



FAIR WORK
AUSTRALIA

6 September 2010

Mr Alex Jansen
Secretary, NSW Telecommunications and Services Branch
CEPU
2nd Floor, 741 George Street
SYDNEY NSW 2000



Dear Mr Jansen

**Re: Lodgement of Financial Statements and Accounts – NSW Telecommunications and
Services Branch – for year ending 31 March 2010 (FR2010/2515)**

Thank you for lodging the above financial return which was received by Fair Work Australia on 30 August 2010.

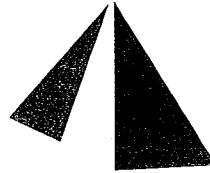
The legislative requirements appear to have been met and the documents have been filed.

Yours sincerely,

Stephen Kellett
Statutory Services Branch

CEPU Communications Division
**NSW TELECOMMUNICATIONS
& SERVICES BRANCH**

2nd Floor, 741 George Street, Sydney NSW 2000
Phone (02) 9281-2811
Fax (02) 9281-9494
ABN 69 143 175 060



CEPU

Communications
Electrical Electronic
Energy Information
Postal Plumbing
and Allied Services
Union of Australia

Statutory Services Branch
Fair Work Australia
80 William Street
East Sydney NSW 2011

Ref No.: AMJ/0810/001

Attention: Mr Stephen Kellett

Re: **Designated Officer's Certificate**
s268 Fair Work (Registered Organisations) Act 2009.

To whom it may Concern,

I, *Alex Jansen* being the *Branch Secretary* of the *CEPU (NSW) Telecommunications and Services Branch* certify:

- that the documents lodged herewith are copies of the full report, referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*, and
- that the **full report**, was provided to members on **02 August 2010**, and
- that the full report was presented to a general meeting of members of the reporting unit on **25 August 2010**; in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Yours sincerely,

Alex Jansen
Branch Secretary
26 August 2010.





**COMMUNICATIONS ELECTRICAL ELECTRONIC ENERGY INFORMATION
POSTAL PLUMBING & ALLIED SERVICES UNION OF AUSTRALIA**

COMMUNICATIONS DIVISION

NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2010**

**COMMUNICATIONS ELECTRICAL ELECTRONIC ENERGY INFORMATION
POSTAL PLUMBING & ALLIED SERVICES UNION OF AUSTRALIA**

COMMUNICATIONS DIVISION

NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

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 2010.

Principal Activities

The principal activity of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing & Allied Services Union of Australia, Communications Division, New South Wales Telecommunications and Services Branch was that of a registered Trade Union.

The principal activities of the Union during the past year fell into the following categories:

- Promoting the interests of Telecommunications and Postal workers.
- Implementing the decisions of the Divisional Branch Committee of Management, Divisional Executive, Divisional Conference and National Council.
- Implementing the union's organising & industrial agenda, including direct assistance and strategic advice to members, assistance to members on planning and resourcing campaigns, bargaining, training and development of shop stewards and officials.
- Support and representation of individual member grievances, advice on legal and legislative matters.
- Lobbying and negotiations with different levels of Government and key industry organisations around issues of importance to Telstra workers.
- Management of the Unions financial and membership systems.

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 deficit of the Branch for the financial year was \$196,398.

Significant Changes

No significant changes in the Union's state of affairs occurred during the financial year. No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Union, the results of those operations, or the state of affairs of the Union in future financial years.

Rights of Members

Subject to the Rule 11 of the Union's rules and Section 174(1) of the Fair Work (Registered Organisations) Act 2009, members of the Union have the right to resign from membership by providing written notice addressed to and delivered to the Secretary of the Union. 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.

**COMMUNICATIONS ELECTRICAL ELECTRONIC ENERGY INFORMATION
POSTAL PLUMBING & ALLIED SERVICES UNION OF AUSTRALIA**

COMMUNICATIONS DIVISION

NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

OPERATING REPORT (Cont'd)

Superannuation Office Holders

Branch Secretary, Ian McCarthy was a trustee of the Telstra Superannuation Scheme up until 31 March 2010.

Membership Numbers

- (1) 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 2010 was 1,627.
- (2) The number of persons, both full-time and part time employees measured on a full-time basis, employed by the Branch of the Union as at 31 March 2010 was four (4).
- (3) The names of persons who have at any time during the financial year ending 31 March 2010 been members of the CEPU T&S NSW Branch Committee of Management are detailed below. All such persons served on the committee for the period 1 April 2009 to 31 March 2010 unless otherwise indicated.

Executive:

Branch President: Lloyd Harris
Branch Vice Presidents (technical): Glenn Falls and Lee Walkington
Branch Vice President (operator): (VACANT)
Branch Secretary: Ian McCarthy (resigned 31 March 2010)
Branch Assistant Secretary: Vivette Horrex (redundant 8 July 2009)

Operator Division:

Colleen Crilley (resigned 17 February 2010)

Technical Division:

Peter Banner
Randall Bye
Colin Cooper
John Duffey
Peter Hayes
Alex Jansen
Jeremy Wheeler
George Piggins (nominated 16 December 2009)
Peter Wasilewski (nominated 16 December 2009)

For and on behalf of the Committee of Management


ALEX JANSEN
BRANCH SECRETARY
21 July 2010

**COMMUNICATIONS ELECTRICAL ELECTRONIC ENERGY INFORMATION
POSTAL PLUMBING & ALLIED SERVICES UNION OF AUSTRALIA**

COMMUNICATIONS DIVISION

NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

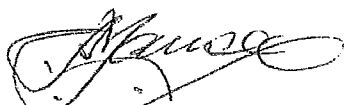
BRANCH COMMITTEE OF MANAGEMENT'S STATEMENT

On 21 July 2010 the Branch Committee of Management of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing & Allied Services Union of Australia, Communications Division, New South Wales Telecommunications and Services Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the Branch for the year ended 31 March 2010.

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 of Fair Work Australia;
- (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 2010;
- (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 2010 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 Fair Work (Registered Organisations) Act 2009; 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 the General Manager of Fair Work Australia under section 272 of the Fair Work (Registered Organisations) Act 2009; and
 - (vi) no order for inspection of the financial records was made by Fair Work Australia under section 273 of the Fair Work (Registered Organisations) Act 2009.
- (f) during the financial year ended 31 March 2010 the branch did not participate in any recovery of wages activity.

For the Branch Committee of Management:



ALEX JANSEN
BRANCH SECRETARY
21 July 2010

**COMMUNICATIONS ELECTRICAL ELECTRONIC ENERGY INFORMATION
POSTAL PLUMBING & ALLIED SERVICES UNION OF AUSTRALIA**

COMMUNICATIONS DIVISION

NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2010**

GENERAL ACCOUNT

| | 2010 | 2009 |
|--|----------------|----------------|
| | \$ | \$ |
| INCOME | | |
| Members' Dues | 634,740 | 696,956 |
| Director's Fees | 40,000 | 35,000 |
| Interest | 44,011 | 19,856 |
| Sundry Income | 1,265 | 188 |
| Donations | 85 | 580 |
| Donations – Welfare Fund | 3,188 | - |
| TOTAL INCOME | <u>723,289</u> | <u>752,580</u> |
| EXPENDITURE | | |
| Depreciation | | |
| Furniture and Equipment | <u>8,525</u> | <u>8,525</u> |
| Employee Benefits Expenses | | |
| Accrued Annual Leave – (Decrease) in Provision | (8,541) | (3,771) |
| Fringe Benefits Tax | 3,439 | 782 |
| Long Service Leave – (Decrease) in Provision | (31,793) | (27,617) |
| Payroll Tax | 25,095 | 18,111 |
| Redundancy – Office Bearer | 85,410 | - |
| Superannuation | 42,700 | 45,361 |
| Salaries – Industrial | 113,162 | 59,197 |
| – Administration | 99,485 | 112,859 |
| – Office Bearers | 135,182 | 133,288 |
| | <u>464,139</u> | <u>338,210</u> |
| Other Expenses | | |
| Affiliation Fees | 2,205 | 27,121 |
| Bad and Doubtful Debts | (1,147) | 1,412 |
| Bank Charges | 11,287 | 11,987 |
| Building Security | - | 932 |
| Cleaning | 17,082 | 21,630 |
| Collection Commissions | 641 | 626 |
| Computer Expenses | 13,307 | 16,299 |
| Divisional Conference Dues | 142,821 | 157,117 |
| Divisional Conference Journey Cover Insurance | 10,663 | - |
| Donations | - | 20 |
| Electricity | 3,196 | 4,454 |
| Carried Forward | <u>200,055</u> | <u>241,598</u> |

**COMMUNICATIONS ELECTRICAL ELECTRONIC ENERGY INFORMATION
POSTAL PLUMBING & ALLIED SERVICES UNION OF AUSTRALIA**

COMMUNICATIONS DIVISION

NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2010 (Cont'd)**

GENERAL ACCOUNT

| | Note | 2010 \$ | 2009 \$ |
|--|------|------------------|------------------|
| EXPENDITURE (Cont'd) | | | |
| Brought Forward | | 200,055 | 241,598 |
| Equipment Rental and Maintenance | | 10,630 | 14,490 |
| Loss on Sale of Land and Buildings | | - | 45,831 |
| Insurance | | 9,211 | 7,799 |
| Meeting, Seminar and Lecture Expenses | | 760 | 2,619 |
| Motor Vehicle Running Expenses | | 19,333 | 14,023 |
| National Council Dues – CEPU | | - | 873 |
| Office Amenities | | 747 | 1,413 |
| Office Rent | | 82,650 | 41,325 |
| Organising Expenses - Fares and Car Hire | | 1,934 | 1,728 |
| - Travelling | | 7,811 | 4,919 |
| - Meals | | 120 | - |
| Postage and Freight | | 6,425 | 10,647 |
| Printing and Stationery | | 42,920 | 98,364 |
| Professional Services | 8 | 31,387 | 55,128 |
| Publications and Subscriptions | | 1,605 | 215 |
| Rates and Levies | | 796 | 78,773 |
| Sundry Expenses | | 4,848 | 848 |
| Telephone | | 25,793 | 21,398 |
| | | <u>447,025</u> | <u>641,991</u> |
| TOTAL EXPENDITURE | | <u>919,689</u> | <u>988,726</u> |
| DEFICIT FOR YEAR | | <u>(196,400)</u> | <u>(236,146)</u> |

(The attached Notes form part of the financial report.)

COMMUNICATIONS ELECTRICAL ELECTRONIC ENERGY INFORMATION
POSTAL PLUMBING & ALLIED SERVICES UNION OF AUSTRALIA

COMMUNICATIONS DIVISION

NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2010

SPECIAL FUND ACCOUNT

| | 2010 \$ | 2009 \$ |
|--------------------------|------------|------------|
| INCOME | | |
| Interest Received | <u>2</u> | <u>65</u> |
| TOTAL INCOME | <u>2</u> | <u>65</u> |
| EXPENDITURE | | |
| Bank Charges | <u>-</u> | <u>-</u> |
| TOTAL EXPENDITURE | <u>-</u> | <u>-</u> |
| SURPLUS FOR YEAR | <u>2</u> | <u>65</u> |

(The attached Notes form part of the financial report.)

COMMUNICATIONS ELECTRICAL ELECTRONIC ENERGY INFORMATION
POSTAL PLUMBING & ALLIED SERVICES UNION OF AUSTRALIA

COMMUNICATIONS DIVISION

NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2010

| | Note | 2010 \$ | 2009 \$ |
|--|------|------------------|------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and Cash Equivalents | 4 | 935,821 | 1,195,730 |
| Receivables | 5 | 56,368 | 33,999 |
| Total Current Assets | | <u>992,189</u> | <u>1,229,729</u> |
| Non Current Assets | | | |
| Special Fund Loan to General Account | | 58,314 | 58,314 |
| Furniture and Equipment | 6 | 12,665 | 17,920 |
| Total Non Current Assets | | <u>70,979</u> | <u>76,234</u> |
| TOTAL ASSETS | | <u>1,063,168</u> | <u>1,305,963</u> |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Provision for Annual Leave | | 31,457 | 39,998 |
| Provision for Long Service Leave | | 53,038 | 84,831 |
| Payables | 7 | 183,284 | 189,347 |
| Total Current Liabilities | | <u>267,779</u> | <u>314,176</u> |
| Non Current Liabilities | | | |
| General Account Loan from Special Fund Account | | 58,314 | 58,314 |
| Total Non Current Liabilities | | <u>58,314</u> | <u>58,314</u> |
| TOTAL LIABILITIES | | <u>326,093</u> | <u>372,490</u> |
| NET ASSETS | | <u>737,075</u> | <u>933,473</u> |
| ACCUMULATED FUNDS | | | |
| General Account | | 655,184 | 851,584 |
| Special Fund Account | | 81,891 | 81,889 |
| | | <u>737,075</u> | <u>933,473</u> |

(The attached Notes form part of the financial report.)

COMMUNICATIONS ELECTRICAL ELECTRONIC ENERGY INFORMATION
POSTAL PLUMBING & ALLIED SERVICES UNION OF AUSTRALIA

COMMUNICATIONS DIVISION

NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 31 MARCH 2010

| | Accumulated Funds General Account | Accumulated Funds Special Fund Account | Total Accumulated Funds |
|--------------------------------|--|---|-------------------------------|
| | \$ | \$ | \$ |
| Balance at 1 April 2008 | 1,087,730 | 81,824 | 1,169,554 |
| Net (Deficit) Surplus for Year | <u>(236,146)</u> | <u>65</u> | <u>(236,081)</u> |
| Balance at 31 March 2009 | 851,584 | 81,889 | 933,473 |
| Net (Deficit) Surplus for Year | <u>(196,400)</u> | <u>2</u> | <u>(196,398)</u> |
| Balance at 31 March 2010 | <u>655,184</u> | <u>81,891</u> | <u>737,075</u> |

(The attached Notes form part of the financial report.)

COMMUNICATIONS ELECTRICAL ELECTRONIC ENERGY INFORMATION
POSTAL PLUMBING & ALLIED SERVICES UNION OF AUSTRALIA

COMMUNICATIONS DIVISION

NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2010

| | Note | 2010 \$ | 2009 \$ |
|--|------|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from Members | | 634,740 | 696,956 |
| Payments to Suppliers and Employees | | (979,501) | (1,164,676) |
| Interest Received | | 43,584 | 17,409 |
| Other | | 44,538 | 35,768 |
| NET CASH (USED IN) OPERATING ACTIVITIES | 9(b) | <u>(256,639)</u> | <u>(414,543)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Net Proceeds from Sale of Asset | | - | 1,554,169 |
| Payment for Assets | | <u>(3,270)</u> | <u>(7,988)</u> |
| NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES | | <u>(3,270)</u> | <u>1,546,181</u> |
| NET(DECREASE) INCREASE IN CASH HELD | | (259,909) | 1,131,638 |
| Cash at Beginning of Year | | <u>1,195,730</u> | <u>64,092</u> |
| CASH AT END OF YEAR | 9(a) | <u>935,821</u> | <u>1,195,730</u> |

(The attached Notes form part of the financial report.)

**COMMUNICATIONS ELECTRICAL ELECTRONIC ENERGY INFORMATION
POSTAL PLUMBING & ALLIED SERVICES UNION OF AUSTRALIA**

COMMUNICATIONS DIVISION

NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2010**

1. STATEMENT OF ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Fair Work (Registered Organisations) Act 2009.

Compliance with Australian equivalents to International Financial Reporting Standards ensures that the financial report comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS) except for:

- Segment reporting because AASB 114 "Segment Reporting" does not apply to not-for-profit organisations.
- Impairment of assets under AASB 136 "Impairment of assets"

BASIS OF PREPARATION

The financial report is for the entity Communications, Electrical, Electronic, Energy, Information, Postal Plumbing & Allied Services Union of Australia, Communications Division, New South Wales Telecommunications and Services Branch as an individual entity. The Communications, Electrical, Electronic, Energy, Information Postal Plumbing & Allied Services Union of Australia is an organisation registered under the Fair Work (Registered Organisations) Act 2009. The New South Wales Telecommunications and Services 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 financial report has been prepared on the basis of historical costs. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

COMMUNICATIONS ELECTRICAL ELECTRONIC ENERGY INFORMATION
POSTAL PLUMBING & ALLIED SERVICES UNION OF AUSTRALIA

COMMUNICATIONS DIVISION

NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2010 (Cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The following is a summary of the significant accounting policies adopted by the branch in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

(a) Revenue

Members' Dues are accounted for on a cash receipts basis.

Directors Fees that any union official receives as a result of their position at the union are accounted for on a cash receipts basis.

(b) Income Tax

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

(c) Furniture and Equipment

Furniture and equipment is carried at cost less, where applicable, any accumulated depreciation and any impairment in value.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the branch commencing from the time the asset is ready for use.

The depreciation rates used for each class of asset are:

| | |
|-------------------------|----------|
| Furniture and Equipment | 5% - 33% |
|-------------------------|----------|

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 income statement in the year that the item is derecognised.

(d) Impairment

The carrying amounts of furniture 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 income statement 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.

**COMMUNICATIONS ELECTRICAL ELECTRONIC ENERGY INFORMATION
POSTAL PLUMBING & ALLIED SERVICES UNION OF AUSTRALIA**

COMMUNICATIONS DIVISION

NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2010 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(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) 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.

(g) Accounting Standards Issued But Not Yet Effective

There have been no accounting standards issued which will impact the financial report in future periods and which are not yet effective.

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) Critical accounting estimates and assumptions

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

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

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

COMMUNICATIONS ELECTRICAL ELECTRONIC ENERGY INFORMATION
POSTAL PLUMBING & ALLIED SERVICES UNION OF AUSTRALIA

COMMUNICATIONS DIVISION

NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2010 (Cont'd)

3. INFORMATION TO BE PROVIDED TO MEMBERS OR THE GENERAL MANAGER
OF FAIR WORK AUSTRALIA

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

- (1) A member of an organisation, or the General Manager of Fair Work Australia, 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).

| | 2010 \$ | 2009 \$ |
|-------------------------------------|----------------|------------------|
| 4. CASH AND CASH EQUIVALENTS | | |
| Cash on Hand – Petty Cash | 599 | 1,430 |
| Cash at Bank | | |
| - General Account | 96,204 | 155,189 |
| - Special Fund Account | 23,577 | 23,575 |
| - Welfare Fund Account | 3,679 | - |
| Certificate of Deposit | 811,762 | 1,015,536 |
| | <u>935,821</u> | <u>1,195,730</u> |

5. RECEIVABLES
Current

| | | |
|------------------|---------------|---------------|
| Accrued Interest | 2,941 | 2,512 |
| Other | 53,427 | 31,487 |
| | <u>56,368</u> | <u>33,999</u> |

COMMUNICATIONS ELECTRICAL ELECTRONIC ENERGY INFORMATION
POSTAL PLUMBING & ALLIED SERVICES UNION OF AUSTRALIA

COMMUNICATIONS DIVISION

NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2010 (Cont'd)

6. FURNITURE AND EQUIPMENT

| | 2010 \$ | 2009 \$ |
|-------------------------------|---------------|---------------|
| Furniture and Equipment | | |
| Cost | 108,636 | 105,365 |
| Less Accumulated Depreciation | (95,971) | (87,445) |
| | <u>12,665</u> | <u>17,920</u> |

MOVEMENTS IN CARRYING AMOUNTS

| | Furniture and Equipment |
|--------------------------|-------------------------------|
| Balance at 1 April 2009 | 17,920 |
| Additions | 3,270 |
| Disposals | - |
| Depreciation | <u>(8,525)</u> |
| Balance at 31 March 2010 | <u>12,665</u> |

7. PAYABLES

| | | |
|----------------------------|----------------|----------------|
| CEPU Divisional Conference | 45,693 | 21,390 |
| Other Creditors | <u>137,591</u> | <u>167,957</u> |
| | <u>183,284</u> | <u>189,347</u> |

8. PROFESSIONAL SERVICES

| | | |
|-----------------|---------------|---------------|
| Audit Fees | 22,500 | 22,325 |
| Accounting Fees | 7,600 | 32,803 |
| Legal Fees | <u>1,287</u> | <u>-</u> |
| | <u>31,387</u> | <u>55,128</u> |

COMMUNICATIONS ELECTRICAL ELECTRONIC ENERGY INFORMATION
POSTAL PLUMBING & ALLIED SERVICES UNION OF AUSTRALIA

COMMUNICATIONS DIVISION

NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2010 (Cont'd)

| | 2010 \$ | 2009 \$ |
|---|------------------|------------------|
| 9. CASH FLOW INFORMATION | | |
| (a) For the purposes of the Statement of Cash Flows, cash includes cash on hand and at call deposits with banks and other financial institutions. | | |
| Cash on Hand – Petty Cash | 599 | 1,430 |
| Cash at Bank | | |
| - General Account | 96,204 | 155,189 |
| - Special Fund Account | 23,577 | 23,575 |
| - Welfare Fund Account | 3,679 | - |
| Certificate of Deposit | <u>811,762</u> | <u>1,015,536</u> |
| | <u>935,821</u> | <u>1,195,730</u> |
| (b) Reconciliation of Cash Flow from Operations with Net (Deficit) | | |
| Net (Deficit) | | |
| General Fund | (196,400) | (236,146) |
| Special Fund | <u>2</u> | <u>65</u> |
| Total Net (Deficit) | (196,398) | (236,081) |
| Non-Cash Flows in Net (Deficit) | | |
| Depreciation | 8,525 | 8,525 |
| Loss on Sale of Land & Buildings | - | 45,831 |
| Changes in Assets and Liabilities | | |
| (Decrease) in Employee Entitlement Provisions | (40,334) | (31,388) |
| (Increase) Decrease in Sundry Debtors and Prepayments | (21,940) | 33,187 |
| (Increase) in Accrued Interest | (429) | (2,512) |
| (Decrease) in Sundry Creditors | <u>(6,063)</u> | <u>(232,105)</u> |
| CASH FLOWS FROM OPERATIONS | <u>(256,639)</u> | <u>(414,543)</u> |

COMMUNICATIONS ELECTRICAL ELECTRONIC ENERGY INFORMATION
POSTAL PLUMBING & ALLIED SERVICES UNION OF AUSTRALIA

COMMUNICATIONS DIVISION

NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2010 (Cont'd)

10. FINANCIAL RISK MANAGEMENT

(a) *General objectives, policies and processes*

The branch is exposed to risks that 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, trade receivables and payables. The main risks the branch is exposed to through its financial instruments are interest rate risk (see section (e) below), liquidity risk and credit risk.

The branch committee of management has overall responsibility for the determination of the branch's risk management objectives and policies and whilst retaining ultimate responsibility for them, the branch committee of management make investment decisions after considering appropriate advice.

(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.

There is no concentration of credit risk with respect to current and non-current receivables.

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:

| | Note | 2010 | 2009 |
|-----------------------------|------|---------|-----------|
| | | \$ | \$ |
| Cash at Bank | 4 | 935,222 | 1,194,300 |
| | | | |
| Other | 5 | 53,427 | 31,487 |
| Total loans and receivables | | 53,427 | 31,487 |

There has been no history of default and all receivables are likely to be repaid within the expected terms

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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2010 (Cont'd)

10. FINANCIAL RISK MANAGEMENT (Cont'd)

(c) *Liquidity Risk*

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

The branch is exposed to this risk; however at 31 March 2010 it had \$935,821 (\$1,195,730 – 2009) of cash and cash equivalents to meet these obligations as they fall due. Financial liabilities at 31 March 2010 totalled \$183,284 (\$189,347 -2009).

(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 cashflows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or other market factors (other price risk).

(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 2010 | Fixed interest rate | Floating interest rate | Non interest bearing | Total |
|---|---------------------------|------------------------------|-------------------------|-----------|
| | \$ | \$ | \$ | \$ |
| Financial Assets | | | | |
| Cash | 811,762 | 123,460 | 599 | 935,821 |
| Receivables | - | - | 53,427 | 53,427 |
| | 811,762 | 123,460 | 54,026 | 989,248 |
| Weighted average Interest rate | 5.75% | 0.24% | | |
| Financial Liabilities | | | | |
| Payables | - | - | 183,284 | 183,284 |
| Net Financial Assets/(Liabilities) | 811,762 | 123,460 | (129,258) | 805,964 |
| 31 March 2009 | | | | |
| Financial Assets | | | | |
| Cash | 1,015,536 | 178,764 | 1,430 | 1,195,730 |
| Receivables | - | - | 31,487 | 31,487 |
| | 1,015,536 | 178,764 | 32,917 | 1,227,217 |
| Weighted average Interest rate | 4.30% | 0.35% | | |
| Financial Liabilities | | | | |
| Payables | - | - | 189,347 | 189,347 |
| Net Financial Assets/(Liabilities) | 1,015,536 | 178,764 | (156,430) | 1,037,870 |

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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2010 (Cont'd)

10. FINANCIAL RISK MANAGEMENT (Cont'd)

(e) *Interest Rate Risk*

Sensitivity Analysis

| 2010 | Carrying Amount | +1% (100 basis points) Profit \$ | -1% (100 basis points) Loss \$ |
|-------------|--------------------|--|--|
| Cash Assets | \$ 935,222 | \$ 9,352 | \$ (9,352) |

| 2009 | Carrying Amount | +1% (100 basis points) Profit \$ | -1% (100 basis points) Loss \$ |
|-------------|--------------------|--|--|
| Cash Assets | \$ 1,194,300 | \$ 11,943 | \$ (11,943) |

(f) *Other Price Risks*

The branch does not invest in shares or 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 risk.

11. SUPERANNUATION

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

12. REGISTERED OFFICE

The registered office and principal place of business of the Branch is:

Level 1,
741 George Street
Sydney NSW 2000

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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2010 (Cont'd)

13. RELATED PARTIES

- (a) The aggregate amount of remuneration paid to officers during the financial year is disclosed in the Income Statement under Salaries – Office Bearers and Redundancy – Officer Bearer.
- (b) The aggregate amount paid during the financial year to a superannuation plan in respect of elected full time officials was \$24,044 (2009: \$28,597).
- (c) There have been no other transactions between the officers and the branch other than those relating to their membership of the branch and the reimbursement by the branch 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.
- (d) The names of persons who have at any time during the financial year ending 31 March 2010 been members of the CEPU T & S NSW Branch Committee of Management are as follows:

Executive:

Branch President: Lloyd Harris
Branch Vice Presidents (technical): Glenn Falls and Lee Walkington
Branch Vice President (operator): (VACANT)
Branch Secretary: Ian McCarthy (resigned 31 March 2010)
Branch Assistant Secretary: Vivette Horrex (redundant 8 July 2009)

Operator Division:

Colleen Crilley (resigned 17 February 2010)

Technical Division:

Peter Banner
Randall Bye
Colin Cooper
John Duffey
Peter Hayes
Alex Jansen
Jeremy Wheeler
George Piggins (nominated 16 December 2009)
Peter Wasilewski (nominated 16 December 2009)

INDEPENDENT AUDIT REPORT

To the members of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing & Allied Services Union of Australia, Communications Division, New South Wales Telecommunications and Services Branch.

We have audited the accompanying financial report of Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing & Allied Services Union of Australia, Communications Division, New South Wales Telecommunications and Services Branch, which comprises the statement of financial position as at 31 March 2010, and the statement of comprehensive income, statement of changes in accumulated funds and statement of cash flows for the year then ended, a summary of significant accounting policies, other explanatory notes and the Branch Committee of Management's statement.

Responsibility of the Branch Committee of Management and Secretary of the Branch

The Branch Committee of Management and the Secretary of the Branch are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009. This responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Branch Committee of Management and the Secretary of the Branch, as well as evaluating the overall presentation of the financial report.

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



INDEPENDENT AUDIT REPORT (Cont'd)

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies and the Fair Work (Registered Organisations) Act 2009.

Auditor's Opinion

In our opinion the general purpose financial report of Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing & Allied Services Union of Australia, Communications Division, New South Wales Telecommunications and Services Branch is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

A handwritten signature in black ink, appearing to be 'BDO'.

BDO Audit (NSW-VIC) Pty Ltd

A handwritten signature in black ink, appearing to be 'David McLean'.

David McLean

Director

Member of Institute of Chartered Accountants

And Holder of Current Public Practice Certificate

Registered Company Auditor

SYDNEY NSW 2000

21 July 2010

14 April 2010

Mr Ian McCarthy
Secretary, NSW Telecommunications and Services Branch
CEPU
2nd Floor, 741 George Street
SYDNEY NSW 2000



FAIR WORK
AUSTRALIA



Dear Mr McCarthy,

Re: Lodgement of Financial Statements and Accounts – NSW Telecommunications and Services Branch – for year ending 31 March 2010 (FR2010/2515)

The financial year of the NSW Telecommunications and Services Branch has recently ended. This is a courtesy letter to remind you of the obligation to prepare the reporting unit's financial documents and to lodge audited financial accounts and statements with Fair Work Australia within the prescribed time frame unless a 1 month extension or an application for a certificate of exemption under the *Fair Work (Registered Organisations) Act 2009* ('the RO Act') is applied for and granted.

The documents you must lodge include:

(i) A general purpose financial report [see section 253(2)]; (ii) A Committee of Management statement (see the General Manager's Reporting Guidelines); (iii) An operating report [see section 254(2)]; (iv) An auditor's report [see sections 257(5) to 257(11)]; and (v) A certificate of the secretary or other designated officer signed after all the prescribed events have taken place [see section 268(c)].

I draw your particular attention to

- (a) s237 which requires you to prepare and lodge a separate statement providing the prescribed particulars of any loan, grant or donation made during the year which exceeds \$1,000;
- (b) s265(5) which requires you to publish or otherwise provide your members with completed/signed copies of the audited accounts, report and statements before final presentation and lodgment; and
- (c) s266 which requires you to present the completed documents to an eligible meeting(s) (either of the members or of the committee of management). Note that this meeting is distinct from any initial committee meeting convened to prepare, sign or otherwise approve pre-audited documents.

Relevant references may be found at <http://www.fwa.gov.au/index.cfm?pagename=regorgsfrguidelines> and <http://www.fwa.gov.au/index.cfm?pagename=legislationfwroact>. If you are in any doubt as to the requirements or anticipate any difficulty in complying with the requirements, do not hesitate to contact Fair Work Australia.

Yours sincerely,

Stephen Kellett
Statutory Services Branch