



11 September 2017

Mr Shane Murphy
Secretary, New South Wales Postal and Telecommunications Branch
Communications Division
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services
Union of Australia

Sent via email: shane.murphy@cepu.org

Dear Mr Murphy

Re: – Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, New South Wales Postal and Telecommunications Branch - financial report for year ending 31 March 2017 (FR2017/15)

I refer to the financial report of the New South Wales Postal and Telecommunications Branch. The documents were lodged with the Registered Organisations Commission ('the ROC') on 25 August 2017.

The financial report has now been filed. The financial report was filed based on a primary review. This involved confirming whether the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

You are not required to take any further action in respect of the report lodged. However I make the following comment to assist you when preparing the next report. Please note that the financial report for the period ending 31 March 2018 may be subject to an advanced compliance review.

Disclosure of grants or donations

Reporting Guideline 16(e) requires that where grants or donations have been paid, the total amounts paid are to be disclosed as follows:

- (i) The total for grants that were \$1,000 or less;
- (ii) The total for grants that exceeded \$1,000;
- (iii) The total for donations that were less than \$1,000; and
- (iv) The total for donations that exceeded \$1,000

Note 5(b) discloses the donations individually. Disclosure according to the guideline would have been to disclose a single figure for the total of the three donations exceeding \$1,000, and a single figure for the total of the other three donations.

Reporting Requirements

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](#).

Please note that 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](#).

If you have any queries regarding this letter, please contact me via email at stephen.kellett@roc.gov.au.

Yours faithfully

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

Stephen Kellett
Financial Reporting
Registered Organisations Commission

From: KELLETT,Stephen
Sent: Monday, 11 September 2017 1:52 PM
To: 'shane.murphy@cepu.org'
Cc: 'avinash.pala@cepu.org'
Subject: Financial reporting - y/e 31 March 2017 - filing [SEC=UNCLASSIFIED]

Dear Mr Murphy,

Please see attached my letter in relation to the above.

Yours faithfully

STEPHEN KELLETT
Senior Adviser
Financial Reporting
Registered Organisations Commission

Tel: (02) 6746 3283
Email: stephen.kellett@roc.gov.au

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Australian Government
Registered Organisations Commission



CEPU CPTN (primary
final).pdf

From: Avinash Pala [mailto:avinash.pala@cepu.org]
Sent: Monday, 4 September 2017 3:44 PM
To: KELLETT, Stephen
Subject: RE: Financial reporting - NSW P&T Branch - document required [SEC=UNCLASSIFIED]

Hi Stephen,

Thank you for your email.

Attached please find the Certificate by Prescribed Officer for 2017.

I hope that this meets with the requirements.

Let me know if you require any further information or clarification.

Thank you & Kind regards,

Avinash Pala

Financial Controller

CEPU NSW P & T Branch

(02) 9893 7822

avinash.pala@cepu.org

admina@cepu.org



Web: www.cepu.org



Certificate by
Prescribed Officer 20.

Our ref: 62/2

4 September 2017

The General Manager
Fair Work Commission
Level 8, Terrace Towers
80 William Street
EAST SYDNEY NSW 2011

Dear Sir/Madam,

**CEPU NSW Postal and Telecommunications Branch
General Purpose Financial Report (GPFR) for year ending 31 March 2017**

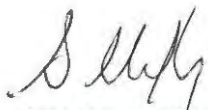
Designated Officer Certificate.

I, Shane Murphy, 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 for the year ended 31 March 2017;
- The General Purpose Financial Report was provided to members on 16 August 2017 via the Branch website in accordance with the decision contained within the Branch Committee of Management Statement;
- The General Purpose Financial Report was presented to the Branch Committee of Management at its meeting held on 16 August 2017 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,



**SHANE MURPHY
BRANCH SECRETARY**



**COMMUNICATIONS
ELECTRICAL
PLUMBING
UNION**

Communications Division

**NSW Postal &
Telecommunications Branch**

Shane Murphy
Branch Secretary

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81 George Street
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Connecting
our community

From: Avinash Pala [<mailto:avinash.pala@cepu.org>]
Sent: Friday, 25 August 2017 4:03 PM
To: ROC - Registered Org Commission
Cc: FENWICK, Joanne; Shane Murphy
Subject: HPRM: ON CMS FR2017/15 CEPU NSW P & T Branch for the year ended 31 March 2017 - Lodgement

[FR2017/15](#)

Dear Sir/Madam,

Attached please find, the Audited Financial report for the CEPU NSW P & T Branch for the year ended 31 March 2017 - for lodgement, as per the Fair Work (Registered Organisations) Act 2009.

Should you have any queries or questions, please do not hesitate to contact me on (02) 9893 7822.

Thank you & Kind regards,

Avinash Pala

Financial Controller

CEPU NSW P & T Branch

(02) 9893 7822

avinash.pala@cepu.org

admina@cepu.org



Web: www.cepu.org



CEPU PT 2017
FINAL Full Accounts \

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA

POSTAL AND TELECOMMUNICATIONS BRANCH NSW

FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2017

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 2017.

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 2017 is \$409,223 (2016: \$590,184).

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 2017 was 8,096 (2016: 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 2017 was 10 (2016: 11).

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)

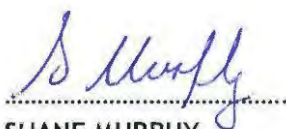
No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such a position is that they are an officer or member of an organisation

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 2017 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	1/4/2016 - 31/3/2017
Branch Vice Presidents	Maureen Morris Peter O'Connell	1/4/2016 - 31/3/2017 1/4/2016 - 31/3/2017
Branch Secretary	Jim Metcher Shane Murphy	1/4/2016 - 07/3/2017 7/3/2017 - 31/3/2017
Branch Assistant Secretary	Shane Murphy Peter Chaloner	1/4/2016 - 07/3/2017 7/3/2017 - 31/3/2017
Branch Organisers	Peter Chaloner Gil Enzon Tan Kien Ly Ellen Huttly Aaron Stockdale	1/4/2016 - 04/8/2016 (Resigned) 1/4/2016 - 31/3/2017 1/4/2016 - 31/3/2017 1/4/2016 - 31/3/2017 1/4/2016 - 31/3/2017
Lines & General Sectional Representatives	Max Catania Peter O'Connell Steve Worsley George Deligiannis Tony Damjanovski	1/4/2016 - 31/3/2017 1/4/2016 - 31/3/2017 1/4/2016 - 31/3/2017 1/4/2016 - 31/3/2017 1/4/2016 - 31/3/2017
Postal Sectional Representatives	Paula Houghton Pania Stephens Patrick Edgerton Maureen Morris James McCallum Donald Watson David Wong Gary Smith John Larsen	1/4/2016 - 31/3/2017 1/4/2016 - 31/3/2017 14/12/2016 - 31/3/2017 1/4/2016 - 31/3/2017 1/4/2016 - 31/3/2017 1/4/2016 - 31/3/2017 1/4/2016 - 31/3/2017 1/4/2016 - 31/3/2017 1/4/2016 - 16/11/2016

For and on behalf of the Committee of Management



SHANE MURPHY
BRANCH SECRETARY
16 August 2017

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

BRANCH COMMITTEE OF MANAGEMENT'S STATEMENT


On 16 August 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 2017.

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 2017;
- (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 2017 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 GPFR 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

16 August 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 2017

	Note	2017 \$	2016 \$
INCOME			
Membership Contributions	4 a	3,219,764	3,229,724
Interest		15,141	17,536
Rental Income - property		751,676	671,379
Dividends - available for sale financial assets		233	465
Tenants Outgoings		24,598	10,183
Grants & Donations		-	-
Levies		-	-
Sundry Income		6,200	25,821
TOTAL INCOME		<u>4,017,612</u>	<u>3,955,108</u>
EXPENDITURE			
Depreciation			
Office Furniture & Equipment		31,065	35,693
Motor Vehicles		32,925	42,483
		<u>63,990</u>	<u>78,176</u>
Employee Benefits Expense			
Salaries - Officials	5 d	1,136,804	979,068
Salaries - Staff	5 e	166,814	266,753
Payroll Tax		72,130	77,988
Provident Fund and Superannuation	5 d&e	161,040	243,158
Provision for Long Service Leave		-	(39,095)
Provision for Annual Leave		-	16,817
Provision for Sick Leave		-	(8,033)
		<u>1,536,788</u>	<u>1,536,656</u>
Other Expenses			
Affiliation Fees	5a	34,806	69,844
Audit Fees	14	54,096	42,615
Bank Charges		31,380	33,802
Capitation Divisional Conference	5a	687,806	722,846
CEPU Journey cover		57,105	50,335
Campaign Expenses - Your Rights At Work & research report		88,911	75,285
Collection Costs - Membership Contributions		7,748	22,654
Computer Expenses		45,571	55,795
Delegates, Meetings and Officials Expenses	5 g	28,595	38,556
Donations & Grants	5 b	24,385	-
Electricity, Gas and Heating		57,988	45,260
Emergency Ambulance Transport Benefit		523	11,105
Equipment Rental		12,013	12,012
Fringe Benefits Tax	5 d&e	14,775	39,103
Insurance		70,062	53,359
Land Tax		40,880	36,947
Property leasing commission		-	16,790
Legal and Professional Fees	5 f	193,534	86,505
True up of inter-union fees		-	(55,813)
Carried Forward		1,450,178	1,357,000

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 2017 (cont'd)

	Note	2017 \$	2016 \$
Other Expenses (cont'd)			
Brought Forward		1,450,178	1,357,000
Loss on Disposal of Assets	5 c	4,824	6,014
Advertising		766	-
Management Fees Building		24,600	29,073
Mortality Benefits Paid		2,000	7,336
Motor Vehicle Expenses		42,637	50,556
National Council Fund	5 a	8,175	9,038
Other Expenditure		170,151	(78,253)
Parking Space Levy		18,810	14,670
Postage, Printing and Stationery		62,694	53,385
Publications and Communication		-	30,068
Rates and Taxes		88,948	80,626
Repairs and Maintenance		96,475	131,648
Sub-Branch Expenses		-	-
Telecommunication costs		23,765	39,977
Training		1,178	4,172
Workers Compensation		12,411	14,782
		<u>2,007,611</u>	<u>1,750,092</u>
TOTAL EXPENDITURE		<u>3,608,389</u>	<u>3,364,924</u>
NET SURPLUS FOR THE YEAR		<u>409,223</u>	<u>590,184</u>
Other Comprehensive Income			
Gain on revaluation of land and buildings		5,675,000	-
Gain on available for sale financial assets		3,781	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>5,678,781</u>	<u>-</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 2017

	Note	2017 \$	2016 \$
CURRENT ASSETS			
Cash and Cash Equivalents	9	4,271,654	3,153,425
Receivables	10	57,782	81,497
Receivables - member Contributions in Transit		180,548	76,326
		<u>4,509,984</u>	<u>3,311,248</u>
NON CURRENT ASSETS			
Investments	11	5,373	1,592
Property, Plant and Equipment	12	14,785,828	9,174,379
		<u>14,791,201</u>	<u>9,175,971</u>
TOTAL ASSETS		<u>19,301,186</u>	<u>12,487,219</u>
CURRENT LIABILITIES			
Provision for Long Service Leave	6 c&d	120,697	120,697
Provision for Annual Leave	6 c&d	130,016	130,016
Provision for Sick Leave	6 c&d	249,100	249,100
Sundry Creditors and Accruals	6 b	816,161	288,694
Sundry Creditor - Divisional Conference	6 a	209,896	11,400
		<u>1,525,870</u>	<u>799,907</u>
NON CURRENT LIABILITIES			
Provision for Long Service Leave	6 c&d	<u>22,973</u>	<u>22,973</u>
TOTAL LIABILITIES		<u>1,548,843</u>	<u>822,880</u>
NET ASSETS		<u>17,752,343</u>	<u>11,664,339</u>
Accumulated Funds		11,873,562	11,464,339
Reserves	21	5,878,781	200,000
ACCUMULATED FUNDS AND RESERVES		<u>17,752,343</u>	<u>11,664,339</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 2017

	Accumulated Funds \$	Asset Revaluation Reserve \$	Available for sale reserve \$	Total \$
Balance at 1 April 2015	10,874,155	200,000	-	11,074,155
Net Surplus	590,184	-	-	590,184
Other Comprehensive Income	-	-	-	-
Balance at 31 March 2016	<u>11,464,339</u>	<u>200,000</u>	-	<u>11,664,339</u>
Net Surplus	409,223	-	-	409,223
Other Comprehensive Income	-	5,675,000	3,781	5,678,000
Balance at 31 March 2017	<u>11,873,562</u>	<u>5,875,000</u>	<u>3,781</u>	<u>17,752,343</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 2017

	Note	2017 \$	2016 \$
OPERATING ACTIVITIES			
Cash Received			
Receipts from Members		3,244,362	3,186,592
Rent Received		751,676	671,379
Other Receipts		6,200	29,358
Interest Received		15,141	17,536
Receipts from Divisional Dividend Received		-	6,647
		232	465
Cash used			
Payments to Suppliers and Employees		(2,200,405)	(2,676,295)
Payments to CEPU Divisional Conference		(693,715)	(729,147)
NET CASH FROM OPERATING ACTIVITIES	13(b)	<u>1,123,491</u>	<u>506,535</u>
INVESTING ACTIVITIES			
Cash used			
Proceeds on disposal of fixed assets		8,956	-
Payment for Property, Plant and Equipment		(14,217)	(10,812)
NET CASH USED IN INVESTING ACTIVITIES		<u>(5,262)</u>	<u>(10,812)</u>
NET INCREASE IN CASH		1,118,230	495,723
Cash at 1 April 2016		<u>3,153,425</u>	<u>2,657,702</u>
CASH AT 31 MARCH 2017	13(a)	<u>4,271,654</u>	<u>3,153,425</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 2017

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 2017

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 accruals basis, and recorded in the year to which it relates, and to the extent that the amounts due are considered receivable.

Rental revenue -property 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 2017 (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 2017 (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 profit or loss and other 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 2017 (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 2017 (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.

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 16: Leases	31 March 2019	AASB16 will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases. The main changes introduced by the new Standard include: <ul style="list-style-type: none"> - recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets); - depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components; - Variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date; - by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and - additional disclosure requirements. 	The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospect application as an adjustment to opening equity on the date of initial application
IFRS 15: Revenue from contracts with customers.	31 March 2018	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>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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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017 (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 2018	<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"> - 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 - full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument. 	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 2017 (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 they relate.

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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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017 (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

	2017	2016
	\$	\$
Membership contributions	3,219,764	3,229,724

(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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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017 (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:

	2017	2016
	\$	\$
Affiliation Fees		
ALP NSW Branch	34,806	32,869
ALP ACT Branch	-	913
Unions NSW	-	36,062
	<u>34,806</u>	<u>69,844</u>
CEPU Divisional Conference (Capitation Fees)	693,715	722,846
CEPU National Office (National Council Fund)	8,175	9,038

(b) Donations

Details to whom payment made	Purpose	2017
		\$
ALP NSW Branch, Sydney	Lindsay Campaign	2,682
Ben Price Real Estate	Lindsay Campaign - Advertising	3,445
Jefferies Printing Pty Ltd	Lindsay Campaign - Printing costs	16,737
Fairfax Media Pub. Pty Ltd	Matt Brown Campaign - Advertising	262
Sandra Devlin Foundation	Donation/Charity - prosthetics fund	500
Breast Cancer Foundation	Donation/Charity - Breast cancer research	759
TOTAL		<u>24,385</u>

There were no other donations made in the 2017 financial year.

2016

Non-reportable donations (excl. GST)

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

(c) Net losses from sale of assets

	2017	2016
	\$	\$
Plant and equipment	4,824	6,014
Total net losses from asset sales	<u>4,824</u>	<u>6,014</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017 (cont'd)

(d) Employee expenses related to holders of office

	2017	2016
	\$	\$
Officers benefits expense		
Wages and Salaries	1,136,804	979,068
Superannuation	138,877	138,776
Leave and other entitlements (included in Wages and Salaries)	-	(22,646)
Separation and redundancies	-	-
Fringe benefit expenses	14,775	39,103
	<u>1,290,456</u>	<u>1,134,301</u>

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

	2017	2016
	\$	\$
Employees benefits expense		
Wages and Salaries	166,814	266,753
Superannuation	22,163	104,382
Leave and other entitlements (included in Wages and Salaries)	-	44,924
Separation and redundancies	-	-
Fringe benefit expenses	-	-
	<u>188,977</u>	<u>416,059</u>

(f) Legal and Professional Fees

	2017	2016
	\$	\$
Legal costs - litigation	193,534	-
Legal costs - other matters	-	86,505
	<u>193,534</u>	<u>86,505</u>

(g) Delegates expenses

	2017	2016
	\$	\$
Delegates Expenses	28,595	38,556
Included in the above delegates expense are expenses for:		
Fees or allowances for attendances as representatives of the Union at conferences or other meetings	11,020	8,000
Expenses incurred in connection with holding meetings of members of the reporting unit	17,575	30,556

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017 (cont'd)

(h) Other expense

	2017	2016
	\$	\$
Payments to employers for payroll deduction activity	26,299	21,169

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

6. DISCLOSURES IN RESPECT OF STATEMENT OF FINANCIAL POSITION

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

	2017	2016
	\$	\$
Amounts receivable from reporting units		
CEPU Divisional Conference	10	5,809
Amounts payable to reporting units		
CEPU Divisional Conference	209,896	11,400
CEPU Divisional Office - for journey cover	-	50,335
	<u>209,896</u>	<u>61,735</u>
Provision for doubtful debts	-	-

(b) Payables and accruals

	2017	2016
	\$	\$
Legal costs - litigation	14,960	4,194
Legal Accrual	-	53,613
Trade payables	294,576	139,425
GST and Group tax payable	506,415	40,649
CEPU Divisional Office (included in 6a above)	-	50,335
Payables to employers as consideration for the employers making payroll deductions of membership subscriptions	210	-
Other payable	-	478
	<u>816,161</u>	<u>288,694</u>

(c) Employee provisions related to holders of office

	2017	2016
	\$	\$
Officers provisions		
Annual leave	101,083	101,083
Long service leave	135,019	135,019
Separation and redundancies	-	-
Other employee provisions (sick leave)	242,937	242,937
	<u>479,039</u>	<u>479,039</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017 (cont'd)

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

	2017	2016
	\$	\$
Employees provisions		
Annual leave	28,933	28,933
Long service leave	8,651	8,651
Separation and redundancies	-	-
Other employee provisions (sick leave)	6,163	6,163
	<u>43,747</u>	<u>43,747</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.

	2017	2016
	\$	\$
Cash inflows from Divisional Conference	-	6,647
Cash outflows to Divisional Conference	693,715	729,147

	2017	2016
	\$	\$

9. CASH AND CASH EQUIVALENTS

Cash on Hand	800	800
Cash at Bank	1,315,742	211,843
Cash Management Account	2,955,112	2,921,011
NSW State Election Account	-	19,771
	<u>4,271,654</u>	<u>3,153,425</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017 (cont'd)

	2017	2016
	\$	\$
10. RECEIVABLES		
Bonds	6,795	6,795
Prepayments	-	31,972
Sundry Debtors	50,987	36,921
Amounts due from CEPU Divisional Conference	6a -	5,809
	<u>57,782</u>	<u>81,497</u>

11. INVESTMENTS

AVAILABLE-FOR-SALE FINANCIAL ASSETS

NRMA shares, at fair value	5,373	1,592
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Fair value of the listed share fund was based on the market value of the investment in accordance to the statement as at 31 March 2017 provided by the investment management institution.

Movement Schedule	2017	2017
<u>NRMA Shares</u>	\$	\$
Opening - April	1,592	1,592
Additions	-	-
Revaluation increment	3,781	-
Closing - March	5,373	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 an available for sale reserve.

(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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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017 (cont'd)

(ii) Recognised fair value measurements

The following table presents the Union's assets and liabilities measured and recognised at fair value at 31 March 2017 and 2016

At 31 March 2017	Level 1	Level 2	Level 3	Total
Financial Assets				
NRMA Shares - Fair Value	5,373	-	-	5,373
Total Financial Assets	<u>5,373</u>	<u>-</u>	<u>-</u>	<u>5,373</u>
At 31 March 2016	Level 1	Level 2	Level 3	Total
Financial Assets				
NRMA Shares - Fair Value	1,592	-	-	1,592
Total Financial Assets	<u>1,592</u>	<u>-</u>	<u>-</u>	<u>1,592</u>

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

14,500,000 8,825,000

The branch committee of management determined the fair value of the building had increased to \$14,500,000 at 31 March 2017 to reflect current market information on the land and building.

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	640,838	642,258
Less Accumulated Depreciation	<u>(454,639)</u>	<u>(439,211)</u>
	<u>186,199</u>	<u>203,047</u>
Motor Vehicles		
At Cost	233,870	272,488
Less Accumulated Depreciation	<u>(134,241)</u>	<u>(126,156)</u>
	<u>99,629</u>	<u>146,332</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>14,785,828</u>	<u>9,174,379</u>

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FOR THE YEAR ENDED 31 MARCH 2017 (cont'd)

The fair value of the Union's property at 81 George Street, Parramatta is based on appraisals performed by an independent, professionally-qualified property valuer (Statewide Valuations Pty Ltd). The significant inputs and assumptions are developed in close consultation with the committee of management. The valuation processes and fair value changes are reviewed by the Committee of management at each reporting date.

MOVEMENTS IN CARRYING AMOUNTS

	Land and Buildings	Office Furniture and Equipment	Motor Vehicles	Total
Balance at 1 April 2016	8,825,000	203,047	146,332	9,174,379
Additions	-	14,217	-	14,217
Disposals	-	-	(13,778)	(13,778)
Depreciation	-	(31,065)	(32,925)	(63,990)
Revaluation	5,675,000			5,675,000
Balance at 31 March 2017	14,500,000	186,199	99,629	14,785,828
	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

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 2017.

	Level 1	Level 2	Level 3	Total
31 March 2017				
Office Building	-	14,500,000	-	14,500,000
	-	14,500,000	-	14,500,000
31 March 2016				
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.

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FOR THE YEAR ENDED 31 MARCH 2017 (cont'd)

	2017	2016
	\$	\$
13. CASH FLOW INFORMATION		
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 1,315,742	211,843
Cash Management Account	9 2,955,112	2,921,011
NSW State Election Account	9 -	19,771
	<u>4,271,654</u>	<u>3,153,425</u>
(b) Reconciliation of cash flow from Operations with Net Surplus		
Net Surplus	409,223	590,184
Non-Cash Flows in Operating Result		
Loss on Disposal of Assets	4,824	6,014
Depreciation	63,990	78,176
Changes in Assets and Liabilities		
Increase in Deductions in Transit	(104,222)	(39,258)
Decrease / (Increase) in Bonds, Prepayments & Sundry Debtors	23,715	(3,873)
(Increase) / Decrease in Branch Education Training Fund & Emergency Ambulance Transport Benefit Fund	-	(17,768)
Increase/(Decrease) in Sundry Creditors	725,926	(76,630)
Decrease in Provisions	-	(30,311)
CASH FLOWS FROM OPERATIONS	<u>1,123,491</u>	<u>506,535</u>
14. AUDITORS' REMUNERATION		
Audit Fees	32,182	36,700
Accounting and other support services	21,914	5,915
	<u>54,096</u>	<u>42,615</u>

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 FOR THE YEAR ENDED 31 MARCH 2017 (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	1/4/2016 - 31/3/2017
Branch Vice Presidents	Maureen Morris Peter O'Connell	1/4/2016 - 31/3/2017 1/4/2016 - 31/3/2017
Branch Secretary	Jim Metcher Shane Murphy	1/4/2016 - 07/3/2017 7/3/2017 - 31/3/2017
Branch Assistant Secretary	Shane Murphy Peter Chaloner	1/4/2016 - 07/3/2017 7/3/2017 - 31/3/2017
Branch Organisers	Peter Chaloner Gil Enzon Tan Kien Ly Ellen Huttly Aaron Stockdale	1/4/2016 - 04/8/2016 (Resigned) 1/4/2016 - 31/3/2017 1/4/2016 - 31/3/2017 1/4/2016 - 31/3/2017 1/4/2016 - 31/3/2017
Lines & General Sectional Representatives	Max Catania Peter O'Connell Steve Worsley George Deligiannis Tony Damjanovski	1/4/2016 - 31/3/2017 1/4/2016 - 31/3/2017 1/4/2016 - 31/3/2017 1/4/2016 - 31/3/2017 1/4/2016 - 31/3/2017
Postal Sectional Representatives	Paula Houghton Pania Stephens Patrick Edgerton Maureen Morris James McCallum Donald Watson David Wong Gary Smith John Larsen	1/4/2016 - 31/3/2017 1/4/2016 - 31/3/2017 14/12/2016 - 31/3/2017 1/4/2016 - 31/3/2017 1/4/2016 - 31/3/2017 1/4/2016 - 31/3/2017 1/4/2016 - 31/3/2017 1/4/2016 - 31/3/2017 1/4/2016 - 16/11/2016

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FOR THE YEAR ENDED 31 MARCH 2017 (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 \$109,397 (2016: \$94,452).
- 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 Profit or Loss and Other 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 (Jim Metcher) 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:

	2017	2016
	\$	\$
Short-term employee benefits		
Wages and Salaries	1,136,804	979,068
Annual leave (included in Wages and Salaries)	-	(29,428)
Other employee expenses FBT	14,775	39,103
Post-employment benefits		
Superannuation	138,877	138,776
Other long-term employee benefits		
Long service leave (included in Wages and Salaries)	-	6,782
Termination benefits	-	-
Share based payments	-	-
Total	<u>1,290,456</u>	<u>1,134,301</u>

16. SUPERANNUATION

Employees of the Branch are entitled to benefits from a superannuation plan on retirement, disability or death.

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FOR THE YEAR ENDED 31 MARCH 2017 (cont'd)

17. NATIONAL COUNCIL - BRANCH VOTING ENTITLEMENTS

For the purposes of the National Council Composition and Voting Rights, the actual membership contributions received/receivable for the financial year ended 31 March 2017 were \$3,219,764 (2016: \$3,229,724).

18. COMMITMENTS

The Union had the following lease commitment for Plant and Equipment as at 31 March 2017.

	2017	2016
	\$	\$
Payable within one year	4,867	13,214
Payable later than one year but not later than five years	-	4,867
Payable later than five years	-	-
	<u>4,867</u>	<u>18,801</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 2017 (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:

	2017 \$	2016 \$
Cash and cash equivalents	<u>4,271,654</u>	<u>3,153,425</u>

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

	2017 \$	2016 \$
Receivables	<u>57,782</u>	<u>81,497</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 2017 it has \$4,271,654 of cash and cash equivalents to meet these obligations as they fall due (31 March 2016 totalled \$3,153,425). 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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FOR THE YEAR ENDED 31 MARCH 2017 (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 2017	Fixed Interest rate	Floating interest rate	Non-interest Bearing	Total
Financial Assets	\$	\$	\$	\$
Cash at Bank and on Hand		1,315,742	800	1,316,542
Held- to maturity investments	2,955,112			2,955,112
Receivables			57,782	57,782
Investments			5,373	5,373
Total financial assets	2,955,112	1,315,742	63,955	4,334,809
Weighted average Interest rate	2%	0.01%		
Financial Liabilities				
Payables			1,026,057	1,026,057
Net Financial Assets	2,955,112	1,315,742	(962,102)	3,308,752

31 March 2016	Fixed Interest rate	Floating interest rate	Non-interest Bearing	Total
Financial Assets	\$	\$	\$	\$
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
Investments			1,592	1,592
Total financial assets	2,921,011	231,614	83,889	3,236,514
Weighted average Interest rate	2%	0.01%		
Financial Liabilities				
Payables			300,094	300,094
Net Financial Assets	2,921,011	231,614	(216,205)	2,936,420

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FOR THE YEAR ENDED 31 MARCH 2017 (cont'd)

19. FINANCIAL RISK MANAGEMENT NOTE (cont'd)

Sensitivity Analysis

2017	Carrying Amount	+0.5% (50 basis points) Profit	-0.5% (50 basis points) Loss
	\$	\$	\$
Cash Assets	<u>4,271,654</u>	<u>21,358</u>	<u>(21,358)</u>
2016			
Cash Assets	<u>3,153,425</u>	<u>15,767</u>	<u>(15,767)</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 :

	2017	2016
	\$	\$
Receivable within one year	382,324	728,094
Receivable later than one year but not later than five years	-	382,324
Receivable later than five years	-	-
	<u>382,324</u>	<u>1,110,418</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.

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FOR THE YEAR ENDED 31 MARCH 2017 (cont'd)

21. RESERVES

	2017	2016
	\$	\$
Asset revaluation reserve	5,875,000	200,000
Available for sale financial asset reserve	3,781	-
	<u>5,878,781</u>	<u>200,000</u>

Revaluation reserve

The revaluation surplus records revaluations of Land and buildings.

Available for sale reserve

The available for sale reserve records revaluations on investments.

22. 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 2016 to 31 March 2017, 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. Proceedings relating to right of entry incident \$159,574.61 (2016-2017) period

Legal costs of the Branch Secretary in respect of proceedings brought against him in the Sydney Magistrates Court arising from a right of entry application 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.

23. REGISTERED OFFICE

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

**INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS OF COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
Australia

Opinion

We have audited the accompanying financial report of Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications Branch NSW (the "Union") which comprises the statement of financial position as at 31 March 2017, the statement of profit & loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes and the committee of management statement.

GPO Box 3555
Sydney NSW 2001
Ph: (612) 9263 2600
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As part of the audit of the financial statements, we have concluded that management's use of the going concern basis of accounting in the preparation of the reporting union's financial statements is appropriate.

In our opinion the financial report of the Union is in accordance with the Fair Work (Registered Organisations) Regulations 2009, including:

- i. giving a true and fair view of the entity's financial position as at 31 March 2017 and of its performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards (including Australian Accounting Interpretations) the Fair Work (Registered Organisations) Regulations 2009 and all requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

In accordance with the Reporting Guidelines for the purpose of section 253, the following declarations are made in reference to the auditor, Mr Graham Webb:

- i. is a Registered Company Auditor (approved auditor) and a Partner of Hall Chadwick Chartered Accountants.
- ii. is a member of the Institute of Chartered Accountants in Australia and holds a current Public Practice Certificate.

Basis of Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's responsibility for the Audit of the Financial Report* section of our report. We are independent of the union in accordance with the Fair Work (Registered Organisations) Regulations 2009.

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

Other Information

The committee of management are responsible for the other information. The other information comprises the information in the Union's financial report for the year ended 31 March 2017, but does not include the financial report and the auditor's report thereon.

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

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

Responsibilities of the Committee of Management for the Financial Report

The committee of management are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Regulations 2009 and all requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 and for such internal control as the committee of management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee of management are responsible for assessing the Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee of management intend to cease operations, or have no realistic alternative but to do so

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee of management.

**INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS OF COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
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- Conclude on the appropriateness of the committee of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the union to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation

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

Hall Chadwick

HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000

Graham Webb

GRAHAM WEBB
Partner

Dated: 16 August 2017