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 2020

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

OPERATING REPORT FOR THE PERIOD ENDED 31 MARCH 2020

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 2020.

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 $101,567 (2019: $101,056). 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 (with restricted income and expenditure due to Covid 19 situation) for the year 2021 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	-	50,560
Shane Murphy	Telstra Superannuation Scheme	-	22,432
Dahlia Khatab	Telstra Superannuation Scheme	-	16,779

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 21,004 (2019: 21,191).

(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 6 (2019: 7).

(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	(end of term – 31.07.2019)	Divisional Assistant Secretary
J. Perkins	(elected – 01.08.2019)	Divisional Assistant Secretary
N. Robinson		Divisional Assistant Secretary
E. Huttly		Affirmative Action (Honorary)
J. Ellery	(end of term – 31.07.2019)	Telecommunication and Services
S. Riley	(elected – 01.08.2019)	Telecommunication and Services
M. Parker	(deceased – 20.02.2020)	Telecommunication and Services
F. Crouch	(appointed – 20.02.2020)	Telecommunication and Services
D. Dwyer	(end of term – 31.07.2019)	Telecommunication and Services
L. Walkington	(elected – 01.08.2019)	Telecommunication and Services
J. King	(elected – 01.08.2019)	Telecommunication and Services
P. Chaloner		Postal and Telecommunications
P. O'Connell		Postal and Telecommunications
J. Doyle	(end of term – 31.07.2019)	Postal and Telecommunications
L. Lazaro	(elected – 01.08.2019)	Postal and Telecommunications
V. Butler		Postal and Telecommunications

Communications Divisional Branch Representatives:

C. Bird	
B. Kershaw	(end of term – 31.07.2019)
M. Templeman	(elected – 01.08.2019)
B. McVee	
N. Tredrea	(end of term – 31.07.2019)
C. Thomas	(elected – 01.08.2019)
N. Townsend	
G. Lorrain	(elected – 01.08.2019)

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: 7 September 2020
Melbourne

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

REPORT REQUIRED UNDER SUBSECTION 255(2A) for the year ended 31 March 2020

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 31 March 2020

Categories of Expenditure	31 March 2020	31 March 2019
Remuneration and other employment-related costs and expenses - employees	963,299	1,144,550
Advertising	-	-
Operating costs	576,911	511,703
Donations to political parties	-	1,000
Legal costs	113,600	162,973

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

Dated: ....7 September 2020..

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 STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

On the 7 September 2020 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 2020:

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 Fair Work Commission under section 273 of the RO Act, there has been compliance.

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

Signature of designated officer:

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

Dated: 7 September 2020

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 $	2019 $
Revenue			
Revenue from contracts with customers			
Capitation fees and other revenue from another reporting unit	3A	1,626,173	1,651,969
Levies	3B	-	-
Total revenue from contracts with customers		**1,626,173**	**1,651,969**
Income for furthering objectives			
Grants and/or donations	3E	-	-
Total income for furthering objectives		**-**	**-**
Other Income			
Interest	3C	152,026	194,200
Other revenue	3D	141,077	170,580
Net gains from sale of assets	3F	100	4,159
Total other income		**293,203**	**368,939**
Total income		**1,919,376**	**2,020,908**
Expenses			
Employee expenses	4A	963,299	1,144,550
Capitation fees	4B	-	-
Affiliation fees	4C	135,249	134,543
Administration expenses	4D	441,662	411,224
Grants or donations	4E	23,800	1,000
Depreciation	4F	109,999	12,562
Legal costs	4G	113,600	162,973
Audit fees	12	30,200	53,000
Total expenses		**1,817,809**	**1,919,852**
Surplus for the year		**101,567**	**101,056**
Other comprehensive income			
Gain on revaluation of buildings		**-**	**1,872,604**
Total comprehensive income for the year		**101,567**	**1,973,660**

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

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

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Notes	2020 $	2019 $
ASSETS			
Current Assets			
Cash and cash equivalents	5A	7,901,336	7,894,043
Trade and other receivables	5B	412,726	413,730
Other current assets	5C	14,557	12,569
Total current assets		8,328,620	8,320,342
Non-Current Assets			
Buildings	6A	3,900,000	4,000,000
Plant and equipment	6B	25,749	34,711
Total non-financial assets		3,925,749	4,034,711
Total assets		12,254,369	12,355,053
LIABILITIES			
Current Liabilities			
Trade payables	7A	160,900	320,789
Other payables	7B	122,538	124,671
Employee provisions	8A	558,277	598,507
Total current liabilities		841,715	1,043,967
Non-Current Liabilities			
Employee provisions	8A	-	-
Total non-current liabilities		-	-
Total liabilities		841,715	1,043,967
Net assets		11,412,654	11,311,086
EQUITY			
Asset revaluation reserve		1,872,604	1,872,604
Retained earnings		9,540,050	9,438,482
Total equity		11,412,654	11,311,086

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

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

	Retained earnings	Asset revaluation reserve	Total equity
	$	$	$
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
Surplus for the year	101,567	-	101,567
Closing balance as at 31 March 2020	**9,540,050**	1,872,604	**11,412,654**

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

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

ABN 22 401 014 998

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 $	2019 $
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units	9B	2,452,831	2,342,618
Interest		152,026	194,200
Other		141,077	170,580
Cash used			
Employees		(1,043,759)	(1,144,550)
Suppliers		(1,224,277)	(1,033,968)
Payment to other reporting units	9B	(469,667)	(353,507)
Net cash from operating activities	9A	**8,231**	**175,373**
INVESTING ACTVITIES			
Cash received			
Proceeds from sale of plant and equipment		**100**	**4,159**
Cash used			
Purchase of plant and equipment		**(1,038)**	**(39,005)**
Net cash used by investing activities		**(938)**	**(34,846)**
Net increase in cash held		**7,293**	**140,527**
Cash & cash equivalents at the beginning of the reporting period		**7,894,043**	**7,753,516**
Cash & cash equivalents at the end of the reporting period	5A	**7,901,336**	**7,894,043**

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 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

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 15 Revenue from Contracts with Customers, which replaces AASB 118 Revenue, and AASB 1058 Income of Not-for-Profit-Entities, which replaces the income recognition requirements of AASB 1004 Contributions. The impact of applying this standard is discussed further below.
- AASB 16 Leases and amending standards, which replaces AASB 117 Leases. The impact of applying this standard is discussed further below.

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

Impact on adoption of AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities

AASB 15 Revenue from Contracts with Customers supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers.

AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. AASB 15 also includes implementation guidance to assist not-for-profit entities to determine whether particular transactions, or components thereof, are contracts with customers. If a transaction is outside the scope of AASB 15, the recognition and measurement of income arising from the transaction may instead be specified by another Standard, for example AASB 1058 Income of Not-for-Profit Entities.

AASB 1058 replaces the income recognition requirements in AASB 1004 Contributions that had previously applied to the union. AASB 1058 provides a more comprehensive model for accounting for income of not-for-profit entities and specifies that:

- the timing of revenue or income recognition will depend on whether a performance obligation is identified or a liability is recognised;
- not-for-profit lessees can elect to recognise assets, including leases provided at significantly less than fair value, at their fair value; and
- all not-for-profit entities can elect to recognise volunteer services at fair value if the fair value of those services can be reliably measured.

The union adopted AASB 15 and AASB 1058 using the modified retrospective method of adoption, with the date of initial application of 1 April 2019. In accordance with the transition approach, the union recognised the cumulative effect of applying these new standards as an adjustment to opening retained earnings at the date of initial application, i.e., 1 April 2019. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on revenue and income recognition.

There was no impact on the adoption of AASB 15 and AASB 1058 on the union's financial statements.

Impact on adoption of AASB 16

AASB 16 Leases replaces AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases — Incentives and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The union has adopted AASB 16 using the modified retrospective method of transition, with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The union elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at 1 April 2019.

Instead, the union applied the standard only to contracts that were previously identified as leases applying AASB 117 and Interpretation 4 at the date of initial application.

The union had lease contracts for photocopiers. Before the adoption of AASB 16, the union classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

Upon adoption of AASB 16, the union applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 1.7 Leases for the accounting policy beginning 1 April 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the union.

Leases previously accounted for as operating leases

The union's short-term leases are those that have a lease term of 12 months or less remaining from the commencement date. Lease payments on short-term leases and are recognised as expense on a straight-line basis over the lease term. The union did not recognise any right-of-use assets nor lease liabilities as all leases were classified as short term leases and lease payments recognised in the Statement of Profit and Loss.

Future Australian Accounting Standards Requirements

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

AASB 2020-1 – Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted.

1.4 Revenue

The union enters into various arrangements where it receives consideration from another party. These arrangements comprise of consideration in the form of capitation fees.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Revenue from contracts with customers

Where the union has a contract with a customer, the union recognises revenue when or as it transfers control of goods or services to the customer. The Union accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

Capitation fees

Where the Union's arrangement with a branch or another reporting unit meets the criteria to be a contract with a customer, the Union recognises the capitation fees promised under that arrangement when or as it transfers the other reporting unit's participation and voting rights that will transfer as part of its sufficiently specific promise to the Divisional Executive Council.

In circumstances where the criteria for a contract with a customer are not met, the Union will recognise capitation fees as income upon receipt (as specified in the income recognition policy below).

Income of the Union as a Not-for-Profit Entity

Consideration is received by the Union to enable the entity to further its objectives. The Union recognises each of these amounts of consideration as income when the consideration is received (which is when the Union obtains control of the cash) because, based on the rights and obligations in each arrangement:

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and
- the Union's recognition of the cash contribution does not give rise to any related liabilities.

During the year, the Union received cash consideration from the following arrangements whereby that consideration will be recognised as income upon receipt:

- government grants (cash flow boost as part of the government's economic stimulus package for COVID-19)

Gains from sale of assets

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

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

1.5 Employee benefits

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

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

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

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

Provision is made for separation and redundancy benefit payments. 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

The Union assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Union as a lessee

The Union applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Union recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Union recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Union at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Union recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Union and payments of penalties for terminating the lease, if the lease term reflects the Union exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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.

1.10 Financial Instruments

Financial assets and financial liabilities are recognised when the Union 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 union's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the union 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 union'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.

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 union 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 union'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 union 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 union has transferred substantially all the risks and rewards of the asset, or
  b) the union has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the union 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 union 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.

Impairment

(i) Trade receivables

For trade receivables that do not have a significant financing component, the union 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 union does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL's at each reporting date. The union 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 union 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 union 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 union 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 union considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the union may also consider a financial asset to be in default when internal or external information indicates that the union 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 union's financial liabilities include trade and other payables.

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	2020	2019
Buildings	40 years	40 years
Plant and equipment	2 to 10 years	2 to 10 years

Derecognition

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

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 union were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.16 Taxation

The union 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 union 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. The union restated its building at fair value as at 31 March 2020. 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 union. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The union 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 union 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 union 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

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the Union is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the Union. Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Union, the results of those operations, or the state of affairs of the Union in subsequent financial periods.

	2020	2019
	$	$
Note 3 Revenue		
Note 3A: Capitation fees		
Postal and Telecommunications:		
- New South Wales	628,264	615,753
- Victoria	333,720	334,996
Telecommunications and Services:		
- New South Wales	56,521	75,032
- Victoria	128,657	141,827
Communications Divisional Branches		
- Queensland	238,547	239,829
- South Australia/Northern Territory	106,122	102,192
- Tasmania	-	-
- Western Australia	134,343	142,340
Total capitation fees	**1,626,173**	**1,651,969**
Note 3B: Levies		
Levies	-	-
Total Levies	-	-
Note 3C: Interest		
Deposits	152,026	194,200
Loans	-	-
Total interest	**152,026**	**194,200**
Note 3D: Other Revenue		
Board Positions	**89,771**	**131,099**
Other	**51,306**	**39,481**
Total other revenue	**141,077**	**170,580**
Note 3E: Grants or donations		
Grants	-	-
Donations	-	-
Total grants or donations	-	-
Note 3F: Net gains from sale of assets		
Plant and equipment	**100**	**4,159**
Total net gain from sale of assets	**100**	**4,159**

	2020 $	2019 $
Note 4 Expenses		
Note 4A: Employee expenses		
Holders of office:		
Wages and salaries	425,368	343,099
Superannuation	71,575	57,756
Leave and other entitlements	(13,433)	(32,506)
Separation and redundancies	22,784	-
Other employee expenses	-	-
Subtotal employee expenses holders of office	**506,294**	**368,349**
Employees other than office holders:		
Wages and salaries	356,067	677,137
Superannuation	53,740	98,034
Leave and other entitlements	(26,797)	(72,441)
Separation and redundancies	31,838	-
Other employee expenses	-	-
Subtotal employee expenses employees other than office holders	**414,847**	**702,730**
Other employee expenses		
Fringe benefits expense	-	2,227
Superannuation insurance	-	-
Payroll tax	42,157	59,294
Work cover	-	11,950
Subtotal other employee expenses	**42,157**	**73,471**
Total employee expenses	**963,299**	**1,144,550**
Note 4B: Capitation fees		
Capitation fees	-	-
Total capitation fees	-	-
Note 4C: Affiliation fees		
Affiliation fees – ACTU*	**128,681**	**128,602**
Affiliation - G.T.U.F.	**6,568**	**5,941**
Total affiliation fees/subscriptions	**135,249**	**134,543**

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

	2020 $	2019 $
Note 4D: Administration expenses		
Fees/allowances - meeting and conferences expenses	49,499	54,420
Contractors/consultants	167,648	144,645
Property expenses	21,555	27,881
Office expenses	121,786	92,088
Information communications technology	18,746	26,938
Travel expenses	59,990	62,781
Other	2,439	2,471
Total administration expenses	**441,662**	**411,224**
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	118	1,000
Total paid that exceeded $1,000	23,682	-
Total grants or donations	**23,800**	**1,000**
Note 4F: Depreciation		
Depreciation		
Buildings	100,000	-
Plant and equipment	9,999	12,562
Total depreciation	**109,999**	**12,562**
Note 4G: Legal costs		
Litigation	94,460	135,089
Other legal matters	19,140	27,884
Total legal costs	**113,600**	**162,973**

Note 5 Current assets

Note 5A: Cash and cash equivalents

	2020 $	2019 $
Cash at bank	61,336	189,276
Short term deposits	7,840,000	7,704,767
Total cash and cash equivalents	**7,901,336**	**7,894,043**

Note 5B: Trade and other receivables

	2020 $	2019 $
Receivables from other reporting units		
Postal and Telecommunications:		
- New South Wales	46,477	62,525
- Victoria	34,929	42,195
Telecommunications and Services:		
- New South Wales	4,420	6,573
- Victoria **	155,274	155,831
Communications Divisional Branches		
- Queensland	37,901	20,656
- South Australia/Northern Territory	8,545	14,753
- Tasmania	-	-
- Western Australia	16,288	10,674
Electrical Divisional Branches		
- Victoria	27,119	30,755
Plumbing Divisional branches		
- Victoria	50,924	65,374
- Federal		
National Council	183	183
Total receivables from other reporting units	382,060	409,519
Less allowance for expected credit losses	-	-
Receivable from other reporting units (net)	382,060	409,519

*** Included in this balance is an amount of $145,288 receivable which is in excess of 180 days. Following court proceedings and discussions with the Registered Organization Commission (ROC) as to the nature of the transaction, this balance has been deemed to be recoverable in full and is expected to be repaid within the next twelve months.*

	2020 $	2019 $
Other receivables:		
Other receivables	30,666	4,211
Total other receivables	30,666	4,211
Total trade and other receivables (net)	**412,726**	**413,730**

Note 5C: Other current assets

	2020 $	2019 $
Prepayments	14,557	12,569
Total other current assets	**14,557**	**12,569**

	2020	2019
	$	$

Note 6 Non-current assets

Note 6A: Buildings

Buildings		
at Fair value	4,000,000	4,000,000
accumulated depreciation	(100,000)	-
Total Buildings	**3,900,000**	**4,000,000**

Reconciliation of the opening and closing balances of buildings
As at 1 April

Gross book value	4,000,000	2,505,723
Accumulated depreciation	-	(378,328)
Net book value 1 April	4,000,000	2,127,396
Additions / Revaluations	-	1,872,604
Depreciation expense	(100,000)	-
Net book value 31 March	3,900,000	4,000,000
Net book value as of 31 March represented by:		
Gross book value	4,000,000	4,000,000
Accumulated depreciation	(100,000)	-
Net book value 31 March	**3,900,000**	**4,000,000**

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

Plant and equipment		
at cost	149,500	149,500
accumulated depreciation	(123,751)	(114,789)
Total plant and equipment	**25,749**	**34,711**

Reconciliation of the opening and closing balances of plant and equipment
As at 1 April

Gross book value	149,500	178,578
Accumulated depreciation	(114,789)	(170,310)
Net book value 1 April	**34,711**	**8,268**
Additions by purchase	-	39,005
Depreciation expense	(8,962)	(12,562)
Net book value 31 March	**25,749**	**34,711**
Net book value as of 31 March represented by:		
Gross book value	149,500	149,500
Accumulated depreciation	(123,751)	(114,789)
Net book value 31 March	**25,749**	**34,711**

	2020 $	2019 $
Note 7 Current liabilities		
Note 7A: Trade payables		
Trade creditors and accruals	122,922	124,802
Subtotal trade creditors	**122,922**	**124,802**
Payables to other reporting units		
National Council	28,009	-
Postal and Telecommunications - New South Wales	9,969	195,006
Telecommunications and Services - New South Wales	-	-
Telecommunications and Services - Victoria	-	-
Communications Divisional Branches		
- Queensland	-	-
- South Australia/Northern Territory	-	-
- Western Australia	-	(19)
Subtotal payables to other reporting units	**37,978**	**195,231**
Total trade payables	**160,900**	**320,789**

Settlement is usually made within 30 days.

	2020 $	2019 $
Note 7B: Other payables		
Wages and salaries	-	-
Superannuation	-	8,582
Consideration to employers for payroll deductions	-	-
Legal costs		
Litigation	-	-
Other legal matters	-	-
GST payable	99,248	81,017
Sundry creditors	23,290	35,072
Total other payables	**122,538**	**124,671**
Total other payables are expected to be settled in:		
No more than 12 months	122,538	124,671
More than 12 months	-	-
Total other payables	**122,538**	**124,671**

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

	2020	2019
	$	$
Note 8 Provisions		
Note 8A: Employee provisions		
Office Holders:		
Annual leave	33,323	44,484
Long service leave	37,892	28,795
Separations and redundancies	-	-
Other - sick leave	-	-
Subtotal employee provisions-office holders	**71,255**	**73,279**
Employees other than office holders		
Annual leave	101,243	152,643
Long service leave	134,899	134,608
Separations and redundancies	-	-
Other - sick leave	250,920	237,977
Subtotal employee provisions- employees other than office holders	**487,062**	**525,228**
Total employee provisions	**558,277**	**598,507**
Current	**558,277**	**598,507**
Non-current	**-**	**-**
Total employee provisions	**558,277**	**598,507**

Note 9 Cash flow

Note 9A: Cash flow reconciliation

	2020 $	2019 $
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:		
Cash and cash equivalents as per:		
Cash flow statement	7,901,336	7,894,043
Balance sheet	7,901,336	7,894,043
Difference	-	-
Reconciliation of surplus to net cash from operating activities:		
Surplus for the year	101,567	101,056
Profit on disposal of plant and equipment	(100)	(4,159)
Adjustments for non-cash items		
Depreciation	109,999	12,562
Changes in assets/liabilities		
Decrease in net receivables	1,004	914
Increase in prepayments	(1,988)	(1,878)
Decrease in payables	(159,889)	251,671
Decrease in other payables	(2,132)	(51,605)
Decrease in employee provisions	(40,230)	(133,188)
Net cash from operating activities	**8,231**	**175,373**

Note 9B: Cash flow information

	2020 $	2019 $
Cash inflows		
Postal and Telecommunications:		
- New South Wales	709,551	652,700
- Victoria	411,719	377,229
Telecommunications and Services:		
- New South Wales	66,049	75,032
- Victoria	156,780	154,775
Communications Divisional Branches		
- Queensland	246,207	240,176
- South Australia/Northern Territory	123,746	102,192
- Western Australia	144,018	144,126
- Electrical Divisional Victoria Branch	318,821	336,682
- Plumbing Divisional Victoria Branch	273,864	256,684
- Plumbing Divisional Federal Office	2,076	3,022
- National Council	-	-
Total cash inflows	**2,452,831**	**2,342,618**
Cash outflows		
National Council	149,841	133,564
Plumbing Division	-	27,484
Postal and Telecommunications:		
- New South Wales	312,605	178,758
- Victoria	-	568
Telecommunications and Services:		
- New South Wales	-	-
- Victoria	-	-
Communications Divisional Branches		
- Queensland	951	519
- South Australia/Northern Territory	60	149
- Tasmania	-	-
- Western Australia	6,210	12,465
Total cash outflows	**469,667**	**353,507**

Note 10 Contingent liabilities, assets and commitments

Lease commitments – as lessee

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

	2020	2019
	$	$
Within one year	-	22,200
After one year but not more than five years	-	-
More than five years	-	-
	-	**22,200**

Capital commitments

At 31 March 2020 the Union has commitments of $Nil (2019: $Nil).

Contingent assets

On 11 August 2016, the Fair Work Commission 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.

	2020	2019
	$	$
Revenue received from related branches includes the following:		
Postal and Telecommunications:		
- New South Wales	709,551	652,700
- Victoria	411,719	377,229
Telecommunications and Services:		
- New South Wales	66,049	75,032
- Victoria	156,780	154,775
Communications Divisional Branches		
- Queensland	246,207	240,176
- South Australia/Northern Territory	123,746	102,192
- Tasmania	-	-
- Western Australia	144,018	144,126
Electrical Divisional Victoria Branch	318,821	336,682
Plumbing Divisional Victoria Branch	273,864	256,685
Plumbing Divisional Federal Office	2,076	3,022
Expenses paid to related parties and branches includes the following:		
National Council	149,841	133,564
Postal and Telecommunications:		
- New South Wales	312,605	178,758
- Victoria	-	568
Telecommunications and Services:		
- New South Wales	-	-
- Victoria	-	-
Communications Divisional Branches		
- Queensland	951	519
- South Australia/Northern Territory	60	149
- Tasmania	-	-
- Western Australia	6,210	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 2020 (2019: $Nil).

	2020	2019
Fees paid by NSW branch for services provided	-	67,747

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

	2020 $	2019 $
Short-term employee benefits		
Salary (including annual leave taken)	425,368	343,099
Annual leave accrued	(15,492)	28,264
Performance bonus	-	-
Total short-term employee benefits	**409,876**	**371,363**
Post-employment benefits:		
Superannuation	71,575	57,756
Total post-employment benefits	**71,575**	**57,756**
Other long-term benefits:		
Long-service leave	2,059	11,305
Total other long-term benefits	**2,059**	**11,305**
Termination benefits	22,784	-
Total	**506,294**	**440,424**

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

	2020 $	2019 $
There were no Loans to/from key management personnel	-	-
Other transactions with key management personnel	-	-

Note 12 Remuneration of auditors

Value of the services provided		
Financial statement audit services	30,200	30,000
Other services		
Accounting services:	-	8,000
Forensic services:	-	15,000
Total remuneration of auditors	**30,200**	**53,000**

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	7,901,336	7,894,043
Total	**7,901,336**	**7,894,043**
Loans and receivables:		
Receivables - refer to Note 5B	412,726	413,730
Total	**412,726**	**413,730**
Carrying amount of financial assets	**8,314,062**	**8,307,773**
Financial liabilities		
Trade and other payables	283,438	445,460
Total	**283,438**	**445,460**
Carrying amount of financial liabilities	**283,438**	**445,460**

Note 13B: Net income and expense from financial assets

	2020 $	2019 $
Held-to-maturity		
Interest revenue	152,026	194,200
Gain/loss on disposal	100	4,159
Net gain/(loss) from financial assets	**152,126**	**198,359**

The net income/expense from financial assets not at fair value through profit and loss is $152,126 (2019: $198,359).

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 (2019 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 union 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.

	2020	2019
	$	$
Financial assets		
Trade and other receivables	412,726	413,730
Total	**412,726**	**413,730**
Financial liabilities		
Trade and other payables	283,438	445,460
Total	**283,438**	**445,460**

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

Currently the union 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 2020		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 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			-	-	-	-	-

Note 13E: Liquidity risk

Contractual maturities for financial liabilities 2020

	On Demand	<1 year $	1-2 years $	2-5 years $	>5 years $	Total $
Trade and other payables	-	283,438	-	-	-	283,438
Total	**-**	**283,438**	**-**	**-**	**-**	**283,438**

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**

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 2020

	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 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)

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 2020 was assessed to be insignificant.
- Fair value of 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 2020 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
	2020	2020	2019	2019
	$	$	$	$
Financial Assets				
Cash and cash equivalents	7,901,336	7,901,336	7,894,043	7,894,043
Trade and other receivables	412,726	412,726	413,730	413,730
Total	8,314,062	8,314,062	8,307,773	8,307,773
Financial Liabilities				
Trade payables	283,438	283,438	445,460	445,460
Total	283,438	283,438	445,460	445,460

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 2020.

Note 14B: 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 2020

	Level 1	Level 2	Level 3
Assets measured at fair value	$	$	$
Property	3,900,000	-	-
Total	3,900,000	-	-
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 2019

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		$	$	$
Property	11/04/2019	4,000,000	-	-
Total		4,000,000	-	-
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 2020

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, 2020.

The reporting unit did not:

* 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 revenue from undertaking recovery of wages activity and receivables

* incur fees as consideration for employers making payroll deductions of membership subscriptions

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

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

* 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

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

Signed by the officer:

Dated: 7 September 2020

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

SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
Australia
Ph: (612) 9263 2600
Fx: (612) 9263 2800

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 2020, 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 2020, 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 our 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

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

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

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

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

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 section 252 and 257(2) of the RO Act 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 (NSW)
Level 40, 2 Park Street
Sydney NSW 2000

GWebb

Graham Webb
Partner
Dated: 7 September 2020

Registration Number: AA2017/22