



23 May 2017

Mr Shane Murphy  
Branch Secretary  
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services  
Union of Australia – Communications Division – New South Wales Postal and Telecommunications  
Branch  
Level 3, 81 George Street  
PARRAMATTA NSW 2150

via email: [shane.murphy@cepu.org](mailto:shane.murphy@cepu.org)  
[madeleine.mattera@au.gt.com](mailto:madeleine.mattera@au.gt.com)

Dear Mr Murphy,

**Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Communications Division – New South Wales Postal and Telecommunications Branch Financial Report for the year ended 31 March 2016 – [FR2016/68]**

I acknowledge receipt of the amended financial report of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Communications Division – New South Wales Postal and Telecommunications Branch (**the reporting unit**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 18 May 2017.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

**Reporting Requirements**

New Reporting Guidelines will apply to organisations and branches with financial years commencing on or after 1 July 2017. Updates and information on the new guidelines will be provided through the ROC website and the [subscription service](#).

On the ROC website is a number of factsheets in relation to the financial reporting process and associated timelines. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The ROC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0731 or via email at [joanne.fenwick@roc.gov.au](mailto:joanne.fenwick@roc.gov.au).

Yours sincerely



Joanne Fenwick  
Financial Reporting Specialist  
Registered Organisations Commission

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA**

**POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

**FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016**

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

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**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

**OPERATING REPORT**

Branch Committee of Management report in accordance with section 254 of the Fair Work (Registered Organisations) Act 2009 for the year ended 31 March 2016.

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

The principal activity of the Communications, Electrical, Plumbing Union of Australia, Postal and Telecommunications NSW Postal & Telecommunication Branch (CEPU NSW P & T Branch) were to:

- Represent and provide industrial and organising services to its members with the objective of protecting and improving the interests of its members;
- The union was also active in negotiating the Enterprise agreement for improvements in wages and working conditions for its members across the board;
- The union also handled daily workplace enquiries for its members including any work related disputes that may have arisen in their organisation;
- Organise and recruit new members;
- Undertaking training and development for the delegates of the union.

There have been no significant changes to the way the Union has carried out these activities during the last financial year.

**Operating Result**

The operating surplus for the Branch for the year ending 31 March 2016 is \$590,184 (2015: \$23,994).

**Significant changes in financial affairs**

There have been no significant changes to the operating costs of the Branch in the last financial year.

**Right of members to resign**

Members have the right to resign their membership of the union by giving written notice of resignation to the Branch Secretary. This written notification is accepted subject to the rules of CEPU and in accordance with section 174(1) of the Fair Work (Registered Organisations) Act 2009. In accordance with section 174(1) of the Fair Work (Registered Organisations) Act 2009 a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation. There was no change to this rule during the year.

**Number of members**

Under section 230 of the Fair Work (Registered Organisations) Act 2009 the number of persons recorded in the register of members and who under section 244 of the Fair Work (Registered Organisations) Act 2009 are taken to be members of the Branch of the Union as at 31 March 2016 was 8,176.

**Number of employees**

The number of persons, both full-time and part time employees measured on a full-time equivalent basis, employed by the Branch as at 31 March 2016 was 11 (2015: 13).

**Details of officers or members who are trustees, or directors of a company that is a trustee, of a superannuation entity because they are a member or an officer of a registered organisation**

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

OPERATING REPORT (cont'd)

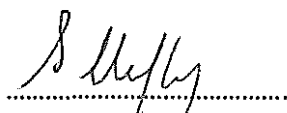
No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such a position is that they are an officer or member of an organisation

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

The names of persons who have at any time during the financial year ending 31 March 2016 been members of the CEPU P & T NSW Branch Committee of Management and periods they served on the branch committee are as follows:

<u>Position</u>	<u>Name</u>	<u>Period</u>
Branch President	Rod Baxter	1/4/2015 - 31/3/2016
Branch Vice Presidents	Maureen Morris Max Wiley Peter O'Connell	1/4/2015 - 31/3/2016 1/4/2015 - 31/7/2015 1/8/2015 - 31/3/2016
Branch Secretary	Jim Metcher	1/4/2015 - 31/3/2016
Branch Assistant Secretary	Shane Murphy	1/4/2015 - 31/3/2016
Branch Organisers	Peter Chaloner Gil Enzon Tan Kien Ly Aaron Stockdale	1/4/2015 - 31/3/2016 1/4/2015 - 31/3/2016 1/4/2015 - 31/3/2016 1/4/2015 - 31/3/2016
Lines & General Sectional Representatives	Max Catania Peter O'Connell Michael Stanbury Steve Worsley George Deligiannis Tony Damjanovski	1/4/2015 - 31/3/2016 1/4/2015 - 31/7/2015 1/4/2015 - 31/7/2015 21/5/2015- 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016
Postal Sectional Representatives	Ramon Gammad Geoffrey Johnson Aaron Robertson John Amatto Paula Houghton Brandon Lam Gregory Rayner James McCallum Donald Watson David Wong Pania Stephens Gary Smith John Larsen	1/4/2015 - 31/7/2015 1/4/2015 - 31/7/2015 1/4/2015 - 31/7/2015 1/4/2015 - 31/7/2015 1/4/2015 - 31/3/2016 1/4/2015 - 31/7/2015 1/4/2015 - 31/7/2015 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016

For and on behalf of the Committee of Management



SHANE MURPHY  
BRANCH SECRETARY

17 May 2017

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

**BRANCH COMMITTEE OF MANAGEMENT'S STATEMENT**

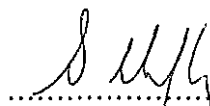
On 17 May 2017 the Branch Committee of Management of the Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications Branch NSW passed the following resolution in relation to the general purpose financial report (GPFR) of the Branch for the year ended 31 March 2016.

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

- (a) the financial report and notes comply with the Australian Accounting Standards;
- (b) the financial report and notes comply with the reporting guidelines of the General Manager;
- (c) the financial report and notes give a true and fair view of the financial performance, financial position and cash flows of the branch for the financial year ended 31 March 2016;
- (d) there are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year ended 31 March 2016 and since the end of the financial year:
  - (i) meetings of the Branch Committee of Management were held in accordance with the rules of the organisation and the rules of the Branch; and
  - (ii) the financial affairs of the Branch have been managed in accordance with the rules of the organisation and the rules of the Branch; and
  - (iii) the financial records of the branch have been kept and maintained in accordance with the RO Act; and
  - (iv) the financial records of the Branch have been kept, as far as practicable, in a consistent manner to each of the other branches of the organisation; and
  - (v) no information has been sought in any request of a member of the branch or a General Manager under section 272 of the RO Act 2009; and
  - (vi) no order for inspection of the financial records was made by the Fair Work Commission under section 273 of the RO Act 2009.
- (f) No revenue has been derived from undertaking recovery of wages activity during the reporting period.

Furthermore, the Branch Committee of Management resolves for the Branch Secretary to make available the Concise report on the Branch website for members' information and a copy of the GPFR is to be made available to any member who makes a formal request in writing.

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



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**SHANE MURPHY**

17 May 2017

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 \$	2015 \$
<b>INCOME</b>			
Membership Contributions	4	3,229,724	3,043,528
Interest		17,536	28,797
Rent		671,379	688,249
Dividends - available for sale financial assets		465	232
Tenants Outgoings		10,183	97,508
Board fees		-	33,415
Sundry Income		25,821	6,200
<b>TOTAL INCOME</b>		<u>3,955,108</u>	<u>3,897,929</u>
<b>EXPENDITURE</b>			
<b>Depreciation</b>			
Office Furniture & Equipment		35,693	49,377
Motor Vehicles		42,483	40,359
		<u>78,176</u>	<u>89,736</u>
<b>Employee Benefits Expense</b>			
Salaries - Officials	5 d	979,068	890,762
Salaries - Staff	5 e	266,753	352,300
Payroll Tax		77,988	97,256
Provident Fund and Superannuation	5 d&e	243,158	178,761
Provision for Long Service Leave		(39,095)	(4,628)
Provision for Annual Leave		16,817	(8,826)
Provision for Sick Leave		(8,033)	(69,980)
		<u>1,536,656</u>	<u>1,435,645</u>
<b>Other Expenses</b>			
Affiliation Fees	5a	69,844	62,073
Audit Fees	14	42,615	43,999
Bank Charges		33,802	33,571
Capitation Divisional Conference	5a	722,846	682,923
CEPU Journey cover		50,335	59,916
Campaign Expenses - Your Rights At Work & research report		75,285	124,680
Collection Costs - Membership Contributions		22,654	24,207
Computer Expenses		55,795	52,082
Delegates, Meetings and Officials Expenses	5 g	38,556	54,217
Donations & Grants	5 b	-	-
Electricity, Gas and Heating		45,260	51,465
Emergency Ambulance Transport Benefit		11,105	11,892
Equipment Rental		12,012	12,013
Fringe Benefits Tax	5 d&e	39,103	16,692
Honorarium		-	1,000
Insurance		53,359	34,471
Land Tax		36,947	58,476
Property leasing commission		16,790	5,707
Legal and Professional Fees	5 f	86,505	480,557
True up of inter-union fees		(55,813)	80,123
<b>Carried Forward</b>		<u>1,357,000</u>	<u>1,890,064</u>



COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)

	Note	2016 \$	2015 \$
<b>Other Expenses (cont'd)</b>			
Brought Forward		1,357,000	1,890,064
Loss on Disposal of Assets	5 c	6,014	26,660
Management Fees Building		29,073	26,835
Mortality Benefits Paid		7,336	1,500
Motor Vehicle Expenses		50,556	64,258
National Council Fund	5 a	9,038	4,243
Other Expenditure		(78,253)	9,172
Parking Space Levy		14,670	14,310
Postage, Printing and Stationery		53,385	60,427
Publications and Communication		30,068	37,895
Rates and Taxes		80,626	78,515
Repairs and Maintenance		131,648	82,143
Sub-Branch Expenses		-	51
Telecommunication costs		39,977	38,493
Training		4,172	1,669
Workers Compensation		14,782	12,319
		<u>1,750,092</u>	<u>2,348,554</u>
<b>TOTAL EXPENDITURE</b>		<u>3,364,924</u>	<u>3,873,935</u>
<b>NET SURPLUS FOR THE YEAR</b>		<u>590,184</u>	<u>23,994</u>
Other Comprehensive Income:			
Revaluation of Building		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>590,184</u>	<u>23,994</u>

(The attached notes form part of these financial statements)

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	Note	2016 \$	2015 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	9	3,153,425	2,657,702
Receivables	10	81,497	72,452
Receivables - member Contributions in Transit		76,326	42,239
		<u>3,311,248</u>	<u>2,772,393</u>
<b>NON CURRENT ASSETS</b>			
Investments	11	1,592	1,591
Property, Plant and Equipment	12	9,174,379	9,247,757
		<u>9,175,971</u>	<u>9,249,348</u>
<b>TOTAL ASSETS</b>		<u>12,487,219</u>	<u>12,021,741</u>
<b>CURRENT LIABILITIES</b>			
Provision for Branch Education Training		-	7,768
Provision for Emergency Ambulance Transport Benefit		-	10,000
Provision for Long Service Leave	6 c&d	120,697	102,027
Provision for Annual Leave	6 c&d	130,016	113,199
Provision for Sick Leave	6 c&d	249,100	257,133
Sundry Creditors and Accruals	6 b	288,694	229,318
Sundry Creditor - Divisional Conference	6 a	11,400	147,403
		<u>799,907</u>	<u>866,848</u>
<b>NON CURRENT LIABILITIES</b>			
Provision for Long Service Leave	6 c&d	22,973	80,738
<b>TOTAL LIABILITIES</b>		<u>822,880</u>	<u>947,586</u>
<b>NET ASSETS</b>		<u>11,664,339</u>	<u>11,074,155</u>
Accumulated Funds		11,464,339	10,874,155
Asset Revaluation Reserve		200,000	200,000
<b>ACCUMULATED FUNDS AND RESERVES</b>		<u>11,664,339</u>	<u>11,074,155</u>

(The attached notes form part of these financial statements)

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2016

	Accumulated Funds	Building Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 April 2014	10,850,161	200,000	11,050,161
Net Surplus	23,994	-	23,994
Other Comprehensive Income	-	-	-
Total Comprehensive Income for the Year	<u>23,994</u>	<u>-</u>	<u>23,994</u>
Balance at 31 March 2015	<u>10,874,155</u>	<u>200,000</u>	<u>11,074,155</u>
Net Surplus	590,184	-	590,184
Other Comprehensive Income	-	-	-
Total Comprehensive Income for the Year	<u>590,184</u>	<u>-</u>	<u>590,184</u>
Balance at 31 March 2016	<u>11,464,339</u>	<u>200,000</u>	<u>11,664,339</u>

There are no compulsory levy/voluntary contributions to fund investments or reserves

(The attached notes form part of these financial statements)

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 \$	2015 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash Received</b>			
Receipts from Members		3,186,592	3,031,982
Rent Received		671,379	688,248
Other Receipts		29,358	137,589
Interest Received		17,536	28,797
Receipts from Divisional Dividend Received		6,647 465	- 232
<b>Cash used</b>			
Payments to Suppliers and Employees		(2,676,295)	(3,119,062)
Payments to CEPU Divisional Conference		(729,147)	(615,643)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	13(b)	<u>506,535</u>	<u>152,143</u>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sale of Property, Plant and Equipment		-	26,660
<b>Cash used</b>			
Payment for Property, Plant and Equipment		(10,812)	(162,294)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<u>(10,812)</u>	<u>(135,634)</u>
<b>NET INCREASE IN CASH</b>		495,723	16,509
Cash at 1 April 2015		<u>2,657,702</u>	<u>2,641,193</u>
<b>CASH AT 31 MARCH 2016</b>	13(a)	<u>3,153,425</u>	<u>2,657,702</u>

(The attached notes form part of these financial statements)

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

**RECOVERY OF WAGES ACTIVITY**

**FOR THE YEAR ENDED 31 MARCH 2016**

The Communications, Electrical, Plumbing Union of Australia, Postal and Telecommunications Branch NSW has not undertaken recovery of wages activity. The Branch does assist with recovery of its member wages. However, as and when decreed by the court we confirm that any settlement or recovery of wages is directly managed between the employer and the employee (i.e. our Postal and Telecommunications Branch NSW member) and at no point of time is any money banked into the Branch bank account. Reportable amounts are NIL for:

- a. any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
- b. any donations or other contributions deducted from recovered money.

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016

1. SIGNIFICANT ACCOUNTING POLICIES

The financial report is for the entity Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications Branch NSW, as an individual entity. The Communications, Electrical, Plumbing Union of Australia is an organisation registered under the Fair Work (Registered Organisations) Act 2009. The Postal and Telecommunications NSW Branch is a Branch of the registered organisation. In accordance with the Act, the Union is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Union and the Branch are not subject to the Corporations Act 2001. The Branch is a not-for-profit entity for the purpose of preparing financial statements under Australian Accounting Standards.

**Basis of Preparation**

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*.

The reporting guidelines made under section 255 of the Fair Work (Registered Organisations) Act 2009 (the RO Act) require all reporting units to apply the Tier 1 reporting requirements as per Australian Accounting Standard AASB 1053 Application for Tiers of Australian Accounting Standards.

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.

The following is a summary of other significant accounting policies adopted in the preparation of the financial statements.

(a) **Revenue**

Revenue from Membership contributions is accounted for on an accrual basis, and recorded in the year to which it relates, and to the extent that the amounts due are considered receivable.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Board fees are fees received where union officials are appointed to a board of trustees for superannuation funds as union representatives. These fees are recognised on an accruals basis. In prior years the board fees were retained by the officials as permitted by the National body ruling in 2004 as to the accounting for other remuneration received in connection with the duties of the union official, external to the Union activities. Since April 2015 the fees are remitted to the Branch net of the PAYE obligation on the receiving officer.

Interest and dividend income is accounted for on an accruals basis.

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

(b) Income Tax

No provision for Income Tax is necessary as the Union is exempt from Income Tax under Section 50 - 15 of the Income Tax Assessment Act 1997.

(c) Property, Plant and Equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and any impairment in value.

*Depreciation*

The depreciable amount of plant and equipment is depreciated on a diminishing value method over their useful lives to the union commencing from the time the asset is ready for use.

The depreciation rates used for each class of asset are:

Office Furniture and Equipment	10% - 33%
Motor Vehicles	22.5%
Buildings	0 - 2.5%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

Gains and losses on disposals are calculated as the difference between the net disposal proceeds and the asset's carrying amount and are included in the statement of comprehensive income in the year that the item is derecognised.

*Land and Buildings*

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Impairment

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised in the statement of comprehensive income for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value and value in use. For the purpose of assessing value in use, this represents depreciated current replacement cost, as the Union is a not-for-profit organisation.

(e) Employee Benefits

Provision is made for the Branch's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within 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 amounts expected to be paid when the liability is settled, plus related on-costs. In the case of Long Service Leave this results in an amount not materially different to that achieved by discounting future cash flows.

Contributions are made by the Branch to employee superannuation funds and are charged as expenses when incurred.

(f) Financial instruments

Recognition, initial measurement and derecognition

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

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

Classification and subsequent measurement of financial assets

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

- loans and receivables
- Available-For-Sale (AFS) financial assets



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Union's trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Available-for-sale financial assets

Investments which are classified as available for sale are measured at fair value. Unrealised gains or losses on these investments are recognised directly to equity in the Available-for-Sale Investments Reserve until the investment is sold or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported for that asset is included in the statement of comprehensive income.

Classification and subsequent measurement of financial liabilities

The Union's financial liabilities include borrowings and trade and other payables. Financial liabilities are measured subsequently at amortised cost using the effective interest method; that are carried subsequently at fair value with gains or losses recognised in profit or loss.

(g) **Goods and Services Tax**

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 on the statement of financial position are shown inclusive of GST.

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1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

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

Standard Name	Effective date - year ended	Requirements	Impact
AASB 2014-1 Amendments to Australian Accounting Standards.	31 March 2016	The amendments clarify that if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service. In contrast, if the amount of the contributions is dependent on the number of years of service, an entity is required to attribute those contributions to periods of service using the same attribution method required by paragraph 70 of AASB 119 for the gross benefit.	The adoption of this amendment did not have an impact on the reporting unit.
AASB 2014-1 Amendments to Australian Accounting Standards	31 March 2016	AASB 2014 -1 makes amendments to particular Australian Accounting Standards to delete their references to AASB 1031 Materiality as each standard is amended for another purpose.	The adoption of this amendment did not have an impact on the reporting unit.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
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1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

New Australian Accounting Standards cont'd

Standard Name	Effective date year ended	Requirements	Impact
AASB 2014-1 Amendments to Australian Accounting Standards (2010 - 2012 cycle).	31 March 2016	<p>The following standards and changes are made under AASB 2014-1:</p> <ul style="list-style-type: none"> <li>- AASB 3 Business Combinations - clarification that contingent consideration that is classified as an asset or a liability shall be measured at fair value at each reporting date.</li> <li>- AASB 8 Operating Segments - amendments to disclosures</li> <li>- AASB 3 Business Combinations - references to contingent consideration</li> <li>- AASB 13 Fair value measurement - minor clarification re: measurement of short-term receivables and payables</li> <li>- AASB 116 Property, plant and equipment - clarifies that when an item of property, plant and equipment is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.</li> <li>- AASB 124 Related Party Disclosures - clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.</li> </ul>	The adoption of this amendment did not have an impact on the reporting unit.
AASB 2014-1 Amendments to Australian Accounting Standards (2011 - 2013 cycle).	31 March 2016	<p>The following standards and changes are made under AASB 2014-1:</p> <ul style="list-style-type: none"> <li>- AASB 1 First-time Adoption of Australian Accounting Standards - clarification in the basis of conclusion</li> <li>- AASB 3 Business Combinations - Clarifies that AASB 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.</li> <li>- AASB 13 Fair Value Measurement - Clarifies that the scope of the portfolio exception defined in paragraph 52 of AASB 13 includes all contracts accounted for within the scope of AASB 139 Financial Instruments: Recognition and Measurement or AASB 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in AASB 132 Financial Instruments: Presentation.</li> </ul>	There are not expected to be any changes to reported financial position or performance arising from the adoption of part A of AASB 2014-1.

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FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

New Australian Accounting Standards cont'd

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:

Standard Name	Effective date year ended	Requirements	Impact
AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation	31 March 2017	<p>This standard amends AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets to:</p> <p>i. establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset;</p> <p>ii. clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset; and</p> <p>iii. clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.</p>	There will be no impact as the entity is not using a revenue based method of depreciation or amortisation.
IFRS 15 Revenue from contracts with customers.	31 March 2019	<p>IFRS 15 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.</p> <p>IFRS 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.</p>	Impacts on the reported financial position and performance have not yet been determined.

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1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

New Australian Accounting Standards cont'd

Future Australian Accounting Standards Requirements continued

Standard Name	Effective date year ended	Requirements	Impact
Equity method in separate financial statements (Amendments to IAS 27)	31 March 2017	This standard will allow entities to use the equity method to account for its interest in subsidiaries, joint venture and associates in separate financial statements.	There is no impact as the entity does not prepare separate financial statements.
IFRS 9 Financial Instruments	31 March 2019	<p>Significant revisions to the classification and measurement of financial assets, reducing the number of categories and simplifying the measurement choices, including the removal of impairment testing of assets measured at fair value. The amortised cost model is available for debt assets meeting both business model and cash flow characteristics tests. All investments in equity instruments using IFRS 9 are to be measured at fair value. Amends measurement rules for financial liabilities that the entity elects to measure at fair value through profit and loss. Changes in fair value attributable to changes in the entity's own credit risk are presented in other comprehensive income. Impairment of assets is now based on expected losses in IFRS 9 which requires entities to measure:</p> <ul style="list-style-type: none"> <li>- the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or</li> <li>- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument.</li> </ul>	Impacts on the reported financial position and performance have not yet been determined.

(i) Administration

The Branch has not been administered by another entity.

(j) Going concern

The Branch is not reliant on the financial support of any other reporting units to ensure they can continue on a going concern basis.

The Branch has not agreed to provide financial support to another reporting entity to ensure they can continue as a going concern basis.

The Branch provides Capitation Fees to the Divisional Conference Funds.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)**

**1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**(k) Amalgamations and Restructures**

There have been no amalgamations or restructures in the financial year and previous financial year. No assets or liabilities have been acquired as a result of any amalgamations or restructures.

**(l) Business Combinations**

There have been no business combinations during the financial year and previous financial year. No assets or liabilities have been acquired as a result of any business combinations.

**(m) Cash and Cash equivalents**

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

**(n) Receivables**

Receivables for goods and services, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

**(o) Operating Leases**

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

**(p) Capitation fees and levies**

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

**2. ACCOUNTING ESTIMATES AND JUDGEMENTS**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**(a) Significant accounting estimates and assumptions**

The Branch makes estimates and assumptions concerning the future. The resulting accounting estimates by definition seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

**(b) Critical judgments in applying the Branch's accounting principles**

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

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FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)

**3. SECTION 272 FAIRWORK (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)

**4. INCOME**

(a) **Membership contributions**

	2016	2015
	\$	\$
Membership contributions	3,229,724	3,043,528

(b) **Other income**

The following income items as prescribed under the reporting guidelines of the Fair Work (Registered Organisations) Act, 2009, have not occurred in the reporting period:

- a. Capitation/Sustentation fees
- b. Compulsory levies
- c. Donations or grants
- d. Other financial support from other reporting units

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5. EXPENSE

- (a) Fees and periodic subscriptions are paid in respect of its affiliation to any political party, any federation, congress, council or group of organisations, or any international body having an interest in industrial matters:

	2016 \$	2015 \$
<b>Affiliation Fees</b>		
ALP NSW Branch	32,869	35,773
ALP ACT Branch	913	2,069
Unions NSW	36,062	24,231
	<u>69,844</u>	<u>62,073</u>
 CEPU Divisional Conference (Capitation Fees)	 722,846	 682,923
 CEPU National Office (National Council Fund )	 9,038	 4,243

- (b) Donations

Details to whom payment made	Purpose	2016 \$
N.A	N.A	<u>Nil</u>

There were no other donations made in the 2016 financial year.

2015

Non-reportable donations (excl. GST)		
Details to whom payment made	Purpose	2015 \$
N.A	N.A	<u>Nil</u>

- (c) Net losses from sale of assets

	2016 \$	2015 \$
Land and buildings	-	-
Plant and equipment	6,014	26,660
Intangibles	-	-
Total net losses from asset sales	<u>6,014</u>	<u>26,660</u>



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(d) Employee expenses related to holders of office

	2016	2015
	\$	\$
<b>Officers benefits expense</b>		
Wages and Salaries	979,068	890,762
Superannuation	138,776	102,023
Leave and other entitlements	(22,646)	35,262
Separation and redundancies	-	-
Fringe benefit expenses	27,372	11,697
	<u>1,122,570</u>	<u>1,039,744</u>

(e) Employee expenses related to employees (other than holders of office)

	2016	2015
	\$	\$
<b>Employees benefits expense</b>		
Wages and Salaries	266,753	352,300
Superannuation	104,382	76,738
Leave and other entitlements	44,924	(118,696)
Separation and redundancies	-	-
Fringe benefit expenses	11,731	4,995
	<u>427,790</u>	<u>315,337</u>

(f) Legal and Professional Fees

	2016	2015
	\$	\$
Legal costs - litigation	-	329,001
Legal costs - other matters	86,505	151,556
	<u>86,505</u>	<u>480,557</u>

(g) Delegates expenses

	2016	2015
	\$	\$
<b>Delegates Expenses</b>	38,556	54,217
Included in the above delegates expense are expenses for:		
Fees or allowances for attendances as representatives of the Union at conferences or other meetings	8,000	4,000
Expenses incurred in connection with holding meetings of members of the reporting unit	18,719	16,149

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(h) Other expense

	2016	2015
	\$	\$
Payments to employers for payroll deduction activity	21,169	24,204

The following expense items as prescribed under the reporting guidelines of the Fair Work (Registered Organisations) Act, 2009, have not occurred in the reporting period:

- a. Compulsory levies
- b. Penalties imposed under the RO Act.
- c. Amounts paid in grants that were \$1,000 or less
- d. Amounts paid in grants that exceed \$1,000
- e. Amounts paid in donations that were \$1,000 or less
- f. Amounts paid in donations that exceed \$1,000

6. DISCLOSURES IN RESPECT OF STATEMENT OF FINANCIAL POSITION

(a) Amounts receivable/payable to/from other reporting units of the Union

	2016	2015
	\$	\$
Amounts receivable from reporting units		
CEPU Divisional Conference	10 5,809	1,812
Amounts payable to reporting units		
CEPU Divisional Conference (Capitation Fees Payable)	11,400	147,403
CEPU Divisional Office - for journey cover	50,335	4,350
	<u>61,735</u>	<u>151,753</u>
Provision for doubtful debts	-	-

(b) Payables and accruals

	2016	2015
	\$	\$
Legal costs - litigation	4,194	25,072
Legal Accrual	53,613	-
Trade payable	139,425	143,557
Tax payable	40,649	43,793
CEPU Divisional Office - for journey cover	50,335	4,350
Payables to employers as consideration for the employers making payroll deductions of membership subscriptions	-	-
Other payable	478	12,546
	<u>288,694</u>	<u>229,318</u>

(c) Employee provisions related to holders of office

	2016	2015
	\$	\$
Officers provisions		
Annual leave	101,083	71,655
Long service leave	135,019	141,799
Separation and redundancies	-	-
Other employee provisions (sick leave)	242,937	225,937
	<u>479,039</u>	<u>439,391</u>

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(d) Employee provisions related to employees (other than holders of office)

	2016	2015
	\$	\$
Employees provisions		
Annual leave	28,933	41,544
Long service leave	8,651	40,966
Separation and redundancies	-	-
Other employee provisions (sick leave)	6,163	31,196
	<u>43,747</u>	<u>113,706</u>

7. DISCLOSURES IN RESPECT OF STATEMENT OF CHANGES IN EQUITY

The following equity items as prescribed under the reporting guidelines of the Fair Work (Registered Organisations) Act, 2009, have not occurred in the reporting period:

- a. No separate fund or account operated in respect of compulsory levies raised by the Union or voluntary contributions collected from members of the Union.
- b. No monies in respect of compulsory levies raised or voluntary contributions collected from members of the Union have been invested in any assets.
- c. No separate fund or account which is required by the rules of the Union or rules of a Branch of the Union.
- d. No transfer(s) and/or withdrawal(s) to a fund, account or controlled entity, when any of these are kept for a specific purpose(s) by the Union.

8. DISCLOSURES IN RESPECT OF STATEMENT OF CASH FLOWS

Amounts received/paid to/from other reporting units of the Union

Amounts received and paid in respect of the Capitation Fees and other charges have been incorporated as part of the Statement of Cash Flows and detailed below.

	2016	2015
	\$	\$
Cash inflows from Divisional Conference	6,647	-
Cash outflows to Divisional Conference	729,147	615,643
	2016	2015
	\$	\$

9. CASH AND CASH EQUIVALENTS

Cash on Hand	800	800
Cash at Bank	211,843	32,563
Cash Management Account	2,921,011	2,534,568
NSW State Election Account	19,771	89,771
	<u>3,153,425</u>	<u>2,657,702</u>

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	2016	2015
	\$	\$
<b>10. RECEIVABLES</b>		
Accrued Interest	-	377
Bonds	6,795	6,795
Prepayments	31,972	47,075
Sundry Debtors	36,921	16,393
Amounts due from CEPU Divisional Conference	6a 5,809	1,812
	81,497	72,452

**11. INVESTMENTS**

**AVAILABLE-FOR-SALE FINANCIAL ASSET**

NRMA shares at cost	1,592	1,592
Cost is used as a reasonable approximation of fair value given the low value held.		

Fair value of the unlisted share fund was based on the market value of the investment in accordance to the statement as at 31 March 2016 provided by the investment management institution. Fair value increments have been recognised in other comprehensive income as a separate component of equity.

Movement Schedule	2016	2015
<u>NRMA Shares</u>	\$	\$
Opening January	1,592	1,592
Additions	-	-
Revaluations	-	-
Closing December	1,592	1,592

The Union measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets, financial liabilities and available-for-sale financial assets at fair value through profit or loss (FVTPL)
- The Union has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

(i) Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

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(ii) Recognised fair value measurements

The following table presents the Union's assets and liabilities measured and recognised at fair value at 31 March 2016 and 2015

At 31 March 2016	Level 1	Level 2	Level 3	Total
Financial Assets				
NRMA Shares - Fair Value	1,592	-	-	1,592
Total Financial Assets	1,592	-	-	1,592
At 31 March 2015	Level 1	Level 2	Level 3	Total
Financial Assets				
NRMA Shares - Fair Value	1,592	-	-	1,592
Total Financial Assets	1,592	-	-	1,592

There were no transfers between levels for recurring fair value measurements during the year. The Unions policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(iii) Disclosed fair values

For all financial instruments other than those measured at fair value, their carrying value approximates fair value. The carrying amounts of receivables and payables are assumed to approximate their fair values due to their short-term nature.

12. PROPERTY, PLANT AND EQUIPMENT

Land and Buildings		
81 George Street, Parramatta		
At fair value	8,825,000	8,825,000

The branch committee of management determined the fair value of the building had increased to \$8,825,000 at 31 March 2012 to reflect current market information on the land and building.

Information on current values to 31 March 2016 has been received from an independent valuer to indicate that this value has not declined since that date to require adjustment.

Part of the building is used to generate rental income determined on market rental rates and is considered to be the asset's highest and best use.

Office Furniture and Equipment		
At Cost	642,258	760,853
Less Accumulated Depreciation	(439,211)	(529,403)
	<u>203,047</u>	<u>231,450</u>
Motor Vehicles		
At Cost	272,488	274,980
Less Accumulated Depreciation	(126,156)	(83,673)
	<u>146,332</u>	<u>191,307</u>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<u>9,174,379</u>	<u>9,247,757</u>

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MOVEMENTS IN CARRYING AMOUNTS

	Land and Buildings	Office Furniture and Equipment	Motor Vehicles	Total
Balance at 1 April 2015	8,825,000	231,450	191,307	9,247,757
Additions	-	10,812	-	10,812
Disposals	-	(3,522)	(2,492)	(6,014)
Depreciation	-	(35,693)	(42,483)	(78,176)
Balance at 31 March 2016	8,825,000	203,047	146,332	9,174,379

	Land and Buildings	Office Furniture and Equipment	Motor Vehicles	Total
Balance at 1 April 2014	8,825,000	234,741	168,776	9,228,517
Additions	-	46,086	116,208	162,294
Disposals	-	-	(53,318)	(53,318)
Depreciation	-	(49,377)	(40,359)	(89,736)
Balance at 31 March 2015	8,825,000	231,450	191,307	9,247,757

FAIR VALUE MEASUREMENT OF NON - FINANCIAL INSTRUMENTS

The following table shows the levels within the hierarchy of non-financial assets measured at fair value on a recurring basis at 31 March 2016.

	Level 1	Level 2	Level 3	Total
31 March 2016				
Office Building	-	8,825,000	-	8,825,000
	-	8,825,000	-	8,825,000
31 March 2015				
Office Building	-	8,825,000	-	8,825,000
	-	8,825,000	-	8,825,000

There were no transfers between levels for recurring fair value measurements during the year.

The Unions policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Fair value of the Union's main property assets is estimated based on appraisals performed by independent, professionally-qualified property valuers. The significant inputs and assumptions are developed in close consultation with committee of management. The valuation processes and fair value changes are reviewed by the Committee of management at each reporting date.

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	2016	2015
	\$	\$
<b>13. CASH FLOW INFORMATION</b>		
Cash and cash equivalents		
<i>Cash</i> comprises cash on hand and demand deposits.		
<i>Cash equivalents</i> are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.		
(a) For the purpose of the statement of cash flows, cash includes cash on hand and in at call deposits with banks and financial institutions.		
Cash at the end of the year is shown in the statement of financial position as:		
Cash on Hand	9 800	800
Cash at Bank	9 211,843	32,563
Cash Management Account	9 2,921,011	2,534,568
NSW State Election Account	9 19,771	89,771
	<u>3,153,425</u>	<u>2,657,702</u>
(b) Reconciliation of cash flow from Operations with Net Surplus		
Net Surplus	590,184	23,994
Non-Cash Flows in Operating Result		
Loss on Disposal of Assets	6,014	26,659
Depreciation	78,176	89,736
Changes in Assets and Liabilities		
(Increased) / Decrease in Deductions in Transit	(39,258)	(11,546)
(Increased) / Decrease in Bonds, Prepayments & Sundry Debtors	(3,873)	(5,400)
(Increased) / Decrease in Branch Education Training Fund & Emergency Ambulance Transport Benefit Fund	(17,768)	-
Increase/(Decrease) in Sundry Creditors	(76,630)	112,134
Decrease in Provisions	<u>(30,311)</u>	<u>( 83,434)</u>
<b>CASH FLOWS FROM OPERATIONS</b>	<u>506,535</u>	<u>152,143</u>
<b>14. AUDITORS' REMUNERATION</b>		
Audit Fees	36,700	34,450
Accounting and other support services	5,915	9,549
	<u>42,615</u>	<u>43,999</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
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15. RELATED PARTY DISCLOSURES

- (a) The following persons were members of the Branch Committee of Management during the financial period.

<u>Position</u>	<u>Name</u>	<u>Period</u>
Branch President	Rod Baxter	1/4/2015 - 31/3/2016
Branch Vice Presidents	Maureen Morris Max Wiley Peter O'Connell	1/4/2015 - 31/3/2016 1/4/2015 - 31/7/2015 1/8/2015 - 31/3/2016
Branch Secretary	Jim Metcher	1/4/2015 - 31/3/2016
Branch Assistant Secretary	Shane Murphy	1/4/2015 - 31/3/2016
Branch Organisers	Peter Chaloner Gil Enzon Tan Kien Ly Aaron Stockdale	1/4/2015 - 31/3/2016 1/4/2015 - 31/3/2016 1/4/2015 - 31/3/2016 1/4/2015 - 31/3/2016
Lines & General Sectional Representatives	Max Catania Peter O'Connell Michael Stanbury Steve Worsley George Deligiannis Tony Damjanovski	1/4/2015 - 31/3/2016 1/4/2015 - 31/7/2015 1/4/2015 - 31/7/2015 21/5/2015- 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016
Postal Sectional Representatives	Ramon Gammad Geoffrey Johnson Aaron Robertson John Amatto Paula Houghton Brandon Lam Gregory Rayner James McCallum Donald Watson David Wong Pania Stephens Gary Smith John Larsen	1/4/2015 - 31/7/2015 1/4/2015 - 31/7/2015 1/4/2015 - 31/7/2015 1/4/2015 - 31/7/2015 1/4/2015 - 31/3/2016 1/4/2015 - 31/7/2015 1/4/2015 - 31/7/2015 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016



COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)

(b) Related party transactions

Transactions with related parties are on normal terms and conditions no more favourable than those available to other parties, unless otherwise stated.

- i. The aggregate amount of remuneration paid to officers during the financial year is disclosed in the Financial Report (Note 5 (d)).
- ii. The aggregate amount paid during the financial year to a superannuation plan in respect of elected full time officers was \$94,452 (2015: \$100,313).
- iii. There have been no other transactions between the officers and the Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications Branch NSW other than those relating to their membership of the Union and the 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.
- iv. Capitation fees and administration fees paid to Divisional Conference are disclosed as income and expenses respectively in the Statement of Comprehensive Income and as cash paid in Note 8.
- v. Amounts receivable from and payable to the Divisional Conference at balance date are disclosed in Note 6(a).
- vi. The Branch Secretary's son is employed by the Union on terms and conditions no more favourable than applicable to other employees on the same level of experience and position within the Union. The appointment had been made independently of the Branch Secretary's involvement.

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

(c) **Key management personnel remuneration**

Key management persons are those persons having authority and responsibility for planning, directing and controlling the activities of the Branch, directly or indirectly, including any member of the Committee of Management. Key management personnel remuneration is represented by the remuneration of the Officers of the branch:

	2015	2014
	\$	\$
<b>Short-term employee benefits</b>		
Wages and Salaries	979,068	890,762
Annual leave	(29,428)	24,703
Other employee expenses FBT	27,372	11,697
<b>Post-employment benefits</b>		
Superannuation	138,776	102,023
<b>Other long-term employee benefits</b>		
Long service leave	6,782	10,559
<b>Termination benefits</b>	-	-
<b>Share based payments</b>	-	-
<b>Total</b>	<u>1,122,570</u>	<u>1,039,744</u>

**16. SUPERANNUATION**

Employees of the Branch are entitled to benefits from a superannuation plan on retirement, disability or death. The Branch participated in a defined contribution plan. The benefits provided under this plan are based on accumulated contributions and earnings for each employee. The Branch's liability is limited to paying the contributions to the plan.

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)

17. NATIONAL COUNCIL - BRANCH VOTING ENTITLEMENTS

For the purposes of the National Council Composition and Voting Rights, the actual membership contributions received for the financial year ended 31 March 2016 were \$3,229,724 (2015: \$3,043,528).

18. COMMITMENTS

The Union had the following lease commitment for Plant and Equipment as at 31 March 2015.

	2016	2015
	\$	\$
Payable within one year	13,214	13,214
Payable later than one year but not later than five years	4,867	18,094
Payable later than five years	-	-
	<u>18,801</u>	<u>31,308</u>

19. FINANCIAL RISK MANAGEMENT NOTE

(a) General objectives, policies, and processes

The Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications Branch NSW is exposed to risks that may arise from its use of financial instruments. This note describes the Branch's objectives, policies, and processes for managing those risks and the methods used to measure them.

There have been no substantive changes in the Branch's exposure to financial instrument risk, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Branch's financial instruments consist mainly of deposits with banks and receivables. The main risks the Branch is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

The Branch Secretary and Branch Committee of Management have overall responsibility for the determination of the Branch's risk management objectives and policies.

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)

(b) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Branch incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Branch.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provision for doubtful debts, as disclosed below:

	2016	2015
	\$	\$
Cash and cash equivalents	<u>3,153,425</u>	<u>2,657,702</u>

The cash and cash equivalents are held in a high quality Australian financial institutions

	2016	2015
	\$	\$
Receivables	<u>81,497</u>	<u>72,452</u>

There has been no history of default, no amounts are past due and all receivables are likely to be repaid within the expected terms.

(c) Liquidity Risk

Liquidity risk is the risk that the Branch may encounter difficulties in raising funds to meet commitments associated with financial instruments.

The Branch is not significantly exposed to this risk; as at 31 March 2016 it has \$3,153,425 of cash and cash equivalents to meet these obligations as they fall due (31 March 2015 totalled \$2,657,702). The Branch manages liquidity risk by monitoring cash flows.

(d) Market Risk

Market risk arises from the use of interest bearing, tradable financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or other market factors (other price risk).

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)

(e) Interest Rate Risk

The Branch's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and liabilities are summarised below:

31 March 2016	Fixed Interest rate	Floating interest rate	Non- interest Bearing	Total
<b>Financial Assets</b>	\$	\$	\$	\$
Cash at Bank and on Hand		231,614	800	232,414
Held- to maturity investments	2,921,011			2,921,011
Receivables			81,497	81,497
<b>Total financial assets</b>	<b>2,921,011</b>	<b>231,614</b>	<b>82,297</b>	<b>3,234,922</b>
Weighted average Interest rate	2%	0.01%		
<b>Financial Liabilities</b>				
Payables			300,094	300,094
<b>Net Financial Assets</b>	<b>2,921,011</b>	<b>231,614</b>	<b>(217,797)</b>	<b>2,934,828</b>

31 March 2015	Fixed Interest rate	Floating interest rate	Non- interest Bearing	Total
<b>Financial Assets</b>	\$	\$	\$	\$
Cash at Bank and on Hand		122,334	800	123,134
Held- to maturity investments	2,534,568			2,534,568
Receivables			72,452	72,452
<b>Total financial assets</b>	<b>2,534,568</b>	<b>122,334</b>	<b>73,252</b>	<b>2,730,154</b>
Weighted average Interest rate	2%	0.01%		
<b>Financial Liabilities</b>				
Payables			376,721	376,721
<b>Net Financial Assets</b>	<b>2,534,568</b>	<b>122,334</b>	<b>(303,469)</b>	<b>2,353,433</b>

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)

19. FINANCIAL RISK MANAGEMENT NOTE (cont'd)

Sensitivity Analysis

2016	Carrying Amount	+0.5% (50 basis points) Profit	-0.5% (50 basis points) Loss
	\$	\$	\$
Cash Assets	<u>3,153,425</u>	<u>15,767</u>	<u>(15,767)</u>
2015			
Cash Assets	<u>2,657,702</u>	<u>13,288</u>	<u>(13,288)</u>

(f) Other Price Risks

The Branch does not have significant investments in shares and does not invest in derivatives therefore it does not expose itself to the fluctuations in price that are inherent in such a market.

(g) Foreign Exchange Risk

The Branch is not directly exposed to foreign exchange rate fluctuations.

20. OPERATING LEASE INCOME

The future minimum lease rental receipts under non-cancellable operating leases are set out below, in the aggregate and represent for each of the following periods, the current rental amounts receivable :

	2016	2015
	\$	\$
Receivable within one year	728,094	555,277
Receivable later than one year but not later than five years	382,324	1,480,738
Receivable later than five years	-	-
	<u>1,110,418</u>	<u>2,036,015</u>

General description of the lessor's leasing arrangements

The operating leases are applicable to the portion of the building not used by the Branch, which are leased under operating leases of between 3 and 5 years.

The leases are subject to annual reviews with increases based on varying levels of 3% to 4%, subject to varying conditions and inflation.

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)

21. LEGAL COSTS - RELATED PARTY

From time to time in the course of managing the affairs of the Branch, officers and employees of the Branch become involved as parties in various types of legal proceedings. If the Branch Committee of Management ("BCOM") believes that any such proceedings form part of or are connected to the business of the Branch, or are proceedings where the Branch has a proper interest, then it may approve payment of the legal costs incurred by the officer or officers of the Branch in relation to those proceedings. Each matter is dealt with on a case by case basis.

Notwithstanding the foregoing, the following payments made by the Branch, with the approval of the BCOM, in respect of legal costs incurred by Branch officers in the period 1 April 2013 to 31 March 2015, are hereby reported. This is done at the request of the Regulatory Compliance Branch of the Fair Work Commission, on the basis that these payments may at least in part be a benefit to the officers concerned.

1. Len Cooper V Branch Secretary (Jim Metcher) \$ 113,277.40 (2013-2015)

Legal costs of defending a claim brought against the Branch Secretary in the Federal Court of Australia for recovery of Australia Post Superannuation Scheme director fees paid to him while he was a director of that Fund. The BCOM resolved on a number of occasions that it was proper for the Branch to fund these fees as the matter involved an important question as to the meaning of the Rules of the Organisation and a resolution of its National Council. In January 2015 judgment was handed down in favour of the Branch Secretary, showing that he was entitled to be paid the directors' fees for his work as a director and upholding his interpretation of the Rules and the Resolution. Costs were not recoverable from the unsuccessful applicant, Mr Cooper.

2. Valerie Butler V J Metcher, S Murphy and others \$23,399.85 (2013-2015)

Legal costs of defending the claim brought against the Branch Secretary, the Assistant Branch Secretary and an employee of the Branch in the Federal Court, in their capacities as members of the Divisional Executive of the Communications Division in allegedly obstructing the adoption by that Executive of the financial statements for the Division up to 19 November 2013. The BCOM resolved to have the Branch pay the fees incurred by these parties as the matter concerned the exercise of their duties as officers of the Organisation. Proceedings were eventually discontinued by consent, the proceedings having no ongoing utility due to the adoption of the said statements.

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)

3. Proceedings relating to incident on 29 May 2013 \$36,132.89 (2013-2014) period

Legal costs of the Branch Secretary in respect of proceedings brought against him in the Melbourne Magistrates Court arising from an incident in the Australia Post boardroom in Melbourne on 29 May 2013. There were three separate proceedings being:-

An Application by Mr Martin O'Nea, then Assistant National Secretary of the Communications Division for Orders against the Branch Secretary in relation to the said incident;

Proceedings against the Branch Secretary brought by Victorian Police in relation to the incident; and

A further Application by Mr Martin O'Nea, when no longer Assistant National Secretary of the Communications Division for Orders against the Branch Secretary in relation to the said incident;

The BCOM resolved to have the Branch pay the Branch Secretary's legal costs in the matters as it believed that the proceedings affected the interests of the Branch and potentially prejudiced the ability of the Branch Secretary to perform his duties.

The initial proceedings by Mr O'Nea were settled on terms acceptable to the Branch Secretary by consent and without admissions of liability. The police proceedings were discharged with no adverse findings against the Branch Secretary following his successful completion of a diversion plan under Victorian law for matters of this type. The further proceedings by Mr O'Nea when no longer Assistant National Secretary were discontinued by him shortly prior to the scheduled hearing of the matter. No costs were recoverable against Mr O'Nea for his action.

## 22. REGISTERED OFFICE

The registered office and principal place of business of the Branch is:  
Level 3,  
81 George Street  
Parramatta NSW 2150



Level 17, 383 Kent Street  
Sydney NSW 2000

Correspondence to:  
Locked Bag Q800  
QVB Post Office  
Sydney NSW 1230

T +61 2 8297 2400  
F +61 2 9299 4445  
E [info.nsw@au.gt.com](mailto:info.nsw@au.gt.com)  
W [www.grantthornton.com.au](http://www.grantthornton.com.au)

## Independent Auditor's Report To the Members of Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications Branch NSW

We have audited the accompanying financial report of Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications Branch NSW (the "Trade Union"), which comprises the statement of financial position as at 31 March 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information to the financial report and the statement by the Branch Committee of Management.

### **Responsibility of the Committee of Management for the financial report**

The Branch Committee of Management of the Trade Union is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Fair Work Act 2009 (Registered Organisations). This responsibility includes such internal controls as the Branch Committee of Management determine are necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

### **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 which require us to 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 judgement, 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 Trade Union'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 Trade Union's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates

made by the Branch 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 audit opinion.

#### **Independence**

In conducting our audit, we have complied with the applicable independence requirements of the Accounting Professional, Ethical Standards Board and the Fair Work (Registered Organisations) Act 2009.

#### **Auditor's Opinion**

In our opinion, the financial report of Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications Branch NSW

- i The GPFR presents fairly, in all material respects, the Trade Union's financial position as at 31 March 2016 and of its performance and cash flows for the year then ended ; and
- ii complies with Australian Accounting Standards and the relevant legislation
- iii management appropriately applied the going concern basis of accounting
- iv complies with any other requirements imposed by these Reporting Guidelines or Part 3 of Chapter 8 of the RO Act.

#### **Report on the recovery of wages activity**

The Committee of Management are responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with section 253(2)(c) of the Fair Work Act 2009 (Registered Organisations). Our responsibility is to express an opinion on the recovery of wages activity financial report, based on our audit conducted in accordance with Australian Auditing Standards. We have been advised that no recovery of wages activity has been undertaken in the current financial year. Accordingly we have not been instructed by the Committee of Management to include in the scope of the audit required under subsection 257(1) of the RO Act all recovery of wages activity by the reporting unit from which revenues had been derived for the financial year in respect of such activity.

**Auditor's opinion on the recovery of wages activity financial report**

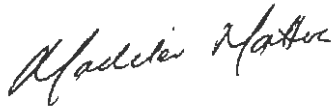
Based upon the management statements referred to above, in our opinion in relation to the recovery of wages activity, the financial report presents fairly all reporting guidelines of the General Manager, including:

- 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

**Other Matter**

The signor is an Approved Auditor (who holds a current Public Practice Certificate) with the Institute of Chartered Accountants in Australia.

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



Madeleine Mattera  
Partner - Audit & Assurance

Sydney, 17 May 2017

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA**

**POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

**CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016**

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016

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**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016**

**OPERATING REPORT**

Branch Committee of Management report in accordance with section 254 of the Fair Work (Registered Organisations) Act 2009 for the year ended 31 March 2016.

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

The principal activity of the Communications, Electrical, Plumbing Union of Australia, Postal and Telecommunications NSW Postal & Telecommunication Branch (CEPU NSW P & T Branch) were to:

- Represent and provide industrial and organising services to its members with the objective of protecting and improving the interests of its members;
- The union was also active in negotiating the Enterprise agreement for improvements in wages and working conditions for its members across the board;
- The union also handled daily workplace enquiries for its members including any work related disputes that may have arisen in their organisation;
- Organise and recruit new members;
- Undertaking training and development for the delegates of the union.

There have been no significant changes to the way the Union has carried out these activities during the last financial year.

**Operating Result**

The operating surplus for the Branch for the year ending 31 March 2016 is \$590,184 (2015: \$23,994).

**Significant changes in financial affairs**

There have been no significant changes to the operating costs of the Branch in the last financial year.

**Right of members to resign**

Members have the right to resign their membership of the union by giving written notice of resignation to the Branch Secretary. This written notification is accepted subject to the rules of CEPU and in accordance with section 174(1) of the Fair Work (Registered Organisations) Act 2009. In accordance with section 174(1) of the Fair Work (Registered Organisations) Act 2009 a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation. There was no change to this rule during the year.

**Number of members**

Under section 230 of the Fair Work (Registered Organisations) Act 2009 the number of persons recorded in the register of members and who under section 244 of the Fair Work (Registered Organisations) Act 2009 are taken to be members of the Branch of the Union as at 31 March 2016 was 8,176.

**Details of officers or members who are trustees, or directors of a company that is a trustee, of a superannuation entity because they are a member or an officer of a registered organisation**

No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such a position is that they are an officer or member of an organisation

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
 POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
 CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016

OPERATING REPORT (cont'd)

Number of employees

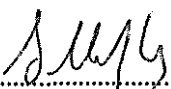
The number of persons, both full-time and part time employees measured on a full-time equivalent basis, employed by the Branch as at 31 March 2016 was 11 (2015: 13).

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

The names of persons who have at any time during the financial year ending 31 March 2016 been members of the CEPU P & T NSW Branch Committee of Management and periods they served on the branch committee are as follows:

<u>Position</u>	<u>Name</u>	<u>Period</u>
Branch President	Rod Baxter	1/4/2015 - 31/3/2016
Branch Vice Presidents	Maureen Morris Max Wiley Peter O'Connell	1/4/2015 - 31/3/2016 1/4/2015 - 31/7/2015 1/8/2015 - 31/3/2016
Branch Secretary	Jim Metcher	1/4/2015 - 31/3/2016
Branch Assistant Secretary	Shane Murphy	1/4/2015 - 31/3/2016
Branch Organisers	Peter Chaloner Gil Enzon Tan Kien Ly Aaron Stockdale	1/4/2015 - 31/3/2016 1/4/2015 - 31/3/2016 1/4/2015 - 31/3/2016 1/4/2015 - 31/3/2016
Lines & General Sectional Representatives	Max Catania Peter O'Connell Michael Stanbury Steve Worsley George Deligiannis Tony Damjanovski	1/4/2015 - 31/3/2016 1/4/2015 - 31/7/2015 1/4/2015 - 31/7/2015 21/5/2015- 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016
Postal Sectional Representatives	Ramon Gammad Geoffrey Johnson Aaron Robertson John Amatto Paula Houghton Brandon Lam Gregory Rayner James McCallum Donald Watson David Wong Pania Stephens Gary Smith John Larsen	1/4/2015 - 31/7/2015 1/4/2015 - 31/7/2015 1/4/2015 - 31/7/2015 1/4/2015 - 31/7/2015 1/4/2015 - 31/3/2016 1/4/2015 - 31/7/2015 1/4/2015 - 31/7/2015 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016

For and on behalf of the Committee of Management



SHANE MURPHY  
 BRANCH SECRETARY  
 17 May 2017

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016

BRANCH COMMITTEE OF MANAGEMENT'S STATEMENT

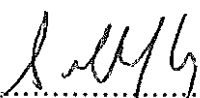
On 17 May 2017 the Branch Committee of Management of the Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications Branch NSW passed the following resolution in relation to the general purpose financial report (GPFR) of the Branch for the year ended 31 March 2016.

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

- (a) the financial report and notes comply with the Australian Accounting Standards;
- (b) the financial report and notes comply with the reporting guidelines of the General Manager;
- (c) the financial report and notes give a true and fair view of the financial performance, financial position and cash flows of the branch for the financial year ended 31 March 2016;
- (d) there are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year ended 31 March 2016 and since the end of the financial year:
  - (i) meetings of the Branch Committee of Management were held in accordance with the rules of the organisation and the rules of the Branch; and
  - (ii) the financial affairs of the Branch have been managed in accordance with the rules of the organisation and the rules of the Branch; and
  - (iii) the financial records of the branch have been kept and maintained in accordance with the RO Act; and
  - (iv) the financial records of the Branch have been kept, as far as practicable, in a consistent manner to each of the other branches of the organisation; and
  - (v) no information has been sought in any request of a member of the branch or a General Manager under section 272 of the RO Act 2009; and
  - (vi) no order for inspection of the financial records was made by the Fair Work Commission under section 273 of the RO Act 2009.
- (f) No revenue has been derived from undertaking recovery of wages activity during the reporting period.

Furthermore, the Branch Committee of Management resolves for the Branch Secretary to make available the Concise report on the Branch website for members information and a copy of the GPFR is to be made available to any member who makes a formal request in writing.

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

  
.....  
SHANE MURPHY

17 May 2017



COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
 POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
 CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016

STATEMENT OF PROFIT OR LOSS AND OTHER  
 COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED 31 MARCH 2016

		2016	2015
		\$	\$
<b>INCOME</b>			
Membership Contributions	4 a	3,229,724	3,043,528
Interest		17,536	28,797
Rent		671,379	688,249
Dividends		465	232
Tenants Outgoings		10,183	97,508
Board fees		-	33,415
Sundry Income		25,821	6,200
<b>TOTAL INCOME</b>		<u>3,955,108</u>	<u>3,897,929</u>
<b>EXPENDITURE</b>			
<b>Depreciation</b>			
Office Furniture & Equipment		35,693	49,377
Motor Vehicles		42,483	40,359
		<u>78,176</u>	<u>89,736</u>
<b>Employee Benefits Expense</b>			
Salaries - Officials	5 d	979,068	890,762
Salaries - Staff	5 e	266,753	352,300
Payroll Tax		77,988	97,256
Provident Fund and Superannuation	5 d&e	243,158	178,761
Provision for Long Service Leave		(39,095)	(4,628)
Provision for Annual Leave		16,817	(8,826)
Provision for Sick Leave		(8,033)	(69,980)
		<u>1,536,656</u>	<u>1,435,645</u>
<b>Other Expenses</b>			
Affiliation Fees	5 a	69,844	62,073
Audit Fees		42,615	43,999
Bank Charges		33,802	33,571
Capitation Divisional Conference		722,846	682,923
CEPU Journey cover		50,335	59,916
Campaign Expenses - Your Rights At Work & research report		75,285	124,680
Collection Costs - Membership Contributions		22,654	24,207
Computer Expenses		55,795	52,082
Delegates, Meetings and Officials Expenses	5 g	38,556	54,217
Donations & Grants	5 b	-	-
Electricity, Gas and Heating		45,260	51,465
Emergency Ambulance Transport Benefit		11,105	11,892
Equipment Rental		12,012	12,013
Fringe Benefits Tax	5 d&e	39,103	16,692
Honorarium		-	1,000
Insurance		53,359	34,471
Land Tax		36,947	58,476
Property leasing commission		16,790	5,707
Legal and Professional Fees	5 f	86,505	480,557
True up of inter-union fees		(55,813)	80,123
<b>Carried Forward</b>		<u>1,357,000</u>	<u>1,890,064</u>

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
 POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
 CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016  
 STATEMENT OF PROFIT OR LOSS AND OTHER  
 COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)

	2016	2015
	\$	\$
<b>Other Expenses (cont'd)</b>		
<b>Brought Forward</b>	1,357,000	1,890,064
Loss on Disposal of Assets	5 c 6,014	26,660
Management Fees Building	29,073	26,835
Mortality Benefits Paid	7,336	1,500
Motor Vehicle Expenses	50,556	64,258
National Council Fund	5 a 9,038	4,243
Other Expenditure	(78,253)	9,172
Parking Space Levy	14,670	14,310
Postage, Printing and Stationery	53,385	60,427
Publications and Communication	30,068	37,895
Rates and Taxes	80,626	78,515
Repairs and Maintenance	131,648	82,143
Sub-Branch Expenses	-	51
Telecommunication costs	39,977	38,493
Training	4,172	1,669
Workers Compensation	14,782	12,319
	<u>1,750,092</u>	<u>2,348,554</u>
<b>TOTAL EXPENDITURE</b>	<u>3,364,924</u>	<u>3,873,935</u>
<b>NET SURPLUS FOR THE YEAR</b>	<u>590,184</u>	<u>23,994</u>
Other Comprehensive Income:		
Revaluation of Building	<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>590,184</u>	<u>23,994</u>

(The attached notes form part of these financial statements)

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
 POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
 CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	2016 \$	2015 \$
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	3,153,425	2,657,702
Receivables	81,497	72,452
Receivables - member Contributions in Transit	76,326	42,239
	<u>3,311,248</u>	<u>2,772,393</u>
<b>NON CURRENT ASSETS</b>		
Investments	1,592	1,591
Property, Plant and Equipment	9,174,379	9,247,757
	<u>9,175,971</u>	<u>9,249,348</u>
<b>TOTAL ASSETS</b>	<u>12,487,219</u>	<u>12,021,741</u>
<b>CURRENT LIABILITIES</b>		
Provision for Branch Education Training	-	7,768
Provision for Emergency Ambulance Transport Benefit	-	10,000
Provision for Long Service Leave	6 c&d 120,697	102,027
Provision for Annual Leave	6 c&d 130,016	113,199
Provision for Sick Leave	6 c&d 249,100	257,133
Sundry Creditors and Accruals	6 b 288,694	229,318
Sundry Creditor - Divisional Conference	6 a 11,400	147,403
	<u>799,907</u>	<u>866,848</u>
<b>NON CURRENT LIABILITIES</b>		
Provision for Long Service Leave	<u>22,973</u>	<u>80,738</u>
<b>TOTAL LIABILITIES</b>	<u>822,880</u>	<u>947,586</u>
<b>NET ASSETS</b>	<u>11,664,339</u>	<u>11,074,155</u>
Accumulated Funds	11,464,339	10,874,155
Asset Revaluation Reserve	200,000	200,000
<b>ACCUMULATED FUNDS AND RESERVES</b>	<u>11,664,339</u>	<u>11,074,155</u>

(The attached notes form part of these financial statements)

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
 POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
 CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016

STATEMENT OF CHANGES IN ACCUMULATED FUNDS AND RESERVES  
 FOR THE YEAR ENDED 31 MARCH 2016

	Accumulated Funds	Building Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 April 2014	10,850,161	200,000	11,050,161
Net Surplus	23,994	-	23,994
Other Comprehensive Income	-	-	-
Total Comprehensive Income for the Year	<u>23,994</u>	<u>-</u>	<u>23,994</u>
Balance at 31 March 2015	<u>10,874,155</u>	<u>200,000</u>	<u>11,074,155</u>
Net Surplus	590,184	-	590,184
Other Comprehensive Income	-	-	-
Total Comprehensive Income for the Year	<u>590,184</u>	<u>-</u>	<u>590,184</u>
Balance at 31 March 2016	<u>11,464,339</u>	<u>200,000</u>	<u>11,664,339</u>

There are no compulsory levy/voluntary contributions to fund investments or reserves

(The attached notes form part of these financial statements)

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
 POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
 CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016

STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 \$	2015 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash Received</b>			
Receipts from Members		3,186,592	3,031,982
Rent Received		671,379	688,248
Other Receipts		29,358	137,589
Interest Received		17,536	28,797
Receipts from Divisional		6,647	-
Dividend Received		465	232
<b>Cash used</b>			
Payments to Suppliers and Employees		(2,676,295)	(3,119,062)
Payments to CEPU Divisional Conference		(729,147)	(615,643)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<u>506,535</u>	<u>152,143</u>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sale of Property, Plant and Equipment		-	26,660
<b>Cash used</b>			
Payment for Property, Plant and Equipment		(10,812)	(162,294)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<u>(10,812)</u>	<u>(135,634)</u>
<b>NET INCREASE IN CASH</b>		495,723	16,509
Cash at 1 April 2015		<u>2,657,702</u>	<u>2,641,193</u>
<b>CASH AT 31 MARCH 2016</b>		<u>3,153,425</u>	<u>2,657,702</u>

(The attached notes form part of these financial statements)

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016

**1. BASIS OF PREPARATION OF THE CONCISE FINANCIAL REPORT**

The concise financial report has 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 Organisations) Act 2009*.

The financial statements, specific disclosures and other information included in the concise financial report are derived from and are consistent with the full report of the Communications, Electrical, Plumbing Union of Australia, Postal and Telecommunications Branch NSW. The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of the Communications, Electrical, Plumbing Union of Australia, Postal and Telecommunications Branch NSW as the full financial report.

The accounting policies have been consistently applied by the entity and are consistent with those of the previous financial year.

**2. RECOVERY OF WAGES ACTIVITY**

The Communications, Electrical, Plumbing Union of Australia, Postal and Telecommunications Branch NSW has not undertaken recovery of wages activity. The Branch does assist with recovery of its member wages. However, as and when decreed by the court we confirm that any settlement or recovery of wages is directly managed between the employer and the employee (i.e. our Postal and Telecommunications Branch NSW member) and at no point of time is any money banked into the Branch bank account. Reportable amounts are NIL for:

- a. any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
- b. any donations or other contributions deducted from recovered money.

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
 POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
 CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016

3. 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).

4. INCOME

(a) Membership contributions

	2016	2015
	\$	\$
Membership contributions	<u>3,229,724</u>	<u>3,043,528</u>

(b) Other income

The following income items as prescribed under the reporting guidelines of the Fair Work (Registered Organisations) Act, 2009, have not occurred in the reporting period:

- a. Capitation/Sustentation fees
- b. Compulsory levies
- c. Donations or grants
- d. Other financial support from other reporting units

5. EXPENSE

- (a) Fees and periodic subscriptions are paid in respect of its affiliation to any political party, any federation, congress, council or group of organisations, or any international body having an interest in industrial matters

	2016	2015
	\$	\$
<b>Affiliation Fees</b>		
ALP NSW Branch	32,869	35,773
ALP ACT Branch	913	2,069
Unions NSW	<u>36,062</u>	<u>24,231</u>
	<u>69,844</u>	<u>62,073</u>
 CEPU Divisional Conference (Capitation Fees)	 <u>722,846</u>	 <u>682,923</u>
 CEPU National Office (National Council Fund )	 9,038	 4,243

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
 POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
 CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)

(b) Donations

Details to whom payment made	Purpose	2016 \$
N.A	N.A	NIL

There were no other donations made in the 2016 financial year.

2015

Non-reportable donations Details to whom payment made	Purpose	2015 \$
N.A	N.A	NIL

(c) Net losses from sale of assets

	2016 \$	2015 \$
Land and buildings	-	-
Plant and equipment	6,014	26,660
Intangibles	-	-
Total net losses from asset sales	<u>6,014</u>	<u>26,660</u>

(d) Employee expenses related to holders of office

	2016 \$	2015 \$
<b>Officers benefits expense</b>		
Wages and Salaries	979,068	890,762
Superannuation	138,776	102,023
Leave and other entitlements	(22,646)	35,262
Separation and redundancies	-	-
Fringe benefit expenses	27,372	11,697
	<u>1,122,570</u>	<u>1,039,744</u>



COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
 POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
 CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)

(e) Employee expenses related to employees (other than holders of office)

	2016	2015
	\$	\$
<b>Employees benefits expense</b>		
Wages and Salaries	266,753	352,300
Superannuation	104,382	76,738
Leave and other entitlements	44,924	(118,696)
Separation and redundancies	-	-
Fringe benefit expenses	11,731	4,995
	<u>427,790</u>	<u>315,337</u>

(f) Legal and Professional Fees

	2016	2015
	\$	\$
Legal costs - litigation	-	329,001
Legal costs - other matters	86,505	151,556
	<u>86,505</u>	<u>480,557</u>

(g) Delegates expenses

	2016	2015
	\$	\$
<b>Delegates Expenses</b>	38,556	54,217
<b>Included in the above delegates expense are expenses for:</b>		
Fees or allowances for attendances as representatives of the Union at conferences or other meetings	8,000	4,000
Expenses incurred in connection with holding meetings of members of the reporting unit	18,719	16,149

(h) Other expense

Payments to employers for payroll deduction activity	21,169	24,204
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The following expense items as prescribed under the reporting guidelines of the Fair Work (Registered Organisations) Act, 2009, have not occurred in the reporting period:

- a. Compulsory levies
- b. Penalties imposed under the RO Act.
- c. Amounts paid in grants that were \$1,000 or less
- d. Amounts paid in grants that exceed \$1,000
- e. Amounts paid in donations that were \$1,000 or less
- f. Amounts paid in donations that exceed \$1,000

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
 POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
 CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)

6. DISCLOSURES IN RESPECT OF STATEMENT OF FINANCIAL POSITION

(a) Amounts receivable/payable to/from other reporting units of the Union

	2016	2015
	\$	\$
Amounts receivable from reporting units		
CEPU Divisional Conference	5,809	1,812
Amounts payable to reporting units		
CEPU Divisional Conference (Capitation Fees Payable)	11,400	147,403
CEPU Divisional Office - for journey cover	50,335	4,350
	<u>61,735</u>	<u>151,753</u>
Provision for doubtful debts	-	-

(b) Payables and accruals

	2016	2015
	\$	\$
Legal costs - litigation	4,194	25,072
Legal Accrual	53,613	-
Trade payable	139,425	143,557
Tax payable	40,649	43,793
CEPU Divisional Office - for journey cover	50,335	4,350
Payables to employers as consideration for the employers making payroll deductions of membership subscriptions	-	-
Other payable	478	12,546
	<u>288,694</u>	<u>229,318</u>

(c) Employee provisions related to holders of office

	2016	2015
	\$	\$
Officers provisions		
Annual leave	101,083	71,655
Long service leave	135,019	141,799
Separation and redundancies	-	-
Other employee provisions (sick leave)	242,937	225,937
	<u>479,039</u>	<u>439,391</u>

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
 POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
 CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)

(d) Employee provisions related to employees (other than holders of office)

	2016	2015
	\$	\$
<b>Employees provisions</b>		
Annual leave	28,933	41,544
Long service leave	8,651	40,966
Separation and redundancies	-	-
Other employee provisions (sick leave)	6,163	31,196
	<u>43,747</u>	<u>113,706</u>

**7. DISCLOSURES IN RESPECT OF STATEMENT OF CHANGES IN EQUITY**

The following equity items as prescribed under the reporting guidelines of the Fair Work (Registered Organisations) Act, 2009, have not occurred in the reporting period:

- a. No separate fund or account operated in respect of compulsory levies raised by the Union or voluntary contributions collected from members of the Union.
- b. No monies in respect of compulsory levies raised or voluntary contributions collected from members of the Union have been invested in any assets.
- c. No separate fund or account which is required by the rules of the Union or rules of a Branch of the Union.
- d. No transfer(s) and/or withdrawal(s) to a fund, account or controlled entity, when any of these are kept for a specific purpose(s) by the Union.

**8. DISCLOSURES IN RESPECT OF STATEMENT OF CASH FLOWS**

**Amounts received/paid to/from other reporting units of the Union**

Amounts received and paid in respect of the Capitation Fees and other charges have been incorporated as part of the Statement of Cash Flows and detailed below.

	2016	2015
	\$	\$
Cash inflows from Divisional Conference	6,647	-
Cash outflows to Divisional Conference.	729,147	615,643

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
 POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
 CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016

9. NEW ACCOUNTING STANDARDS

(a) New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

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

Standard Name	Effective date - year ended	Requirements	Impact
AASB 2014-1 Amendments to Australian Accounting Standards.	31 March 2016	The amendments clarify that if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service. In contrast, if the amount of the contributions is dependent on the number of years of service, an entity is required to attribute those contributions to periods of service using the same attribution method required by paragraph 70 of AASB 119 for the gross benefit.	The adoption of this amendment did not have an impact on the reporting unit.
AASB 2014-1 Amendments to Australian Accounting Standards	31 March 2016	AASB 2014 -1 makes amendments to particular Australian Accounting Standards to delete their references to AASB 1031 Materiality as each standard is amended for another purpose.	The adoption of this amendment did not have an impact on the reporting unit.

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
 POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
 CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016

New Australian Accounting Standards cont'd

Standard Name	Effective date year ended	Requirements	Impact
AASB 2014-1 Amendments to Australian Accounting Standards (2010 - 2012 cycle).	31 March 2016	<p>The following standards and changes are made under AASB 2014-1:</p> <ul style="list-style-type: none"> <li>- AASB 3 Business Combinations - clarification that contingent consideration that is classified as an asset or a liability shall be measured at fair value at each reporting date.</li> <li>- AASB 8 Operating Segments - amendments to disclosures</li> <li>- AASB 3 Business Combinations - references to contingent consideration</li> <li>- AASB 13 Fair value measurement - minor clarification re: measurement of short-term receivables and payables</li> <li>- AASB 116 Property, plant and equipment - clarifies that when an item of property, plant and equipment is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.</li> <li>- AASB 124 Related Party Disclosures - clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.</li> </ul>	The adoption of this amendment did not have an impact on the reporting unit.
AASB 2014-1 Amendments to Australian Accounting Standards (2011 - 2013 cycle).	31 March 2016	<p>The following standards and changes are made under AASB 2014-1:</p> <ul style="list-style-type: none"> <li>- AASB 1 First-time Adoption of Australian Accounting Standards - clarification in the basis of conclusion</li> <li>- AASB 3 Business Combinations - Clarifies that AASB 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.</li> <li>- AASB 13 Fair Value Measurement - Clarifies that the scope of the portfolio exception defined in paragraph 52 of AASB 13 includes all contracts accounted for within the scope of AASB 139 Financial Instruments: Recognition and Measurement or AASB 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in AASB 132 Financial Instruments: Presentation.</li> </ul>	There are not expected to be any changes to reported financial position or performance arising from the adoption of part A of AASB 2014-1.

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
 POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
 CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016

**New Australian Accounting Standards cont'd**  
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:

Standard Name	Effective date year ended	Requirements	Impact
AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation	31 March 2017	<p>This standard amends AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets to:</p> <ul style="list-style-type: none"> <li>i. establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset;</li> <li>ii. clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset; and</li> <li>iii. clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.</li> </ul>	There will be no impact as the entity is not using a revenue based method of depreciation or amortisation.
IFRS 15 Revenue from contracts with customers.	31 March 2019	<p>IFRS 15 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.</p> <p>IFRS 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.</p>	Impacts on the reported financial position and performance have not yet been determined.

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
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 CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016

New Australian Accounting Standards cont'd  
 Future Australian Accounting Standards Requirements continued

Standard Name	Effective date year ended	Requirements	Impact
Equity method in separate financial statements (Amendments to IAS 27)	31 March 2017	This standard will allow entities to use the equity method to account for its interest in subsidiaries, joint venture and associates in separate financial statements.	There is no impact as the entity does not prepare separate financial statements.
IFRS 9 Financial Instruments	31 March 2019	<p>Significant revisions to the classification and measurement of financial assets, reducing the number of categories and simplifying the measurement choices, including the removal of impairment testing of assets measured at fair value. The amortised cost model is available for debt assets meeting both business model and cash flow characteristics tests. All investments in equity instruments using IFRS 9 are to be measured at fair value. Amends measurement rules for financial liabilities that the entity elects to measure at fair value through profit and loss. Changes in fair value attributable to changes in the entity's own credit risk are presented in other comprehensive income. Impairment of assets is now based on expected losses in IFRS 9 which requires entities to measure:</p> <ul style="list-style-type: none"> <li>- the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or</li> <li>- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).</li> </ul>	Impacts on the reported financial position and performance have not yet been determined.

**10. GOING CONCERN**

The Branch is not reliant on the financial support of any other reporting units to ensure they can continue on a going concern basis.

The Branch has not agreed to provide any other financial support to any other reporting units to ensure they can continue on a going concern basis.

The Branch provides Capitation Fees to the Divisional Conference Funds.

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016**

**11. ADMINISTRATION**

The Branch has not been administered by another entity.

**12. AMALGAMATIONS AND RESTRUCTURES**

There have been no amalgamations or restructures in the financial year and previous financial year. No assets or liabilities have been acquired as a result of any amalgamations or restructures.

**13. BUSINESS COMBINATIONS**

There have been no business combinations during the financial year and previous financial year. No assets or liabilities have been acquired as a result of any business combinations



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## Independent Auditor's Report To the Members of Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications Branch NSW

### **Report on the concise financial report**

We have audited the accompanying concise financial report of Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications Branch NSW (the "Trade Union") which comprises the statement of financial position as at 31 March 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and related notes, derived from the audited financial report of Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications Branch NSW (the "Trade Union") for the year ended 31 March 2016. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards and accordingly, reading the concise financial report is not a substitute for reading the audited financial report.

### **Responsibility of the Committee of Management for the concise financial report**

The Branch Committee of Management of the Trade Union are responsible for the preparation of the concise financial report in accordance with Accounting Standard AASB 1039 Concise Financial Reports, and the Fair Work (Registered Organisations) Act 2009, and for such internal control as the Branch Committee of Management determine are necessary to enable the preparation of the concise financial report

**Auditor's responsibility**

Our responsibility is to express an opinion on the concise financial report based on our audit procedures which were conducted in accordance with Auditing Standard ASA 810 Engagements to Report on Summary Financial Statements. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications Branch NSW for the year ended 31 March 2016. Our audit report on the financial report for the year was signed on 15 June 2016 and was not subject to any modification. The Australian 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 for the year is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the concise financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the concise financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the concise 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.

Our procedures in respect of the concise financial report included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of evidence supporting the amounts and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting Standard AASB 1039 Concise Financial Reports.

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

**Independence**

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

**Auditor's opinion**

In our opinion, the concise financial report of Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications Branch NSW for the year ended 31 March 2016 complies with Accounting Standard AASB 1039 Concise Financial Reports, the Fair Work Act 2009 (Registered Organisations) and complies with any other requirements imposed by these Reporting Guidelines or Part 3 of Chapter 8 of the RO Act.

In our opinion management appropriately applied the going concern basis of accounting.

**Report on the recovery of wages activity**

The Branch Committee of Management are responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with section 253(2)(c) of the Fair Work Act

2009 (Registered Organisations). Our responsibility is to express an opinion on the recovery of wages activity financial report, based on our audit conducted in accordance with Australian Auditing Standards. We have been advised that no recovery of wages activity has been undertaken in the current financial year. Accordingly we have not been instructed by the committee of management to include in the scope of the audit required under subsection 257(1) of the RO Act all recovery of wages activity by the reporting unit from which revenues had been derived for the financial year in respect of such activity.

**Auditor's opinion on the recovery of wages activity financial report**

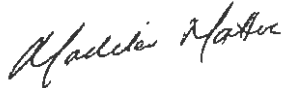
Based upon the management statements above, no opinion is expressed on the recovery of wages activity financial report of Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications Branch NSW presents fairly all reporting guidelines of the General Manager, including:

- 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

**Other Matters**

The signor is an Approved Auditor (who holds a current Public Practice Certificate) with the Institute of Chartered Accountants in Australia.

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



Madeleine Mattera  
Partner - Audit & Assurance

Sydney, 17 May 2017



28 February 2017

Mr Shane Murphy  
Acting Branch Secretary  
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied  
Services Union of Australia – Communications Division – New South Wales Postal and  
Telecommunications Branch  
Level 3, 81 George Street  
PARRAMATTA NSW 2150

via email: [shane.murphy@cepu.org](mailto:shane.murphy@cepu.org)

Dear Mr Murphy

**Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied  
Services Union of Australia – Communications Division – New South Wales Postal and  
Telecommunications Branch Financial Report for the year ended 31 March 2016 -  
[FR2016/68]**

I acknowledge receipt of the amended financial report for the year ended 31 March 2016 for the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Communications Division – New South Wales Postal and Telecommunications Branch (**the reporting unit**). This amended financial report was provided to the Fair Work Commission (**FWC**) on 23 December 2016.

The requirement to lodge an amended financial report is in response to the letter the FWC sent the reporting unit on 24 November 2016. This letter identified various issues within the initial financial report lodged with the FWC on 4 November 2016 that need to be addressed.

This amended financial report has not been filed. During the review of the amended report I have noted that it appears that some of the issues previously identified have been addressed however there are still a number of matters which have not been adequately remedied. During my examination I have also identified other matters which will need to be addressed before the report can be filed.

## **Operating Report**

### Review of principal activities

I note that a description of the results from performing the principal activities are still not included in the Operating Report as per subsection 254(2)(a) of the *Fair Work (Registered Organisations) Act 2009 (RO Act)*.

Please amend the Operating Report accordingly.

## **Notes to the financial statements**

### General purpose financial report to be prepared on accrual basis

I note that the figure reported for Membership Contributions in the Statement of Cash Flows has been amended (a decrease of \$43,132) and is now different to the figure reported for Membership contributions within the Statement of Profit and Loss and Other Comprehensive Income. With this adjustment, and if Membership Contributions had previously been reported on a cash basis, it would be expected to see the equivalent adjustment to the reporting unit's current assets to record the amounts due by members. I cannot see this adjustment with the Statement of Financial Position.

Can you please provide further information into how this item has been treated within the financial report?

## **Property, plant and equipment**

### Land and buildings

It does not appear that the reporting unit is following its accounting policy for land and buildings as disclosed under Note 1(c) as '*following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairments losses.*'

The reporting unit must ensure that their accounting policy for land and building, including revaluation, reflects the current practice and the requirements under the Australian Accounting Standards.

## **Cash Flow Statement**

### Notes to the Cash Flow Statement

The cash inflows and cash outflows to the CEPU National Council have still not been adequately disclosed as per the requirements under reporting guideline 24.

Please amend the Cash Flow Statement and Note 8 accordingly.

### Net loss on disposal of assets

The Statement of Cash Flows is still reporting cash received from the proceeds from sale of Property, Plant and Equipment of \$26,660 for 2015 and Note 13(b) *Reconciliation of cash flow from Operations with Net Surplus* indicates that a loss on disposal of assets of \$26,659 for 2015 is a non-cash flow in the operating result.

There is still therefore an inconsistency in the way this loss for the sale of assets is being treated and whether it is a 'cash' or 'non-cash' item.

Please amend the financial statements of reporting unit accordingly or provide an explanation for the differences.

## **Reconciliation between the reporting unit and the CEPU Communications Divisions and the CEPU National Office financial statements**

The following discrepancies are still noted with the financial report between the reporting unit and the CEPU Communications Division Branch and the CEPU National Office.

### CEPU National Office

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Sustentation/Levies</b>		
National	8,216	4,243
NSW P&T Branch	9,038	4,243
<b>Cash receipts</b>		
National	9,038	4,667
<b>Cash payments</b>		
NSW P&T Branch	-	-

## CEPU Communications Division

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Cash Inflow</b>		
Comms Division	729,147	760,096
NSW P&T Branch	729,197	615,643

Please amend the financial statements of the reporting unit accordingly or provide an explanation for the differences.

### **Loans, grants and donations**

The non-reportable donation for the cost of brochures and mail out for electricity privatisation campaign during the NSW election that was previously disclosed under Note 5(b) for the 2015 reporting period has now been removed.

As was stated in the previous correspondence a donation is not restricted to only 'cash' donations but also includes in-kind donations. The reporting unit is to provide a response to the FWC as to the reasoning for the removal of this item from the financial report.

### **Reconciliation of items within the GPFR**

The following item still does not reconcile within the financial report:

- The figure reported under Note 19(e) as at 31 March 2015 for Payables under non-interest bearing does not reconcile with the figures reported in Note 6(a) and 6(b).

### **Concise financial report**

The Committee of Management Statement has resolved that the concise report is to be provided to members. An amended concise report was not included in the documents provided to the FWC on 23 December 2016. Please note that the concise report must contain the entire disclosure requirements as per the reporting guidelines.

### **New items**

#### Statement of Profit and Loss and other Comprehensive Income

The total comprehensive income for the financial year ending 31 March 2016 and 31 March 2015 has changed. For 2016, the total comprehensive income has increased by \$141,095 and for 2015 the total comprehensive income has decrease by \$78,243. The financial report does not provide any explanation for these adjustments.

The reporting unit is to provide further information and supporting documentation for the following items which have been amended or are new:

- Sundry Income – increase of \$3,187 for 2016.
- True up of inter-union fee – new item for 2016 and 2015
- Motor Vehicle expenses – increase of \$4,664 for 2016
- Other expenditure – was reported as 'nil' for 2016 now is (\$78,253)

#### Notes to the financial statement

The value reported in the 2016 reporting period in Note 5(d) & (e) for leave and other entitlements for both office holders and employees have changed. Please provide an explanation for this adjustment.

As mentioned above, the total comprehensive income for 2015 decrease by \$78,243 and is reported as \$23,999. Note 13(b) *Reconciliation of cash flow from Operations with Net Surplus* is

still reporting the net surplus for 2015 as \$102,247. This figure does not reconcile to the amended Statement of Profit and Loss and other Comprehensive Income.

Auditor's statement

A copy of the auditor's report was not included in the amended financial statement. As the figures have now changed a new auditor's statement will be required.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8656 4681 or by email at [joanne.fenwick@fwc.gov.au](mailto:joanne.fenwick@fwc.gov.au).

Yours sincerely



Joanne Fenwick  
Financial Reporting Specialist  
Regulatory Compliance Branch

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA**

**POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

**FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016**



**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

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**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

**OPERATING REPORT**

Branch Committee of Management report in accordance with section 254 of the Fair Work (Registered Organisations) Act 2009 for the year ended 31 March 2016.

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

The principal activity of the Communications, Electrical, Plumbing Union of Australia, Postal and Telecommunications Branch NSW were to provide industrial and organising services to their members with the objective of protecting and improving the interests of their members.

There have been no significant changes to the way the Union has carried out these activities during the last financial year.

**Operating Result**

The operating surplus for the Branch for the year ending 31 March 2016 is \$590,184 (2015: \$23,994).

**Significant changes in financial affairs**

There have been no significant changes to the operating costs of the Branch in the last financial year.

**Right of members to resign**

Members have the right to resign their membership of the union by giving written notice of resignation to the Branch Secretary. This written notification is accepted subject to the rules of CEPU and in accordance with section 174(1) of the Fair Work (Registered Organisations) Act 2009. In accordance with section 174(1) of the Fair Work (Registered Organisations) Act 2009 a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation. There was no change to this rule during the year.

**Number of members**

Under section 230 of the Fair Work (Registered Organisations) Act 2009 the number of persons recorded in the register of members and who under section 244 of the Fair Work (Registered Organisations) Act 2009 are taken to be members of the Branch of the Union as at 31 March 2016 was 8,176.

**Number of employees**

The number of persons, both full-time and part time employees measured on a full-time equivalent basis, employed by the Branch as at 31 March 2016 was 11 (2015: 13).

**Details of officers or members who are trustees, or directors of a company that is a trustee, of a superannuation entity because they are a member or an officer of a registered organisation**

No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such a position is that they are an officer or member of an organisation

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

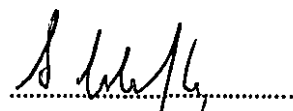
The names of persons who have at any time during the financial year ending 31 March 2016 been members of the CEPU P & T NSW Branch Committee of Management and periods they served on the branch committee are as follows:

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
 POSTAL AND TELECOMMUNICATIONS BRANCH NSW

OPERATING REPORT (cont'd)

<u>Position</u>	<u>Name</u>	<u>Period</u>
Branch President	Rod Baxter	1/4/2015 - 31/3/2016
Branch Vice Presidents	Maureen Morris Max Wiley Peter O'Connell	1/4/2015 - 31/3/2016 1/4/2015 - 31/7/2015 1/8/2015 - 31/3/2016
Branch Secretary	Jim Metcher	1/4/2015 - 31/3/2016
Branch Assistant Secretary	Shane Murphy	1/4/2015 - 31/3/2016
Branch Organisers	Peter Chaloner Gil Enzon Tan Kien Ly Aaron Stockdale	1/4/2015 - 31/3/2016 1/4/2015 - 31/3/2016 1/4/2015 - 31/3/2016 1/4/2015 - 31/3/2016
Lines & General Sectional Representatives	Max Catania Peter O'Connell Michael Stanbury Steve Worsley George Deligiannis Tony Damjanovski	1/4/2015 - 31/3/2016 1/4/2015 - 31/7/2015 1/4/2015 - 31/7/2015 21/5/2015- 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016
Postal Sectional Representatives	Ramon Gammad Geoffrey Johnson Aaron Robertson John Amatto Paula Houghton Brandon Lam Gregory Rayner James McCallum Donald Watson David Wong Pania Stephens Gary Smith John Larsen	1/4/2015 - 31/7/2015 1/4/2015 - 31/7/2015 1/4/2015 - 31/7/2015 1/4/2015 - 31/7/2015 1/4/2015 - 31/3/2016 1/4/2015 - 31/7/2015 1/4/2015 - 31/7/2015 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016

For and on behalf of the Committee of Management



SHANE MURPHY  
 ACTING BRANCH SECRETARY

23 December 2016

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

**BRANCH COMMITTEE OF MANAGEMENT'S STATEMENT**

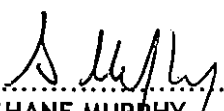
On 23 December 2016 the Branch Committee of Management of the Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications Branch NSW passed the following resolution in relation to the general purpose financial report (GPFR) of the Branch for the year ended 31 March 2016.

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

- (a) the financial report and notes comply with the Australian Accounting Standards;
- (b) the financial report and notes comply with the reporting guidelines of the General Manager;
- (c) the financial report and notes give a true and fair view of the financial performance, financial position and cash flows of the branch for the financial year ended 31 March 2016;
- (d) there are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year ended 31 March 2016 and since the end of the financial year:
  - (i) meetings of the Branch Committee of Management were held in accordance with the rules of the organisation and the rules of the Branch; and
  - (ii) the financial affairs of the Branch have been managed in accordance with the rules of the organisation and the rules of the Branch; and
  - (iii) the financial records of the branch have been kept and maintained in accordance with the RO Act; and
  - (iv) the financial records of the Branch have been kept, as far as practicable, in a consistent manner to each of the other branches of the organisation; and
  - (v) no information has been sought in any request of a member of the branch or a General Manager under section 272 of the RO Act 2009; and
  - (vi) no order for inspection of the financial records was made by the Fair Work Commission under section 273 of the RO Act 2009.
- (f) No revenue has been derived from undertaking recovery of wages activity during the reporting period.

Furthermore, the Branch Committee of Management resolves for the Branch Secretary to make available the Concise report on the Branch website for member's information and a copy of the GPFR is to be made available to any member who makes a formal request in writing.

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

  
.....  
**SHANE MURPHY**

23 December 2016

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 \$	2015 \$
<b>INCOME</b>			
Membership Contributions	4	3,229,724	3,043,528
Interest		17,536	28,797
Rent		671,379	688,249
Dividends - available for sale financial assets		465	232
Tenants Outgoings		10,183	97,508
Board fees		-	33,415
Sundry Income		25,821	6,200
<b>TOTAL INCOME</b>		<u>3,955,108</u>	<u>3,897,929</u>
<b>EXPENDITURE</b>			
<b>Depreciation</b>			
Office Furniture & Equipment		35,693	49,377
Motor Vehicles		42,483	40,359
		<u>78,176</u>	<u>89,736</u>
<b>Employee Benefits Expense</b>			
Salaries - Officials	5 d	979,068	890,762
Salaries - Staff	5 e	266,753	352,300
Payroll Tax		77,988	97,256
Provident Fund and Superannuation	5 d&e	243,158	178,761
Provision for Long Service Leave		(39,095)	(4,628)
Provision for Annual Leave		16,817	(8,826)
Provision for Sick Leave		(8,033)	(69,980)
		<u>1,536,656</u>	<u>1,435,645</u>
<b>Other Expenses</b>			
Affiliation Fees	5a	69,844	62,073
Audit Fees	14	42,615	43,999
Bank Charges		33,802	33,571
Capitation Divisional Conference	5a	722,846	682,923
CEPU Journey cover		50,335	59,916
Campaign Expenses - Your Rights At Work & research report		75,285	124,680
Collection Costs - Membership Contributions		22,654	24,207
Computer Expenses		55,795	52,082
Delegates, Meetings and Officials Expenses	5 g	38,556	54,217
Donations & Grants	5 b	-	-
Electricity, Gas and Heating		45,260	51,465
Emergency Ambulance Transport Benefit		11,105	11,892
Equipment Rental		12,012	12,013
Fringe Benefits Tax	5 d&e	39,103	16,692
Honorarium		-	1,000
Insurance		53,359	34,471
Land Tax		36,947	58,476
Property leasing commission		16,790	5,707
Legal and Professional Fees	5 f	86,505	480,557
True up of inter-union fees		(55,813)	80,123
<b>Carried Forward</b>		<u>1,357,000</u>	<u>1,890,064</u>

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

**STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)**

	Note	2016 \$	2015 \$
<b>Other Expenses (cont'd)</b>			
Brought Forward		1,357,000	1,890,064
Loss on Disposal of Assets	5 c	6,014	26,660
Management Fees Building		29,073	26,835
Mortality Benefits Paid		7,336	1,500
Motor Vehicle Expenses		50,556	64,258
National Council Fund	5 a	9,038	4,243
Other Expenditure		(78,253)	9,172
Parking Space Levy		14,670	14,310
Postage, Printing and Stationery		53,385	60,427
Publications and Communication		30,068	37,895
Rates and Taxes		80,626	78,515
Repairs and Maintenance		131,648	82,143
Sub-Branch Expenses		-	51
Telecommunication costs		39,977	38,493
Training		4,172	1,669
Workers Compensation		14,782	12,319
		<u>1,750,092</u>	<u>2,348,554</u>
<b>TOTAL EXPENDITURE</b>		<u>3,364,924</u>	<u>3,873,935</u>
<b>NET SURPLUS FOR THE YEAR</b>		<u>590,184</u>	<u>23,994</u>
Other Comprehensive Income:			
Revaluation of Building		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>590,184</u>	<u>23,994</u>

(The attached notes form part of these financial statements)

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016**

	Note	2016 \$	2015 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	9	3,153,425	2,657,702
Receivables	10	81,497	72,452
Receivables - member Contributions in Transit		76,326	42,239
		<u>3,311,248</u>	<u>2,772,393</u>
<b>NON CURRENT ASSETS</b>			
Investments	11	1,592	1,591
Property, Plant and Equipment	12	9,174,379	9,247,757
		<u>9,175,971</u>	<u>9,249,348</u>
<b>TOTAL ASSETS</b>		<u>12,487,219</u>	<u>12,021,741</u>
<b>CURRENT LIABILITIES</b>			
Provision for Branch Education Training		-	7,768
Provision for Emergency Ambulance Transport Benefit		-	10,000
Provision for Long Service Leave	6 c&d	120,697	102,027
Provision for Annual Leave	6 c&d	130,016	113,199
Provision for Sick Leave	6 c&d	249,100	257,133
Sundry Creditors and Accruals	6 b	288,694	229,318
Sundry Creditor - Divisional Conference	6 a	11,400	147,403
		<u>799,907</u>	<u>866,848</u>
<b>NON CURRENT LIABILITIES</b>			
Provision for Long Service Leave	6 c&d	22,973	80,738
<b>TOTAL LIABILITIES</b>		<u>822,880</u>	<u>947,586</u>
<b>NET ASSETS</b>		<u>11,664,339</u>	<u>11,074,155</u>
Accumulated Funds		11,464,339	10,874,155
Asset Revaluation Reserve		200,000	200,000
<b>ACCUMULATED FUNDS AND RESERVES</b>		<u>11,664,339</u>	<u>11,074,155</u>

(The attached notes form part of these financial statements)

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2016

	Accumulated Funds	Building Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 April 2014	10,850,161	200,000	11,050,161
Net Surplus	23,994	-	23,994
Other Comprehensive Income	-	-	-
Total Comprehensive Income for the Year	<u>23,994</u>	<u>-</u>	<u>23,994</u>
Balance at 31 March 2015	<u>10,874,155</u>	<u>200,000</u>	<u>11,074,155</u>
Net Surplus	590,184	-	590,184
Other Comprehensive Income	-	-	-
Total Comprehensive Income for the Year	<u>590,184</u>	<u>-</u>	<u>590,184</u>
Balance at 31 March 2016	<u>11,464,339</u>	<u>200,000</u>	<u>11,664,339</u>

There are no compulsory levy/voluntary contributions to fund investments or reserves

(The attached notes form part of these financial statements)



**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	2016 \$	2015 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash Received</b>			
Receipts from Members		3,186,592	3,031,982
Rent Received		671,379	688,248
Other Receipts		29,358	137,589
Interest Received		17,536	28,797
Receipts from Divisional		6,647	-
Dividend Received		465	232
<b>Cash used</b>			
Payments to Suppliers and Employees		(2,676,295)	(3,119,062)
Payments to CEPU Divisional Conference		(729,147)	(615,643)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	13(b)	<u>506,535</u>	<u>152,143</u>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sale of Property, Plant and Equipment		-	26,660
<b>Cash used</b>			
Payment for Property, Plant and Equipment		(10,812)	(162,294)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<u>(10,812)</u>	<u>(135,634)</u>
<b>NET INCREASE IN CASH</b>		495,723	16,509
Cash at 1 April 2015		<u>2,657,702</u>	<u>2,641,193</u>
<b>CASH AT 31 MARCH 2016</b>	13(a)	<u>3,153,425</u>	<u>2,657,702</u>

(The attached notes form part of these financial statements)

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

**RECOVERY OF WAGES ACTIVITY**

**FOR THE YEAR ENDED 31 MARCH 2016**

The Communications, Electrical, Plumbing Union of Australia, Postal and Telecommunications Branch NSW has not undertaken recovery of wages activity. The Branch does assist with recovery of its member wages. However, as and when decreed by the court we confirm that any settlement or recovery of wages is directly managed between the employer and the employee (i.e. our Postal and Telecommunications Branch NSW member) and at no point of time is any money banked into the Branch bank account. Reportable amounts are NIL for:

- a. any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
- b. any donations or other contributions deducted from recovered money.

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES**

The financial report is for the entity Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications Branch NSW, as an individual entity. The Communications, Electrical, Plumbing Union of Australia is an organisation registered under the Fair Work (Registered Organisations) Act 2009. The Postal and Telecommunications NSW Branch is a Branch of the registered organisation. In accordance with the Act, the Union is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Union and the Branch are not subject to the Corporations Act 2001. The Branch is a not-for-profit entity for the purpose of preparing financial statements under Australian Accounting Standards.

**Basis of Preparation**

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*.

The reporting guidelines made under section 255 of the Fair Work (Registered Organisations) Act 2009 (the RO Act) require all reporting units to apply the Tier 1 reporting requirements as per Australian Accounting Standard AASB 1053 Application for Tiers of Australian Accounting Standards.

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.

The following is a summary of other significant accounting policies adopted in the preparation of the financial statements.

**(a) Revenue**

Revenue from Membership contributions is accounted for on an accrual basis, and recorded in the year to which it relates, and to the extent that the amounts due are considered receivable.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Board fees are fees received where union officials are appointed to a board of trustees for superannuation funds as union representatives. These fees are recognised on an accruals basis. In prior years the board fees were retained by the officials as permitted by the National body ruling in 2004 as to the accounting for other remuneration received in connection with the duties of the union official, external to the Union activities. Since April 2015 the fees are remitted to the Branch net of the PAYE obligation on the receiving officer.

Interest and dividend income is accounted for on an accruals basis.

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

(b) Income Tax

No provision for Income Tax is necessary as the Union is exempt from Income Tax under Section 50 - 15 of the Income Tax Assessment Act 1997.

(c) Property, Plant and Equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and any impairment in value.

*Depreciation*

The depreciable amount of plant and equipment is depreciated on a diminishing value method over their useful lives to the union commencing from the time the asset is ready for use.

The depreciation rates used for each class of asset are:

Office Furniture and Equipment	10% - 33%
Motor Vehicles	22.5%
Buildings	0 - 2.5%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

Gains and losses on disposals are calculated as the difference between the net disposal proceeds and the asset's carrying amount and are included in the statement of comprehensive income in the year that the item is derecognised.

*Land and Buildings*

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

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

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)**

**1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**(d) Impairment**

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised in the statement of comprehensive income for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value and value in use. For the purpose of assessing value in use, this represents depreciated current replacement cost, as the Union is a not-for-profit organisation.

**(e) Employee Benefits**

Provision is made for the Branch's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within 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 amounts expected to be paid when the liability is settled, plus related on-costs. In the case of Long Service Leave this results in an amount not materially different to that achieved by discounting future cash flows.

Contributions are made by the Branch to employee superannuation funds and are charged as expenses when incurred.

**(f) Financial instruments**

Recognition, initial measurement and derecognition

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

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

Classification and subsequent measurement of financial assets

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

- loans and receivables
- Available-For-Sale (AFS) financial assets

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Union's trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Available-for-sale financial assets

Investments which are classified as available for sale are measured at fair value. Unrealised gains or losses on these investments are recognised directly to equity in the Available-for-Sale Investments Reserve until the investment is sold or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported for that asset is included in the statement of comprehensive income.

Classification and subsequent measurement of financial liabilities

The Union's financial liabilities include borrowings and trade and other payables. Financial liabilities are measured subsequently at amortised cost using the effective interest method; that are carried subsequently at fair value with gains or losses recognised in profit or loss.

(g) Goods and Services Tax

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 on the statement of financial position are shown inclusive of GST.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

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

Standard Name	Effective date - year ended	Requirements	Impact
AASB 2014-1 Amendments to Australian Accounting Standards.	31 March 2016	The amendments clarify that if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service. In contrast, if the amount of the contributions is dependent on the number of years of service, an entity is required to attribute those contributions to periods of service using the same attribution method required by paragraph 70 of AASB 119 for the gross benefit.	The adoption of this amendment did not have an impact on the reporting unit.
AASB 2014-1 Amendments to Australian Accounting Standards	31 March 2016	AASB 2014 -1 makes amendments to particular Australian Accounting Standards to delete their references to AASB 1031 Materiality as each standard is amended for another purpose.	The adoption of this amendment did not have an impact on the reporting unit.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

New Australian Accounting Standards cont'd

Standard Name	Effective date year ended	Requirements	Impact
AASB 2014-1 Amendments to Australian Accounting Standards (2010 - 2012 cycle).	31 March 2016	<p>The following standards and changes are made under AASB 2014-1:</p> <ul style="list-style-type: none"> <li>- AASB 3 Business Combinations - clarification that contingent consideration that is classified as an asset or a liability shall be measured at fair value at each reporting date.</li> <li>- AASB 8 Operating Segments - amendments to disclosures</li> <li>- AASB 3 Business Combinations - references to contingent consideration</li> <li>- AASB 13 Fair value measurement - minor clarification re: measurement of short-term receivables and payables</li> <li>- AASB 116 Property, plant and equipment - clarifies that when an item of property, plant and equipment is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.</li> <li>- AASB 124 Related Party Disclosures - clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.</li> </ul>	The adoption of this amendment did not have an impact on the reporting unit.
AASB 2014-1 Amendments to Australian Accounting Standards (2011 - 2013 cycle).	31 March 2016	<p>The following standards and changes are made under AASB 2014-1:</p> <ul style="list-style-type: none"> <li>- AASB 1 First-time Adoption of Australian Accounting Standards - clarification in the basis of conclusion</li> <li>- AASB 3 Business Combinations - Clarifies that AASB 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.</li> <li>- AASB 13 Fair Value Measurement - Clarifies that the scope of the portfolio exception defined in paragraph 52 of AASB 13 includes all contracts accounted for within the scope of AASB 139 Financial Instruments: Recognition and Measurement or AASB 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in AASB 132 Financial Instruments: Presentation.</li> </ul>	There are not expected to be any changes to reported financial position or performance arising from the adoption of part A of AASB 2014-1.



COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

New Australian Accounting Standards cont'd

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:

Standard Name	Effective date year ended	Requirements	Impact
AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation	31 March 2017	<p>This standard amends AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets to:</p> <p>i. establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset;</p> <p>ii. clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset; and</p> <p>iii. clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.</p>	There will be no impact as the entity is not using a revenue based method of depreciation or amortisation.
IFRS 15 Revenue from contracts with customers.	31 March 2019	<p>IFRS 15 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.</p> <p>IFRS 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.</p>	Impacts on the reported financial position and performance have not yet been determined.

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)**

**1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**New Australian Accounting Standards cont'd**

**Future Australian Accounting Standards Requirements continued**

Standard Name	Effective date year ended	Requirements	Impact
Equity method in separate financial statements (Amendments to IAS 27)	31 March 2017	This standard will allow entities to use the equity method to account for its interest in subsidiaries, joint venture and associates in separate financial statements.	There is no impact as the entity does not prepare separate financial statements.
IFRS 9 Financial Instruments	31 March 2019	<p>Significant revisions to the classification and measurement of financial assets, reducing the number of categories and simplifying the measurement choices, including the removal of impairment testing of assets measured at fair value. The amortised cost model is available for debt assets meeting both business model and cash flow characteristics tests. All investments in equity instruments using IFRS 9 are to be measured at fair value. Amends measurement rules for financial liabilities that the entity elects to measure at fair value through profit and loss. Changes in fair value attributable to changes in the entity's own credit risk are presented in other comprehensive income. Impairment of assets is now based on expected losses in IFRS 9 which requires entities to measure:</p> <ul style="list-style-type: none"> <li>- the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or</li> <li>- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).</li> </ul>	Impacts on the reported financial position and performance have not yet been determined.

**(i) Administration**

The Branch has not been administered by another entity.

**(j) Going concern**

The Branch is not reliant on the financial support of any other reporting units to ensure they can continue on a going concern basis.

The Branch has not agreed to provide financial support to another reporting entity to ensure they can continue as a going concern basis.

The Branch provides Capitation Fees to the Divisional Conference Funds.

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)**

**1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**(k) Amalgamations and Restructures**

There have been no amalgamations or restructures in the financial year and previous financial year. No assets or liabilities have been acquired as a result of any amalgamations or restructures.

**(l) Business Combinations**

There have been no business combinations during the financial year and previous financial year. No assets or liabilities have been acquired as a result of any business combinations.

**(m) Cash and Cash equivalents**

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

**(n) Receivables**

Receivables for goods and services, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

**(o) Operating Leases**

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

**(p) Capitation fees and levies**

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

**2. ACCOUNTING ESTIMATES AND JUDGEMENTS**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**(a) Significant accounting estimates and assumptions**

The Branch makes estimates and assumptions concerning the future. The resulting accounting estimates by definition seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

**(b) Critical judgments in applying the Branch's accounting principles**

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

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)**

**3. SECTION 272 FAIRWORK (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)

**4. INCOME**

**(a) Membership contributions**

	2016	2015
	\$	\$
Membership contributions	3,229,724	3,043,528

**(b) Other income**

The following income items as prescribed under the reporting guidelines of the Fair Work (Registered Organisations) Act, 2009, have not occurred in the reporting period:

- a. Capitation/Sustentation fees
- b. Compulsory levies
- c. Donations or grants
- d. Other financial support from other reporting units

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)**

**5. EXPENSE**

- (a) Fees and periodic subscriptions are paid in respect of its affiliation to any political party, any federation, congress, council or group of organisations, or any international body having an interest in industrial matters:

	2016 \$	2015 \$
<b>Affiliation Fees</b>		
ALP NSW Branch	32,869	35,773
ALP ACT Branch	913	2,069
Unions NSW	36,062	24,231
	<u>69,844</u>	<u>62,073</u>
 CEPU Divisional Conference (Capitation Fees)	 722,846	 682,923
 CEPU National Office (National Council Fund )	 9,038	 4,243

(b) Donations

Details to whom payment made	Purpose	2016 \$
N.A	N.A	<u>Nil</u>

There were no other donations made in the 2016 financial year.

**2015**

**Non-reportable donations (excl. GST)**

Details to whom payment made	Purpose	2015 \$
N.A	N.A	<u>Nil</u>

(c) Net losses from sale of assets

	2016 \$	2015 \$
Land and buildings	-	-
Plant and equipment	6,014	26,660
Intangibles	-	-
Total net losses from asset sales	<u>6,014</u>	<u>26,660</u>

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)**

**(d) Employee expenses related to holders of office**

	2016	2015
	\$	\$
<b>Officers benefits expense</b>		
Wages and Salaries	979,068	890,762
Superannuation	138,776	102,023
Leave and other entitlements	(22,646)	35,262
Separation and redundancies	-	-
Fringe benefit expenses	27,372	11,697
	<u>1,122,570</u>	<u>1,039,744</u>

**(e) Employee expenses related to employees (other than holders of office)**

	2016	2015
	\$	\$
<b>Employees benefits expense</b>		
Wages and Salaries	266,753	352,300
Superannuation	104,382	76,738
Leave and other entitlements	44,924	(118,696)
Separation and redundancies	-	-
Fringe benefit expenses	11,731	4,995
	<u>427,790</u>	<u>315,337</u>

**(f) Legal and Professional Fees**

	2016	2015
	\$	\$
Legal costs - litigation	-	329,001
Legal costs - other matters	86,505	151,556
	<u>86,505</u>	<u>480,557</u>

**(g) Delegates expenses**

	2016	2015
	\$	\$
<b>Delegates Expenses</b>	38,556	54,217
Included in the above delegates expense are expenses for:		
Fees or allowances for attendances as representatives of the Union at conferences or other meetings	8,000	4,000
Expenses incurred in connection with holding meetings of members of the reporting unit	18,719	16,149

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)**

**(h) Other expense**

	2016	2015
	\$	\$
Payments to employers for payroll deduction activity	21,169	24,204

The following expense items as prescribed under the reporting guidelines of the Fair Work (Registered Organisations) Act, 2009, have not occurred in the reporting period:

- a. Compulsory levies
- b. Penalties imposed under the RO Act.
- c. Amounts paid in grants that were \$1,000 or less
- d. Amounts paid in grants that exceed \$1,000
- e. Amounts paid in donations that were \$1,000 or less
- f. Amounts paid in donations that exceed \$1,000

**6. DISCLOSURES IN RESPECT OF STATEMENT OF FINANCIAL POSITION**

**(a) Amounts receivable/payable to/from other reporting units of the Union**

		2016	2015
		\$	\$
<b>Amounts receivable from reporting units</b>			
CEPU Divisional Conference	10	5,809	1,812
<b>Amounts payable to reporting units</b>			
CEPU Divisional Conference (Capitation Fees Payable)		11,400	147,403
CEPU Divisional Office - for journey cover		50,335	4,350
		<u>61,735</u>	<u>151,753</u>
Provision for doubtful debts		-	-

**(b) Payables and accruals**

		2016	2015
		\$	\$
Legal costs - litigation		4,194	25,072
Legal Accrual		53,613	-
Trade payable		139,425	143,557
Tax payable		40,649	43,793
CEPU Divisional Office - for journey cover		50,335	4,350
Payables to employers as consideration for the employers making payroll deductions of membership subscriptions		-	-
Other payable		478	12,546
		<u>288,694</u>	<u>229,318</u>

**(c) Employee provisions related to holders of office**

		2016	2015
		\$	\$
<b>Officers provisions</b>			
Annual leave		101,083	71,655
Long service leave		135,019	141,799
Separation and redundancies		-	-
Other employee provisions (sick leave)		242,937	225,937
		<u>479,039</u>	<u>439,391</u>

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)**

**(d) Employee provisions related to employees (other than holders of office)**

	2016	2015
	\$	\$
<b>Employees provisions</b>		
Annual leave	28,933	41,544
Long service leave	8,651	40,966
Separation and redundancies	-	-
Other employee provisions (sick leave)	6,163	31,196
	<u>43,747</u>	<u>113,706</u>

**7. DISCLOSURES IN RESPECT OF STATEMENT OF CHANGES IN EQUITY**

The following equity items as prescribed under the reporting guidelines of the Fair Work (Registered Organisations) Act, 2009, have not occurred in the reporting period:

- a. No separate fund or account operated in respect of compulsory levies raised by the Union or voluntary contributions collected from members of the Union.
- b. No monies in respect of compulsory levies raised or voluntary contributions collected from members of the Union have been invested in any assets.
- c. No separate fund or account which is required by the rules of the Union or rules of a Branch of the Union.
- d. No transfer(s) and/or withdrawal(s) to a fund, account or controlled entity, when any of these are kept for a specific purpose(s) by the Union.

**8. DISCLOSURES IN RESPECT OF STATEMENT OF CASH FLOWS**

**Amounts received/paid to/from other reporting units of the Union**

Amounts received and paid in respect of the Capitation Fees and other charges have been incorporated as part of the Statement of Cash Flows and detailed below.

	2016	2015
	\$	\$
Cash inflows from other reporting units	6,647	-
Cash outflows to other reporting units (CEPU Divisional Conference)	729,147	615,643
	<u>2016</u>	<u>2015</u>
	\$	\$

**9. CASH AND CASH EQUIVALENTS**

Cash on Hand	800	800
Cash at Bank	211,843	32,563
Cash Management Account	2,921,011	2,534,568
NSW State Election Account	19,771	89,771
	<u>3,153,425</u>	<u>2,657,702</u>



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	2016	2015
	\$	\$
<b>10. RECEIVABLES</b>		
Accrued Interest	-	377
Bonds	6,795	6,795
Prepayments	31,972	47,075
Sundry Debtors	36,921	16,393
Amounts due from CEPU Divisional Conference	6a 5,809	1,812
	81,497	72,452

**11. INVESTMENTS**

**AVAILABLE-FOR-SALE FINANCIAL ASSET**

NRMA shares at cost	1,592	1,592
Cost is used as a reasonable approximation of fair value given the low value held.		

Fair value of the unlisted share fund was based on the market value of the investment in accordance to the statement as at 31 March 2016 provided by the investment management institution. Fair value increments have been recognised in other comprehensive income as a separate component of equity.

	2016	2015
	\$	\$
<b>Movement Schedule</b>		
<b>NRMA Shares</b>		
Opening January	1,592	1,592
Additions	-	-
Revaluations	-	-
Closing December	1,592	1,592

The Union measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets, financial liabilities and available-for-sale financial assets at fair value through profit or loss (FVTPL)
- The Union has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

(i) Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

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(ii) Recognised fair value measurements

The following table presents the Union's assets and liabilities measured and recognised at fair value at 31 March 2016 and 2015

At 31 March 2016	Level 1	Level 2	Level 3	Total
Financial Assets				
NRMA Shares - Fair Value	1,592	-	-	1,592
Total Financial Assets	1,592	-	-	1,592
At 31 March 2015	Level 1	Level 2	Level 3	Total
Financial Assets				
NRMA Shares - Fair Value	1,592	-	-	1,592
Total Financial Assets	1,592	-	-	1,592

There were no transfers between levels for recurring fair value measurements during the year. The Unions policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(iii) Disclosed fair values

For all financial instruments other than those measured at fair value, their carrying value approximates fair value. The carrying amounts of receivables and payables are assumed to approximate their fair values due to their short-term nature.

**12. PROPERTY, PLANT AND EQUIPMENT**

<b>Land and Buildings</b>		
81 George Street, Parramatta		
At fair value	<u>8,825,000</u>	<u>8,825,000</u>

The branch committee of management determined the fair value of the building had increased to \$8,825,000 at 31 March 2012 to reflect current market information on the land and building.

Information on current values to 31 March 2016 has been received from an independent valuer to indicate that this value has not declined since that date to require adjustment.

Part of the building is used to generate rental income determined on market rental rates and is considered to be the asset's highest and best use.

<b>Office Furniture and Equipment</b>		
At Cost	642,258	760,853
Less Accumulated Depreciation	<u>(439,211)</u>	<u>(529,403)</u>
	<u>203,047</u>	<u>231,450</u>
<b>Motor Vehicles</b>		
At Cost	272,488	274,980
Less Accumulated Depreciation	<u>(126,156)</u>	<u>(83,673)</u>
	<u>146,332</u>	<u>191,307</u>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<u>9,174,379</u>	<u>9,247,757</u>

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MOVEMENTS IN CARRYING AMOUNTS

	Land and Buildings	Office Furniture and Equipment	Motor Vehicles	Total
Balance at 1 April 2015	8,825,000	231,450	191,307	9,247,757
Additions	-	10,812	-	10,812
Disposals	-	(3,522)	(2,492)	(6,014)
Depreciation	-	(35,693)	(42,483)	(78,176)
Balance at 31 March 2016	8,825,000	203,047	146,332	9,174,379

	Land and Buildings	Office Furniture and Equipment	Motor Vehicles	Total
Balance at 1 April 2014	8,825,000	234,741	168,776	9,228,517
Additions	-	46,086	116,208	162,294
Disposals	-	-	(53,318)	(53,318)
Depreciation	-	(49,377)	(40,359)	(89,736)
Balance at 31 March 2015	8,825,000	231,450	191,307	9,247,757

FAIR VALUE MEASUREMENT OF NON - FINANCIAL INSTRUMENTS

The following table shows the levels within the hierarchy of non-financial assets measured at fair value on a recurring basis at 31 March 2016.

	Level 1	Level 2	Level 3	Total
31 March 2016				
Office Building	-	8,825,000	-	8,825,000
	-	8,825,000	-	8,825,000
31 March 2015				
Office Building	-	8,825,000	-	8,825,000
	-	8,825,000	-	8,825,000

There were no transfers between levels for recurring fair value measurements during the year.

The Unions policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Fair value of the Union's main property assets is estimated based on appraisals performed by independent, professionally-qualified property valuers. The significant inputs and assumptions are developed in close consultation with committee of management. The valuation processes and fair value changes are reviewed by the Committee of management at each reporting date.

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	2016	2015
	\$	\$
<b>13. CASH FLOW INFORMATION</b>		
<b>Cash and cash equivalents</b>		
<i>Cash</i> comprises cash on hand and demand deposits.		
<i>Cash equivalents</i> are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.		
(a) For the purpose of the statement of cash flows, cash includes cash on hand and in at call deposits with banks and financial institutions.		
Cash at the end of the year is shown in the statement of financial position as:		
Cash on Hand	9 800	800
Cash at Bank	9 211,843	32,563
Cash Management Account	9 2,921,011	2,534,568
NSW State Election Account	9 19,771	89,771
	<u>3,153,425</u>	<u>2,657,702</u>
(b) Reconciliation of cash flow from Operations with Net Surplus		
Net Surplus	590,184	102,247
Non-Cash Flows in Operating Result		
Loss on Disposal of Assets	6,014	26,659
Depreciation	78,176	89,736
Changes in Assets and Liabilities		
(Increased) / Decrease in Deductions in Transit	(39,258)	(11,546)
(Increased) / Decrease in Bonds, Prepayments & Sundry Debtors	(3,873)	(5,400)
(Increased) / Decrease in Branch Education Training Fund & Emergency Ambulance Transport Benefit Fund	(17,768)	-
Increase/(Decrease) in Sundry Creditors	(76,630)	33,881
Decrease in Provisions	<u>(30,311)</u>	<u>(83,434)</u>
<b>CASH FLOWS FROM OPERATIONS</b>	<u>506,535</u>	<u>152,143</u>
<b>14. AUDITORS' REMUNERATION</b>		
Audit Fees	36,700	34,450
Accounting and other support services	5,915	9,549
	<u>42,615</u>	<u>43,999</u>

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15. RELATED PARTY DISCLOSURES

- (a) The following persons were members of the Branch Committee of Management during the financial period.

<u>Position</u>	<u>Name</u>	<u>Period</u>
Branch President	Rod Baxter	1/4/2015 - 31/3/2016
Branch Vice Presidents	Maureen Morris	1/4/2015 - 31/3/2016
	Max Wiley	1/4/2015 - 31/7/2015
	Peter O'Connell	1/8/2015 - 31/3/2016
Branch Secretary	Jim Metcher	1/4/2015 - 31/3/2016
Branch Assistant Secretary	Shane Murphy	1/4/2015 - 31/3/2016
Branch Organisers	Peter Chaloner	1/4/2015 - 31/3/2016
	Gil Enzon	1/4/2015 - 31/3/2016
	Tan Kien Ly	1/4/2015 - 31/3/2016
	Aaron Stockdale	1/4/2015 - 31/3/2016
Lines & General Sectional Representatives	Max Catania	1/4/2015 - 31/3/2016
	Peter O'Connell	1/4/2015 - 31/7/2015
	Michael Stanbury	1/4/2015 - 31/7/2015
	Steve Worsley	21/5/2015 - 31/3/2016
	George Deligiannis	1/8/2015 - 31/3/2016
	Tony Damjanovski	1/8/2015 - 31/3/2016
Postal Sectional Representatives	Ramon Gammad	1/4/2015 - 31/7/2015
	Geoffrey Johnson	1/4/2015 - 31/7/2015
	Aaron Robertson	1/4/2015 - 31/7/2015
	John Amatto	1/4/2015 - 31/7/2015
	Paula Houghton	1/4/2015 - 31/3/2016
	Brandon Lam	1/4/2015 - 31/7/2015
	Gregory Rayner	1/4/2015 - 31/7/2015
	James McCallum	1/8/2015 - 31/3/2016
	Donald Watson	1/8/2015 - 31/3/2016
	David Wong	1/8/2015 - 31/3/2016
	Pania Stephens	1/8/2015 - 31/3/2016
	Gary Smith	1/8/2015 - 31/3/2016
	John Larsen	1/8/2015 - 31/3/2016

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(b) Related party transactions

Transactions with related parties are on normal terms and conditions no more favourable than those available to other parties, unless otherwise stated.

- i. The aggregate amount of remuneration paid to officers during the financial year is disclosed in the Financial Report (Note 5 (d)).
- ii. The aggregate amount paid during the financial year to a superannuation plan in respect of elected full time officers was \$94,452 (2015: \$100,313).
- iii. There have been no other transactions between the officers and the Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications Branch NSW other than those relating to their membership of the Union and the 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.
- iv. Capitation fees and administration fees paid to Divisional Conference are disclosed as income and expenses respectively in the Statement of Comprehensive Income and as cash paid in Note 8.
- v. Amounts receivable from and payable to the Divisional Conference at balance date are disclosed in Note 6(a).
- vi. The Branch Secretary's son is employed by the Union on terms and conditions no more favourable than applicable to other employees on the same level of experience and position within the Union. The appointment had been made independently of the Branch Secretary's involvement.

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
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**(c) Key management personnel remuneration**

Key management persons are those persons having authority and responsibility for planning, directing and controlling the activities of the Branch, directly or indirectly, including any member of the Committee of Management. Key management personnel remuneration is represented by the remuneration of the Officers of the branch:

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Short-term employee benefits</b>		
Wages and Salaries	979,068	890,762
Annual leave	(29,428)	24,703
Other employee expenses FBT	27,372	11,697
<b>Post-employment benefits</b>		
Superannuation	138,776	102,023
<b>Other long-term employee benefits</b>		
Long service leave	6,782	10,559
<b>Termination benefits</b>	-	-
<b>Share based payments</b>	-	-
<b>Total</b>	<u>1,122,570</u>	<u>1,039,744</u>

**16. SUPERANNUATION**

Employees of the Branch are entitled to benefits from a superannuation plan on retirement, disability or death. The Branch participated in a defined contribution plan. The benefits provided under this plan are based on accumulated contributions and earnings for each employee. The Branch's liability is limited to paying the contributions to the plan.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)**

**17. NATIONAL COUNCIL - BRANCH VOTING ENTITLEMENTS**

For the purposes of the National Council Composition and Voting Rights, the actual membership contributions received for the financial year ended 31 March 2016 were \$3,229,724 (2015: \$3,043,528).

**18. COMMITMENTS**

The Union had the following lease commitment for Plant and Equipment as at 31 March 2015.

	2016	2015
	\$	\$
Payable within one year	13,214	13,214
Payable later than one year but not later than five years	4,867	18,094
Payable later than five years	-	-
	<u>18,801</u>	<u>31,308</u>

**19. FINANCIAL RISK MANAGEMENT NOTE**

**(a) General objectives, policies, and processes**

The Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications Branch NSW is exposed to risks that may arise from its use of financial instruments. This note describes the Branch's objectives, policies, and processes for managing those risks and the methods used to measure them.

There have been no substantive changes in the Branch's exposure to financial instrument risk, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Branch's financial instruments consist mainly of deposits with banks and receivables. The main risks the Branch is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

The Branch Secretary and Branch Committee of Management have overall responsibility for the determination of the Branch's risk management objectives and policies.



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FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)**

**(b) Credit Risk**

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Branch incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Branch.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provision for doubtful debts, as disclosed below:

	2016 \$	2015 \$
Cash and cash equivalents	<u>3,153,425</u>	<u>2,657,702</u>

The cash and cash equivalents are held in a high quality Australian financial institutions

	2016 \$	2015 \$
Receivables	<u>81,497</u>	<u>72,452</u>

There has been no history of default, no amounts are past due and all receivables are likely to be repaid within the expected terms.

**(c) Liquidity Risk**

Liquidity risk is the risk that the Branch may encounter difficulties in raising funds to meet commitments associated with financial instruments.

The Branch is not significantly exposed to this risk; as at 31 March 2016 it has \$3,153,425 of cash and cash equivalents to meet these obligations as they fall due (31 March 2015 totalled \$2,657,702). The Branch manages liquidity risk by monitoring cash flows.

**(d) Market Risk**

Market risk arises from the use of interest bearing, tradable financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or other market factors (other price risk).

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)**

**(e) Interest Rate Risk**

The Branch's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and liabilities are summarised below:

31 March 2016	Fixed Interest rate	Floating interest rate	Non-interest Bearing	Total
<b>Financial Assets</b>	\$	\$	\$	\$
Cash at Bank and on Hand		231,614	800	232,414
Held- to maturity investments	2,921,011			2,921,011
Receivables			81,497	81,497
<b>Total financial assets</b>	<b>2,921,011</b>	<b>231,614</b>	<b>82,297</b>	<b>3,234,922</b>
Weighted average Interest rate	2%	0.01%		
<b>Financial Liabilities</b>				
Payables			300,094	300,094
<b>Net Financial Assets</b>	<b>2,921,011</b>	<b>231,614</b>	<b>(217,797)</b>	<b>2,934,828</b>

31 March 2015	Fixed Interest rate	Floating interest rate	Non-interest Bearing	Total
<b>Financial Assets</b>	\$	\$	\$	\$
Cash at Bank and on Hand		122,334	800	123,134
Held- to maturity investments	2,534,568			2,534,568
Receivables			72,452	72,452
<b>Total financial assets</b>	<b>2,534,568</b>	<b>122,334</b>	<b>73,252</b>	<b>2,730,154</b>
Weighted average Interest rate	2%	0.01%		
<b>Financial Liabilities</b>				
Payables			346,721	346,721
<b>Net Financial Assets</b>	<b>2,534,568</b>	<b>122,334</b>	<b>(273,469)</b>	<b>2,383,433</b>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)

19. FINANCIAL RISK MANAGEMENT NOTE (cont'd)

Sensitivity Analysis

2016	Carrying Amount	+0.5% (50 basis points) Profit \$	-0.5% (50 basis points) Loss \$
Cash Assets	3,153,425	15,767	(15,767)
2015			
Cash Assets	2,657,702	13,288	(13,288)

(f) Other Price Risks

The Branch does not have significant investments in shares and does not invest in derivatives therefore it does not expose itself to the fluctuations in price that are inherent in such a market.

(g) Foreign Exchange Risk

The Branch is not directly exposed to foreign exchange rate fluctuations.

20. OPERATING LEASE INCOME

The future minimum lease rental receipts under non-cancellable operating leases are set out below, in the aggregate and represent for each of the following periods, the current rental amounts receivable :

	2016 \$	2015 \$
Receivable within one year	728,094	555,277
Receivable later than one year but not later than five years	382,324	1,480,738
Receivable later than five years	-	-
	1,110,418	2,036,015

General description of the lessor's leasing arrangements

The operating leases are applicable to the portion of the building not used by the Branch, which are leased under operating leases of between 3 and 5 years.

The leases are subject to annual reviews with increases based on varying levels of 3% to 4%, subject to varying conditions and inflation.

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21. LEGAL COSTS - RELATED PARTY

From time to time in the course of managing the affairs of the Branch, officers and employees of the Branch become involved as parties in various types of legal proceedings. If the Branch Committee of Management ("BCOM") believes that any such proceedings form part of or are connected to the business of the Branch, or are proceedings where the Branch has a proper interest, then it may approve payment of the legal costs incurred by the officer or officers of the Branch in relation to those proceedings. Each matter is dealt with on a case by case basis.

Notwithstanding the foregoing, the following payments made by the Branch, with the approval of the BCOM, in respect of legal costs incurred by Branch officers in the period 1 April 2013 to 31 March 2015, are hereby reported. This is done at the request of the Regulatory Compliance Branch of the Fair Work Commission, on the basis that these payments may at least in part be a benefit to the officers concerned.

1. Len Cooper V Branch Secretary (Jim Metcher) \$ 113,277.40 (2013-2015)

Legal costs of defending a claim brought against the Branch Secretary in the Federal Court of Australia for recovery of Australia Post Superannuation Scheme director fees paid to him while he was a director of that Fund. The BCOM resolved on a number of occasions that it was proper for the Branch to fund these fees as the matter involved an important question as to the meaning of the Rules of the Organisation and a resolution of its National Council. In January 2015 judgment was handed down in favour of the Branch Secretary, showing that he was entitled to be paid the directors' fees for his work as a director and upholding his interpretation of the Rules and the Resolution. Costs were not recoverable from the unsuccessful applicant, Mr Cooper.

2. Valerie Butler V J Metcher, S Murphy and others \$23,399.85 (2013-2015)

Legal costs of defending the claim brought against the Branch Secretary, the Assistant Branch Secretary and an employee of the Branch in the Federal Court, in their capacities as members of the Divisional Executive of the Communications Division in allegedly obstructing the adoption by that Executive of the financial statements for the Division up to 19 November 2013. The BCOM resolved to have the Branch pay the fees incurred by these parties as the matter concerned the exercise of their duties as officers of the Organisation. Proceedings were eventually discontinued by consent, the proceedings having no ongoing utility due to the adoption of the said statements.

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
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3. Proceedings relating to incident on 29 May 2013 \$36,132.89 (2013-2014) period

Legal costs of the Branch Secretary in respect of proceedings brought against him in the Melbourne Magistrates Court arising from an incident in the Australia Post boardroom in Melbourne on 29 May 2013. There were three separate proceedings being:-

An Application by Mr Martin O'Nea, then Assistant National Secretary of the Communications Division for Orders against the Branch Secretary in relation to the said incident;

Proceedings against the Branch Secretary brought by Victorian Police in relation to the incident; and

A further Application by Mr Martin O'Nea, when no longer Assistant National Secretary of the Communications Division for Orders against the Branch Secretary in relation to the said incident;

The BCOM resolved to have the Branch pay the Branch Secretary's legal costs in the matters as it believed that the proceedings affected the interests of the Branch and potentially prejudiced the ability of the Branch Secretary to perform his duties.

The initial proceedings by Mr O'Nea were settled on terms acceptable to the Branch Secretary by consent and without admissions of liability. The police proceedings were discharged with no adverse findings against the Branch Secretary following his successful completion of a diversion plan under Victorian law for matters of this type. The further proceedings by Mr O'Nea when no longer Assistant National Secretary were discontinued by him shortly prior to the scheduled hearing of the matter. No costs were recoverable against Mr O'Nea for his action.

**22. REGISTERED OFFICE**

The registered office and principal place of business of the Branch is:  
Level 3,  
81 George Street  
Parramatta NSW 2150

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA

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CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
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CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016**

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**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
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CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016**

**OPERATING REPORT**

Branch Committee of Management report in accordance with section 254 of the Fair Work (Registered Organisations) Act 2009 for the year ended 31 March 2016.

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

The principal activity of the Communications, Electrical, Plumbing Union of Australia, Postal and Telecommunications Branch NSW were to provide industrial and organising services to their members with the objective of protecting and improving the interests of their members.

There have been no significant changes to the way the Union has carried out these activities during the last financial year.

**Operating Result**

The operating surplus for the Branch for the year ending 31 March 2016 is \$590,184 (2015: \$23,994).

**Significant changes in financial affairs**

There have been no significant changes to the operating costs of the Branch in the last financial year.

**Right of members to resign**

Members have the right to resign their membership of the union by giving written notice of resignation to the Branch Secretary. This written notification is accepted subject to the rules of CEPU and in accordance with section 174(1) of the Fair Work (Registered Organisations) Act 2009. In accordance with section 174(1) of the Fair Work (Registered Organisations) Act 2009 a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation. There was no change to this rule during the year.

**Number of members**

Under section 230 of the Fair Work (Registered Organisations) Act 2009 the number of persons recorded in the register of members and who under section 244 of the Fair Work (Registered Organisations) Act 2009 are taken to be members of the Branch of the Union as at 31 March 2016 was 8,176.

**Details of officers or members who are trustees, or directors of a company that is a trustee, of a superannuation entity because they are a member or an officer of a registered organisation**

No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such a position is that they are an officer or member of an organisation

**Number of employees**

The number of persons, both full-time and part time employees measured on a full-time equivalent basis, employed by the Branch as at 31 March 2016 was 11 (2015: 13).

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

The names of persons who have at any time during the financial year ending 31 March 2016 been members of the CEPU P & T NSW Branch Committee of Management and periods they served on the branch committee are as follows:



COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
 POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
 CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016

OPERATING REPORT (cont'd)

<u>Position</u>	<u>Name</u>	<u>Period</u>
Branch President	Rod Baxter	1/4/2015 - 31/3/2016
Branch Vice Presidents	Maureen Morris Max Wiley Peter O'Connell	1/4/2015 - 31/3/2016 1/4/2015 - 31/7/2015 1/8/2015 - 31/3/2016
Branch Secretary	Jim Metcher	1/4/2015 - 31/3/2016
Branch Assistant Secretary	Shane Murphy	1/4/2015 - 31/3/2016
Branch Organisers	Peter Chaloner Gil Enzon Tan Kien Ly Aaron Stockdale	1/4/2015 - 31/3/2016 1/4/2015 - 31/3/2016 1/4/2015 - 31/3/2016 1/4/2015 - 31/3/2016
Lines & General Sectional Representatives	Max Catania Peter O'Connell Michael Stanbury Steve Worsley George Deligiannis Tony Damjanovski	1/4/2015 - 31/3/2016 1/4/2015 - 31/7/2015 1/4/2015 - 31/7/2015 21/5/2015- 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016
Postal Sectional Representatives	Ramon Gammad Geoffrey Johnson Aaron Robertson John Amatto Paula Houghton Brandon Lam Gregory Rayner James McCallum Donald Watson David Wong Pania Stephens Gary Smith John Larsen	1/4/2015 - 31/7/2015 1/4/2015 - 31/7/2015 1/4/2015 - 31/7/2015 1/4/2015 - 31/7/2015 1/4/2015 - 31/3/2016 1/4/2015 - 31/7/2015 1/4/2015 - 31/7/2015 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016

For and on behalf of the Committee of Management

  
 .....  
**SHANE MURPHY**  
**BRANCH SECRETARY**

23 December 2016

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016  
BRANCH COMMITTEE OF MANAGEMENT'S STATEMENT**

On 23 December 2016 the Branch Committee of Management of the Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications Branch NSW passed the following resolution in relation to the general purpose financial report (GPFR) of the Branch for the year ended 31 March 2016.

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

- (a) the financial report and notes comply with the Australian Accounting Standards;
- (b) the financial report and notes comply with the reporting guidelines of the General Manager;
- (c) the financial report and notes give a true and fair view of the financial performance, financial position and cash flows of the branch for the financial year ended 31 March 2016;
- (d) there are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year ended 31 March 2016 and since the end of the financial year:
  - (i) meetings of the Branch Committee of Management were held in accordance with the rules of the organisation and the rules of the Branch; and
  - (ii) the financial affairs of the Branch have been managed in accordance with the rules of the organisation and the rules of the Branch; and
  - (iii) the financial records of the branch have been kept and maintained in accordance with the RO Act; and
  - (iv) the financial records of the Branch have been kept, as far as practicable, in a consistent manner to each of the other branches of the organisation; and
  - (v) no information has been sought in any request of a member of the branch or a General Manager under section 272 of the RO Act 2009; and
  - (vi) no order for inspection of the financial records was made by the Fair Work Commission under section 273 of the RO Act 2009.
- (f) No revenue has been derived from undertaking recovery of wages activity during the reporting period.

Furthermore, the Branch Committee of Management resolves for the Branch Secretary to make available the Concise report on the Branch website for members information and a copy of the GPFR is to be made available to any member who makes a formal request in writing.

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

  
.....  
**SHANE MURPHY**

23 December 2016

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
 POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
 CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016

STATEMENT OF PROFIT OR LOSS AND OTHER  
 COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED 31 MARCH 2016

		2016	2015
		\$	\$
<b>INCOME</b>			
Membership Contributions	4 a	3,229,724	3,043,528
Interest		17,536	28,797
Rent		671,379	688,249
Dividends		465	232
Tenants Outgoings		10,183	97,508
Board fees		-	33,415
Sundry Income		25,821	6,200
<b>TOTAL INCOME</b>		<u>3,955,108</u>	<u>3,897,929</u>
<b>EXPENDITURE</b>			
<b>Depreciation</b>			
Office Furniture & Equipment		35,693	49,377
Motor Vehicles		42,483	40,359
		<u>78,176</u>	<u>89,736</u>
<b>Employee Benefits Expense</b>			
Salaries - Officials	5 d	979,068	890,762
Salaries - Staff	5 e	266,753	352,300
Payroll Tax		77,988	97,256
Provident Fund and Superannuation	5 d&e	243,158	178,761
Provision for Long Service Leave		(39,095)	(4,628)
Provision for Annual Leave		16,817	(8,826)
Provision for Sick Leave		(8,033)	(69,980)
		<u>1,536,656</u>	<u>1,435,645</u>
<b>Other Expenses</b>			
Affiliation Fees	5 a	69,844	62,073
Audit Fees		42,615	43,999
Bank Charges		33,802	33,571
Capitation Divisional Conference		722,846	682,923
CEPU Journey cover		50,335	59,916
Campaign Expenses - Your Rights At Work & research report		75,285	124,680
Collection Costs - Membership Contributions		22,654	24,207
Computer Expenses		55,795	52,082
Delegates, Meetings and Officials Expenses	5 g	38,556	54,217
Donations & Grants	5 b	-	-
Electricity, Gas and Heating		45,260	51,465
Emergency Ambulance Transport Benefit		11,105	11,892
Equipment Rental		12,012	12,013
Fringe Benefits Tax	5 d&e	39,103	16,692
Honorarium		-	1,000
Insurance		53,359	34,471
Land Tax		36,947	58,476
Property leasing commission		16,790	5,707
Legal and Professional Fees	5 f	86,505	480,557
True up of inter-union fees		(55,813)	80,123
Carried Forward		1,357,000	1,890,064

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
 POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
 CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016  
 STATEMENT OF PROFIT OR LOSS AND OTHER  
 COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)

		2016	2015
		\$	\$
<b>Other Expenses (cont'd)</b>			
Brought Forward		1,357,000	1,890,064
Loss on Disposal of Assets	5 c	6,014	26,660
Management Fees Building		29,073	26,835
Mortality Benefits Paid		7,336	1,500
Motor Vehicle Expenses		50,556	64,258
National Council Fund	5 a	9,038	4,243
Other Expenditure		(78,253)	9,172
Parking Space Levy		14,670	14,310
Postage, Printing and Stationery		53,385	60,427
Publications and Communication		30,068	37,895
Rates and Taxes		80,626	78,515
Repairs and Maintenance		131,648	82,143
Sub-Branch Expenses		-	51
Telecommunication costs		39,977	38,493
Training		4,172	1,669
Workers Compensation		14,782	12,319
		<u>1,750,092</u>	<u>2,348,554</u>
<b>TOTAL EXPENDITURE</b>		<u>3,364,924</u>	<u>3,873,935</u>
<b>NET SURPLUS FOR THE YEAR</b>		<u>590,184</u>	<u>23,994</u>
Other Comprehensive Income:			
Revaluation of Building		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>590,184</u>	<u>23,994</u>

(The attached notes form part of these financial statements)

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
 POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
 CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016  
 STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	2016 \$	2015 \$
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	3,153,425	2,657,702
Receivables	81,497	72,452
Receivables - member Contributions in Transit	76,326	42,239
	<u>3,311,248</u>	<u>2,772,393</u>
<b>NON CURRENT ASSETS</b>		
Investments	1,592	1,591
Property, Plant and Equipment	9,174,379	9,247,757
	<u>9,175,971</u>	<u>9,249,348</u>
<b>TOTAL ASSETS</b>	<u>12,487,219</u>	<u>12,021,741</u>
<b>CURRENT LIABILITIES</b>		
Provision for Branch Education Training	-	7,768
Provision for Emergency Ambulance Transport Benefit	-	10,000
Provision for Long Service Leave	6 c&d 120,697	102,027
Provision for Annual Leave	6 c&d 130,016	113,199
Provision for Sick Leave	6 c&d 249,100	257,133
Sundry Creditors and Accruals	6 b 288,694	229,318
Sundry Creditor - Divisional Conference	6 a 11,400	147,403
	<u>799,907</u>	<u>866,848</u>
<b>NON CURRENT LIABILITIES</b>		
Provision for Long Service Leave	<u>22,973</u>	<u>80,738</u>
<b>TOTAL LIABILITIES</b>	<u>822,880</u>	<u>947,586</u>
<b>NET ASSETS</b>	<u>11,664,339</u>	<u>11,074,155</u>
Accumulated Funds	11,464,339	10,874,155
Asset Revaluation Reserve	200,000	200,000
<b>ACCUMULATED FUNDS AND RESERVES</b>	<u>11,664,339</u>	<u>11,074,155</u>

(The attached notes form part of these financial statements)

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
 POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
 CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016

STATEMENT OF CHANGES IN ACCUMULATED FUNDS AND RESERVES  
 FOR THE YEAR ENDED 31 MARCH 2016

	Accumulated Funds	Building Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 April 2014	10,850,161	200,000	11,050,161
Net Surplus	23,994	-	23,994
Other Comprehensive Income	-	-	-
Total Comprehensive Income for the Year	<u>23,994</u>	<u>-</u>	<u>23,994</u>
Balance at 31 March 2015	<u>10,874,155</u>	<u>200,000</u>	<u>11,074,155</u>
Net Surplus	590,184	-	590,184
Other Comprehensive Income	-	-	-
Total Comprehensive Income for the Year	<u>590,184</u>	<u>-</u>	<u>590,184</u>
Balance at 31 March 2016	<u>11,464,339</u>	<u>200,000</u>	<u>11,664,339</u>

There are no compulsory levy/voluntary contributions to fund investments or reserves

(The attached notes form part of these financial statements)

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	2016 \$	2015 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash Received</b>			
Receipts from Members		3,186,592	3,031,982
Rent Received		671,379	688,248
Other Receipts		29,358	137,589
Interest Received		17,536	28,797
Receipts from Divisional Dividend Received		6,647 465	- 232
<b>Cash used</b>			
Payments to Suppliers and Employees		(2,676,295)	(3,119,062)
Payments to CEPU Divisional Conference		(729,147)	(615,643)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<u>506,535</u>	<u>152,143</u>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sale of Property, Plant and Equipment		-	26,660
<b>Cash used</b>			
Payment for Property, Plant and Equipment		(10,812)	(162,294)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<u>(10,812)</u>	<u>(135,634)</u>
<b>NET INCREASE IN CASH</b>		495,723	16,509
Cash at 1 April 2015		<u>2,657,702</u>	<u>2,641,193</u>
<b>CASH AT 31 MARCH 2016</b>		<u>3,153,425</u>	<u>2,657,702</u>

(The attached notes form part of these financial statements)

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**1. BASIS OF PREPARATION OF THE CONCISE FINANCIAL REPORT**

The concise financial report has 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 Organisations) Act 2009*.

The financial statements, specific disclosures and other information included in the concise financial report are derived from and are consistent with the full report of the Communications, Electrical, Plumbing Union of Australia, Postal and Telecommunications Branch NSW. The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of the Communications, Electrical, Plumbing Union of Australia, Postal and Telecommunications Branch NSW as the full financial report.

The accounting policies have been consistently applied by the entity and are consistent with those of the previous financial year.

**2. RECOVERY OF WAGES ACTIVITY**

The Communications, Electrical, Plumbing Union of Australia, Postal and Telecommunications Branch NSW has not undertaken recovery of wages activity. The Branch does assist with recovery of its member wages. However, as and when decreed by the court we confirm that any settlement or recovery of wages is directly managed between the employer and the employee (i.e. our Postal and Telecommunications Branch NSW member) and at no point of time is any money banked into the Branch bank account. Reportable amounts are NIL for:

- a. any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
- b. any donations or other contributions deducted from recovered money.



**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016**

**3. 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).

**4. INCOME**

**(a) Membership contributions**

	2016	2015
	\$	\$
Membership contributions	<u>3,229,724</u>	<u>3,043,528</u>

**(b) Other income**

The following income items as prescribed under the reporting guidelines of the Fair Work (Registered Organisations) Act, 2009, have not occurred in the reporting period:

- a. Capitation/Sustentation fees
- b. Compulsory levies
- c. Donations or grants
- d. Other financial support from other reporting units

**5. EXPENSE**

**(a) Fees and periodic subscriptions are paid in respect of its affiliation to any political party, any federation, congress, council or group of organisations, or any international body having an interest in industrial matters**

	2016	2015
	\$	\$
<b>Affiliation Fees</b>		
ALP NSW Branch	32,869	35,773
ALP ACT Branch	913	2,069
Unions NSW	<u>36,062</u>	<u>24,231</u>
	<u>69,844</u>	<u>62,073</u>
CEPU Divisional Conference (Capitation Fees)	<u>722,846</u>	<u>682,923</u>
CEPU National Office (National Council Fund )	9,038	4,243

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
 POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
 CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)

(b) Donations

Details to whom payment made	Purpose	2016 \$
N.A	N.A	NIL

There were no other donations made in the 2016 financial year.

2015

Non-reportable donations

Details to whom payment made	Purpose	2015 \$
N.A	N.A	NIL

(c) Net losses from sale of assets

	2016 \$	2015 \$
Land and buildings	-	-
Plant and equipment	6,014	26,660
Intangibles	-	-
<b>Total net losses from asset sales</b>	<b>6,014</b>	<b>26,660</b>

(d) Employee expenses related to holders of office

	2016 \$	2015 \$
<b>Officers benefits expense</b>		
Wages and Salaries	979,068	890,762
Superannuation	138,776	102,023
Leave and other entitlements	(22,646)	35,262
Separation and redundancies	-	-
Fringe benefit expenses	27,372	11,697
	<b>1,122,570</b>	<b>1,039,744</b>

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
 POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
 CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)

(e) Employee expenses related to employees (other than holders of office)

	2016	2015
	\$	\$
Employees benefits expense		
Wages and Salaries	266,753	352,300
Superannuation	104,382	76,738
Leave and other entitlements	44,924	(118,696)
Separation and redundancies	-	-
Fringe benefit expenses	11,731	4,995
	<u>427,790</u>	<u>315,337</u>

(f) Legal and Professional Fees

	2016	2015
	\$	\$
Legal costs - litigation	-	329,001
Legal costs - other matters	86,505	151,556
	<u>86,505</u>	<u>480,557</u>

(g) Delegates expenses

	2016	2015
	\$	\$
Delegates Expenses	38,556	54,217
Included in the above delegates expense are expenses for:		
Fees or allowances for attendances as representatives of the Union at conferences or other meetings	8,000	4,000
Expenses incurred in connection with holding meetings of members of the reporting unit	18,719	16,149

(h) Other expense

Payments to employers for payroll deduction activity	21,169	24,204
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The following expense items as prescribed under the reporting guidelines of the Fair Work (Registered Organisations) Act, 2009, have not occurred in the reporting period:

- a. Compulsory levies
- b. Penalties imposed under the RO Act.
- c. Amounts paid in grants that were \$1,000 or less
- d. Amounts paid in grants that exceed \$1,000
- e. Amounts paid in donations that were \$1,000 or less
- f. Amounts paid in donations that exceed \$1,000

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
 POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
 CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)

6. DISCLOSURES IN RESPECT OF STATEMENT OF FINANCIAL POSITION

(a) Amounts receivable/payable to/from other reporting units of the Union

	2016	2015
	\$	\$
Amounts receivable from reporting units		
CEPU Divisional Conference	5,809	1,812
Amounts payable to reporting units		
CEPU Divisional Conference (Capitation Fees Payable)	11,400	147,403
CEPU Divisional Office - for journey cover	50,335	4,350
	61,735	151,753
Provision for doubtful debts	-	-

(b) Payables and accruals

	2016	2015
	\$	\$
Legal costs - litigation	4,194	25,072
Legal Accrual	53,613	-
Trade payable	139,425	143,557
Tax payable	40,649	43,793
CEPU Divisional Office - for journey cover	50,335	4,350
Payables to employers as consideration for the employers making payroll deductions of membership subscriptions	-	-
Other payable	478	12,546
	<u>288,694</u>	<u>229,318</u>

(c) Employee provisions related to holders of office

	2016	2015
	\$	\$
Officers provisions		
Annual leave	101,083	71,655
Long service leave	135,019	141,799
Separation and redundancies	-	-
Other employee provisions (sick leave)	242,937	225,937
	<u>479,039</u>	<u>439,391</u>

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)**

**(d) Employee provisions related to employees (other than holders of office)**

	2016	2015
	\$	\$
<b>Employees provisions</b>		
Annual leave	28,933	41,544
Long service leave	8,651	40,966
Separation and redundancies	-	-
Other employee provisions (sick leave)	6,163	31,196
	<u>43,747</u>	<u>113,706</u>

**7. DISCLOSURES IN RESPECT OF STATEMENT OF CHANGES IN EQUITY**

The following equity items as prescribed under the reporting guidelines of the Fair Work (Registered Organisations) Act, 2009, have not occurred in the reporting period:

- a. No separate fund or account operated in respect of compulsory levies raised by the Union or voluntary contributions collected from members of the Union.
- b. No monies in respect of compulsory levies raised or voluntary contributions collected from members of the Union have been invested in any assets.
- c. No separate fund or account which is required by the rules of the Union or rules of a Branch of the Union.
- d. No transfer(s) and/or withdrawal(s) to a fund, account or controlled entity, when any of these are kept for a specific purpose(s) by the Union.

**8. DISCLOSURES IN RESPECT OF STATEMENT OF CASH FLOWS**

**Amounts received/paid to/from other reporting units of the Union**

Amounts received and paid in respect of the Capitation Fees and other charges have been incorporated as part of the Statement of Cash Flows and detailed below.

	2016	2015
	\$	\$
Cash inflows from other reporting units	6,647	-
Cash outflows to other reporting units (CEPU Divisional Conference)	729,147	615,643

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
 POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
 CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016

9. NEW ACCOUNTING STANDARDS

(a) New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

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

Standard Name	Effective date - year ended	Requirements	Impact
AASB 2014-1 Amendments to Australian Accounting Standards.	31 March 2016	The amendments clarify that if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service. In contrast, if the amount of the contributions is dependent on the number of years of service, an entity is required to attribute those contributions to periods of service using the same attribution method required by paragraph 70 of AASB 119 for the gross benefit.	The adoption of this amendment did not have an impact on the reporting unit.
AASB 2014-1 Amendments to Australian Accounting Standards	31 March 2016	AASB 2014 -1 makes amendments to particular Australian Accounting Standards to delete their references to AASB 1031 Materiality as each standard is amended for another purpose.	The adoption of this amendment did not have an impact on the reporting unit.

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
 POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
 CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016

New Australian Accounting Standards cont'd

Standard Name	Effective date year ended	Requirements	Impact
AASB 2014-1 Amendments to Australian Accounting Standards (2010 - 2012 cycle).	31 March 2016	The following standards and changes are made under AASB 2014-1: <ul style="list-style-type: none"> <li>- AASB 3 Business Combinations - clarification that contingent consideration that is classified as an asset or a liability shall be measured at fair value at each reporting date.</li> <li>- AASB 8 Operating Segments - amendments to disclosures</li> <li>- AASB 3 Business Combinations - references to contingent consideration</li> <li>- AASB 13 Fair value measurement - minor clarification re: measurement of short-term receivables and payables</li> <li>- AASB 116 Property, plant and equipment - clarifies that when an item of property, plant and equipment is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.</li> <li>- AASB 124 Related Party Disclosures - clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.</li> </ul>	The adoption of this amendment did not have an impact on the reporting unit.
AASB 2014-1 Amendments to Australian Accounting Standards (2011 - 2013 cycle).	31 March 2016	The following standards and changes are made under AASB 2014-1: <ul style="list-style-type: none"> <li>- AASB 1 First-time Adoption of Australian Accounting Standards - clarification in the basis of conclusion</li> <li>- AASB 3 Business Combinations - Clarifies that AASB 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.</li> <li>- AASB 13 Fair Value Measurement - Clarifies that the scope of the portfolio exception defined in paragraph 52 of AASB 13 includes all contracts accounted for within the scope of AASB 139 Financial Instruments: Recognition and Measurement or AASB 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in AASB 132 Financial Instruments: Presentation.</li> </ul>	There are not expected to be any changes to reported financial position or performance arising from the adoption of part A of AASB 2014-1.

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
 POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
 CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016

**New Australian Accounting Standards cont'd**  
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:

Standard Name	Effective date year ended	Requirements	Impact
AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation	31 March 2017	<p>This standard amends AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets to:</p> <p>i. establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset;</p> <p>ii. clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset; and</p> <p>iii. clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.</p>	There will be no impact as the entity is not using a revenue based method of depreciation or amortisation.
IFRS 15 Revenue from contracts with customers.	31 March 2019	<p>IFRS 15 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.</p> <p>IFRS 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.</p>	Impacts on the reported financial position and performance have not yet been determined.



COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
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 CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016

New Australian Accounting Standards cont'd  
 Future Australian Accounting Standards Requirements continued

Standard Name	Effective date year ended	Requirements	Impact
Equity method in separate financial statements (Amendments to IAS 27)	31 March 2017	This standard will allow entities to use the equity method to account for its interest in subsidiaries, joint venture and associates in separate financial statements.	There is no impact as the entity does not prepare separate financial statements.
IFRS 9 Financial Instruments	31 March 2019	<p>Significant revisions to the classification and measurement of financial assets, reducing the number of categories and simplifying the measurement choices, including the removal of impairment testing of assets measured at fair value. The amortised cost model is available for debt assets meeting both business model and cash flow characteristics tests. All investments in equity instruments using IFRS 9 are to be measured at fair value. Amends measurement rules for financial liabilities that the entity elects to measure at fair value through profit and loss. Changes in fair value attributable to changes in the entity's own credit risk are presented in other comprehensive income. Impairment of assets is now based on expected losses in IFRS 9 which requires entities to measure:</p> <ul style="list-style-type: none"> <li>- the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or</li> <li>- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument.</li> </ul>	Impacts on the reported financial position and performance have not yet been determined.

**10. GOING CONCERN**

The Branch is not reliant on the financial support of any other reporting units to ensure they can continue on a going concern basis.

The Branch has not agreed to provide any other financial support to any other reporting units to ensure they can continue on a going concern basis.

The Branch provides Capitation Fees to the Divisional Conference Funds.

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016**

**11. ADMINISTRATION**

The Branch has not been administered by another entity.

**12. AMALGAMATIONS AND RESTRUCTURES**

There have been no amalgamations or restructures in the financial year and previous financial year. No assets or liabilities have been acquired as a result of any amalgamations or restructures.

**13. BUSINESS COMBINATIONS**

There have been no business combinations during the financial year and previous financial year. No assets or liabilities have been acquired as a result of any business combinations

Our ref: 62/2

29 November 2016

Joanne Fenwick  
Financial Reporting Specialist  
Regulatory Compliance Branch  
Fair Work Commission  
11 Exhibition Street  
MELBOURNE VIC 3000

Via email: [joanne.fenwick@fwc.gov.au](mailto:joanne.fenwick@fwc.gov.au)

Dear Ms Fenwick,

**CEPU NSW Postal & Telecommunications Branch Financial Report for year ended 31 March 2016 – [FR2016/68]**

I refer to your letter of 24 November 2016 concerning this matter.

It is noted that you have identified a number of matters that are required to be addressed before the Financial Report can be filed.

I am currently in the process of seeking advice and taking action as expeditiously as possible to have the amendments made where necessary to alleviate your concerns and to ensure that amended reports can be filed.

Should any problems arise during this time I will keep you advised.

Yours faithfully



**SHANE MURPHY**  
**ACTING BRANCH SECRETARY**



**CEPU**

**COMMUNICATIONS  
ELECTRICAL  
PLUMBING  
UNION**

**Communications Division  
NSW Postal &  
Telecommunications Branch**

**Jim Metcher**  
Branch Secretary

**Shane Murphy**  
Branch Assistant Secretary

Level 3  
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24 November 2016

Mr Jim Metcher  
Branch Secretary  
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied  
Services Union of Australia – Communications Division – New South Wales Postal and  
Telecommunications Branch  
Level 3, 81 George Street  
PARRAMATTA NSW 2150

via email: [jim.metcher@cepu.org](mailto:jim.metcher@cepu.org)

Dear Mr Metcher

**Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied  
Services Union of Australia – Communications Division – New South Wales Postal and  
Telecommunications Branch Financial Report for the year ended 31 March 2016 -  
[FR2016/68]**

I acknowledge receipt of the financial report for the year ended 31 March 2016 for the  
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied  
Services Union of Australia – Communications Division – New South Wales Postal and  
Telecommunications Branch (the **reporting unit**). The financial report was lodged with the Fair  
Work Commission (**FWC**) on 4 November 2016.

The financial report has not been filed. I have examined the report and identified a number of  
matters, the details of which are set out below, that you are required to address before the report  
can be filed.

The General Purpose Financial Report (**GPFR**), Operating Report and the Concise Report will  
require amendments. The amended reports will need to be provided to members, presented to a  
Committee of Management republished on the reporting unit website and lodged with the FWC.

The matters identified should be read in conjunction with the *Fair Work (Registered  
Organisations) Act 2009* (the **RO Act**), the *Fair Work (Registered Organisations) Regulations  
2009* (the **RO Regs**), the 4<sup>th</sup> edition of the Reporting Guidelines (**RG**) made under section 255 of  
the RO Act and Australian Accounting Standards.

To assist with the preparation of financial reports reporting units should consult the template  
'Model Financial Statements' which is available from the FWC website.

**Timescale requirements**

As you are aware, an organisation is required under the RO Act to undertake certain steps in  
accordance with specified timelines. Information about these timeline requirements can be found  
on the FWC website. In particular, I draw your attention to the fact sheet titled *Financial reporting  
process* which explains the timeline requirements, and the fact sheet titled *Summary of financial  
reporting timelines* which sets out the timeline requirements in diagrammatical format.

I note that the following timescale requirements were not met:

**Preparation of the General Purpose Financial Report (GPFR)**

Sections 253 and 254 of the RO Act require that a GPFR and an Operating Report be prepared  
as soon as practicable after the end of the financial year. Section 266 requires that the financial  
report be presented to a General Meeting of members or a Committee of Management Meeting  
within six months after the end of the financial year.

The Committee of Management statement indicates that a resolution relating to the GPFR and Operating Report was not made until 5 months and 29 days after the reporting unit end of financial year, and 1 day before the latest possible date to hold a General Meeting of members or a Committee of Management Meeting to present the full financial report.

Please note that section 253 and section 254 are a civil penalty provision and future failure to meet this timeline may result in an inquiry into the organisation and the General Manager of the FWC may apply under section 310(1) of the RO Act to the Federal Court of Australia for a pecuniary penalty order to be imposed on your organisation and, potentially, an officer whose conduct led to the non-compliance.

#### Documents must be lodged with Fair Work Commission within 14 days of General Meeting

Section 268 of the RO Act, states that the full report and the Designated Officer's Certificate are required to be lodged with the FWC within 14 days of the meeting of the Committee of Management. The Designated Officer's Certificate indicates that this meeting occurred on 19 October 2016. If this is correct the full report should have been lodged with the FWC by 2 November 2016.

The full report was lodged on 4 November 2016.

Please note that section 268 is a civil penalty provision.

#### Reports must be provided to members within 5 months of end of financial year where the report is presented before Committee of Management meeting

The Designated Officer's Certificate states that the financial report was provided to members on 18 October 2016, and presented to a Committee of Management meeting on 19 October 2016. Under section 265(5)(b) of the RO Act, where the report is presented to a Committee of Management meeting, the report must be provided to members within 5 months of the end of the financial year.

Please note that subsection 265(5) is a civil penalty provision.

#### Reports must be presented to Committee of Management within 6 months after end of financial year.

The Designated Officer's Certificate states that the financial report was presented to a Committee of Management meeting on 19 October 2016. Under section 266(3) of the RO Act, which allows for the full report to be presented to a meeting of the Committee of Management when the rules of the organisation provide for this, the timing of this meeting must be in accordance with section 266(1), that is, within 6 months after the end of the financial year.

Please note that subsection 266(1) is a civil penalty provision.

### **Operating Report**

#### Review of principal activities

Subsection 254(2)(a) of the RO Act requires an Operating Report to contain a review of the principal activities of the reporting unit, the results of those activities and any significant changes in the nature of the those activities. I note that the Operating Report does not provide an adequate review of the principal activities and does not explain the results of these activities. Please note that subsection 254(2)(a) of the RO Act requires a description of the results from providing services to members and a description of any changes to the nature of those activities.

#### Trustee of superannuation entity

Subsection 254(2)(d) of the RO Act requires details of any officer or member of the reporting unit who is a trustee, or a director of a company that is a trustee, of a superannuation entity or an exempt public sector superannuation scheme.

If no officers or a member of the reporting unit is a trustee of a superannuation entity, the preferred wording to satisfy the subsection 254(2)(d) is:

*'No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation'*.

Please amend the Operating Report accordingly and resubmit to the FWC.

## Notes to the financial statements

### New and Future Australian Accounting Standards

Australian Accounting Standard AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* paragraphs 28 and 30 require that the entity disclose:

- Australian Accounting Standards adopted during the period; and
- Australian Accounting Standards issued but not yet effective with an assessment of the future impact of the standard on the entity.

This information has not been provided.

### General purpose financial report to be prepared on accrual basis

Section 252 of the RO Act places obligations upon reporting units to keep financial records. Under section 252(4) an organisation may keep the financial records for its membership subscriptions on a cash basis.

This is distinct from the obligation under section 253 to *prepare* a GPFR. Section 253 requires that:

...a reporting unit must cause a General Purpose Financial Report to be prepared, in accordance with the Australian Accounting Standards, from the financial records kept under subsection 252(1) in relation to the financial year...

Paragraph 27 of Australian Accounting Standard AASB101 *Presentation of Financial Statements*, states that '*an entity shall prepare its financial statements, except for cash flow information, using the accrual basis of accounting*'.

Under Note 1(a) *Revenue* it states that '*revenue from Membership contributions is accounted for on an accrual basis, and recorded in the year to which it relates, and to the extent that the amounts due are considered receivable*'. However the figure reported for Membership Contributions in the Statement of Profit and Loss and Other Comprehensive Income and the Statement of Cash Flows is the same amount, therefore it would appear that revenue for Membership Contributions is being accounted for under a cash basis and not in accordance with the reporting units accounting policies or the Australian Accounting Standards.

Membership Contributions will need to be brought to account on an accruals basis in accordance with the Australian Accounting Standards and the relevant statements and items will need to be amended accordingly. This will also require the re-auditing of these statements by your auditor and the reissuing of the GPFR to members and the FWC.

## Related Parties

### Key management personnel

Australian Accounting Standard AASB 124 *Related Party Disclosures* paragraph 17 requires the GPFR to disclose within the notes compensation paid to key management personnel.

This includes the total amount of compensation paid to all key management personnel, and then totals for each of the following categories:

- Short term employee benefits
- Post-employment benefits
- Other long term employee benefits
- Termination benefits
- Any share based payments.

The definitions for these categories can be found within accounting standard AASB 119 *Employee Benefits*.

Note 15(c) in the GPFR states that '*key management personnel remuneration is represented by the remuneration of the Officers of the Branch which is disclosed in Note 5(c) of the financial statements*'. Note 5(c) refers to the net losses from the sale of assets, therefore I am assuming that the relevant Note is 5(d). Please note that the employee expenses related to holders of office disclosed under Note 5(d) is different to the disclosure requirements and definition of employee benefits under AASB 124 and AASB 119.

Please amend the GPFR to include the disclosure requirements under AASB 124 paragraph 17 relating to compensation paid to key management personnel.

## **Fair Value Measurement**

### Disclosure requirements - measured at fair value

Australian Accounting Standard *AASB 13 Fair Value Measurement* paragraph 93 identifies the disclosure requirements for when assets and liabilities are measured at fair value.

These disclosure requirements have not been sufficiently addressed in the GPFR.

## **Property, plant and equipment**

### Property, plant and equipment reconciliation

Australian Accounting Standard *AASB 116 Property, Plant and Equipment* paragraph 73(e) requires a reconciliation of the carry amount at the beginning and end of the period for each class of property, plant and equipment.

While Note 12 provides a table that discloses the movements in carrying amounts, the figure reported for additions during 2016 does not reconcile to the figure reported in the Statement of Cash Flows for cash used in the payment of property, plant and equipment.

### Land and buildings

Under Note 1(c) the accounting policy for land and building is disclosed as '*following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairments losses.*' Note 12 indicates that the fair value of the building had increased and was subsequently adjusted on 31 March 2012, however since this date no depreciation expense has been recorded as per the reporting units accounting policy and per *AASB 116 Property, Plant and Equipment* paragraph 43. I also note that the reporting unit does not disclose in the GPFR the depreciation method used or the useful life/depreciation rates used as per *AASB 116* paragraph 73.

When reviewing Note 12, it could also be viewed that on 31 March 2016 the land and buildings went through a revaluation process. If this is the case, the requirements under *AASB 116* paragraph 77 and *AASB 13 Fair Value Measurements* have not been disclosed.

## **Cash Flow Statement**

### Notes to the Cash Flow Statement

Reporting Guideline 24 states:

Where another reporting unit and/or controlled entity of the organisation is the source of a cash inflow or the application of a cash outflow, such cash flow should be separately disclosed in the notes to the financial statements and show the name of the other reporting unit and/or controlled entity concerned.

This is in addition to the requirement to disclose capitation fees to/from another reporting unit (Reporting Guideline 14(b) and 16(b)) and receipt of, or provision of, any other financial support from another reporting unit (Reporting Guideline 10, 11 and 14(e)).

Although some of this information is provided, not all cash inflows and cash outflows to the CEPU Divisional Conference and CEPU National Council have been disclosed. The Cash Flow Statement and Note 8 will need to be updated.

### Net loss on disposal of assets

Note 5(c) reports a net loss from the sale of assets of \$4,350 for 2016 and \$26,660 for 2015. The Statement of Cash Flows reports cash received from the proceeds from sale of Property, Plant and Equipment of \$0 for 2016 and \$26,660 for 2015. Note 13(b) *Reconciliation of cash flow from Operations with Net Surplus* indicates that loss on disposal of assets of \$0 for 2016 and \$26,659 for 2015 is a non-cash flow in the operating result.

There appears to be inconsistency in the way this loss for the sale of assets is being treated and whether it is a 'cash' or 'non-cash' item.

Please amend the financial statements of reporting unit accordingly or provide an explanation for the differences.

## Reconciliation between the reporting unit and the CEPU Communications Divisions and the CEPU National Office financial statements

As required within the RG, transactions between reporting units within a registered organisation must be appropriately disclosed. As part of the assessment of the lodged financial return for the reporting unit I note that various transactions have occurred between the reporting unit and the CEPU Communications Division Branch and the CEPU National Office. To ensure that consistent information is being disclosed, a reconciliation between the lodged financial statements has been conducted. During this review the following discrepancies have been noted:

### CEPU National Office

	2016	2015
	\$	\$
<b>Sustentation/Levies</b>		
National	8,216	4,243
NSW P&T Branch	9,038	4,243
<b>Cash receipts</b>		
National	9,038	4,667
<b>Cash payments</b>		
NSW P&T Branch	-	-

### CEPU Communications Division

	2016	2015
	\$	\$
<b>Capitation fees</b>		
Comms Division	722,846	682,923
NSW P&T Branch	726,055	684,793
<b>Receivables</b>		
Comms Division	61,735	151,753
NSW P&T Branch	121,390	73,500
<b>Payables</b>		
Comms Division	5,809	1,812
NSW P&T Branch	2,622	1,812
<b>Cash Inflow</b>		
Comms Division	729,147	760,096
NSW P&T Branch	655,633	615,643
<b>Cash Outflow</b>		
Comms Division	6,647	-
NSW P&T Branch	-	-

Please amend the financial statements of reporting unit accordingly or provide an explanation for the differences.

### **Loans, grants and donations**

Note 5(b) indicates that during the 2015 reporting period that a non-reportable donation was made for the cost of brochures and mail out for electricity privatisation campaign during the NSW



election. Under subsection 237(1) of the RO Act, if an individual loan, grant or donation made by a branch exceeds \$1,000 a statement showing the relevant particulars of each must be lodged with the FWC within 90 days of the end of the financial year.

This subsection is not restricted to only 'cash' donations but also includes in-kind donations. The reporting unit lodged with the FWC on 26 June 2015 a 'nil' loans, grants and donations statement for the reporting period ending 31 March 2015. This statement is therefore incorrect and an amended loans, grants and donation statement for the reporting unit for the financial year ending 31 March 2015 must be lodge with the FWC.

### **Reconciliation of items within the GPFR**

There are a number of instances within the GPFR where the provided figures do not fully explain or reconcile with the totals provided or are inconsistently reported in different places within the report. Please provide explanations for the following differences or amend the GPFR to accurately report these items:

- The figure reported as at 31 March 2016 for Receivables in Note 19(e) under non-interest bearing does not reconcile with the figure reported in Note 10.
- The figure reported under Note 19(e) as at 31 March 2015 for cash at bank and on hand under floating interest rate does not reconcile with the figures reported in Note 9.
- The figure reported under Note 19(e) as at 31 March 2015 for Payables under non-interest bearing does not reconcile with the figures reported in Note 6(a) and 6(b).

### **Concise financial report**

I note that the reporting unit has lodged a concise report with the FWC. Historically, concise reports were employed by organisations to reduce postage costs of distributing a full report. As the provision of financial reports has shifted to organisations' websites, the practice of providing concise reports to members has become less common, particularly in view of the additional expense in preparing and auditing a concise report.

Despite this, the decision to issue a concise report is up to the reporting unit and the committee of management must ensure that it has a formal resolution to provide a concise report.

It should also be noted that item 2 of the RG state that:

These reporting guidelines apply to all general purpose financial reports (GPFR), including a concise financial report....

Based on the issues identified in this letter, the concise report will need to be amended, provided to members and lodged with the FWC.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8656 4681 or by email at [joanne.fenwick@fwc.gov.au](mailto:joanne.fenwick@fwc.gov.au).

Yours sincerely



Joanne Fenwick  
Financial Reporting Specialist  
Regulatory Compliance Branch



24 November 2016

Mr Jim Metcher  
Branch Secretary  
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied  
Services Union of Australia – Communications Division – New South Wales Postal and  
Telecommunications Branch  
Level 3, 81 George Street  
PARRAMATTA NSW 2150

via email: [jim.metcher@cepu.org](mailto:jim.metcher@cepu.org)

Dear Mr Metcher

**RE: Application for extension of time to hold meeting – s.265(5) Fair Work (Registered Organisations) Act 2009 - Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Communications Division – New South Wales Postal and Telecommunications Branch for the year ended 31 March 2016 - [FR2016/68]**

I refer to your letter dated 4 November 2016, which was lodged with the Fair Work Commission (**the Commission**) on that date, requesting review of my decision to decline the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Communications Division – New South Wales Postal and Telecommunications Branch (**the reporting unit**) an extension of time under s.265(5) of the *Fair Work (Registered Organisations) Act 2009 (RO Act)*.

I note you have provided further details along with a timeline of events to support your initial request for an extension of time lodged with the Commission on 29 September 2016.

In my response dated 5 October 2016, I declined the request for an extension of time and noted that the application was made and received one day before the expiry of the 6 month period prescribed for holding the presentation meeting, and 29 days past the deadline of 5 months ordinarily prescribed for providing the report to members where presentation is to a Committee of Management Meeting.

The additional information provided in your letter of 4 November 2016 seems to confirm that it should have been clearly apparent at an earlier stage that the reporting unit would not meet its statutory obligations in relation to timeframes for the providing of the full report to members and the presentation of the full report at a meeting as required under s.266 of the RO Act.

A review of the history of the reporting unit demonstrates that the scheduled Annual General Meeting has not convened because of a lack of quorum in each of the previous ten (10) years and therefore the full report has been presented to a Committee of Management Meeting. Your letter identifies that while further errors were identified after the intended Annual General Meeting, it seems apparent from the materials that no contact was made with the regulator at that or within any reasonable time.

In your correspondence, reference is made to ongoing issues with the Auditor and a delay in receiving documents going back to June 2016. Further reference is made that on 11 August 2016 the audit personnel undertaking the audit services for the reporting unit provided formal notice of no longer wanting to continue as the service provider. In my view, it would have been obvious by early September at the latest that risks had emerged in meeting statutory time frames and it would have been prudent and reasonable to address those risks earlier.

I am advised by the Financial Reporting Specialist within the Regulatory Compliance Branch, that there are a number of RO Act and Australian Accounting Standards issues relevant to the financial report lodged on 4 November 2016 and I advise that separate correspondence will deal with those matters.

I have now had the opportunity to review and carefully consider the additional information you have provided and the request you have made. I do not consider it appropriate in this case to exercise the available discretion under subsection 265(5) to grant an extension of time. I therefore decline to grant the extension of time requested.

Yours sincerely

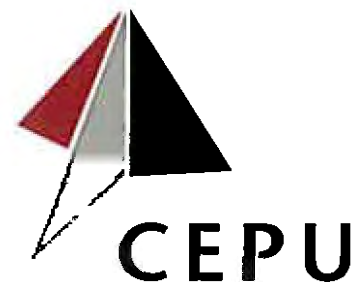
A handwritten signature in blue ink, appearing to be 'CE', is written over a light blue grid background.

Chris Enright  
Delegate of the General Manager  
Fair Work Commission

Our ref: 62/2

4 November 2016

The General Manager  
Fair Work Commission  
Level 8, Terrace Towers  
80 William Street  
EAST SYDNEY NSW 2011



**COMMUNICATIONS  
ELECTRICAL  
PLUMBING  
UNION**

Dear Sir/Madam,

**CEPU NSW Postal and Telecommunications Branch  
General Purpose Financial Report (GPFR) and Concise Report for  
Year Ending 31 March 2016**

I refer you to our correspondence dated 29 September 2016 to the Commission for requesting an extension of time to be provided under s265 (5) of the Fair Work (Registered Organisations) Act 2009 ("the Act") for the purpose of the Branch satisfying the reporting requirements under s265 and 266 of the Act.

Detailed in our abovementioned correspondence were the mitigating circumstances that prevented the Branch from being in a position to meet on time, its reporting obligations, in accordance with the Act.

I note the Commission's response to the Branch in their correspondence of 5 October 2016 in this regard and note the further correspondence issued by the Commission to the Branch dated 27 October 2016.

For the Branch to have lodged its audited financial reports, containing substantial errors — despite being provided with the Independent Auditor's report saying otherwise (despite containing errors in their own auditor report that required correction) was not an appropriate option and I would assume the Commission would have taken issue in this regard if this had occurred likewise.

Likewise if the Branch had failed to take the necessary steps to present the corrected financial reports to both the Branch Committee of Management (BCOM) and the membership for the purpose of just satisfying the reporting timeframe only, then this would not have been appropriate by the Branch and again I would assume the Commission would also take issue with.

I am therefore requesting for the Commission to please reconsider their opinion and decision in this regard and to take into consideration the mitigating circumstances confronted by the Branch for not being in a position to lodge its audited financial reports within the required timeframe.

I can assure the Commission that the Branch takes its responsibilities seriously and has taken all reasonable and practicable steps to ensure our audited financial reports are to the best of our knowledge (apart from meeting the reporting requirement timeframe) being compliant with the requirements set out in the Act.

Communications Division

NSW Postal &  
Telecommunications Branch

Jim Metcher  
Branch Secretary

Shane Murphy  
Branch Assistant Secretary

Level 3  
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Parramatta NSW 2150

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To assist the Commission in being satisfied that the Branch had confronted an abnormal situation, the following factual particulars and additional information is provided to the Commission.

1. A long standing qualified member of our staff who was responsible for the Branch accounts had been suffering from a serious personal illness. This illness escalated in its severity from May 2016 where she eventually lost her battle and passed away on 24 August 2016.
2. This unfortunate setback did not prevent records and information being made available by her to the auditor to conduct and complete their Independent Audit for the year ending 31 March 2016.
3. The General Purpose Financial Report (GPFR) and Concise Report (the reports) were initially provided to the BCOM on 15 June 2016 (first meeting) and whereby the BCOM adopted a number of decisions that included the distribution of the Concise report to the membership. At this time there was no valid reason for the reports not to be lodged with the Commission in advance of the required maximum timeframe.
4. That said, the Independent Auditor's Report to accompany the reports was not provided to the Branch by the auditor until 7 July 2016, despite being dated 15 June 2016.
5. On 18 July 2016, the Branch identified that the Reports of 15 June 2016 contained inaccurate membership figures pursuant to s244. The auditor, despite failing to undertake any testing on membership numbers within their audit, refused to accept this error identified by the Branch until 26 July 2016.
6. On 21 July 2016, the Branch identified further errors within the Independent Auditor's Report to accompany the GPFR and Concise Reports and brought these errors to the attention of the auditor on the same date.
7. The auditor had not responded to the Branch with corrections to errors contained in their own Independent Auditor's Report until 27 July 2016 and only when a complaint was made by the Branch to the senior management of the audit firm.
8. The Concise Report, along with the Independent Auditor's Report dated 15 June 2016, was posted to members within the Union's journal publication on 9 August 2016 - arriving to all members on or around 11 August 2016.
9. On 10 August 2016, the Branch identified that not all errors had been corrected by the auditor within their own Independent Auditor's Report attached to the Concise report that had already been posted to members. The auditor did not correct these errors in their Independent Auditor's report until 11 August 2016.
10. Following receipt of the corrected Independent Auditor's Report, the Branch took the additional step to post the Concise Report and corrected Independent Auditor's report to members on our website on 11 August 2016.
11. On 11 August 2016, the audit personnel undertaking the audit services for the Branch provided the Branch with formal notice of no longer wanting to continue as the service provider due to the formal complaints that had been made by the Branch to the senior management group of the audit firm. The Branch had strongly complained to the poor quality of service that had been provided by the firm personnel who were responsible for undertaking the audit and preparation of the reports.
12. On 17 August 2016, the meeting of the BCOM resolved to appoint a new firm of auditors for the ensuing year only.

13. On 22 August 2016, the Branch engaged professional accounting personnel to for undertaking the accounting role within the Branch given the extended absence of our normal staff member who was very ill. Two days later, our qualified and experienced staff member unfortunately lost the battle with her personal illness and passed away, following 27 years in this role.
14. The Branch Annual General Meeting scheduled for 7 September 2016, did not convene due to lack of quorum.
15. On 14 September 2016 our professional accounting personnel brought to my attention many more additional errors he had identified throughout the GPFR and Concise Reports of 15 June 2016. These errors were forwarded to the auditor on this same date for their verification and for corrective measures to be taken.
16. On 21 September 2016 our BCOM was scheduled to meet and to be presented with the Reports (the second meeting). The BCOM could not be presented with the Reports at their meeting given the auditor stating they were not in a position to respond with the corrections if any, in time for the BCOM meeting.
17. The BCOM members at their meeting of 21 September 2016 were placed on notice of the requirement for an additional BCOM meeting to be scheduled at short notice for the purpose of being presented with the Reports once a response was received from the auditor regarding the additional errors identified and forwarded to them for verification and correction on 14 September 2016.
18. Late on the evening of 28 September 2016 a senior member of the audit firm forwarded the Reports to the Branch containing corrections to the errors identified by the Branch that had been forwarded to the auditor personnel on 14 September 2016. The Operating Report and Branch Committee of Management Statement in the corrected reports maintained the date of 15 June 2016.
19. On the morning of 29 September 2016, the Branch made urgent contact with BCOM members and scheduled a meeting to be held that evening for the purpose of being presented with the Reports and for enabling the reports to be lodged with the Commission thereafter.
20. On this same date of 29 September 2016 I, as the responsible Designated Officer, sought the advice of our legal representatives and Mr Stephen Kellett of the Commission. My enquiry involved the sharing of what the Branch was confronting by the auditor of not only being unsatisfactory but whereby what we were contemplating in presenting the corrected reports to the BCOM meeting that evening and for lodgment with the Commission thereafter. This being a set of the corrected reports different to the Concise Report and Independent Audit Report that had been received by members, in addition to the corrections to the Independent Audit Report that had been made and posted on the Branch website on 11 August 2016.
21. Following my discussion with Mr Kellett, who was most helpful, and our legal representatives thereafter who provided a similar view to me as Mr Kellett, I sought for the reports to be agreed with auditors to be re-dated from 15 June 2016 to 29 September 2016 and whereby the Branch recommenced the reporting process with the BCOM at their meeting held that evening to satisfy the requirements of s265 and 266 of the Act. I also on this same day took immediate steps to make application for an extension of time with the Commission given the circumstances.
22. As of 29 September 2016, the auditor would not provide to the Branch its Independent Auditor's report unless the Branch signed off the auditor prepared Representation Letter without any amendment made to it by the Branch.
23. The Branch reluctantly signed the Representation Letter prepared by the auditor without amendment to enable access to the Independent Auditors Report.

24. The auditor did not provide to the Branch their Independent Auditor's Report for the GPFR and Concise Reports of 29 September 2016 until 3:26pm on 18 October 2016, despite the Independent Auditor's reports dated 17 October 2016.
25. On 18 October 2016, the Branch posted on its website, the corrected Concise Report of 29 September 2016 together with the Independent Audit Report dated 17 October 2016.
26. On 18 October 2016, the BCOM at its meeting (second meeting) were presented the audited GPFR and Concise Reports of 29 September 2016.

Again, I hope the abovementioned particulars and information presented to the Commission satisfies their concerns with the reasons of the Branch confronting an abnormal situation for the delay to the lodgment of our audited financial reports for year ending 31 March 2016 with the Commission

I regret any inconvenience this situation may have caused the Commission.

If you require further information, please do not hesitate to contact me on (02) 9893 7822.

Yours faithfully,



JIM METCHER  
BRANCH SECRETARY

JIM METCHER  
BRANCH SECRETARY

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA**

**POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

**CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016**



**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016**

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**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016**

**OPERATING REPORT**

Branch Committee of Management report in accordance with section 254 of the Fair Work (Registered Organisations) Act 2009 for the year ended 31 March 2016.

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

The principal activity of the Communications, Electrical, Plumbing Union of Australia, Postal and Telecommunications Branch NSW was that of a registered Trade Union.

There have been no significant changes to the way the Union has carried out these activities during the last financial year.

**Operating Result**

The operating surplus for the Branch for the year ending 31 March 2016 is \$449,089 (2015: \$102,247).

**Significant changes in financial affairs**

There have been no significant changes to the operating costs of the Branch in the last financial year.

**Right of members to resign**

Members have the right to resign their membership of the union by giving written notice of resignation to the Branch Secretary. This written notification is accepted subject to the rules of CEPU and in accordance with section 174(1) of the Fair Work (Registered Organisations) Act 2009. In accordance with section 174(1) of the Fair Work (Registered Organisations) Act 2009 a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation. There was no change to this rule during the year.

**Number of members**

Under section 230 of the Fair Work (Registered Organisations) Act 2009 the number of persons recorded in the register of members and who under section 244 of the Fair Work (Registered Organisations) Act 2009 are taken to be members of the Branch of the Union as at 31 March 2016 was 8,176.

**Number of employees**

The number of persons, both full-time and part time employees measured on a full-time equivalent basis, employed by the Branch as at 31 March 2016 was 11 (2015: 13).

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

The names of persons who have at any time during the financial year ending 31 March 2016 been members of the CEPU P & T NSW Branch Committee of Management and periods they served on the branch committee are as follows:

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
 POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
 CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016**

**OPERATING REPORT (cont'd)**

<u>Position</u>	<u>Name</u>	<u>Period</u>
Branch President	Rod Baxter	1/4/2015 - 31/3/2016
Branch Vice Presidents	Maureen Morris Max Wiley Peter O'Connell	1/4/2015 - 31/3/2016 1/4/2015 - 31/7/2015 1/8/2015 - 31/3/2016
Branch Secretary	Jim Metcher	1/4/2015 - 31/3/2016
Branch Assistant Secretary	Shane Murphy	1/4/2015 - 31/3/2016
Branch Organisers	Peter Chaloner Gil Enzon Tan Kien Ly Aaron Stockdale	1/4/2015 - 31/3/2016 1/4/2015 - 31/3/2016 1/4/2015 - 31/3/2016 1/4/2015 - 31/3/2016
Lines & General Sectional Representatives	Max Catania Peter O'Connell Michael Stanbury Steve Worsley George Deligiannis Tony Damjanovski	1/4/2015 - 31/3/2016 1/4/2015 - 31/7/2015 1/4/2015 - 31/7/2015 21/5/2015- 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016
Postal Sectional Representatives	Ramon Gammad Geoffrey Johnson Aaron Robertson John Amatto Paula Houghton Brandon Lam Gregory Rayner James McCallum Donald Watson David Wong Pania Stephens Gary Smith John Larsen	1/4/2015 - 31/7/2015 1/4/2015 - 31/7/2015 1/4/2015 - 31/7/2015 1/4/2015 - 31/7/2015 1/4/2015 - 31/3/2016 1/4/2015 - 31/7/2015 1/4/2015 - 31/7/2015 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016

For and on behalf of the Committee of Management

  
 .....  
**JIM METCHER**  
**BRANCH SECRETARY**

29 September 2016

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016  
BRANCH COMMITTEE OF MANAGEMENT'S STATEMENT**

On 29 September 2016 the Branch Committee of Management of the Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications Branch NSW passed the following resolution in relation to the general purpose financial report (GPFR) of the Branch for the year ended 31 March 2016.

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

- (a) the financial report and notes comply with the Australian Accounting Standards;
- (b) the financial report and notes comply with the reporting guidelines of the General Manager;
- (c) the financial report and notes give a true and fair view of the financial performance, financial position and cash flows of the branch for the financial year ended 31 March 2016;
- (d) there are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year ended 31 March 2016 and since the end of the financial year:
  - (i) meetings of the Branch Committee of Management were held in accordance with the rules of the organisation and the rules of the Branch; and
  - (ii) the financial affairs of the Branch have been managed in accordance with the rules of the organisation and the rules of the Branch; and
  - (iii) the financial records of the branch have been kept and maintained in accordance with the RO Act; and
  - (iv) the financial records of the Branch have been kept, as far as practicable, in a consistent manner to each of the other branches of the organisation; and
  - (v) no information has been sought in any request of a member of the branch or a General Manager under section 272 of the RO Act 2009; and
  - (vi) no order for inspection of the financial records was made by the Fair Work Commission under section 273 of the RO Act 2009.
- (f) No revenue has been derived from undertaking recovery of wages activity during the reporting period.

Furthermore, the Branch Committee of Management resolves for the Branch Secretary to make available the Concise report on the Branch website for members information and a copy of the GPFR is to be made available to any member who makes a formal request in writing.

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



.....  
JIM METCHER



29 September 2016

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
 POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
 CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016

STATEMENT OF PROFIT OR LOSS AND OTHER  
 COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED 31 MARCH 2016

		2016 \$	2015 \$
<b>INCOME</b>			
Membership Contributions	4 a	3,229,724	3,043,528
Interest		17,536	28,797
Rent		671,379	688,249
Dividends		465	232
Tenants Outgoings		10,183	97,508
Board fees		-	33,415
Sundry Income		22,634	6,200
<b>TOTAL INCOME</b>		<u>3,951,921</u>	<u>3,897,929</u>
<b>EXPENDITURE</b>			
<b>Depreciation</b>			
Office Furniture & Equipment		35,693	49,377
Motor Vehicles		42,483	40,359
		<u>78,176</u>	<u>89,736</u>
<b>Employee Benefits Expense</b>			
Salaries - Officials	5 d	979,068	890,762
Salaries - Staff	5 e	266,753	352,300
Payroll Tax		77,988	97,256
Provident Fund and Superannuation	5 d&e	243,158	178,761
Provision for Long Service Leave		(39,095)	(4,628)
Provision for Annual Leave		16,817	(8,826)
Provision for Sick Leave		(8,033)	(69,980)
		<u>1,536,656</u>	<u>1,435,645</u>
<b>Other Expenses</b>			
Affiliation Fees	5 a	69,844	62,073
Audit Fees		42,615	43,999
Bank Charges		33,802	33,571
Capitation Divisional Conference	5 a	726,688	684,793
CEPU Journey cover		50,335	59,916
Campaign Expenses - Your Rights At Work & research report		75,285	124,680
Collection Costs - Membership Contributions		22,654	24,207
Computer Expenses		55,795	52,082
Delegates, Meetings and Officials Expenses	5 g	38,556	54,217
Donations & Grants	5 b	-	-
Electricity, Gas and Heating		45,260	51,465
Emergency Ambulance Transport Benefit		11,105	11,892
Equipment Rental		12,012	12,013
Fringe Benefits Tax	5 d&e	39,103	16,692
Honorarium		-	1,000
Insurance		53,359	34,471
Land Tax		36,947	58,476
Property leasing commission		16,790	5,707
Legal and Professional Fees	5 f	86,505	480,557
Carried Forward		1,416,655	1,811,811

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
 POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
 CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016  
 STATEMENT OF PROFIT OR LOSS AND OTHER  
 COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)**

	2016	2015
	\$	\$
<b>Other Expenses (cont'd)</b>		
Brought Forward	1,416,655	1,811,811
Loss on Disposal of Assets	5 c 4,350	26,660
Management Fees Building	29,073	26,835
Mortality Benefits Paid	7,336	1,500
Motor Vehicle Expenses	52,220	64,258
National Council Fund	5 a 9,038	4,243
Other Expenditure	-	9,172
Parking Space Levy	14,670	14,310
Postage, Printing and Stationery	53,385	60,427
Publications and Communication	30,068	37,895
Rates and Taxes	80,626	78,515
Repairs and Maintenance	131,648	82,143
Sub-Branch Expenses	-	51
Telecommunication costs	39,977	38,493
Training	4,172	1,669
Workers Compensation	14,782	12,319
	<u>1,888,000</u>	<u>2,270,301</u>
<b>TOTAL EXPENDITURE</b>	<u>3,502,832</u>	<u>3,795,682</u>
<b>NET SURPLUS FOR THE YEAR</b>	<u>449,089</u>	<u>102,247</u>
<b>Other Comprehensive Income:</b>		
Revaluation of Building	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>449,089</u>	<u>102,247</u>

(The attached notes form part of these financial statements)

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016**

**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016**

	2016 \$	2015 \$
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	3,153,425	2,657,702
Receivables	78,310	72,452
Receivables - member Contributions in Transit	76,326	42,239
	<u>3,308,061</u>	<u>2,772,393</u>
<b>NON CURRENT ASSETS</b>		
Investments	1,592	1,591
Property, Plant and Equipment	9,174,379	9,247,757
	<u>9,175,971</u>	<u>9,249,348</u>
<b>TOTAL ASSETS</b>	<u>12,484,032</u>	<u>12,021,741</u>
<b>CURRENT LIABILITIES</b>		
Provision for Branch Education Training	-	7,768
Provision for Emergency Ambulance Transport Benefit	-	10,000
Provision for Long Service Leave	6 c&d 120,697	102,027
Provision for Annual Leave	6 c&d 130,016	113,199
Provision for Sick Leave	6 c&d 249,100	257,133
Sundry Creditors and Accruals	6 b 288,694	229,318
Sundry Creditor - Divisional Conference	5 a 71,055	69,150
	<u>859,562</u>	<u>788,595</u>
<b>NON CURRENT LIABILITIES</b>		
Provision for Long Service Leave	<u>22,973</u>	<u>80,738</u>
<b>TOTAL LIABILITIES</b>	<u>882,535</u>	<u>869,333</u>
<b>NET ASSETS</b>	<u>11,601,497</u>	<u>11,152,408</u>
Accumulated Funds	11,401,497	10,952,408
Asset Revaluation Reserve	200,000	200,000
<b>ACCUMULATED FUNDS AND RESERVES</b>	<u>11,601,497</u>	<u>11,152,408</u>

(The attached notes form part of these financial statements)

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016**

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS AND RESERVES  
FOR THE YEAR ENDED 31 MARCH 2016**

	Accumulated Funds	Building Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 April 2014	10,850,161	200,000	11,050,161
Net Surplus	102,247	-	102,247
Other Comprehensive Income	-	-	-
Total Comprehensive Income for the Year	<u>102,247</u>	<u>-</u>	<u>102,247</u>
Balance at 31 March 2015	<u>10,952,408</u>	<u>200,000</u>	<u>11,152,408</u>
Net Surplus	449,089	-	449,089
Other Comprehensive Income	-	-	-
Total Comprehensive Income for the Year	<u>449,089</u>	<u>-</u>	<u>449,089</u>
Balance at 31 March 2016	<u>11,401,497</u>	<u>200,000</u>	<u>11,601,497</u>

There are no compulsory levy/voluntary contributions to fund investments or reserves

(The attached notes form part of these financial statements)



COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
 POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
 CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016

STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED 31 MARCH 2016

	2016 \$	2015 \$
<b>OPERATING ACTIVITIES</b>		
<b>Cash Received</b>		
Receipts from Members	3,229,724	3,031,982
Rent Received	671,379	688,248
Other Receipts	32,817	137,589
Interest Received	17,536	28,797
Dividend Received	465	232
<b>Cash used</b>		
Payments to Suppliers and Employees	(2,795,766)	(3,119,062)
Payments to CEPU Divisional Conference	8 (655,633)	(615,643)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>500,522</u>	<u>152,143</u>
<b>INVESTING ACTIVITIES</b>		
<b>Cash received</b>		
Proceeds from sale of Property, Plant and Equipment	-	26,660
<b>Cash used</b>		
Payment for Property, Plant and Equipment	(4,799)	(162,294)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(4,799)</u>	<u>(135,634)</u>
<b>NET INCREASE IN CASH</b>	495,723	16,509
Cash at 1 April 2015	<u>2,657,702</u>	<u>2,641,193</u>
<b>CASH AT 31 MARCH 2016</b>	<u>3,153,425</u>	<u>2,657,702</u>

(The attached notes form part of these financial statements)

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**1. BASIS OF PREPARATION OF THE CONCISE FINANCIAL REPORT**

The concise financial report has 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 Organisations) Act 2009*.

The financial statements, specific disclosures and other information included in the concise financial report are derived from and are consistent with the full report of the Communications, Electrical, Plumbing Union of Australia, Postal and Telecommunications Branch NSW. The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of the Communications, Electrical, Plumbing Union of Australia, Postal and Telecommunications Branch NSW as the full financial report.

The accounting policies have been consistently applied by the entity and are consistent with those of the previous financial year.

**2. RECOVERY OF WAGES ACTIVITY**

The Communications, Electrical, Plumbing Union of Australia, Postal and Telecommunications Branch NSW has not undertaken recovery of wages activity. The Branch does assist with recovery of its member wages. However, as and when decreed by the court we confirm that any settlement or recovery of wages is directly managed between the employer and the employee (i.e. our Postal and Telecommunications Branch NSW member) and at no point of time is any money banked into the Branch bank account. Reportable amounts are NIL for:

- a. any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
- b. any donations or other contributions deducted from recovered money.

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016**

**3. 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).

**4. INCOME**

**(a) Membership contributions**

	2016	2015
	\$	\$
Membership contributions	<u>3,229,724</u>	<u>3,043,528</u>

**(b) Other income**

The following income items as prescribed under the reporting guidelines of the Fair Work (Registered Organisations) Act, 2009, have not occurred in the reporting period:

- a. Capitation/Sustentation fees
- b. Compulsory levies
- c. Donations or grants
- d. Other financial support from other reporting units

**5. EXPENSE**

**(a) Fees and periodic subscriptions are paid in respect of its affiliation to any political party, any federation, congress, council or group of organisations, or any international body having an interest in industrial matters**

	2016	2015
	\$	\$
<b>Affiliation Fees</b>		
ALP NSW Branch	32,869	35,773
ALP ACT Branch	913	2,069
Unions NSW	<u>36,062</u>	<u>24,231</u>
	<u>69,844</u>	<u>62,073</u>
CEPU Divisional Conference (Capitation Fees) - Paid	655,633	615,643
CEPU Divisional Conference (Capitation Fees) - Accrued	71,055	69,150
CEPU Divisional Conference (Capitation Fees)	<u>726,688</u>	<u>684,793</u>
CEPU National Office (National Council Fund )	9,038	4,243

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
 POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
 CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)

(b) Donations

Details to whom payment made	Purpose	2016 \$
N.A	N.A	NIL

There were no other donations made in the 2016 financial year.

2015

Non-reportable donations

Details to whom payment made	Purpose	2015 \$
Media Wise Productions	Costs of brochures and mail out for electricity privatisation Campaign during the NSW election	10,229

(c) Net losses from sale of assets

	2016 \$	2015 \$
Land and buildings	-	-
Plant and equipment	4,350	26,660
Intangibles	-	-
<b>Total net losses from asset sales</b>	<b>4,350</b>	<b>26,660</b>

(d) Employee expenses related to holders of office

	2016 \$	2015 \$
<b>Officers benefits expense</b>		
Wages and Salaries	979,068	890,762
Superannuation	138,776	102,023
Leave and other entitlements	(58,587)	35,262
Separation and redundancies	-	-
Fringe benefit expenses	27,372	11,697
	<b>1,086,629</b>	<b>1,039,744</b>

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)**

**(e) Employee expenses related to employees (other than holders of office)**

	2016	2015
	\$	\$
<b>Employees benefits expense</b>		
Wages and Salaries	266,753	352,300
Superannuation	104,382	76,738
Leave and other entitlements	(43,004)	(118,696)
Separation and redundancies	-	-
Fringe benefit expenses	11,731	4,995
	<u>339,862</u>	<u>315,337</u>

**(f) Legal and Professional Fees**

	2016	2015
	\$	\$
Legal costs - litigation	-	329,001
Legal costs - other matters	86,505	151,556
	<u>86,505</u>	<u>480,557</u>

**(g) Delegates expenses**

	2016	2015
	\$	\$
<b>Delegates Expenses</b>	38,556	54,217
<b>Included in the above delegates expense are expenses for:</b>		
Fees or allowances for attendances as representatives of the Union at conferences or other meetings	8,000	4,000
Expenses incurred in connection with holding meetings of members of the reporting unit	18,719	16,149

**(h) Other expense**

Payments to employers for payroll deduction activity	21,169	24,204
--	--------	--------

The following expense items as prescribed under the reporting guidelines of the Fair Work (Registered Organisations) Act, 2009, have not occurred in the reporting period:

- a. Compulsory levies
- b. Penalties imposed under the RO Act.
- c. Amounts paid in grants that were \$1,000 or less
- d. Amounts paid in grants that exceed \$1,000
- e. Amounts paid in donations that were \$1,000 or less
- f. Amounts paid in donations that exceed \$1,000

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)**

**6. DISCLOSURES IN RESPECT OF STATEMENT OF FINANCIAL POSITION**

**(a) Amounts receivable/payable to/from other reporting units of the Union**

	2016	2015
	\$	\$
<b>Amounts receivable from reporting units</b>		
CEPU Divisional Conference	2,622	1,812
<b>Amounts payable to reporting units</b>		
CEPU Divisional Conference (Capitation Fees Payable)	71,055	69,150
CEPU Divisional Office - for journey cover	50,335	4,350
Provision for doubtful debts	-	-

**(b) Payables and accruals**

	2016	2015
	\$	\$
Legal costs - litigation	4,194	25,072
Legal Accrual	53,613	-
Trade payable	139,425	143,557
Tax payable	40,649	43,793
CEPU Divisional Office - for journey cover	50,335	4,350
Payables to employers as consideration for the employers making payroll deductions of membership subscriptions	-	-
Other payable	478	12,546
	<u>288,694</u>	<u>229,318</u>

**(c) Employee provisions related to holders of office**

	2016	2015
	\$	\$
<b>Officers provisions</b>		
Annual leave	101,083	71,655
Long service leave	135,019	141,799
Separation and redundancies	-	-
Other employee provisions (sick leave)	242,937	225,937
	<u>479,039</u>	<u>439,391</u>

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)**

**(d) Employee provisions related to employees (other than holders of office)**

	2016	2015
	\$	\$
<b>Employees provisions</b>		
Annual leave	28,933	41,544
Long service leave	8,651	40,966
Separation and redundancies	-	-
Other employee provisions (sick leave)	6,163	31,196
	<u>43,747</u>	<u>113,706</u>

**7. DISCLOSURES IN RESPECT OF STATEMENT OF CHANGES IN EQUITY**

The following equity items as prescribed under the reporting guidelines of the Fair Work (Registered Organisations) Act, 2009, have not occurred in the reporting period:

- a. No separate fund or account operated in respect of compulsory levies raised by the Union or voluntary contributions collected from members of the Union.
- b. No monies in respect of compulsory levies raised or voluntary contributions collected from members of the Union have been invested in any assets.
- c. No separate fund or account which is required by the rules of the Union or rules of a Branch of the Union.
- d. No transfer(s) and/or withdrawal(s) to a fund, account or controlled entity, when any of these are kept for a specific purpose(s) by the Union.

**8. DISCLOSURES IN RESPECT OF STATEMENT OF CASH FLOWS**

**Amounts received/paid to/from other reporting units of the Union**

Amounts received and paid in respect of the Capitation Fees and other charges have been incorporated as part of the Statement of Cash Flows and detailed below.

	2016	2015
	\$	\$
Cash inflows from other reporting units	-	-
Cash outflows to other reporting units (CEPU Divisional Conference)	655,633	615,643

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW  
CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016**

**9. NEW ACCOUNTING STANDARDS**

**Adoption of New Australian Accounting Standard Requirements**

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

**Future Australian Accounting Standards Requirements**

No new standards, amendments to standards or interpretations that were issued prior to the sign-off date are applicable to the future reporting period and are expected to have a future financial impact on the Union.

**10. GOING CONCERN**

The Branch is not reliant on the financial support of any other reporting units to ensure they can continue on a going concern basis.

The Branch has not agreed to provide any other financial support to any other reporting units to ensure they can continue on a going concern basis.

The Branch provides Capitation Fees to the Divisional Conference Funds.

**11. ADMINISTRATION**

The Branch has not been administered by another entity.

**12. AMALGAMATIONS AND RESTRUCTURES**

There have been no amalgamations or restructures in the financial year and previous financial year. No assets or liabilities have been acquired as a result of any amalgamations or restructures.

**13. BUSINESS COMBINATIONS**

There have been no business combinations during the financial year and previous financial year. No assets or liabilities have been acquired as a result of any business combinations



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**Independent Auditor's Report  
To the Members of Communications, Electrical, Plumbing Union of  
Australia Postal and Telecommunications Branch NSW**

**Report on the concise financial report**

We have audited the accompanying concise financial report of Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications Branch NSW (the "Trade Union") which comprises the statement of financial position as at 31 March 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and related notes, derived from the audited financial report of Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications Branch NSW (the "Trade Union") for the year ended 31 March 2016. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards and accordingly, reading the concise financial report is not a substitute for reading the audited financial report.

**Responsibility of the Committee of Management for the concise financial report**

The Branch Committee of Management of the Trade Union are responsible for the preparation of the concise financial report in accordance with Accounting Standard AASB 1039 Concise Financial Reports, and the Fair Work (Registered Organisations) Act 2009, and for such internal control as the Branch Committee of Management determine are necessary to enable the preparation of the concise financial report

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**Auditor's responsibility**

Our responsibility is to express an opinion on the concise financial report based on our audit procedures which were conducted in accordance with Auditing Standard ASA 810 Engagements to Report on Summary Financial Statements. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications Branch NSW for the year ended 31 March 2016. Our audit report on the financial report for the year was signed on 15 June 2016 and was not subject to any modification. The Australian 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 for the year is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the concise financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the concise financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the concise 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.

Our procedures in respect of the concise financial report included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of evidence supporting the amounts and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting Standard AASB 1039 Concise Financial Reports.

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

**Independence**

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

**Auditor's opinion**

In our opinion, the concise financial report of Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications Branch NSW for the year ended 31 March 2016 complies with Accounting Standard AASB 1039 Concise Financial Reports, the Fair Work Act 2009 (Registered Organisations) and complies with any other requirements imposed by these Reporting Guidelines or Part 3 of Chapter 8 of the RO Act.

In our opinion management appropriately applied the going concern basis of accounting.

**Report on the recovery of wages activity**

The Branch Committee of Management are responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with section 253(2)(c) of the Fair Work Act 2009 (Registered Organisations). Our responsibility is to express an opinion on the recovery of wages activity financial report, based on our audit conducted in accordance with Australian Auditing Standards. We have been advised that no recovery of wages activity has been undertaken in the current financial year. Accordingly we have not been instructed by the committee of management to include in the scope of the audit required under subsection 257(1) of the RO Act all recovery of wages activity by the reporting unit from which revenues had been derived for the financial year in respect of such activity.

**Auditor's opinion on the recovery of wages activity financial report**

Based upon the management statements above, no opinion is expressed on the recovery of wages activity financial report of Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications Branch NSW presents fairly all reporting guidelines of the General Manager, 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

**Other Matters**

The signor is an Approved Auditor (who holds a current Public Practice Certificate) with the Institute of Chartered Accountants in Australia.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



Madeleine Mattera  
Partner - Audit & Assurance

Sydney, 17 October 2016

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA**

**POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

**FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016**

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

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**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

**OPERATING REPORT**

Branch Committee of Management report in accordance with section 254 of the Fair Work (Registered Organisations) Act 2009 for the year ended 31 March 2016.

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

The principal activity of the Communications, Electrical, Plumbing Union of Australia, Postal and Telecommunications Branch NSW was that of a registered Trade Union.

There have been no significant changes to the way the Union has carried out these activities during the last financial year.

**Operating Result**

The operating surplus for the Branch for the year ending 31 March 2016 is \$449,089 (2015: \$102,247).

**Significant changes in financial affairs**

There have been no significant changes to the operating costs of the Branch in the last financial year.

**Right of members to resign**

Members have the right to resign their membership of the union by giving written notice of resignation to the Branch Secretary. This written notification is accepted subject to the rules of CEPU and in accordance with section 174(1) of the Fair Work (Registered Organisations) Act 2009. In accordance with section 174(1) of the Fair Work (Registered Organisations) Act 2009 a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation. There was no change to this rule during the year.

**Number of members**

Under section 230 of the Fair Work (Registered Organisations) Act 2009 the number of persons recorded in the register of members and who under section 244 of the Fair Work (Registered Organisations) Act 2009 are taken to be members of the Branch of the Union as at 31 March 2016 was 8,176.

**Number of employees**

The number of persons, both full-time and part time employees measured on a full-time equivalent basis, employed by the Branch as at 31 March 2016 was 11 (2015: 13).

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

The names of persons who have at any time during the financial year ending 31 March 2016 been members of the CEPU P & T NSW Branch Committee of Management and periods they served on the branch committee are as follows:

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

**OPERATING REPORT (cont'd)**

<u>Position</u>	<u>Name</u>	<u>Period</u>
Branch President	Rod Baxter	1/4/2015 - 31/3/2016
Branch Vice Presidents	Maureen Morris Max Wiley Peter O'Connell	1/4/2015 - 31/3/2016 1/4/2015 - 31/7/2015 1/8/2015 - 31/3/2016
Branch Secretary	Jim Metcher	1/4/2015 - 31/3/2016
Branch Assistant Secretary	Shane Murphy	1/4/2015 - 31/3/2016
Branch Organisers	Peter Chaloner Gil Enzon Tan Kien Ly Aaron Stockdale	1/4/2015 - 31/3/2016 1/4/2015 - 31/3/2016 1/4/2015 - 31/3/2016 1/4/2015 - 31/3/2016
Lines & General Sectional Representatives	Max Catania Peter O'Connell Michael Stanbury Steve Worsley George Deligiannis Tony Damjanovski	1/4/2015 - 31/3/2016 1/4/2015 - 31/7/2015 1/4/2015 - 31/7/2015 21/5/2015- 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016
Postal Sectional Representatives	Ramon Gammad Geoffrey Johnson Aaron Robertson John Amatto Paula Houghton Brandon Lam Gregory Rayner James McCallum Donald Watson David Wong Pania Stephens Gary Smith John Larsen	1/4/2015 - 31/7/2015 1/4/2015 - 31/7/2015 1/4/2015 - 31/7/2015 1/4/2015 - 31/7/2015 1/4/2015 - 31/3/2016 1/4/2015 - 31/7/2015 1/4/2015 - 31/7/2015 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016

For and on behalf of the Committee of Management

  
.....  
**JIM METCHER**  
**BRANCH SECRETARY**

29 September 2016

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

**BRANCH COMMITTEE OF MANAGEMENT'S STATEMENT**

On 29 September 2016 the Branch Committee of Management of the Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications Branch NSW passed the following resolution in relation to the general purpose financial report (GPFR) of the Branch for the year ended 31 March 2016.

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

- (a) the financial report and notes comply with the Australian Accounting Standards;
- (b) the financial report and notes comply with the reporting guidelines of the General Manager;
- (c) the financial report and notes give a true and fair view of the financial performance, financial position and cash flows of the branch for the financial year ended 31 March 2016;
- (d) there are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year ended 31 March 2016 and since the end of the financial year:
  - (i) meetings of the Branch Committee of Management were held in accordance with the rules of the organisation and the rules of the Branch; and
  - (ii) the financial affairs of the Branch have been managed in accordance with the rules of the organisation and the rules of the Branch; and
  - (iii) the financial records of the branch have been kept and maintained in accordance with the RO Act; and
  - (iv) the financial records of the Branch have been kept, as far as practicable, in a consistent manner to each of the other branches of the organisation; and
  - (v) no information has been sought in any request of a member of the branch or a General Manager under section 272 of the RO Act 2009; and
  - (vi) no order for inspection of the financial records was made by the Fair Work Commission under section 273 of the RO Act 2009.
- (f) No revenue has been derived from undertaking recovery of wages activity during the reporting period.

Furthermore, the Branch Committee of Management resolves for the Branch Secretary to make available the Concise report on the Branch website for members information and a copy of the GPFR is to be made available to any member who makes a formal request in writing.

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



.....  
**JIM METCHER**  
29 September 2016



**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

**STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	2016 \$	2015 \$
<b>INCOME</b>			
Membership Contributions	4	3,229,724	3,043,528
Interest		17,536	28,797
Rent		671,379	688,249
Dividends - available for sale financial assets		465	232
Tenants Outgoings		10,183	97,508
Board fees		-	33,415
Sundry Income		22,634	6,200
<b>TOTAL INCOME</b>		<b>3,951,921</b>	<b>3,897,929</b>
<b>EXPENDITURE</b>			
<b>Depreciation</b>			
Office Furniture & Equipment		35,693	49,377
Motor Vehicles		42,483	40,359
		<u>78,176</u>	<u>89,736</u>
<b>Employee Benefits Expense</b>			
Salaries - Officials	5 d	979,068	890,762
Salaries - Staff	5 e	266,753	352,300
Payroll Tax		77,988	97,256
Provident Fund and Superannuation	5 d&e	243,158	178,761
Provision for Long Service Leave		(39,095)	(4,628)
Provision for Annual Leave		16,817	(8,826)
Provision for Sick Leave		(8,033)	(69,980)
		<u>1,536,656</u>	<u>1,435,645</u>
<b>Other Expenses</b>			
Affiliation Fees	5a	69,844	62,073
Audit Fees	14	42,615	43,999
Bank Charges		33,802	33,571
Capitation Divisional Conference	5a	726,688	684,793
CEPU Journey cover		50,335	59,916
Campaign Expenses - Your Rights At Work & research report		75,285	124,680
Collection Costs - Membership Contributions		22,654	24,207
Computer Expenses		55,795	52,082
Delegates, Meetings and Officials Expenses	5 g	38,556	54,217
Donations & Grants	5 b	-	-
Electricity, Gas and Heating		45,260	51,465
Emergency Ambulance Transport Benefit		11,105	11,892
Equipment Rental		12,012	12,013
Fringe Benefits Tax	5 d&e	39,103	16,692
Honorarium		-	1,000
Insurance		53,359	34,471
Land Tax		36,947	58,476
Property leasing commission		16,790	5,707
Legal and Professional Fees	5 f	86,505	480,557
<b>Carried Forward</b>		<b>1,416,655</b>	<b>1,811,811</b>

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

**STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)**

	Note	2016 \$	2015 \$
<b>Other Expenses (cont'd)</b>			
<b>Brought Forward</b>		1,416,655	1,811,811
<b>Loss on Disposal of Assets</b>	5 c	4,350	26,660
<b>Management Fees Building</b>		29,073	26,835
<b>Mortality Benefits Paid</b>		7,336	1,500
<b>Motor Vehicle Expenses</b>		52,220	64,258
<b>National Council Fund</b>	5 a	9,038	4,243
<b>Other Expenditure</b>		-	9,172
<b>Parking Space Levy</b>		14,670	14,310
<b>Postage, Printing and Stationery</b>		53,385	60,427
<b>Publications and Communication</b>		30,068	37,895
<b>Rates and Taxes</b>		80,626	78,515
<b>Repairs and Maintenance</b>		131,648	82,143
<b>Sub-Branch Expenses</b>		-	51
<b>Telecommunication costs</b>		39,977	38,493
<b>Training</b>		4,172	1,669
<b>Workers Compensation</b>		14,782	12,319
		<u>1,888,000</u>	<u>2,270,301</u>
<b>TOTAL EXPENDITURE</b>		<u>3,502,832</u>	<u>3,795,682</u>
<b>NET SURPLUS FOR THE YEAR</b>		<u>449,089</u>	<u>102,247</u>
<b>Other Comprehensive Income:</b>			
<b>Revaluation of Building</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>449,089</u>	<u>102,247</u>

(The attached notes form part of these financial statements)

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016**

	Note	2016 \$	2015 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	9	3,153,425	2,657,702
Receivables	10	78,310	72,452
Receivables - member Contributions in Transit		76,326	42,239
		<u>3,308,061</u>	<u>2,772,393</u>
<b>NON CURRENT ASSETS</b>			
Investments	11	1,592	1,591
Property, Plant and Equipment	12	9,174,379	9,247,757
		<u>9,175,971</u>	<u>9,249,348</u>
<b>TOTAL ASSETS</b>		<u>12,484,032</u>	<u>12,021,741</u>
<b>CURRENT LIABILITIES</b>			
Provision for Branch Education Training		-	7,768
Provision for Emergency Ambulance Transport Benefit		-	10,000
Provision for Long Service Leave	6 c&d	120,697	102,027
Provision for Annual Leave	6 c&d	130,016	113,199
Provision for Sick Leave	6 c&d	249,100	257,133
Sundry Creditors and Accruals	6 b	288,694	229,318
Sundry Creditor - Divisional Conference	5 a	71,055	69,150
		<u>859,562</u>	<u>788,595</u>
<b>NON CURRENT LIABILITIES</b>			
Provision for Long Service Leave		<u>22,973</u>	<u>80,738</u>
<b>TOTAL LIABILITIES</b>		<u>882,535</u>	<u>869,333</u>
<b>NET ASSETS</b>		<u>11,601,497</u>	<u>11,152,408</u>
Accumulated Funds		11,401,497	10,952,408
Asset Revaluation Reserve		200,000	200,000
<b>ACCUMULATED FUNDS AND RESERVES</b>		<u>11,601,497</u>	<u>11,152,408</u>

(The attached notes form part of these financial statements)

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2016**

	Accumulated Funds	Building Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 April 2014	10,850,161	200,000	11,050,161
Net Surplus	102,247	-	102,247
Other Comprehensive Income	-	-	-
Total Comprehensive Income for the Year	<u>102,247</u>	<u>-</u>	<u>102,247</u>
Balance at 31 March 2015	<u>10,952,408</u>	<u>200,000</u>	<u>11,152,408</u>
Net Surplus	449,089	-	449,089
Other Comprehensive Income	-	-	-
Total Comprehensive Income for the Year	<u>449,089</u>	<u>-</u>	<u>449,089</u>
Balance at 31 March 2016	<u>11,401,497</u>	<u>200,000</u>	<u>11,601,497</u>

There are no compulsory levy/voluntary contributions to fund investments or reserves

(The attached notes form part of these financial statements)

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	2016 \$	2015 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash Received</b>			
Receipts from Members		3,229,724	3,031,982
Rent Received		671,379	688,248
Other Receipts		32,817	137,589
Interest Received		17,536	28,797
Dividend Received		465	232
<b>Cash used</b>			
Payments to Suppliers and Employees		(2,795,766)	(3,119,062)
Payments to CEPU Divisional Conference		(655,633)	(615,643)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	13(b)	<u>500,522</u>	<u>152,143</u>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sale of Property, Plant and Equipment		-	26,660
<b>Cash used</b>			
Payment for Property, Plant and Equipment		(4,799)	(162,294)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<u>(4,799)</u>	<u>(135,634)</u>
<b>NET INCREASE IN CASH</b>		495,723	16,509
Cash at 1 April 2015		<u>2,657,702</u>	<u>2,641,193</u>
<b>CASH AT 31 MARCH 2016</b>	13(a)	<u>3,153,425</u>	<u>2,657,702</u>

(The attached notes form part of these financial statements)

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

**RECOVERY OF WAGES ACTIVITY**

**FOR THE YEAR ENDED 31 MARCH 2016**

The Communications, Electrical, Plumbing Union of Australia, Postal and Telecommunications Branch NSW has not undertaken recovery of wages activity. The Branch does assist with recovery of its member wages. However, as and when decreed by the court we confirm that any settlement or recovery of wages is directly managed between the employer and the employee (i.e. our Postal and Telecommunications Branch NSW member) and at no point of time is any money banked into the Branch bank account. Reportable amounts are NIL for:

- a. any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
- b. any donations or other contributions deducted from recovered money.

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES**

The financial report is for the entity Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications Branch NSW, as an individual entity. The Communications, Electrical, Plumbing Union of Australia is an organisation registered under the Fair Work (Registered Organisations) Act 2009. The Postal and Telecommunications NSW Branch is a Branch of the registered organisation. In accordance with the Act, the Union is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Union and the Branch are not subject to the Corporations Act 2001. The Branch is a not-for-profit entity for the purpose of preparing financial statements under Australian Accounting Standards.

**Basis of Preparation**

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*.

The reporting guidelines made under section 255 of the Fair Work (Registered Organisations) Act 2009 (the RO Act) require all reporting units to apply the Tier 1 reporting requirements as per Australian Accounting Standard AASB 1053 Application for Tiers of Australian Accounting Standards.

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.

The following is a summary of other significant accounting policies adopted in the preparation of the financial statements.

**(a) Revenue**

Revenue from Membership contributions is accounted for on an accrual basis, and recorded in the year to which it relates, and to the extent that the amounts due are considered receivable.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Board fees are fees received where union officials are appointed to a board of trustees for superannuation funds as union representatives. These fees are recognised on an accruals basis. In prior years the board fees were retained by the officials as permitted by the National body ruling in 2004 as to the accounting for other remuneration received in connection with the duties of the union official, external to the Union activities. Since April 2015 the fees are remitted to the Branch net of the PAYE obligation on the receiving officer.

Interest and dividend income is accounted for on an accruals basis.

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)**

**1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

**(b) Income Tax**

No provision for Income Tax is necessary as the Union is exempt from Income Tax under Section 50 - 15 of the Income Tax Assessment Act 1997.

**(c) Property, Plant and Equipment**

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and any impairment in value.

*Depreciation*

The depreciable amount of plant and equipment is depreciated on a diminishing value method over their useful lives to the union commencing from the time the asset is ready for use.

The depreciation rates used for each class of asset are:

Office Furniture and Equipment	10% - 33%
Motor Vehicles	22.5%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

Gains and losses on disposals are calculated as the difference between the net disposal proceeds and the asset's carrying amount and are included in the statement of comprehensive income in the year that the item is derecognised.

*Land and Buildings*

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

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



**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)**

**1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**(d) Impairment**

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised in the statement of comprehensive income for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value and value in use. For the purpose of assessing value in use, this represents depreciated current replacement cost, as the Union is a not-for-profit organisation.

**(e) Employee Benefits**

Provision is made for the Branch's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within 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 amounts expected to be paid when the liability is settled, plus related on-costs. In the case of Long Service Leave this results in an amount not materially different to that achieved by discounting future cash flows.

Contributions are made by the Branch to employee superannuation funds and are charged as expenses when incurred.

**(f) Financial instruments**

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

All investments and other financial assets are initially stated at cost, being the fair value of consideration given plus acquisition costs. Purchases and sales of investments are recognised on trade date, which is the date on which the entity commits to purchase, or sell the asset. Accounting policies for each category of investments and other financial assets subsequent to initial recognition are set out below.

*Available-for-sale financial assets*

Investments, which are classified as available for sale, are measured at cost. This results in an amount not materially different to measuring them at fair value.

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)**

**(g) Goods and Services Tax**

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 on the statement of financial position are shown inclusive of GST.

**(h) New Australian Accounting Standards**

**Adoption of New Australian Accounting Standard Requirements**

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

**Future Australian Accounting Standards Requirements**

No new standards, amendments to standards or interpretations that were issued prior to the sign-off date are applicable to the future reporting period and are expected to have a future financial impact on the Union.

**(i) Administration**

The Branch has not been administered by another entity.

**(j) Going concern**

The Branch is not reliant on the financial support of any other reporting units to ensure they can continue on a going concern basis.

The Branch has not agreed to provide financial support to another reporting entity to ensure they can continue as a going concern basis.

The Branch provides Capitation Fees to the Divisional Conference Funds.

**(k) Amalgamations and Restructures**

There have been no amalgamations or restructures in the financial year and previous financial year. No assets or liabilities have been acquired as a result of any amalgamations or restructures.

**(l) Business Combinations**

There have been no business combinations during the financial year and previous financial year. No assets or liabilities have been acquired as a result of any business combinations.

**(m) Cash and Cash equivalents**

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

**(n) Receivables**

Receivables for goods and services, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)**

**(o) Operating Leases**

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

**(p) Fair value measurement**

The Union measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 11.

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 Union determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Union has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)**

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

**2. ACCOUNTING ESTIMATES AND JUDGEMENTS**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

- (a) **Significant accounting estimates and assumptions**  
The Branch makes estimates and assumptions concerning the future. The resulting accounting estimates by definition seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.
- (b) **Critical judgments in applying the Branch's accounting principles**  
There are no critical judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

**3. SECTION 272 FAIRWORK (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)

**4. INCOME**

- (a) **Membership contributions**

	2016	2015
	\$	\$
Membership contributions	3,229,724	3,043,528

- (b) **Other income**

The following income items as prescribed under the reporting guidelines of the Fair Work (Registered Organisations) Act, 2009, have not occurred in the reporting period:

- a. Capitation/Sustentation fees  
b. Compulsory levies  
c. Donations or grants  
d. Other financial support from other reporting units

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)**

**5. EXPENSE**

- (a) Fees and periodic subscriptions are paid in respect of its affiliation to any political party, any federation, congress, council or group of organisations, or any international body having an interest in industrial matters:

		2016 \$	2015 \$
<b>Affiliation Fees</b>			
ALP NSW Branch		32,869	35,773
ALP ACT Branch		913	2,069
Unions NSW		36,062	24,231
		<u>69,844</u>	<u>62,073</u>
CEPU Divisional Conference (Capitation Fees) - Paid	8	655,633	615,643
CEPU Divisional Conference (Capitation Fees) - Accrued		71,055	69,150
CEPU Divisional Conference (Capitation Fees)		<u>726,688</u>	<u>684,793</u>
CEPU National Office (National Council Fund )		9,038	4,243

(b) Donations

Details to whom payment made	Purpose	2016 \$
N.A	N.A	<u>Nil</u>

There were no other donations made in the 2016 financial year.

**2015**

**Non-reportable donations (excl. GST)**

Details to whom payment made	Purpose	2015 \$
Media Wise Productions	Costs of brochures and mail out for electricity privatisation Campaign during the NSW election	<u>10,229</u>

(c) Net losses from sale of assets

	2016 \$	2015 \$
Land and buildings	-	-
Plant and equipment	4,350	26,660
Intangibles	-	-
Total net losses from asset sales	<u>4,350</u>	<u>26,660</u>

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)**

**(d) Employee expenses related to holders of office**

	2016	2015
	\$	\$
<b>Officers benefits expense</b>		
Wages and Salaries	979,068	890,762
Superannuation	138,776	102,023
Leave and other entitlements	(58,587)	35,262
Separation and redundancies	-	-
Fringe benefit expenses	27,372	11,697
	<u>1,086,629</u>	<u>1,039,744</u>

**(e) Employee expenses related to employees (other than holders of office)**

	2016	2015
	\$	\$
<b>Employees benefits expense</b>		
Wages and Salaries	266,753	352,300
Superannuation	104,382	76,738
Leave and other entitlements	(43,004)	(118,696)
Separation and redundancies	-	-
Fringe benefit expenses	11,731	4,995
	<u>339,862</u>	<u>315,337</u>

**(f) Legal and Professional Fees**

	2016	2015
	\$	\$
Legal costs - litigation	-	329,001
Legal costs - other matters	86,505	151,556
	<u>86,505</u>	<u>480,557</u>

**(g) Delegates expenses**

	2016	2015
	\$	\$
<b>Delegates Expenses</b>	38,556	54,217
Included in the above delegates expense are expenses for:		
Fees or allowances for attendances as representatives of the Union at conferences or other meetings	8,000	4,000
Expenses incurred in connection with holding meetings of members of the reporting unit	18,719	16,149

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)**

(h) Other expense

	2016	2015
	\$	\$
Payments to employers for payroll deduction activity	21,169	24,204

The following expense items as prescribed under the reporting guidelines of the Fair Work (Registered Organisations) Act, 2009, have not occurred in the reporting period:

- a. Compulsory levies
- b. Penalties imposed under the RO Act.
- c. Amounts paid in grants that were \$1,000 or less
- d. Amounts paid in grants that exceed \$1,000
- e. Amounts paid in donations that were \$1,000 or less
- f. Amounts paid in donations that exceed \$1,000

**6. DISCLOSURES IN RESPECT OF STATEMENT OF FINANCIAL POSITION**

(a) Amounts receivable/payable to/from other reporting units of the Union

	2016	2015
	\$	\$
Amounts receivable from reporting units		
CEPU Divisional Conference	10	2,622
Amounts payable to reporting units		
CEPU Divisional Conference (Capitation Fees Payable)	71,055	69,150
CEPU Divisional Office - for journey cover	50,335	4,350

Provision for doubtful debts

(b) Payables and accruals

	2016	2015
	\$	\$
Legal costs - litigation	4,194	25,072
Legal Accrual	53,613	-
Trade payable	139,425	143,557
Tax payable	40,649	43,793
CEPU Divisional Office - for journey cover	50,335	4,350
Payables to employers as consideration for the employers making payroll deductions of membership subscriptions	-	-
Other payable	478	12,546
	<u>288,694</u>	<u>229,318</u>

(c) Employee provisions related to holders of office

	2016	2015
	\$	\$
Officers provisions		
Annual leave	101,083	71,655
Long service leave	135,019	141,799
Separation and redundancies	-	-
Other employee provisions (sick leave)	242,937	225,937
	<u>479,039</u>	<u>439,391</u>

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)**

**(d) Employee provisions related to employees (other than holders of office)**

	2016	2015
	\$	\$
<b>Employees provisions</b>		
Annual leave	28,933	41,544
Long service leave	8,651	40,966
Separation and redundancies	-	-
Other employee provisions (sick leave)	6,163	31,196
	<u>43,747</u>	<u>113,706</u>

**7. DISCLOSURES IN RESPECT OF STATEMENT OF CHANGES IN EQUITY**

The following equity items as prescribed under the reporting guidelines of the Fair Work (Registered Organisations) Act, 2009, have not occurred in the reporting period:

- a. No separate fund or account operated in respect of compulsory levies raised by the Union or voluntary contributions collected from members of the Union.
- b. No monies in respect of compulsory levies raised or voluntary contributions collected from members of the Union have been invested in any assets.
- c. No separate fund or account which is required by the rules of the Union or rules of a Branch of the Union.
- d. No transfer(s) and/or withdrawal(s) to a fund, account or controlled entity, when any of these are kept for a specific purpose(s) by the Union.

**8. DISCLOSURES IN RESPECT OF STATEMENT OF CASH FLOWS**

Amounts received/paid to/from other reporting units of the Union

Amounts received and paid in respect of the Capitation Fees and other charges have been incorporated as part of the Statement of Cash Flows and detailed below.

		2016	2015
		\$	\$
Cash inflows from other reporting units		-	-
Cash outflows to other reporting units (CEPU Divisional Conference)	5a	655,633	615,643
		2016	2015
		\$	\$

**9. CASH AND CASH EQUIVALENTS**

Cash on Hand		800	800
Cash at Bank		211,843	32,563
Cash Management Account		2,921,011	2,534,568
NSW State Election Account		19,771	89,771
		<u>3,153,425</u>	<u>2,657,702</u>



**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)**

	2016 \$	2015 \$
<b>10. RECEIVABLES</b>		
Accrued Interest	-	377
Bonds	6,795	6,795
Prepayments	31,972	47,075
Sundry Debtors	36,921	16,393
Amounts due from CEPU Divisional Conference	6a 2,622	1,812
	<u>78,310</u>	<u>72,452</u>
<b>11. INVESTMENTS</b>		
Available-For-Sale Financial Assets		
Shares in listed companies - at cost	<u>1,592</u>	<u>1,591</u>
Cost is used as a reasonable approximation of fair value given the low value held.		
<b>12. PROPERTY, PLANT AND EQUIPMENT</b>		
Land and Buildings		
81 George Street, Parramatta		
At fair value	<u>8,825,000</u>	<u>8,825,000</u>

The branch committee of management determined the fair value of the building had increased to \$8,825,000 at 31 March 2012 to reflect current market information on the land and building. Information on current values to 31 March 2016 has been received to indicate that this value has not declined since that date to require adjustment.

Part of the building is used to generate rental income determined on market rental rates and is considered to be the asset's highest and best use.

Office Furniture and Equipment		
At Cost	642,258	760,853
Less Accumulated Depreciation	<u>(439,211)</u>	<u>(529,403)</u>
	<u>203,047</u>	<u>231,450</u>
Motor Vehicles		
At Cost	272,488	274,980
Less Accumulated Depreciation	<u>(126,156)</u>	<u>(83,673)</u>
	<u>146,332</u>	<u>191,307</u>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<u>9,174,379</u>	<u>9,247,757</u>

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)**

**MOVEMENTS IN CARRYING AMOUNTS**

	<b>Land and Buildings</b>	<b>Office Furniture and Equipment</b>	<b>Motor Vehicles</b>	<b>Total</b>
Balance at 1 April 2015	8,825,000	231,450	191,307	9,247,757
Additions	-	10,812	-	10,812
Disposals	-	(3,522)	(2,492)	(6,014)
Depreciation	-	(35,693)	(42,483)	(78,176)
<b>Balance at 31 March 2016</b>	<b>8,825,000</b>	<b>203,047</b>	<b>146,332</b>	<b>9,174,379</b>
	<b>Land and Buildings</b>	<b>Office Furniture and Equipment</b>	<b>Motor Vehicles</b>	<b>Total</b>
Balance at 1 April 2014	8,825,000	234,741	168,776	9,228,517
Additions	-	46,086	116,208	162,294
Disposals	-	-	(53,318)	(53,318)
Depreciation	-	(49,377)	(40,359)	(89,736)
<b>Balance at 31 March 2015</b>	<b>8,825,000</b>	<b>231,450</b>	<b>191,307</b>	<b>9,247,757</b>

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)**

	2016	2015
	\$	\$
<b>13. CASH FLOW INFORMATION</b>		
<b>Cash and cash equivalents</b>		
<i>Cash</i> comprises cash on hand and demand deposits.		
<i>Cash equivalents</i> are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.		
(a) For the purpose of the statement of cash flows, cash includes cash on hand and in at call deposits with banks and financial institutions.		
Cash at the end of the year is shown in the statement of financial position as:		
Cash on Hand	9 800	800
Cash at Bank	9 211,843	32,563
Cash Management Account	9 2,921,011	2,534,568
NSW State Election Account	9 19,771	89,771
	<u>3,153,425</u>	<u>2,657,702</u>
(b) Reconciliation of cash flow from Operations with Net Surplus		
Net Surplus	449,089	102,247
Non-Cash Flows in Operating Result		
Loss on Disposal of Assets	-	26,659
Depreciation	78,176	89,736
Changes in Assets and Liabilities		
(Increase) in Deductions in Transit	(36,070)	(11,546)
(Increase)/ Decrease in Bonds, Prepayments & Sundry Debtors	(3,873)	(5,400)
Increase in Branch Education Training Fund & Emergency Ambulance Transport Benefit Fund	(17,768)	-
Increase in Sundry Creditors	61,279	33,881
Decrease in Provisions	(30,311)	( 83,434)
<b>CASH FLOWS FROM OPERATIONS</b>	<u>500,522</u>	<u>152,143</u>
<b>14. AUDITORS' REMUNERATION</b>		
Audit Fees	36,700	34,450
Accounting and other support services	5,915	9,549
	<u>42,615</u>	<u>43,999</u>

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)**

**15. RELATED PARTY DISCLOSURES**

- (a) The following persons were members of the Branch Committee of Management during the financial period.

<u>Position</u>	<u>Name</u>	<u>Period</u>
Branch President	Rod Baxter	1/4/2015 - 31/3/2016
Branch Vice Presidents	Maureen Morris Max Wiley Peter O'Connell	1/4/2015 - 31/3/2016 1/4/2015 - 31/7/2015 1/8/2015 - 31/3/2016
Branch Secretary	Jim Metcher	1/4/2015 - 31/3/2016
Branch Assistant Secretary	Shane Murphy	1/4/2015 - 31/3/2016
Branch Organisers	Peter Chaloner Gil Enzon Tan Kien Ly Aaron Stockdale	1/4/2015 - 31/3/2016 1/4/2015 - 31/3/2016 1/4/2015 - 31/3/2016 1/4/2015 - 31/3/2016
Lines & General Sectional Representatives	Max Catania Peter O'Connell Michael Stanbury Steve Worsley George Deligiannis Tony Damjanovski	1/4/2015 - 31/3/2016 1/4/2015 - 31/7/2015 1/4/2015 - 31/7/2015 21/5/2015 - 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016
Postal Sectional Representatives	Ramon Gammad Geoffrey Johnson Aaron Robertson John Amatto Paula Houghton Brandon Lam Gregory Rayner James McCallum Donald Watson David Wong Pania Stephens Gary Smith John Larsen	1/4/2015 - 31/7/2015 1/4/2015 - 31/7/2015 1/4/2015 - 31/7/2015 1/4/2015 - 31/7/2015 1/4/2015 - 31/3/2016 1/4/2015 - 31/7/2015 1/4/2015 - 31/7/2015 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016 1/8/2015 - 31/3/2016

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)**

**(b) Related party transactions**

Transactions with related parties are on normal terms and conditions no more favourable than those available to other parties, unless otherwise stated.

- i. The aggregate amount of remuneration paid to officers during the financial year is disclosed in the Financial Report (Note 5 (d)).
- ii. The aggregate amount paid during the financial year to a superannuation plan in respect of elected full time officers was \$94,452 (2015: \$100,313).
- iii. There have been no other transactions between the officers and the Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications Branch NSW other than those relating to their membership of the Union and the 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.
- iv. Capitation fees and administration fees paid to Divisional Conference are disclosed as income and expenses respectively in the Statement of Comprehensive Income and as cash paid in Note 8.
- v. Amounts receivable from and payable to the Divisional Conference at balance date are disclosed in Note 6(a).
- vi. The Branch Secretary's son is employed by the Union on terms and conditions no more favourable than applicable to other employees on the same level of experience and position within the Union. The appointment had been made independently of the Branch Secretary's involvement.

**(c) Key management personnel remuneration**

Key management persons are those persons having authority and responsibility for planning, directing and controlling the activities of the Branch, directly or indirectly, including any member of the Committee of Management. Key management personnel remuneration is represented by the remuneration of the Officers of the Branch which is disclosed in Note 5(c) of the financial statements.

**16. SUPERANNUATION**

Employees of the Branch are entitled to benefits from a superannuation plan on retirement, disability or death. The Branch participated in a defined contribution plan. The benefits provided under this plan are based on accumulated contributions and earnings for each employee. The Branch's liability is limited to paying the contributions to the plan.

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)**

**17. NATIONAL COUNCIL - BRANCH VOTING ENTITLEMENTS**

For the purposes of the National Council Composition and Voting Rights, the actual membership contributions received for the financial year ended 31 March 2016 were \$3,229,724 (2015: \$3,043,528).

**18. COMMITMENTS**

The Union had the following lease commitment for Plant and Equipment as at 31 March 2015.

	2016	2015
	\$	\$
Payable within one year	13,214	13,214
Payable later than one year but not later than five years	4,867	18,094
Payable later than five years	-	-
	<u>18,801</u>	<u>31,308</u>

**19. FINANCIAL RISK MANAGEMENT NOTE**

**(a) General objectives, policies, and processes**

The Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications Branch NSW is exposed to risks that may arise from its use of financial instruments. This note describes the Branch's objectives, policies, and processes for managing those risks and the methods used to measure them.

There have been no substantive changes in the Branch's exposure to financial instrument risk, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Branch's financial instruments consist mainly of deposits with banks and receivables. The main risks the Branch is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

The Branch Secretary and Branch Committee of Management have overall responsibility for the determination of the Branch's risk management objectives and policies.

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)**

**(b) Credit Risk**

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Branch incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Branch.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provision for doubtful debts, as disclosed below:

	2016	2015
	\$	\$
Cash and cash equivalents	<u>3,153,425</u>	<u>2,657,702</u>

The cash and cash equivalents are held in a high quality Australian financial institutions

	2016	2015
	\$	\$
Receivables	<u>78,310</u>	<u>72,452</u>

There has been no history of default, no amounts are past due and all receivables are likely to be repaid within the expected terms.

**(c) Liquidity Risk**

Liquidity risk is the risk that the Branch may encounter difficulties in raising funds to meet commitments associated with financial instruments.

The Branch is not significantly exposed to this risk; as at 31 March 2016 it has \$3,153,425 of cash and cash equivalents to meet these obligations as they fall due (31 March 2015 totalled \$2,657,702). The Branch manages liquidity risk by monitoring cash flows.

**(d) Market Risk**

Market risk arises from the use of interest bearing, tradable financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or other market factors (other price risk).

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)**

**(e) Interest Rate Risk**

The Branch's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and liabilities are summarised below:

<b>31 March 2016</b>	<b>Fixed Interest rate</b>	<b>Floating interest rate</b>	<b>Non- interest Bearing</b>	<b>Total</b>
<b>Financial Assets</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash at Bank and on Hand		231,614	800	232,414
Held- to maturity investments	2,921,011			2,921,011
Receivables			154,636	154,636
<b>Total financial assets</b>	<b>2,921,011</b>	<b>231,614</b>	<b>155,436</b>	<b>3,308,061</b>
<b>Weighted average Interest rate</b>	<b>2%</b>	<b>0.01%</b>		
<b>Financial Liabilities</b>				
Payables			359,749	359,749
<b>Net Financial Assets</b>	<b>2,921,011</b>	<b>231,614</b>	<b>(204,313)</b>	<b>2,948,312</b>

<b>31 March 2015</b>	<b>Fixed Interest rate</b>	<b>Floating interest rate</b>	<b>Non- interest Bearing</b>	<b>Total</b>
<b>Financial Assets</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash at Bank and on Hand		32,563	800	33,363
Held- to maturity investments	2,534,568			2,534,568
Receivables			72,452	72,452
<b>Total financial assets</b>	<b>2,534,568</b>	<b>32,563</b>	<b>73,252</b>	<b>2,640,383</b>
<b>Weighted average Interest rate</b>	<b>2%</b>	<b>0.01%</b>		
<b>Financial Liabilities</b>				
Payables			316,236	316,236
<b>Net Financial Assets</b>	<b>2,534,568</b>	<b>32,563</b>	<b>(242,984)</b>	<b>2,324,147</b>



**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)**

**19. FINANCIAL RISK MANAGEMENT NOTE (cont'd)**

**Sensitivity Analysis**

<b>2016</b>	<b>Carrying Amount</b>	<b>+0.5% (50 basis points) Profit</b>	<b>-0.5% (50 basis points) Loss</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash Assets	<u>3,153,425</u>	<u>15,767</u>	<u>(15,767)</u>
<b>2015</b>			
Cash Assets	<u>2,657,702</u>	<u>13,288</u>	<u>(13,288)</u>

**(f) Other Price Risks**

The Branch does not have significant investments in shares and does not invest in derivatives therefore it does not expose itself to the fluctuations in price that are inherent in such a market.

**(g) Foreign Exchange Risk**

The Branch is not directly exposed to foreign exchange rate fluctuations.

**20. OPERATING LEASE INCOME**

The future minimum lease rental receipts under non-cancellable operating leases are set out below, in the aggregate and represent for each of the following periods, the current rental amounts receivable :

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Receivable within one year	728,094	555,277
Receivable later than one year but not later than five years	382,324	1,480,738
Receivable later than five years	-	-
	<u>1,110,418</u>	<u>2,036,015</u>

**General description of the lessor's leasing arrangements**

The operating leases are applicable to the portion of the building not used by the Branch, which are leased under operating leases of between 3 and 5 years.

The leases are subject to annual reviews with increases based on varying levels of 3% to 4%, subject to varying conditions and inflation.

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)**

**21. LEGAL COSTS - RELATED PARTY**

From time to time in the course of managing the affairs of the Branch, officers and employees of the Branch become involved as parties in various types of legal proceedings. If the Branch Committee of Management ("BCOM") believes that any such proceedings form part of or are connected to the business of the Branch, or are proceedings where the Branch has a proper interest, then it may approve payment of the legal costs incurred by the officer or officers of the Branch in relation to those proceedings. Each matter is dealt with on a case by case basis.

Notwithstanding the foregoing, the following payments made by the Branch, with the approval of the BCOM, in respect of legal costs incurred by Branch officers in the period 1 April 2013 to 31 March 2015, are hereby reported. This is done at the request of the Regulatory Compliance Branch of the Fair Work Commission, on the basis that these payments may at least in part be a benefit to the officers concerned.

1. Len Cooper V Branch Secretary (Jim Metcher)           \$ 113,277.40 (2013-2015)

Legal costs of defending a claim brought against the Branch Secretary in the Federal Court of Australia for recovery of Australia Post Superannuation Scheme director fees paid to him while he was a director of that Fund. The BCOM resolved on a number of occasions that it was proper for the Branch to fund these fees as the matter involved an important question as to the meaning of the Rules of the Organisation and a resolution of its National Council. In January 2015 judgment was handed down in favour of the Branch Secretary, showing that he was entitled to be paid the directors' fees for his work as a director and upholding his interpretation of the Rules and the Resolution. Costs were not recoverable from the unsuccessful applicant, Mr Cooper.

2. Valerie Butler V J Metcher, S Murphy and others       \$23,399.85 (2013-2015)

Legal costs of defending the claim brought against the Branch Secretary, the Assistant Branch Secretary and an employee of the Branch in the Federal Court, in their capacities as members of the Divisional Executive of the Communications Division in allegedly obstructing the adoption by that Executive of the financial statements for the Division up to 19 November 2013. The BCOM resolved to have the Branch pay the fees incurred by these parties as the matter concerned the exercise of their duties as officers of the Organisation. Proceedings were eventually discontinued by consent, the proceedings having no ongoing utility due to the adoption of the said statements.

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)**

3. Proceedings relating to incident on 29 May 2013 \$36,132.89 (2013-2014) period

Legal costs of the Branch Secretary in respect of proceedings brought against him in the Melbourne Magistrates Court arising from an incident in the Australia Post boardroom in Melbourne on 29 May 2013. There were three separate proceedings being:-

An Application by Mr Martin O'Nea, then Assistant National Secretary of the Communications Division for Orders against the Branch Secretary in relation to the said incident;

Proceedings against the Branch Secretary brought by Victorian Police in relation to the incident; and

A further Application by Mr Martin O'Nea, when no longer Assistant National Secretary of the Communications Division for Orders against the Branch Secretary in relation to the said incident;

The BCOM resolved to have the Branch pay the Branch Secretary's legal costs in the matters as it believed that the proceedings affected the interests of the Branch and potentially prejudiced the ability of the Branch Secretary to perform his duties.

The initial proceedings by Mr O'Nea were settled on terms acceptable to the Branch Secretary by consent and without admissions of liability. The police proceedings were discharged with no adverse findings against the Branch Secretary following his successful completion of a diversion plan under Victorian law for matters of this type. The further proceedings by Mr O'Nea when no longer Assistant National Secretary were discontinued by him shortly prior to the scheduled hearing of the matter. No costs were recoverable against Mr O'Nea for his action.

**22. REGISTERED OFFICE**

The registered office and principal place of business of the Branch is:

Level 3,  
81 George Street  
Parramatta NSW 2150

Level 17, 383 Kent Street  
Sydney NSW 2000

Correspondence to:  
Locked Bag Q800  
QVB Post Office  
Sydney NSW 1230

T +61 2 8297 2400  
F +61 2 9299 4445  
E info.nsw@au.gt.com  
W www.granthornton.com.au

**Independent Auditor's Report  
To the Members of Communications, Electrical, Plumbing Union of  
Australia Postal and Telecommunications Branch NSW**

We have audited the accompanying financial report of Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications Branch NSW (the "Trade Union"), which comprises the statement of financial position as at 31 March 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information to the financial report and the statement by the Branch Committee of Management.

**Responsibility of the Committee of Management for the financial report**

The Branch Committee of Management of the Trade Union is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Fair Work Act 2009 (Registered Organisations). This responsibility includes such internal controls as the Branch Committee of Management determine are necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

**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 which require us to 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

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judgement, 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 Trade Union'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 Trade Union's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Branch 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 audit opinion.

### **Independence**

In conducting our audit, we have complied with the applicable independence requirements of the Accounting Professional, Ethical Standards Board and the Fair Work (Registered Organisations) Act 2009.

### **Auditor's Opinion**

In our opinion, the financial report of Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications Branch NSW

- i The GPFR presents fairly, in all material respects, the Trade Union's financial position as at 31 March 2016 and of its performance and cash flows for the year then ended ; and
- ii complies with Australian Accounting Standards and the relevant legislation
- iii management appropriately applied the going concern basis of accounting
- iv complies with any other requirements imposed by these Reporting Guidelines or Part 3 of Chapter 8 of the RO Act.

**Report on the recovery of wages activity**

The Committee of Management are responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with section 253(2)(c) of the Fair Work Act 2009 (Registered Organisations). Our responsibility is to express an opinion on the recovery of wages activity financial report, based on our audit conducted in accordance with Australian Auditing Standards. We have been advised that no recovery of wages activity has been undertaken in the current financial year. Accordingly we have not been instructed by the Committee of Management to include in the scope of the audit required under subsection 257(1) of the RO Act all recovery of wages activity by the reporting unit from which revenues had been derived for the financial year in respect of such activity.

**Auditor's opinion on the recovery of wages activity financial report**

Based upon the management statements referred to above, in our opinion in relation to the recovery of wages activity, the financial report presents fairly all reporting guidelines of the General Manager, 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

**Other Matter**

The signor is an Approved Auditor (who holds a current Public Practice Certificate) with the Institute of Chartered Accountants in Australia.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



Madeleine Mattera  
Partner - Audit & Assurance

Sydney, 17 October 2016

Our ref: 62/2

4 November 2016

The General Manager  
Fair Work Commission  
Level 8, Terrace Towers  
80 William Street  
EAST SYDNEY NSW 2011



**COMMUNICATIONS  
ELECTRICAL  
PLUMBING  
UNION**

Dear Sir/Madam,

**CEPU NSW Postal and Telecommunications Branch  
General Purpose Financial Report (GPFR) and Concise Report for  
Year Ending 31 March 2016**

**Designated Officer Certificate.**

I James Metcher, being the Branch Secretary of the CEPU NSW Postal and Telecommunications Branch, certify that:

- The documents lodged herewith are copies of the General Purpose Financial Report and Concise Report for the year ending 31 March 2016;
- The Concise Report was provided to members on 18 October 2016 via the Branch website in accordance with the decision contained within the Branch Committee of Management Statement;
- The General Purpose Financial Report and Concise report was presented to the Branch Committee of Management at its meeting (second meeting) held on 19 October 2016 in accordance with s266 of the Fair Work (Registered Organisations) Act 2009.

If you require further information, please do not hesitate to contact me on (02) 9893 7822.

Yours faithfully,

  
**JIM METCHER**  
**BRANCH SECRETARY**

**Communications Division**

**NSW Postal &  
Telecommunications Branch**

**Jim Metcher**  
Branch Secretary

**Shane Murphy**  
Branch Assistant Secretary

Level 3  
81 George Street  
Parramatta NSW 2150

PO Box 250  
Parramatta NSW 2124

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Connecting  
**our community**

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



FAIR WORK  
COMMISSION

27 October 2016

Mr Jim Metcher  
Branch Secretary

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services  
Union of Australia-Communications Division - New South Wales Postal and Telecommunications  
Branch

Sent via email: [admina@cepu.org](mailto:admina@cepu.org)

Dear Mr Metcher,

**Failure to lodge audited financial report(s) - [FR2016/68]**

Our records indicate that the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia-Communications Division - New South Wales Postal and Telecommunications Branch (the reporting unit) has failed to lodge its audited financial report for the financial year ended 31 March 2016 despite the Fair Work Commission reminding the reporting unit of its obligation to do so by letter(s) dated 13 April 2016 and 28 September 2016.

As you have previously been advised, section 268 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires reporting units to lodge an audited financial report with the Fair Work Commission within a maximum of 6 months and 14 days of the end of their financial year. In this case, that was no later than 14 October 2016. It appears that the reporting unit may have potentially contravened the following sections of the RO Act:

- S.253(1) – Reporting Unit to Prepare General Purpose Financial Report
- S.254(1) – Reporting Unit to Prepare Operating Report
- S.265(1) – Copies of Full Report or Concise Report be Provided to Members
- S.266(1) – Full Report to be Presented to Members
- S.268 – Reports to be Lodged with FWC

Paragraph 7.4 of the [FWC Regulatory Compliance Policy](#) states as follows:

- 7.4 *Where the possible contravention involves failure by an organisation, branch or reporting unit to lodge a matter with FWC in accordance with the timeframes specified in the RO Act, RO Regulations or the rules of the organisation, branch or reporting unit:*
- a. *The Regulatory Compliance Branch will contact the organisation, branch or reporting unit, by telephone and/or in writing, within two weeks to advise that lodgement is overdue;*
  - b. *If lodgement has not occurred within one month of the timeframe specified in the RO Act, RO Regulations or rules, the Regulatory Compliance Branch will advise the organisation, branch or reporting unit that it is seeking voluntary compliance within a specified timeframe and that, in the absence of such voluntary compliance without cause, FWC will commence an inquiry or investigation or initiate court proceedings; and*



- c. *If lodgement has not occurred within the timeframe specified in the correspondence referred to in paragraph b and the organisation, branch or reporting unit has not been able to show cause regarding why it should not do so, FWC will commence an inquiry or investigation or initiate court proceedings in accordance with this policy as soon as reasonably practicable.*

Section 331 of the RO Act empowers the General Manager of the Fair Work Commission to investigate compliance by a reporting unit (such as the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia-Communications Division - New South Wales Postal and Telecommunications Branch), its officers, employees and auditor(s) with:

- Part 3 of Chapter 8 of the RO Act;
- the reporting guidelines made under that Part;
- the regulations made for the purposes of that Part;
- the rules of the organisation regarding finances and financial administration; and
- civil penalty provisions of the RO Act (see s.305).

In accordance with the processes specified in paragraph 7.4(b) of the *FWC Regulatory Compliance Policy* which are set out above, the reporting unit is required to lodge its outstanding audited financial report with the Fair Work Commission at [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au) by no later than C.O.B Friday 4 November 2016. From your correspondence of 29 September 2016, we understand the reasons behind the delay in lodgement, however it appears from the information provided that the reporting unit should now be in a position to lodge its financial report.

Should the reporting unit fail to do so without reasonable cause, the General Manager or her Delegate may commence an investigation under s.331 of the RO Act without further notice.

Should you seek any clarification in relation to the above, please contact me on (03) 8656 4699 or via email at [Sam.Gallichio@fwc.gov.au](mailto:Sam.Gallichio@fwc.gov.au).

Yours sincerely,



Sam Gallichio  
Adviser  
Regulatory Compliance Branch



5 October 2016

Mr Jim Metcher  
Secretary, New South Wales Postal and Telecommunications Branch  
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union  
of Australia

sent by email: [jim.metcher@cepu.org](mailto:jim.metcher@cepu.org)

Dear Mr Metcher

**Re: Application for extension of time to hold meeting - s.265(5) Fair Work (Registered Organisations) Act 2009 – New South Wales Postal and Telecommunications Branch - for year ending 31 March 2016 - (FR2016/68)**

I refer to your letter dated 29 September 2016, which was lodged with the Fair Work Commission (FWC) on that day, requesting an extension of time under s.265(5) of the *Fair Work (Registered Organisations) Act 2009* (the Act) for the purposes of meeting the requirements of sections 265 and 266.

You have explained that the circumstances for the delays which are the basis of your application are that subsequent to the completion of the audit and distribution of the Branch's financial reports to the members in August 2016, errors were identified requiring a substantial revision of the statements. In your correspondence dated 29 September 2016, you explained that the corrected statements were only finalised "*within the last 24 hours*", which I assume to be 28 September 2016. You indicate that it was proposed the Committee would meet to pass resolutions in respect of the corrected statements, including directions to publish the amended reports, forthwith.

You have requested an extension of one month to complete the process *de novo*, which will include presenting the corrected reports to a second meeting of the Committee of Management, pursuant to sub-section 266(3).

I note that the application for an extension was made and received one day before the expiry of the 6 month period prescribed for holding the presentation meeting, and 29 days past the deadline of 5 months (i.e. 31 August) ordinarily prescribed for providing the report to members where presentation is to a committee of management meeting.

Rule 60A of the rules of the Communications Division states clearly that a copy of the full or concise report shall be provided "*within 5 months of the end of the financial year*". Although your letter did not indicate exactly when the errors in the initial report were identified, only "*subsequent to publication and circulation of the Concise Report*", nor when the "*further issues requiring remedy*" were identified, considering that circulation of the initial report occurred on 11 August 2016, it appears to me that it should have been apparent closer to or at least no later than by the 31 August 2016 that a corrected report, superseding the original report, would not be able to be published and circulated by the relevant deadline.

Given that the Act presumes that the copy of the full (or concise) report that is provided to the members is the same as the copy that is subsequently presented and lodged with the FWC, I am not persuaded that making allowance for "*changes of a minor or technical nature*" would ground a reasonable premise for assuming or concluding that it would have been sufficient to rely on the publication and circulation of

the initial report, and that it would not have been necessary to publish the corrected report, in order to satisfy the 5 month deadline.

In my view, the allowing of applications for statutory extensions ought to be justified and have meaningful application. An important matter to be taken into account in considering such discretionary applications is whether they have been made in a timely manner. Relevantly, it has been my general practice to decline the granting of applications made after a potential contravention has already occurred or made in circumstances in which statutory contraventions are almost inevitable.

It does not appear to me that this application was made in a timely manner because it should have been clearly apparent at some stage earlier in September 2016 that it might not be possible to satisfy the 6 month deadline for presenting the corrected report. As I indicate above, the application has been made one day before the expiry of the 6 month period prescribed for holding the presentation meeting, and 29 days past the deadline of 5 months (i.e. 31 August) ordinarily prescribed for providing the report to members where presentation is to a committee of management meeting.

I note that in your letter you allude to delay on the part of the Auditor. I also acknowledge that the Branch is correct insofar as proceeding to pass a fresh resolution in respect of the corrected report and circulate it in place of the original report.

I have carefully considered the application and each of the relevant circumstances. In my view, in order to be justified and meaningful, the application for an extension of time should have been made significantly earlier than it was. I do not consider it appropriate in this case to exercise my discretion under subsection 265(5) by granting an extension of time, and therefore I decline to grant the extension of time requested.

Yours sincerely



Chris Enright  
Delegate of the General Manager  
Fair Work Commission

Our ref: 62/2

29 September 2016

The General Manager  
Fair Work Commission  
Level 8, Terrace Towers  
80 William Street  
EAST SYDNEY, NSW, 2011.

By email: [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au)

Cc: [stephen.kellett@fwc.gov.au](mailto:stephen.kellett@fwc.gov.au)

Dear General Manager,

Further to telephone discussions of late today with Mr Stephen Kellett of the Fair Work Commission, I write to seek an extension of time pursuant to section 265 (5) of the *Fair Work (Registered Organisations) Act 2009 (the Act)* in respect of the 2015/16 General Purpose Financial Report (GPFR) and Concise Report of the NSW Postal and Telecommunications Branch of the CEPU (*the Branch*).

In short, the application is made on the following basis:

1. On 15 June 2016 the reports as prepared by the Branch Auditors were presented to the Branch Committee of Management (*the BCOM*). The BCOM subsequently resolved to distribute the Concise Report to the membership in accordance with the Act.
2. The concise report was distributed to members by way of publication in the Union journal and that journal was received by members on 11 August 2016 following the BCOM meeting of 15 June. The Concise Report was also published on the website of the Branch at that time.
3. Subsequent to the publication and circulation of the Concise Report, myself and others within the Branch identified a number of errors contained within the report prepared by the Branch Auditors.
4. The Branch Auditors were made aware of the deficiencies and instructed to make the necessary checks and corrections. In the course of those checks further issues were identified requiring remedy.
5. After much frustration I have been provided with a corrected GPFR and Concise Report only within the last 24 hours by the Branch Auditors. The conduct of the Branch Auditor has, in my view been most unsatisfactory.
6. The resolution of the BCOM on 15 June made some allowance for, and mention of changes of a minor and technical nature to the Reports.
7. Having been now presented with the corrected GPFR and Concise Report I am of the view that the changes made are too substantial to be categorised as merely minor or technical.



**COMMUNICATIONS  
ELECTRICAL  
PLUMBING  
UNION**

**Communications Division**

**NSW Postal &  
Telecommunications Branch**

**Jim Metcher**  
Branch Secretary

**Shane Murphy**  
Branch Assistant Secretary

Level 3  
81 George Street  
Parramatta NSW 2150

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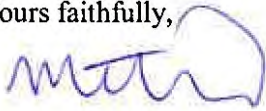
Communications, Electrical, Electronic,  
Energy, Information, Postal, Plumbing  
and Allied Services Union of Australia

8. As such, I have determined that the most prudent course of action is for the BCOM to rescind its previous resolution and proceed to consider the corrected GPFR and Concise Report and direct its publication on the Branch website forthwith.
9. I have scheduled an urgent BCOM meeting this evening for commencing this purpose.
10. To 're-run' the stipulated statutory process *de novo* as I wish to do would place the Branch in breach of the reporting timeframe requirements of the Act save for an extension being granted.

An extension of (1) month is requested to enable the Branch to meet the requirements set out at 265 (5) and 266 of the Act and lodgement of the Reports with the Commission thereafter.

I respectfully request that this extension be approved accordingly and I regret any inconvenience this situation has caused the Commission and their staff.

Yours faithfully,



JIM METCHER  
BRANCH SECRETARY





28 September 2016

Mr Jim Metcher  
Branch Secretary  
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services  
Union of Australia-Communications Division - New South Wales Postal and Telecommunications  
Branch

Sent via email: [admina@cepu.org](mailto:admina@cepu.org)

Dear Mr Metcher,

### **Lodgement of Financial Report - Reminder to lodge on or before 15 October 2016**

The Fair Work Commission's (the Commission) records disclose that the financial year of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia-Communications Division - New South Wales Postal and Telecommunications Branch (the reporting unit) ended on the 31 March 2016.

As you would be aware, the *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires that a reporting unit prepare a financial report in accordance with the RO Act, make it available to the members and then must lodge the financial report within 14 days after the general meeting of members, or if the rules of the reporting unit allow, the Committee of Management meeting (s.268).

The maximum period of time allowed under the RO Act for the completion of the financial reporting process is six months and 14 days after the expiry date of its financial year (s.253, s.254, s.265, s.266, s.268). For your reporting unit that requires lodgement of its financial report on or before **15 October 2016, and in any event no later than 14 days after the relevant meeting.**

The Commission encourages your reporting unit to lodge its financial report at the earliest opportunity in order to ensure compliance with its obligations. Failure of a reporting unit to lodge its financial report is a breach of a civil penalty provision of the RO Act. This can result in the General Manager instituting an inquiry or investigation into a reporting unit's non-compliance under Chapter 11, Part 4 of the RO Act. The actions available to the General Manager following an investigation include issuing Federal Court legal proceedings for breach of a civil penalty provision. The orders available to the Federal Court include imposition of a pecuniary penalty on the organisation or individual officer, whose conduct led to the contravention, of up to \$54,000 per contravention on the organisation and up to \$10,800 per contravention on an officer whose conduct led to the contravention.

Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

We encourage you to lodge the full financial report directly to [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au). That is the official email address for electronic lodgements of material related to registered organisations matters.

11 Exhibition Street  
Melbourne VIC 3000  
GPO Box 1994  
Melbourne VIC 3001

Telephone : (03) 8661 7777  
Email : [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au)  
Internet : [www.fwc.gov.au](http://www.fwc.gov.au)

Should you seek any clarification in relation to the above, please contact me on (03) 8661 7777 or via email at [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au).

Yours sincerely,



Anastasia Kyriakidis  
Adviser  
Regulatory Compliance Branch



13 April 2016

Mr Jim Metcher  
Branch Secretary

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia-Communications Division - New South Wales Postal and Telecommunications Branch

Sent via email: [admina@cepu.org](mailto:admina@cepu.org)

Dear Mr Metcher,

**Re: Lodgement of Financial Report - [FR2016/68]  
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia-Communications Division - New South Wales Postal and Telecommunications Branch (the reporting unit) ended on 31 March 2016.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date under s.268 of the RO Act, that being within 14 days after the meeting referred to in s.266 of the RO Act. The latest possible date for lodgement available to your reporting unit is 15 October 2016 subject to compliance with the requirements of ss. 266 and 268.

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. This includes a model set of financial statements which have been developed by the FWC. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. The model statement, Reporting Guidelines and other resources can be accessed through our website under [Financial Reporting](#) in the Compliance and Governance section.

Also you are reminded of the obligation to prepare and lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 requires this statement to be lodged with the FWC within 90 days of the end of the reporting unit's financial year, that is on or before 29 June 2016. A sample statement of loans, grants or donations is available at [sample documents](#).

It is requested that the financial report and any Statement of Loans, Grant or Donations be lodged electronically by emailing [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au).

**It should be noted that s.268 is a civil penalty provision.** Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.



Should you wish to seek any clarification in relation to the above, please contact me on (03) 8656 4699 or via email at [Sam.Gallichio@fwc.gov.au](mailto:Sam.Gallichio@fwc.gov.au).

Yours sincerely,



Sam Gallichio  
Adviser  
Regulatory Compliance Branch

# Financial reporting timelines

Financial reports are to be lodged with the Fair Work Commission (the Commission) within 14 days of the meeting at which the financial reports have been presented, by completing the steps as outlined below.

See Fact sheet—Financial reporting for an explanation of each of these steps.

