Affirmative Action	S. Marikar (term expired 1 August 2011)
	S. Riley (1 August 2011 to date)
Telecommunication and Service Representatives	A. Jansen (21 July 2010 to date)
	L. Walkington (22 September 2010 to 1 August 2011)
	L. Cooper (term expired 1 August 2011)
	D. Irons (term expired 1 August 2011)
	J. Ellery (1 August 2011 to date)
	M. Parker (1 August 2011 to date)
Postal and Telecommunications Representatives	J. Metcher
	S. Murphy
	J. Doyle
	V. Butler
Communications Divisional Branch Representatives	
P. Hughes (2 November 2010 to date)	J. O'Donnell (1 April 2010 to date)
P. Miller	G. Taylor (13 September 2010 to date)
B. Riseley (term expired 1 August 2011)	G. Lorrain
B. Watkins (term expired 1 August 2011)	J. Lee (term expired 1 August 2011)
B. McVee (1 August 2011 to date)	S. Butterworth (1 August 2011 to date)
G. Colbeck (1 August 2011 to date)	C. Bird (1 August 2011 to date)

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 the Committee

Dan Dwyer – Divisional Secretary

Melbourne 21 Nov 2013

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

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2012

	Note	2012 $	2011 $
Revenue	3	6,787,796	2,757,575
Administration expense	4	(573,657)	(638,154)
Affiliation fees and compulsory levies	4	(124,023)	(90,956)
Communication expense		(43,799)	(43,985)
Depreciation expense	4	(50,477)	(68,820)
Provision for impairment – amounts owing by branches		(199,145)	-
Employee benefits expense	4	(1,587,836)	(1,694,867)
Occupancy expense		(113,406)	(178,387)
Travel expense	4	(307,145)	(211,285)
Other expense		(23,945)	(7,768)
Profit/ (loss) before income tax expense		3,764,363	(176,647)
Income tax expense	1(a)	-	-
Net profit/ (loss) attributable to members		3,764,363	(176,647)
Other comprehensive income		-	-
Total comprehensive income		3,764,363	(176,647)

The accompanying notes form part of these financial statements.

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA, COMMUNICATIONS DIVISION, DIVISIONAL CONFERENCE
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STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2012

	Note	2012 $	2011 $
CURRENT ASSETS			
Cash and cash equivalents	5	8,089,175	2,812,712
Trade and other receivables	6	5,632,390	1,963,876
Other current assets	7	4,302	2,370
TOTAL CURRENT ASSETS		13,725,867	4,778,958
NON-CURRENT ASSETS			
Property, plant and equipment	8	2,192,051	3,918,402
TOTAL NON-CURRENT ASSETS		2,192,051	3,918,402
TOTAL ASSETS		15,917,918	8,697,360
CURRENT LIABILITIES			
Trade and other payables	9	5,504,745	1,620,518
Short term provisions	10	603,524	1,031,556
TOTAL CURRENT LIABILITIES		6,108,269	2,652,074
TOTAL LIABILITIES		6,108,269	2,652,074
NET ASSETS		9,809,649	6,045,286
EQUITY			
Reserves		-	563,383
Retained earnings		9,809,649	5,481,903
TOTAL EQUITY		9,809,649	6,045,286

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2012

	Retained earnings general fund	Retained earnings special fund	Retained earnings international fund	Retained earnings members benefit campaign fund	Asset revaluation reserve	Total
	$	$	$	$	$	$
Balance at 31 March 2010	2,841,018	2,726,901	(4,669)	95,300	563,383	6,221,933
Loss attributable to members	(347,230)	94,873	-	75,710	-	(176,647)
Balance at 31 March 2011	2,493,788	2,821,774	(4,669)	171,010	563,383	6,045,286
Profit attributable to members	1,594,039	2,116,116	-	54,208	-	3,764,363
Transfer of asset revaluation reserve on sale of freehold property	218,030	345,353	-	-	(563,383)	-
Balance at 31 March 2012	4,305,857	5,283,243	(4,669)	225,218	-	9,809,649

The accompanying notes form part of these financial statements.

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA, COMMUNICATIONS DIVISION, DIVISIONAL CONFERENCE
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2012

	Note	2012 $	2011 $
CASH FLOWS FROM OPERATING ACTIVITIES			
General Fund and Special Fund			
Contributions - branches		2,162,199	1,867,523
Interest received		388,378	125,633
Rental received		62,260	238,370
Sundry Income		189,565	347,962
Payments to suppliers & employees		(3,344,524)	(2,437,334)
Net cash provided by (used in) operating activities	19b	(542,122)	142,154
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(2,193,029)	(69,052)
Proceeds on sale of fixed assets		8,011,614	-
Net cash provided by (used in) investing activities		5,818,585	(69,052)
Net increase/(decrease) in cash held		5,276,463	73,102
Cash at beginning of year		2,812,712	2,739,610
Cash at end of year	19a	8,089,175	2,812,712

The accompanying notes form part of these financial statements.

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STATEMENT OF RECEIPTS AND PAYMENTS FOR RECOVERY OF WAGES ACTIVITY
CASH BASIS - FOR THE YEAR ENDED 31 MARCH 2012

	Note	2012 $	2011 $
Cash assets in respect of recovered money at beginning of year		-	-
Receipts			
Amounts recovered from employers in respect of wages etc		-	-
Interest received on recovered money		-	-
Total receipts		-	-
Payments			
Deductions of amounts due in respect of membership for:-			
- 12 months or less		-	-
- greater than 12 months		-	-
Deductions of donations or other contributions to accounts or funds of:-			
- the Union		-	-
- other entity		-	-
Deductions of fees or reimbursements of expenses		-	-
Payments to workers in respect of recovered money		-	-
Total payments		-	-
Cash assets in respect of recovered money at end of year		-	-

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements include the financial statements and notes of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union Of Australia, Communications Division, Divisional Conference.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the Fair Work (Registered Organisations) Act 2009.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial statements 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.

Accounting Policies

a. **Income Tax**
No provision for income tax is necessary as "Trade Unions" are exempt from income tax under Section 50 -15 of the Income Tax Assessment Act 1997.

b. **Property, Plant and Equipment**
Each class of property, plant and equipment is carried at cost or fair value less, where applicable any accumulated depreciation.

Property, leasehold improvements and plant and equipment are measured on the cost basis.

The carrying amount of property, leasehold improvements and plant and equipment is reviewed annually by the committee of management 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.

Depreciation
The depreciable amount of all fixed assets are depreciated on a reducing balance basis over the useful lives of the assets to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Assets	Depreciation Rate
Buildings	2.5%
Office furniture and fittings	7.5% - 30%
Office machines and equipment	20% - 40%
Motor vehicles	22.5%

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

c. **Leases**

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

d. **Employee Benefits**

Provision is made for the entity's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and RDO which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

e. **Financial Instruments**

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the entity commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified at fair value through profit or loss in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, or amortised cost using the effective method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

i) the amount at which the financial asset or financial liability is measured at initial recognition
ii) less principal repayments
iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
iv) less any reduction for impairment

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The entity does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

e. **Financial Instruments continued**

i) **Financial assets at fair value through profit or loss**
Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where an entity of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

ii) **Loans and receivables**
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

iii) **Held-to-maturity investments**
Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, which will be classified as current assets.

If during the period the entity sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire category of held-to-maturity investments would be tainted and would be reclassified as available-for-sale.

iv) **Available-for-sale financial assets**
Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period, which will be classified as current assets.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

e. **Financial Instruments continued**

v) **Financial liabilities**

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has 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 profit or loss.

f. **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand and at call deposits with banks or financial institutions.

g. **Revenue**

Grant revenue is recognised on a proportional basis over the period that the grant relates to where the grant monies are controlled or conditions for recognition have been met. Where there are conditions attached to grant revenue received in advance relating to the use of those grants for specific purposes it is recognised in the statement of financial position as a liability until such conditions are met or services are provided.

Revenue from membership subscriptions is recognised on an accruals basis.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

h. **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

i. **Comparative Figures**
Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

j. **Impairment of Assets**
At each reporting date, the entity reviews the carrying value of the tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

There are no critical judgements that have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities.

k. **Critical Accounting Estimates and Judgements**
The Committee of Management members evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

Key Estimates
The Committee of Management assesses impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value in use calculation performed in assessing recoverable amounts incorporates a number of key estimates.

Key Judgments
No key judgments have been used in the preparation of this financial report.

l. **Consolidation**
The Divisional Conference represents the nationwide interest of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union Of Australia, Communications Division, in Australia and has agreed to provide financial assistance where necessary.

The Divisional Conference however has no control over the operations or management of the branches which are run by their own committee of management and which report separately to Fair Work Australia as required by the Fair Work (Registered Organisations) Act 2009. Accordingly no consolidated financial statements have been prepared that incorporate the financial performance or position of the branches.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

m. **New Accounting Standards for Application in Future Periods**

The Australian Accounting Standards Board has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the entity has decided not to early adopt. A discussion of those future requirements and their impact on the entity is as follows:

AASB 9: Financial Instruments [December 2010] (applicable for annual reporting periods commencing on or after 1 January 2013).

This Standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments. The entity has not yet determined any potential impact on the financial statements.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;

- simplifying the requirements for embedded derivatives;

- removing the tainting rules associated with held-to-maturity assets;

- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;

- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;

- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and

- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in the other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

The entity has not yet been able to reasonably estimate the impact of these pronouncements on its financial statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

m. New Accounting Standards for Application in Future Periods continued

AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124,127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013).

AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

- Tier 1: Australian Accounting Standards; and

- Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

Since the entity is a not-for-profit private sector entity, the entity may qualify for the reduced disclosure requirements for Tier 2 entities. It is anticipated that the entity may take advantage of Tier 2 reporting at a later date.

AASB 2010–6: Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7] (applicable for annual reporting periods beginning on or after 1 July 2011).

This Standard adds and amends disclosure requirements about transfers of financial assets, especially those in respect of the nature of the financial assets involved and the risks associated with them. Accordingly, this Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards, and AASB 7: Financial Instruments: Disclosures, establishing additional disclosure requirements in relation to transfers of financial assets.

This Standard will affect certain disclosures only relating to financial instruments and is therefore not expected to significantly impact the entity.

AASB 2010-8: Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012).
This Standard makes amendments to AASB 112: Income Taxes and incorporates Interpretation 121 into AASB 112.

Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The amendments brought in by this Standard also incorporate Interpretation 121 into AASB 112.

The amendments are not expected to impact the entity.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

m. New Accounting Standards for Application in Future Periods continued

AASB 1054: Australian Additional Disclosures and AASB 2011–1: Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132 & AASB 134 and Interpretations 2, 112 & 113] (applicable for annual reporting periods commencing on or after 1 July 2011).

AASB 1054 sets out the Australian-specific disclosures that are additional to IFRS disclosure requirements.

The disclosure requirements in AASB 1054 were previously located in other Australian Accounting Standards.

These Standards are not expected to significantly impact the entity.

AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011), AASB 128: Investments in Associates and Joint Ventures (August 2011) and AASB 2011–7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009–11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17] (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements (March 2008, as amended) and Interpretation 112: Consolidation – Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. The entity has not yet been able to reasonably estimate the impact of this Standard on its financial statements.

AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either "joint operations" (whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or "joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed).

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity", replacing the "special purpose entity" concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will affect disclosures only and is not expected to significantly impact the entity.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. These Standards are not expected to impact the entity.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

m. New Accounting Standards for Application in Future Periods continued

AASB 13: Fair Value Measurement and AASB 2011–8: Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009–11, 2010–7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132] (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurements.

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value.

These Standards are not expected to significantly impact the entity.

AASB 2011–9: Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049] (applicable for annual reporting periods commencing on or after 1 July 2012).

The main change arising from this Standard is the requirement for entities to entity items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently.

This Standard affects presentation only and is therefore not expected to significantly impact the entity.

AASB 119: Employee Benefits (September 2011) and AASB 2011–10: Amendments to Australian Accounting Standards arising from AASB 119 [AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 & AASB 2011–8 and Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The entity does not have any defined benefit plans and so is not impacted by the amendment.

(i) for an offer that may be withdrawn – when the employee accepts;
(ii) for an offer that cannot be withdrawn – when the offer is communicated to affected employees; and
(iii) where the termination is associated with a restructuring of activities under AASB 137: Provisions, Contingent Liabilities and Contingent Assets, and if earlier than the first two conditions – when the related restructuring costs are recognised.

The entity has not yet been able to reasonably estimate the impact of these changes to AASB 119.

NOTE 2: INFORMATION TO BE PROVIDED TO MEMBERS OR FAIR WORK AUSTRALIA

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 272 of the Act which read as follows: -

1. A member of an entity, or Fair Work Australia, may apply to the entity for specified prescribed information in relation to the entity to be made available to the person making the application.
2. The application must be in writing and 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 entity.
3. An entity must comply with an application made under subsection (1).

NOTE 3: REVENUE

	2012 $	2011 $
Operating activities		
Contributions from branches		
Postal and Telecommunications:		
- New South Wales	678,816	693,770
- Victoria	300,721	304,710
Telecommunications and Services:		
- New South Wales	132,649	135,494
- Victoria	206,059	204,956
Communications Divisional Branches		
Queensland	367,793	373,316
South Australia/Northern Territory	142,774	132,719
Tasmania	40,691	52,418
Western Australia	143,344	128,602
	2,012,847	2,025,985
Board position	91,780	66,741
Interest received	387,853	137,818
Rent received	62,260	238,370
Members benefit campaign contributions	54,208	75,710
Reimbursement of entitlements	-	124,423
Profit on disposal of fixed assets	4,142,711	-
Sundry income	36,137	88,528
	4,774,949	731,590
Total revenue	6,787,796	2,757,575

NOTE 4: PROFIT FOR YEAR AFTER THE FOLLOWING EXPENSES

Profit before income tax expense has been determined after:

	2012 $	2011 $
Affiliation fees:		
- Australian Council of Trade Unions	84,186	84,228
Compulsory fees:		
- Campaigns	7,296	450
- State Revenue Office congestion levy	3,520	6,278
- ACTU IR campaign levy	29,021	-
	124,023	90,956

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

	2012 $	2011 $
NOTE 4: PROFIT FOR YEAR AFTER THE FOLLOWING EXPENSES continued		
Depreciation expense		
Property, plant and equipment	50,477	68,820
Employee benefits expense		
Salaries and allowances		
- elected officials	694,424	326,293
- employees	1,018,958	775,266
-honorarium elected officials	4,500	4,500
Superannuation contributions		
- elected officials	55,048	55,781
- employees	117,201	108,878
Provision for annual leave		
- elected officials	(26,873)	5,765
- employees	(25,813)	43,014
Provision for long service leave		
- elected officials	(192,226)	96,582
- employees	(68,395)	66,357
Provision for sick leave		
- elected officials	(119,821)	86,169
- employees	5,096	31,182
Other		
- fringe benefit tax	7,794	5,510
- payroll tax	89,196	65,005
- superannuation insurance	12,622	13,282
- Workcover levy	16,125	11,283
	1,587,836	1,694,867
Administration expense		
Advertising	428	8,482
Bank charges	1,315	1,339
Books, publications and subscriptions	4,491	4,698
Computer expense	6,964	4,116
Donations	14,490	76,700
Journals and publications	102,052	139,643
Insurance	25,432	22,693
Postage and courier	7,369	7,114
Printing and stationary	47,176	12,489
Professional services		
- Auditor's remuneration		
auditing the financial report	21,550	21,000
taxation and other services	12,346	1,185
- Consultants	78,028	145,564
- Legal	189,425	90,249
Rental of office equipment	17,802	5,255
Repairs and maintenance	34,221	95,695
Training and Education	10,568	1,932
	573,657	638,154

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

NOTE 4: PROFIT FOR YEAR AFTER THE FOLLOWING EXPENSES continued

	2012 $	2011 $
Travel expenses		
Airfares		
- General	103,801	91,007
- Divisional conference	9,582	-
- Divisional executive	14,706	7,601
- National council	8,194	-
Car hire and taxi		
- General	31,321	29,945
- Divisional conference	1,270	-
- Divisional executive	1,782	1,033
- National council	609	321
Motor vehicle expense	12,102	15,995
Travelling allowance		
- General	81,376	57,759
- Divisional conference	11,965	-
- Divisional executive	19,812	6,502
- National council	5,476	-
- Home state allowance	5,149	1,122
	307,145	211,285

NOTE 5: CASH AND CASH EQUIVALENTS

	2012 $	2011 $
General Fund		
Cash on hand	1,000	1,000
Cash at bank		
- General account	271,409	144,731
- Joint fund	933	992
- Union dues account	15,227	357,108
- UPT provident fund	873	873
- Members benefit fund	2,560	2,684
- Online Saver Account	353,038	589,087
Cash on deposit		
- General account	7,377,480	1,653,103
- At Call Deposit	66,655	63,134
	8,089,175	2,812,712

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

NOTE 6: TRADE AND OTHER RECEIVABLES

	2012 $	2011 $
CURRENT		
General Fund		
Amount owing by Postal and Telecommunications branches:		
- New South Wales	61,502	90,626
- Victoria	67,920	74,617
	129,422	165,243
Less provision for impairment of receivables	(47,176)	-
	82,246	165,243
Amount owing by Telecommunications and Services Branches:		
- New South Wales	19,879	41,123
- Victoria	46,918	72,410
	66,797	113,533
Amount owing by Divisional Branches:		
- Queensland	49,059	123,888
- South Australia / Northern Territory	20,964	35,433
- Tasmania	173,112	125,760
- Western Australia	5,718	1,513
	248,853	286,594
Less provision for impairment of receivables	(171,884)	-
	76,969	286,594
CURRENT		
Other debtors:		
- Accrued income	35,033	35,558
- Amount owing from international Fund	4,669	4,669
- Sundry debtors	83,433	100,012
	123,135	140,239
TOTAL GENERAL FUND	349,147	705,609
Special Fund		
Amount owing from general fund	5,283,243	1,258,267
TOTAL SPECIAL FUND	5,283,243	1,258,267
TOTAL RECEIVABLE	5,632,390	1,963,876

NOTE 6: TRADE AND OTHER RECEIVABLES continued

(i) Provision for Impairment of Receivables

Current trade receivables are generally on 30-day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. These amounts have been included in doubtful debts - branches in the statement of comprehensive income.

Movement in the provision for impairment of receivables is as follows:

	$
Provision for impairment as at 31 March 2010	-
- Charge for the year	-
- Written off	-
Provision for impairment as at 31 March 2011	-
- Charge for the year	219,060
- Written off	-
Provision for impairment as at 31 March 2012	219,060

(ii) Credit Risk – Trade and Other Receivables

The entity does not have any material credit risk exposure to any single receivable or group of receivables.

The entity's trade and other receivables that are within initial trade terms and are considered to be of high credit quality.

	Gross amount $	Past due and impaired $	Past due but not impaired (days overdue) < 30 $	31 - 60 $	61-90 $	>90 $	Within normal trade terms $
2012							
Trade receivables	527,605	219,060	261,983	30,541	5,090	10,931	-
Other receivables	40,602	-	-	-	-	-	40,602
Total	568,207	219,060	261,983	30,541	5,090	10,931	40,602
2011							
Trade receivables	657,043	-	326,441	107,586	3,966	219,050	-
Other receivables	48,566	-	-	-	-	-	48,566
Total	705,609	-	326,441	107,586	3,966	219,050	48,566

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

	2012 $	2011 $
NOTE 7: OTHER CURRENT ASSETS		
Prepayments	4,302	2,370

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

General Fund

	2012 $	2011 $
Land and Building		
Freehold land – Queensberry Street at independent valuation	-	1,100,000
Building – Queensberry Street at independent valuation	-	972,480
Less accumulated depreciation	-	(163,620)
	-	808,860
ACTU Building – Level 9, 365 Queen Street at cost	2,124,139	-
Less accumulated depreciation	(6,547)	-
	2,117,592	-
TOTAL LAND AND BUILDING	2,117,592	1,908,860
Employee amenities – at cost	-	1,051
Less: accumulated depreciation	-	(1,051)
	-	-
Motor vehicles – at cost	64,199	115,820
Less: accumulated depreciation	(29,344)	(92,126)
	34,855	23,694
Office furniture and equipment – at cost	19,557	384,110
Less: accumulated depreciation	(6,917)	(320,664)
	12,640	63,446
Office machines and equipment – at cost	49,760	154,121
Less: accumulated depreciation	(22,796)	(140,579)
	26,964	13,542
TOTAL GENERAL FUND	2,192,051	2,009,542

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

NOTE 8: PROPERTY, PLANT AND EQUIPMENT continued

a. **Movements in carrying amounts**
Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

	Land $	Building $	Office machines and equipment $	Office furniture and fittings $	Motor Vehicles $	Total $
Balance at the beginning of year	1,100,000	808,860	13,542	63,446	23,694	2,009,542
Additions	-	2,124,139	32,282	-	36,608	2,193,029
Disposals	(1,100,000)	(801,800)	(2,369)	(45,634)	(17,300)	(1,967,103)
Depreciation expense	-	(13,607)	(16,491)	(5,172)	(8,147)	(43,417)
Carrying amount at the end of year	-	2,117,592	26,964	12,640	34,855	2,192,051

	2012 $	2011 $
Special Fund		
Land and Building		
Freehold land – Queensberry Street at independent valuation	-	1,100,000
Building – Queensberry Street at independent valuation	-	972,480
Less accumulated depreciation	-	(163,620)
	-	808,860
TOTAL LAND AND BUILDING	-	1,908,860
TOTAL SPECIAL FUND	-	1,908,860

MOVEMENTS IN CARRYING AMOUNTS

	Land $	Buildings $	Total $
Balance at the beginning of year	1,100,000	808,860	1,908,860
Additions	-	-	-
Disposals	(1,100,000)	(801,800)	(1,901,800)
Depreciation expense	-	(7,060)	(7,060)
Carrying amount at the end of financial year	-	-	-

	2012 $	2011 $
Total Property, Plant & Equipment	2,192,051	3,918,402

NOTE 9: TRADE AND OTHER PAYABLES

	2012 $	2011 $
General Fund		
Amount owing to Postal and Telecommunications branches:		
- Victoria	2,500	-
- New South Wales	5,969	-
	8,469	-
Amount owing to Telecommunications and Services branches:		
- New South Wales	465	-
- Victoria	6,578	3,338
	7,043	3,338
Amount owing to Divisional branches:		
- Queensland	5,792	-
- South Australia	2,871	-
- Western Australia	3,562	-
	12,225	-
Amount owing to Special Fund	5,283,243	1,258,267
GST Collected	17,769	37,635
Legal costs payable	7,906	45,008
Sundry creditors	163,421	271,601
	189,096	354,244
Total General Fund	5,500,076	1,615,849
International Fund		
Amount owing to General Fund	4,669	4,669
Total Payables	5,504,745	1,620,518

NOTE 10: PROVISIONS

	2012 $	2011 $
Analysis of Total Provisions		
Employee entitlements		
Provision for annual leave		
- elected officials	61,858	88,731
- employees	117,672	143,485
	179,530	232,216
Provision for long service leave		
- elected officials	20,763	212,989
- employees	223,077	291,472
	243,840	504,461

NOTE 10: PROVISIONS continued

Analysis of Total Provisions continued

	2012 $	2011 $
Provision for sick leave		
- elected officials	-	119,821
- employees	179,282	174,186
	179,282	294,007
Total employee entitlements	602,652	1,030,684
Provision for UPT provident fund	872	872
Total provisions	603,524	1,031,556
Number of employees at year end	16	16

	Annual leave $	Long service leave $	Sick leave $	Total $
Balance at 31 March 2011	232,216	504,461	294,007	1,030,684
Additional provisions raised during the year	112,318	3,014	4,259	119,591
Amounts used	(165,004)	(263,635)	(118,984)	(547,623)
Balance at 31 March 2012	179,530	243,840	179,282	602,652

NOTE 11: SPECIAL FUND BALANCE

	2012 $	2011 $
Opening balance	2,821,774	2,726,901
Add receipts:		
- profit on sale of land & building	2,092,046	-
- rent received	31,130	119,185
	4,944,950	2,846,086
Add transfers:		
- asset revaluation reserve	345,353	-
Less expenses:		
- depreciation	(7,060)	(24,312)
Closing balance	5,283,243	2,821,774
Amount owing from general fund	5,283,243	1,258,267
Fixed assets	-	1,908,860
Asset revaluation reserve	-	(345,353)
	5,283,243	2,821,774

	2012 $	2011 $
NOTE 12: INTERNATIONAL FUND BALANCE		
Balance	(4,669)	(4,669)
Sundry creditors	(4,669)	(4,669)

NOTE 13: CONTINGENT LIABILITIES

The Divisional Conference assumes responsibility and accountability for debts that the branches are unable to pay as and when they fall due. A contingent liability would be deemed to exist where there are indicators to suggest a branch is in financial hardship. Such indicators would include a net current asset deficiency or net asset deficiency.

As at 31st March 2012 the SA-NT Branch is in a net current asset deficiency position of $153,721, which may indicate a potential problem with paying their debts as and when they fall due, and the burden may fall upon the Divisional Conference.

Other than the above, there are no contingent liabilities at the date of this report

NOTE 14: KEY MANAGEMENT PERSONNEL COMPENSATION AND RELATED PARTY TRANSACTIONS

The names of committee of management of the entity who have held office during the financial year are:

Position	Name
Divisional President (Honorary)	L. Cooper
Divisional Secretary	C. Thiele (1 November 2010 to 1 August 2011)
	D. Dwyer (1 August 2011 to date)
Divisional Vice-President	S. Wharton (2 November 2010 to 22 February 2012)
Divisional Assistant Secretaries	I. Bryant (term expired 1 August 2011)
	B. Blackburne (term expired 1 August 2011)
	K. Hardisty (1 August 2011 to date)
	M. O'Nea (1 August 2011 to date)
Affirmative Action	S. Marikar (term expired 1 August 2011)
	S. Riley (1 August 2011 to date)
Telecommunication and Service Representatives	A. Jansen (21 July 2010 to date)
	L. Walkington (22 September 2010 to 1 August 2011)
	L. Cooper (term expired 1 August 2011)
	D. Irons (term expired 1 August 2011)
	J. Ellery (1 August 2011 to date)
	M. Parker (1 August 2011 to date)
Postal and Telecommunications Representatives	J. Metcher
	S. Murphy
	J. Doyle
	V. Butler
Communications Divisional Branch Representatives	
P. Hughes (2 November 2010 to date)	J. O'Donnell (1 April 2010 to date)
P. Miller	G. Taylor (13 September 2010 to date)
B. Riseley (term expired 1 August 2011)	G. Lorrain
B. Watkins (term expired 1 August 2011)	J. Lee (term expired 1 August 2011)
B. McVee (1 August 2011 to date)	S. Butterworth (1 August 2011 to date)
G. Colbeck (1 August 2011 to date)	C. Bird (1 August 2011 to date)

a. The aggregate amount of remuneration paid to elected officials during the financial year for salaries was $694,424 (2011: $326,293) and for honorarium was $4,500 (2011: $4,500). The salaries amount is further split as follows -

	2012 $	2011 $
Salaries	335,822	323,220
Terminations	358,602	3,073
	694,424	326,293

The aggregate amount paid during the financial year to a superannuation plan in connection with the retirement of elected officials was $55,048 (2011: $55,781).

b. The aggregate amount of remuneration paid to other persons on the Committee of Management was $Nil (2011: $Nil)

NOTE 14: KEY MANAGEMENT PERSONNEL COMPENSATION AND RELATED PARTY TRANSACTIONS continued

Related Party Transactions

a. There were no transactions between the officers of the Union other than those relating to their membership of the Union and reimbursement by the Union in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.

b. The branches of the CEPU Communication Division are as follows:

Postal and Telecommunications branches:
- New South Wales
- Victoria

Telecommunications and Services branches:
- New South Wales
- Victoria

Communications Divisional branches
-Queensland
-South Australia / Northern Territories
-Tasmania
-Western Australia

The transactions between the branches and divisional conference are on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length and are as disclosed in Notes 3,6, and 9.

NOTE 15: CAPITAL AND LEASING COMMITMENTS

	2012 $	2011 $
Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable — minimum lease payments		
not later than 12 months	18,912	10,988
between 12 months and 5 years	61,464	2,747
	80,376	13,735

NOTE 16: SEGMENT REPORTING

The entity operates predominantly in one industry, being the Communications sector. The business operates predominantly in one geographical area being Australia.

NOTE 17: ECONOMIC DEPENDENCE

The principle source of income for the entity is membership fees from Branches. The entity is economically dependent upon the membership level and fees.

NOTE 18: EVENTS SUBSEQUENT TO REPORTING DATE

There are no events subsequent to the reporting date of this report which will have a material effect on the financial report for the year ended 31 March 2012.

NOTE 19: CASH FLOW INFORMATION

a. **Reconciliation of Cash**
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2012 $	2011 $
General Fund		
Cash on hand	1,000	1,000
Cash at bank	644,040	1,095,475
Cash on depositl	7,444,135	1,716,237
	8,089,175	2,812,712

b. **Reconciliation of Cash Flow from Operations with Net Profit attributable to members**

	2012 $	2011 $
General Fund		
Net profit	1,648,247	(271,620)
Non-cash flows in profit:		
Doubtful debt	199,145	-
Depreciation	43,417	44,508
Profit on disposal of fixed assets	(2,050,665)	-
Changes in assets and liabilities:		
(Increase)/decrease in prepayments	(1,932)	27,776
(Increase)/decrease in trade and other receivables	(3,867,659)	(178,087)
Increase/(decrease) in trade and other payables	3,884,227	71,224
Increase/(decrease) in short term provisions	(428,032)	329,068
	(573,252)	22,869
Special Fund		
Net profit	2,116,116	94,973
Non-cash flows in profit:		
Depreciation	7,060	24,312
Profit on sale of land & building	(2,092,046)	-
	31,130	119,285
Cash flows from operations	(542,122)	142,154

c. The entity has no credit stand-by or financing facilities in place other than disclosed in the financial report.

d. There were no non-cash financing or investing activities during the period.

NOTE 20: FINANCIAL RISK MANAGEMENT

The entity's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable.

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

	2012 $	2011 $
Financial assets		
Cash and cash equivalents	8,089,175	2,812,712
Loans and receivables	5,632,390	1,963,876
Total financial assets	13,721,565	4,776,588
Financial liabilities		
Financial liabilities at amortised cost:		
- Trade and other payables	5,504,745	1,620,518
Total financial liabilities	5,504,745	1,620,518

Financial Risk Management Policies

The committee of management overall risk management strategy seeks to assist the entity in meeting its financial targets, while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the committee of members on a regular basis. These include the credit risk policies and future cash flow requirements

The finance committee operates under policies approved by the committee of management. Risk management policies are approved and reviewed by the management on a regular basis. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the entity is exposed to through its financial instruments are credit risk, liquidity risk, and market risk.

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 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.

NOTE 20: FINANCIAL RISK MANAGEMENT continued

a. **Credit risk continued**
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.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 6.

The entity has no significant concentration 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 6.

b. **Liquidity risk**
Liquidity risk arises from the possibility that the entity might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The entity manages this risk through the following mechanisms:
— preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
— only investing surplus cash with major financial institutions; and
— proactively monitoring the recovery of unpaid subscriptions.

Financial assets pledged as collateral
No financial assets have been pledged as security for any financial liability.

The table that follows reflects an undiscounted contractual maturity analysis for financial assets and 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.

NOTE 20: FINANCIAL RISK MANAGEMENT continued

b. Liquidity risk continued

	Within 1 Year $	1 to 5 Years $	Over 5 Years $	Total $
2012				
Financial Assets				
Cash and cash equivalents	8,089,175	-	-	8,089,175
Receivables	5,632,390	-	-	5,632,390
Total anticipated inflows	13,721,565	-	-	13,721,565
Financial Liabilities				
Trade and other payables	5,504,745	-	-	5,504,745
Total expected outflows	5,504,745	-	-	5,504,745
Net inflow/(outflow) on financial instruments	8,216,820	-	-	8,216,820
2011				
Financial Assets				
Cash and cash equivalents	2,812,712	-	-	2,812,712
Receivables	1,963,876	-	-	1,963,876
Total anticipated inflows	4,776,588	-	-	4,776,588
Financial Liabilities				
Trade and other payables	1,620,518	-	-	1,620,518
Total expected outflows	1,620,518	-	-	1,620,518
Net inflow/(outflow) on financial instruments	3,156,070	-	-	3,156,070

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.

(ii) *Price risk*

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held.
The entity is not exposed to securities price risk on available-for-sale investments.

The entity's investments are held in term deposits.

NOTE 20: FINANCIAL RISK MANAGEMENT continued

c. Market risk continued

Sensitivity analysis

The following table illustrates sensitivities to the entity's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reporting at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit $	Equity $
Year ended 31 March 2012		
+/- 1% in interest rates basis points – cash and cash equivalents	80,892	80,892
Year ended 31 March 2011		
+/- 1% in interest rates basis points – cash and cash equivalents	28,127	28,127

NOTE 21: ENTITY DETAILS

The registered office and principal place of business is:
Level 9
365 Queen Street
MELBOURNE VIC 3000

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

COMMITTEE OF MANAGEMENT CERTIFICATE

On 19 November 2013 the Committee of Management of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union Of Australia, Communications Division, Divisional Conference ("Union/Reporting Unit") passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 March 2012:

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 the reporting guidelines of Fair Work Australia;

(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; and

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

   (iv) 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; and

   (v) the information sought in any request of a member of the reporting unit or Fair Work Australia duly made under section 272 of the Act has been furnished to the member or Fair Work Australia; and

   (vi) there has been compliance with any order for inspection of financial reports made by the Fair Work Australia under section 273 of the Act.

(f) That the Fair Work Commission is currently conducting an inquiry into the Divisional Office accounts.

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA, COMMUNICATIONS DIVISION, DIVISIONAL CONFERENCE
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COMMITTEE OF MANAGEMENT CERTIFICATE
continued

(g) in relation to recovery of wages activity:

(i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of Fair Work Australia; and

(ii) the Committee of Management caused the auditor to include in the scope of the audit required under subsection 257(1) of the Act all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and

(iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and

(iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and

(v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

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

For Committee of Management: Dan Dwyer
Title of Office held: Divisional Secretary

Signature: Dan Dwyer

Dated: 21 Nov 13

Melbourne

msi RAGG WEIR
Chartered Accountants

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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 DIVISION, DIVISIONAL CONFERENCE

Report on the Financial Report

We have audited the accompanying 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 2012, and the statement of comprehensive income, statement of changes in equity and the statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Committee of Management's declaration of the entity during the financial year.

Committee of Management's Responsibility for the Financial Report

The entity's Committee of Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009 and for such internal control as the committee of management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1 the Committee of Management also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee of management, as well as evaluating the overall presentation of the financial report.

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

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INDEPENDENT AUDITOR'S REPORT CONTINUED

TO THE MEMBERS OF COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA, COMMUNICATIONS DIVISION, DIVISIONAL CONFERENCE

Basis for Qualified Opinion

Allegations of unauthorised expenditure have been made against the Union and are now the subject of a Fairwork Australia investigation. These allegations cast doubts about the validity of certain expenditure including the purpose of the expenditure, the assessment of which is outside the scope of the audit engagement. We believe that the allegations and outcome of the investigation may have implications on the financial statements. Management has not determined the amount and impact of these expenditure on the financial statements if any and have not instructed us to audit the alleged unauthorised expenditure.

As a result of the above, we are unable to determine whether any adjustments were necessary in respect of the matters that are the subject of FairWork Australia's investigations.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial report of the entity:

(a) is in accordance with the provisions of the Fair Work (Registered Organisations) Act 2009, and other requirements imposed by these Reporting Guidelines or Part 3 of Chapter 8 of the Act, including:
- (i) presenting fairly the entity's financial position as at 31 March 2012 and of its performance and cashflows for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and International Financial Reporting Standards as disclosed in Note 1.

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

MSI Ragg Weir

MSI RAGG WEIR
Chartered Accountants

L.S. WONG
Partner,
Member of the Institute of Chartered Accountants in Australia and
holder of a current public practice certificate

Melbourne 21 November 2013

msi RAGG WEIR
Chartered Accountants

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COMPILATION REPORT

TO THE COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICESUNION OF AUSTRALIA, COMMUNICATIONS DIVISION, DIVISIONAL CONFERENCE

Scope

We have compiled the accompanying special purpose financial statements of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union Of Australia, Communications Division, Divisional Conference which comprises the attached detailed income and expenditure statement for the year ended 31 March 2012. The specific purposes for which the special purpose financial statements have been prepared is to provide information relating to the performance of the entity that satisfies the information needs of the committee of management.

The Responsibility of the Committee of Management

The committee of management is solely responsible for the information contained in the special purpose financial statement and has determined that the basis of accounting adopted is appropriate to meet the needs of the committee of management.

Our Responsibility

On the basis of information provided by the committee of management we have compiled the accompanying special purpose financial statement in accordance with the basis of accounting and APES 315: Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information which the committee members provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The special purpose financial statement was compiled exclusively for the benefit of the committee of management. We do not accept responsibility to any other person for the contents of the special purpose financial report.

MSI Ragg Weir

MSI RAGG WEIR
Chartered Accountants

Melbourne: 21 November 2013

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

DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 MARCH 2012

	2012 $	2011 $
INCOME		
Contributions – branches	2,012,847	2,025,985
Member benefit campaign contributions	54,208	75,710
Interest received	387,853	137,818
Board position	91,780	66,741
Rent received	62,260	238,370
Reimbursement of entitlements	-	124,423
Profit on disposal of fixed assets	4,142,711	-
Sundry income	36,137	88,528
TOTAL INCOME	6,787,796	2,757,575
EXPENDITURE		
Advertising	428	8,482
Affiliation fees and levies:		
- ACTU affiliation	84,186	84,228
- ACTU IR campaign levy	29,021	-
Airfares:		
- Divisional Conference	9,582	-
- Divisional Executive	14,706	7,601
- General	73,886	59,724
- General/Other	29,915	31,283
- National Council	8,194	-
Bank charges	1,315	1,339
Books, publications and subscriptions	4,491	4,698
Building Security	753	2,234
Campaigns:		
- General	7,021	450
- Anti privatisation	275	-
Car hire and taxis:		
- Divisional Conference	1,270	-
- Divisional Executive	1,782	1,033
- General	31,321	29,945
- National Council	609	321
Cleaning	5,477	33,695
Cleaning Water Damage	7,952	2,202
Computer charges	6,964	4,116
Congestion levy	3,520	6,278
Depreciation	50,477	68,820
Donations	14,490	76,700
Provision for impairment – amounts owing by branches	199,145	-
Fringe benefits tax	7,794	5,510
Functions, social and fraternal gifts	4,450	2,804
General expenses	5,902	(370)
Insurance	25,432	22,693
Journals and publications	102,052	139,643
Light & power	60,203	40,069
Land tax	22,264	61,762
Late Fees Paid	-	136
Management Fee – Rented Office	6,752	11,000

This statement should be read in conjunction with the attached compilation report on page 38

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

DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 MARCH 2012

	2012 $	2011 $
EXPENDITURE continued		
Meetings expenses:		
- General	1,910	1,174
- Divisional Conference	2,080	-
- Divisional Executive	140	-
Motor vehicle expenses	12,102	15,995
Payroll tax	89,196	65,005
Postage and delivery charges	7,369	7,114
Printing and stationary	47,176	12,489
Professional services:		
- Accountancy and audit fees	33,896	22,185
- Consultant	78,028	145,564
- Legal fees	189,425	90,249
Provision for annual leave	(52,686)	48,779
Provision for long service leave	(260,621)	162,939
Provision for sick leave	(114,725)	117,351
Rates and taxed	10,006	27,426
Rental of equipment	17,802	5,255
Repairs and maintenance	34,221	95,695
Salaries and allowances:		
- elected officials	694,424	326,293
- employees	1,018,958	775,266
- honorarium elected officials	4,500	4,500
Staff amenities	9,462	4,023
Superannuation:		
- elected officials	55,048	55,781
- employees	117,201	108,878
- group life cover	12,622	13,282
Telephone and facsimile	43,799	43,985
Training and education	10,568	1,932
Travelling allowance:		
- Divisional Conference	11,965	-
- Divisional Executive	19,812	6,502
- General	68,436	43,537
- General/Other	12,940	14,222
- Home state allowance	5,149	1,122
- National Council	5,476	-
Workcover	16,125	11,283
TOTAL EXPENDITURE	3,023,433	2,934,222
NET PROFIT/(LOSS) FOR THE YEAR	3,764,363	(176,647)

This statement should be read in conjunction with the attached compilation report on page 38