



18 September 2018

Mr Shane Murphy  
Secretary, New South Wales Postal and Telecommunications Branch,  
Communications Division  
CEPU

Dear Mr Murphy

**Re: – Communications Division, CEPU, New South Wales Postal and Telecommunications Branch - financial report for year ending 31 March 2018 (FR2018/17)**

I refer to the financial report of the New South Wales Postal and Telecommunications Branch of the Communications Division of the CEPU. The documents were lodged with the ROC on 10 September 2018.

The financial report has 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 comments to assist you when preparing the next report. Please note the report for year ending 31 March 2019 may be subject to an advanced compliance review.

Documents must be lodged with ROC within 14 days of presentation

Section 268 of the RO Act requires the full report and the Designated Officer's Certificate to be lodged with the Registered Organisations Commission (ROC) within 14 days of the meeting referred to in section 266 (i.e. when the full report is presented). The Designated Officer's Certificate indicates that this meeting occurred on 15 August 2018. In this case the full report should have been lodged with the ROC by 29 August 2018.

Please note that in future financial years if the branch cannot lodge within this time, a written request for an extension of time signed by a relevant officer giving the reasons for the delay, must be made prior to the expiry of the 14 day period ordinarily prescribed.

Donations disclosure

Reporting Guideline 16(e)(iii) and (iv)<sup>1</sup> requires that where donations have been paid, the total amount paid is to be disclosed as follows:

- (iii) donations that were \$1,000 or less;
- (iv) donations that exceeded \$1,000

Note 5(b) discloses donations individually. Disclosure according to the guidelines would have been to disclose a single total for the three donations of \$1,000 or less and a single total for the three donations exceeding \$1000.

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<sup>1</sup> i.e. as numbered in the 4<sup>th</sup> edition

### Notice setting out sections 272(1), (2) & (3)

The notice drawing attention to the fact that prescribed information is available to members on request appeared at Note 3 on page 19. This requirement is set out in subsection 272(5) of the RO Act, and it specifically requires the accounts to include a copy of subsections 272(1), (2) & (3) as follows:

- (1) A member of a reporting unit, or the Commissioner, 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).

The notice appearing at Note 3 referred to the "General Manager" which was incorrect because the RO Act was amended in 2017 and section 272 now refers to the "Commissioner". This should be corrected in next year's report.

### Reporting requirements

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

On the ROC website is a number of factsheets in relation to the financial reporting process and associated timelines. Along with the new Reporting Guidelines, 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 questions about the above or the reporting requirements, please do not hesitate to contact me by email at [stephen.kellett@roc.gov.au](mailto:stephen.kellett@roc.gov.au).

Yours faithfully



Stephen Kellett  
Financial Reporting  
Registered Organisations Commission

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

**POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

**FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2018**

**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 2018.

**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 2018 is \$405,437 (2017: \$409,223).

**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 2018 was 7,861 (2017: 8,096).

**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 2018 was 14 (2017: 10).

**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)

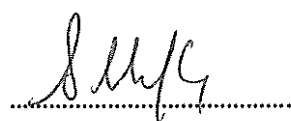
No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such a position is that they are an officer or member of an organisation

**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 2018 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	01/04/2017 - 31/03/2018
Branch Vice Presidents	Maureen Morris Peter O'Connell	01/04/2017 - 31/03/2018 01/04/2017 - 31/03/2018
Branch Secretary	Shane Murphy	01/04/2017 - 31/03/2018
Branch Assistant Secretary	Peter Chaloner	01/04/2017 - 31/03/2018
Branch Organisers	Gil Enzon Tan Kien Ly Ellen Huttly Aaron Stockdale	01/04/2017 - 31/03/2018 01/04/2017 - 31/03/2018 01/04/2017 - 31/03/2018 01/04/2017 - 16/02/2018 (Resigned) (Declared Vacant)
Lines & General Sectional Representatives	Max Catania Peter O'Connell George Deligiannis Tony Damjanovski Steve Worsley Dennis Garlick	01/04/2017 - 31/03/2018 01/04/2017 - 31/03/2018 01/04/2017 - 31/03/2018 01/04/2017 - 31/03/2018 01/04/2017 - 21/02/2018 21/02/2018 - 31/03/2018
Postal Sectional Representatives	Donald Watson David Wong James McCallum Patrick Edgerton Pania Stephens Trong Minh Luu Paula Houghton Anita Rathour Gary Smith Mark Beckman	01/04/2017 - 31/03/2018 01/04/2017 - 31/03/2018 01/04/2017 - 31/03/2018 01/04/2017 - 31/03/2018 01/04/2017 - 21/02/2018 21/02/2017 - 31/03/2018 01/04/2017 - 21/02/2018 21/02/2017 - 31/03/2018 01/04/2017 - 21/03/2018 21/03/2017 - 31/03/2018

For and on behalf of the Committee of Management



SHANE MURPHY  
BRANCH SECRETARY  
18 July 2018

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

**BRANCH COMMITTEE OF MANAGEMENT'S STATEMENT**

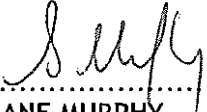
On 18 July 2018 the Branch Committee of Management of the Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications Branch NSW passed the following resolution in relation to the general purpose financial report (GPFR) of the Branch for the year ended 31 March 2018.

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

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the branch for the financial year ended 31 March 2018;
- (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 2018 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.

  
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**SHANE MURPHY**

18 July 2018

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 2018

	Note	2018 \$	2017 \$
<b>INCOME</b>			
Membership Contributions	4 a	3,183,292	3,219,764
Interest		18,972	15,141
Rental Income - property		777,099	751,676
Dividends - available for sale financial assets		535	233
Tenants Outgoings		4,981	24,598
Grants & Donations		-	-
Levies		-	-
Sundry Income		4,125	6,200
<b>TOTAL INCOME</b>		<u>3,989,003</u>	<u>4,017,612</u>
<b>EXPENDITURE</b>			
<b>Depreciation</b>			
Building		179,500	-
Office Furniture & Equipment		31,010	31,065
Motor Vehicles		56,630	32,925
		<u>267,140</u>	<u>63,990</u>
<b>Employee Benefits Expense</b>			
Salaries - Officials	5 d	1,137,194	1,136,804
Salaries - Staff	5 e	253,265	166,814
Payroll Tax		83,613	72,130
Provident Fund and Superannuation	5 d&e	136,853	161,040
Provision for Long Service Leave		(36,079)	-
Provision for Annual Leave		(50,000)	-
Provision for Sick Leave		(50,000)	-
		<u>1,474,846</u>	<u>1,536,788</u>
<b>Other Expenses</b>			
Affiliation Fees	5a	36,976	34,806
Audit Fees	14	29,000	54,096
Bank Charges		30,617	31,380
Capitation Divisional Conference	5a	708,602	687,806
CEPU Journey cover		56,438	57,105
Campaign Expenses - Your Rights At Work & research report		56,808	88,911
Collection Costs - Membership Contributions		21,238	7,748
Computer Expenses		47,605	45,571
Delegates, Meetings and Officials Expenses	5 g	78,532	28,595
Donations & Grants	5 b	6,800	24,385
Electricity, Gas and Heating		49,150	57,988
Emergency Ambulance Transport Benefit		8,283	523
Equipment Rental		17,220	12,013
Fringe Benefits Tax	5 d&e	11,089	14,775
Honorarium		4,000	-
Insurance		34,813	70,062
Land Tax		43,563	40,880
Legal and Professional Fees	5 f	70,529	193,534
Property leasing commission		-	-
<b>Carried Forward</b>		<u>1,311,263</u>	<u>1,450,178</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 2018 (cont'd)

	Note	2018 \$	2017 \$
<b>Other Expenses (cont'd)</b>			
Brought Forward		1,311,263	1,450,178
Loss on Disposal of Assets	5 c	21,434	4,824
Advertising		-	766
Management Fees Building		40,010	24,600
Mortality Benefits Paid		3,000	2,000
Motor Vehicle Expenses		58,156	42,637
National Council Fund	5 a	22,851	8,175
Other Expenditure		58,854	170,151
Parking Space Levy		15,300	18,810
Postage, Printing and Stationery		80,241	62,694
Publications and Communication		-	-
Rates and Taxes		80,049	88,948
Repairs and Maintenance		91,049	96,475
Sub-Branch Expenses		-	-
Telecommunication costs		26,213	23,765
Training		601	1,178
Workers Compensation		22,558	12,411
		<u>1,841,580</u>	<u>2,007,611</u>
<b>TOTAL EXPENDITURE</b>		<u>3,583,566</u>	<u>3,608,389</u>
<b>NET SURPLUS FOR THE YEAR</b>		<u>405,437</u>	<u>409,223</u>
<b>Other Comprehensive Income</b>			
Gain on revaluation of land and buildings		-	5,675,000
Gain on available for sale financial assets		1,314	3,781
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>406,751</u>	<u>6,088,004</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 2018**

	Note	2018 \$	2017 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	9	3,866,096	4,271,654
Receivables	10	41,482	57,782
Receivables - member Contributions in Transit		181,719	180,548
		<u>4,089,296</u>	<u>4,509,984</u>
<b>NON CURRENT ASSETS</b>			
Investments	11	6,687	5,373
Property, Plant and Equipment	12	14,688,548	14,785,828
		<u>14,695,235</u>	<u>14,791,201</u>
<b>TOTAL ASSETS</b>		<u>18,784,531</u>	<u>19,301,186</u>
<b>CURRENT LIABILITIES</b>			
Provision for Long Service Leave	6 c&d	70,697	120,697
Provision for Annual Leave	6 c&d	80,016	130,016
Provision for Sick Leave	6 c&d	199,100	249,100
Sundry Creditors and Accruals	6 b	191,103	816,161
Sundry Creditor - Divisional Conference	6 a	61,548	209,896
		<u>602,464</u>	<u>1,525,870</u>
<b>NON CURRENT LIABILITIES</b>			
Provision for Long Service Leave	6 c&d	<u>22,973</u>	<u>22,973</u>
<b>TOTAL LIABILITIES</b>		<u>625,473</u>	<u>1,548,843</u>
<b>NET ASSETS</b>		<u>18,159,094</u>	<u>17,752,343</u>
Accumulated Funds		12,278,999	11,873,562
Reserves	21	5,880,095	5,878,781
<b>ACCUMULATED FUNDS AND RESERVES</b>		<u>18,159,094</u>	<u>17,752,343</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 2018

	Accumulated Funds	Asset Revaluation Reserve	Available for sale reserve	Total
	\$	\$	\$	\$
Balance at 1 April 2016	11,464,339	200,000	-	11,664,339
Net Surplus	409,223	-	-	409,223
Other Comprehensive Income	-	5,675,000	3,781	5,678,000
<b>Balance at 31 March 2017</b>	<b>11,873,562</b>	<b>5,875,000</b>	<b>3,781</b>	<b>17,752,343</b>
Net Surplus	405,437	-	-	405,437
Other Comprehensive Income	-	-	1,314	1,314
<b>Balance at 31 March 2018</b>	<b>12,278,999</b>	<b>5,875,000</b>	<b>5,095</b>	<b>18,159,094</b>

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 2018

	Note	2018 \$	2017 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash Received</b>			
Receipts from Members		3,188,273	3,244,362
Rent Received		777,099	751,676
Other Receipts		4,125	6,200
Interest Received		18,972	15,141
Dividend Received		535	232
<b>Cash used</b>			
Payments to Suppliers and Employees		(3,494,667)	(2,200,405)
Payments to CEPU Divisional Conference		(708,602)	(693,715)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	13(b)	<u>(214,266)</u>	<u>1,123,491</u>
<b>INVESTING ACTIVITIES</b>			
<b>Cash used</b>			
Proceeds on disposal of Property, Plant and Equipment		21,454	8,956
Payment for Property, Plant and Equipment		(212,746)	(14,217)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<u>(191,292)</u>	<u>(5,262)</u>
<b>NET (DECREASE) / INCREASE IN CASH HELD</b>		(405,558)	1,118,230
Cash at 1 April 2017		<u>4,271,654</u>	<u>3,153,425</u>
<b>CASH AT 31 MARCH 2018</b>	13(a)	<u>3,866,096</u>	<u>4,271,654</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 2018

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 2018

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 2018 (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  
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018 (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



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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.

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	<p>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:</p> <ul style="list-style-type: none"> <li>- 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);</li> <li>- 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;</li> <li>- 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;</li> <li>- 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</li> <li>- Additional disclosure requirements.</li> </ul>	<p>Under AASB 16 current leases amounting to \$67,444 will be reclassified to Statement of Financial Position.</p>

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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
AASB 1058 Income of Not-for-Profit Entities	31 March 2019	<p>AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-to-profit (NFP) entities, in conjunction with AASB 15 Revenue from Contracts with Customers. These Standards supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions.</p> <p>Under AASB 1058, the timing of income recognition depends on whether a NFP transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity. This standard applies when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. In the latter case, the entity will recognise and measure the asset at fair value in accordance with the applicable Australian Accounting Standard (e.g. AASB 116 Property, Plant and Equipment). Upon initial recognition of the asset, AASB 1058 requires the entity to consider whether any other financial statement elements (called 'related amounts') should be recognised, such as:</p> <ul style="list-style-type: none"> <li>a Contributions by owners;</li> <li>b Revenue, or a contract liability arising from a contract with a customer;</li> <li>c A lease liability;</li> <li>d A financial instrument; or</li> <li>e A provision.</li> </ul> <p>These related amounts will be accounted for in accordance with the applicable Australian Accounting Standard.</p>	There is not expected to be any significant impact on the reported financial position and performance.
IFRS 9 Financial Instruments	31 March 2019	<p>All investments in equity instruments using IFRS 9 are to be measured at fair value. 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>	All future fair value movements of the Union's investments will go through the Statement of Profit and Loss, not the available for sale reserve. As a result, the current balance of \$5,095 will be transferred to retained earnings on transition to AASB 9.

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FOR THE YEAR ENDED 31 MARCH 2018 (cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(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.

(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.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
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**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**

	2018	2017
	\$	\$
Membership contributions	3,183,292	3,219,764

**(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:

	2018 \$	2017 \$
<b>Affiliation Fees</b>		
ALP NSW Branch	35,327	34,806
ALP ACT Branch	1,649	-
Unions NSW	-	-
	<u>36,976</u>	<u>34,806</u>
CEPU Divisional Conference (Capitation Fees)	708,602	693,715
CEPU National Office (National Council Fund )	22,851	8,175

- (b) Donations

Details to whom payment made	Purpose	2018 \$
Mark Amato	Financial assistance - hardship	2,500
Paul Leonard Burns	Financial assistance - Member ill	1,100
Unions NSW	Donation-1917 Centenary booklet publication	250
ALP NSW	2017 ALP NSW State Conference Dinner	803
Event Brite	EB Labour day Dinner	591
Ki Print (Kiama)	Matt Brown Campaign - Advertising printing	1,556
TOTAL		<u>6,800</u>

There were no other donations made in the 2018 financial year.

2017

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.

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(c) Net losses from sale of assets

	2018	2017
	\$	\$
Motor Vehicles	21,434	4,824
Total net losses from asset sales	<u>21,434</u>	<u>4,824</u>

(d) Employee expenses related to holders of office

	2018	2017
	\$	\$
Officers benefits expense		
Wages and Salaries	1,137,194	1,136,804
Superannuation	116,405	138,877
Leave and other entitlements (included in Wages and Salaries)	-	-
Separation and redundancies	-	-
Fringe benefit expenses	11,089	14,775
	<u>1,264,688</u>	<u>1,290,456</u>

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

	2018	2017
	\$	\$
Employees benefits expense		
Wages and Salaries	253,265	166,814
Superannuation	20,448	22,163
Leave and other entitlements (included in Wages and Salaries)	-	-
Separation and redundancies	-	-
Fringe benefit expenses	-	-
	<u>273,713</u>	<u>188,977</u>

(f) Legal and Professional Fees

	2018	2017
	\$	\$
Legal costs - litigation	70,529	193,534
Legal costs - other matters	-	-
	<u>70,529</u>	<u>193,534</u>

(g) Delegates expenses

	2018	2017
	\$	\$
Delegates Expenses	78,532	28,595
Included in the above delegate's expense are expenses for:		
Fees or allowances for attendances as representatives of the Union at conferences or other meetings	22,243	11,020
Expenses incurred in connection with holding meetings of members of the reporting unit	56,289	17,575

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(h) Other expenses

	2018	2017
	\$	\$
Payments to employers for payroll deduction activity	38,457	26,299

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

	2018	2017
	\$	\$
Amounts receivable from reporting units		
CEPU Divisional Conference	10	-
Amounts payable to reporting units		
CEPU Divisional Conference	61,548	209,896
	<u>61,548</u>	<u>209,896</u>

Provision for doubtful debts

(b) Payables and accruals

	2018	2017
	\$	\$
Legal costs - litigation	19,946	14,960
Legal Accrual	-	-
Trade payables	80,150	294,576
GST and Group tax payable	91,007	506,415
Payables to employers as consideration for the employers making payroll deductions of membership subscriptions	-	210
Other payable	-	-
	<u>191,103</u>	<u>816,161</u>

(c) Employee provisions related to holders of office

	2018	2017
	\$	\$
Officers provisions		
Annual leave	68,404	101,083
Long service leave	93,670	135,019
Separation and redundancies	-	-
Other employee provisions (sick leave)	186,684	242,937
	<u>348,758</u>	<u>479,039</u>



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

	2018	2017
	\$	\$
Employees provisions		
Annual leave	11,612	28,933
Long service leave	-	8,651
Separation and redundancies	-	-
Other employee provisions (sick leave)	12,417	6,163
	<u>24,029</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.

	2018	2017
	\$	\$
Cash inflows from Divisional Conference	-	-
Cash outflows to Divisional Conference	708,602	693,715

	2018	2017
	\$	\$

9. CASH AND CASH EQUIVALENTS

Cash on Hand	800	800
Cash at Bank	288,695	1,315,742
Cash Management Account	3,576,601	2,955,112
NSW State Election Account	-	-
	<u>3,866,096</u>	<u>4,271,654</u>

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	2018	2017
	\$	\$
<b>10. RECEIVABLES</b>		
Bonds	6,795	6,795
Sundry Debtors	34,687	50,987
Amounts due from CEPU Divisional Conference	6a -	-
	<u>41,482</u>	<u>57,782</u>

**11. INVESTMENTS**

**AVAILABLE-FOR-SALE FINANCIAL ASSETS**

NRMA shares, at fair value	<u>6,687</u>	<u>5,373</u>
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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 2018 provided by the investment management institution.

	2018	2017
	\$	\$
<b>Movement Schedule</b>		
<b>NRMA Shares</b>		
Opening - April	5,373	1,592
Additions	-	-
Revaluation increment	1,314	3,781
Closing - March	<u>6,687</u>	<u>5,373</u>

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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(ii) Recognised fair value measurements

The following table presents the Union's assets and liabilities measured and recognised at fair value at 31 March 2018 and 2017

At 31 March 2018	Level 1	Level 2	Level 3	Total
Financial Assets				
NRMA Shares - Fair Value	6,687	-	-	6,687
Total Financial Assets	<u>6,687</u>	<u>-</u>	<u>-</u>	<u>6,687</u>
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>

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	14,500,000	14,500,000
Less Accumulated Depreciation	(179,500)	-
	<u>14,320,500</u>	<u>14,500,000</u>
<b>Office Furniture and Equipment</b>		
At Cost	658,636	640,838
Less Accumulated Depreciation	(485,648)	(454,639)
	<u>172,988</u>	<u>186,199</u>
<b>Motor Vehicles</b>		
At Cost	309,341	233,870
Less Accumulated Depreciation	(114,281)	(134,241)
	<u>195,060</u>	<u>99,629</u>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<u>14,688,548</u>	<u>14,785,828</u>

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.

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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 2017	14,500,000	186,199	99,629	14,785,828
Additions	-	17,799	194,950	212,749
Disposals	-	-	(42,889)	(42,889)
Depreciation	(179,500)	(31,010)	(56,630)	(267,140)
Revaluation	-	-	-	-
Balance at 31 March 2018	14,320,500	172,988	195,060	14,688,548

	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

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 2018.

	Level 1	Level 2	Level 3	Total
31 March 2018				
Office Building	-	14,320,500	-	14,320,500
	-	14,320,500	-	14,320,500
31 March 2017				
Office Building	-	14,500,000	-	14,500,000
	-	14,500,000	-	14,500,000

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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		2018	2017
		\$	\$
<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	288,695	1,315,742
Cash Management Account	9	3,576,601	2,955,112
NSW State Election Account	9	-	-
		<u>3,866,096</u>	<u>4,271,654</u>
(b) Reconciliation of cash flow from Operations with Net Surplus			
Net Surplus		405,437	409,223
Non-Cash Flows in Operating Result			
Loss on Disposal of Assets		21,434	4,824
Depreciation		267,140	63,990
Changes in Assets and Liabilities			
Increase in Deductions in Transit		(1,171)	(104,222)
Decrease / (Increase) in Bonds, Prepayments & Sundry Debtors		16,300	23,715
Increase/(Decrease) in Sundry Creditors		773,407	725,926
Decrease in Provisions		(150,000)	-
<b>CASH FLOWS FROM OPERATIONS</b>		<u>214,266</u>	<u>1,123,491</u>
<b>14. AUDITORS' REMUNERATION</b>			
Audit Fees		29,000	32,182
Accounting and other support services		-	21,914
		<u>29,000</u>	<u>54,096</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	01/04/2017 - 31/03/2018
Branch Vice Presidents	Maureen Morris Peter O'Connell	01/04/2017 - 31/03/2018 01/04/2017 - 31/03/2018
Branch Secretary	Shane Murphy	01/04/2017 - 31/03/2018
Branch Assistant Secretary	Peter Chaloner	01/04/2017 - 31/03/2018
Branch Organisers	Gil Enzon Tan Kien Ly Ellen Huttly Aaron Stockdale (Resigned) (Declared Vacant)	01/04/2017 - 31/03/2018 01/04/2017 - 31/03/2018 01/04/2017 - 31/03/2018 01/04/2017 - 16/02/2018
Lines & General Sectional Representatives	Max Catania Peter O'Connell George Deligiannis Tony Damjanovski Steve Worsley Dennis Garlick	01/04/2017 - 31/03/2018 01/04/2017 - 31/03/2018 01/04/2017 - 31/03/2018 01/04/2017 - 31/03/2018 01/04/2017 - 21/02/2018 21/02/2018 - 31/03/2018
Postal Sectional Representatives	Donald Watson David Wong James McCallum Patrick Edgerton Pania Stephens Trong Minh Luu Paula Houghton Anita Rathour Gary Smith Mark Beckman	01/04/2017 - 31/03/2018 01/04/2017 - 31/03/2018 01/04/2017 - 31/03/2018 01/04/2017 - 31/03/2018 01/04/2017 - 21/02/2018 21/02/2017 - 31/03/2018 01/04/2017 - 21/02/2018 21/02/2017 - 31/03/2018 01/04/2017 - 21/03/2018 21/03/2017 - 31/03/2018

**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 2018 (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 \$111,682 (2017: \$138,877).
- 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. Pursuant and in accordance with the rules of the union, and the provisions of the Fair Work (Registered Organisations) Act 2009, the following is the remuneration and the form/value of non-cash benefits for the top two elected officials of the Branch for the year ended 31 March 2018:

Name	Remuneration	Super	Non-cash benefit	Super Board received by the branch	Material Personal Interest
Shane Murphy	\$ 140,772	\$ 24,041	Motor Vehicle	-	Nil
Peter Chaloner	\$ 115,505	\$19,436	Motor Vehicle	-	Nil

**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>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Short-term employee benefits</b>		
Wages and Salaries	1,137,194	1,136,804
Annual leave (included in Wages and Salaries)	-	-
Other employee expenses FBT	11,089	14,775
<b>Post-employment benefits</b>		
Superannuation	136,853	138,877
<b>Other long-term employee benefits</b>		
Long service leave (included in Wages and Salaries)	-	-
<b>Termination benefits</b>	-	-
<b>Share based payments</b>	-	-
<b>Total</b>	<u>1,285,136</u>	<u>1,290,456</u>

**16. SUPERANNUATION**

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



**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 2018 (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 2018 were \$3,183,292 (2017: \$3,219,764).

**18. COMMITMENTS**

The Union had the following lease commitments for Plant and Equipment as at 31 March 2018.

	2018	2017
	\$	\$
Payable within one year	13,489	4,867
Payable later than one year but not later than five years	53,955	-
Payable later than five years	-	-
	<u>67,444</u>	<u>4,867</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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(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:

	2018	2017
	\$	\$
Cash and cash equivalents	<u>3,866,096</u>	<u>4,271,654</u>

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

	2018	2017
	\$	\$
Receivables	<u>41,482</u>	<u>57,782</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 2018 it has \$ 3,866,096 of cash and cash equivalents to meet these obligations as they fall due (31 March 2017 totalled \$4,271,654). 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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(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 2018	Fixed Interest rate	Floating interest rate	Non-interest Bearing	Total
<b>Financial Assets</b>	\$	\$	\$	\$
Cash at Bank and on Hand		288,695	800	289,495
Held- to maturity investments	3,576,601			3,576,601
Receivables			41,482	41,482
Investments			6,687	6,687
<b>Total financial assets</b>	<b>3,576,601</b>	<b>288,695</b>	<b>48,969</b>	<b>3,914,265</b>
Weighted average Interest rate	2%	0.01%		
<b>Financial Liabilities</b>				
Payables			252,651	252,651
<b>Net Financial Assets</b>	<b>3,576,601</b>	<b>288,695</b>	<b>(203,682)</b>	<b>3,661,614</b>

31 March 2017	Fixed Interest rate	Floating interest rate	Non-interest Bearing	Total
<b>Financial Assets</b>	\$	\$	\$	\$
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
<b>Total financial assets</b>	<b>2,955,112</b>	<b>1,315,742</b>	<b>63,955</b>	<b>4,334,809</b>
Weighted average Interest rate	2%	0.01%		
<b>Financial Liabilities</b>				
Payables			1,026,057	1,026,057
<b>Net Financial Assets</b>	<b>2,955,112</b>	<b>1,315,742</b>	<b>(962,102)</b>	<b>3,308,752</b>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018 (cont'd)

19. FINANCIAL RISK MANAGEMENT NOTE (cont'd)

Sensitivity Analysis

2018	Carrying Amount	+0.5% (50 basis points) Profit	-0.5% (50 basis points) Loss
	\$	\$	\$
Cash Assets	<u>3,866,096</u>	<u>19,330</u>	<u>(19,330)</u>
2017			
Cash Assets	<u>4,271,654</u>	<u>21,358</u>	<u>(21,358)</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 :

	2018	2017
	\$	\$
Receivable within one year	761,659	382,324
Receivable later than one year but not later than five years	1,337,118	-
Receivable later than five years	-	-
	<u>2,098,777</u>	<u>382,324</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 2018 (cont'd)

21. RESERVES

	2018	2017
	\$	\$
Asset revaluation reserve	5,875,000	5,875,000
Available for sale financial asset reserve	5,096	3,781
	<u>5,880,096</u>	<u>5,878,781</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.

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

Ph: (612) 9263 2600  
Fx: (612) 9263 2800

**Opinion**

We have audited the financial report of Communications Electrical Plumbing Union – P&T Branch NSW, which comprises the statement of financial position as at 31 March 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Communications Electrical Plumbing Union – P&T Branch NSW as at 31 March 2018, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

We declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Union is appropriate.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. We are independent of the Reporting Union in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

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

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

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

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

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

**Responsibilities of Committee of Management for the Financial Report**

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

**Auditor's Responsibilities for the Audit of the Financial Report**

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting 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.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting 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 Reporting Union to cease to continue as a going concern.

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

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Union audit. We remain solely responsible for our audit opinion.
- We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

I declare that I am an approved auditor, a member of Institute of Chartered Accountants Australia and New Zealand and holds a current Public Practice Certificate.

*H M Chadwick*

Hall Chadwick  
Level 40, 2 Park Street  
Sydney NSW 2000

*G Webb*

**Graham Webb**  
Partner  
Dated: 18<sup>th</sup> July 2018