



3 March 2020

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

Dear Secretary

**Re: – Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, New South Wales Telecommunications and Services Branch - financial report for year ending 31 March 2019 (FR2019/12)**

I refer to the financial report of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, New South Wales Telecommunications and Services Branch. . The documents were lodged with the Registered Organisations Commission (**ROC**) on 18 October 2019.

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. Please note that the financial report for the year ending 31 March 2020 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. However I make the following comments to assist when preparing the next report.

Audit scope to include subsection 255(2A) report

A general purpose financial report prepared under section 253 of the RO Act also includes the expenditure report required to be prepared under subsection 255(2A) as prescribed by reporting guideline 22.

The subsection 255(2A) report must be identified by title in the auditor's statement in accordance with paragraph 24(c) of Australian Auditing Standard *ASA 700 Forming an Opinion and Reporting on a Financial Report*.

A subsection 255(2A) report was included in the copy of the documents lodged with the ROC but the auditor did not refer to the statement in the auditor's report.

Please ensure that the subsection 255(2A) report is audited and included in the audit scope<sup>1</sup> of the auditor's statement.

Auditor declaration

Please note item 29(a) of the Reporting guidelines which sets out the new format for the auditor qualification declaration.

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<sup>1</sup> The inclusion of the s255(2A) reference in the auditor's report confirms the inclusion of the report in the audit.

### Nil activities disclosure

Item 21 of the reporting guidelines states that if any activities identified within items 10-20 of the reporting guidelines have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in an officer's declaration statement. The notes contained nil activity information for all relevant prescribed reporting guideline categories except the following:

- RG16(b)(i) - have a payable in respect of legal costs relating to litigation<sup>2</sup>
- RG16(b)(ii) - have a payable in respect of legal costs relating to other legal matters<sup>3</sup>
- RG18 - receive cash flows from another reporting units and/or controlled entity
- RG20 - make a payment to a former related party of the reporting unit

### Recovery of wage activity revenue disclosure

Please note that the declaration at (f) in relation to recovery of wage activity revenue is no longer required in the committee of management statement (see reporting guideline 26) because it is now included in the items of revenue in the statement of comprehensive income<sup>4</sup> (see reporting guidelines 14(e) and 21, whichever applies).

I also draw the auditor's attention to reporting guideline 28 of the current 5<sup>th</sup> edition of the guidelines which replaces the former reporting guideline 37(b) of the previous 4<sup>th</sup> edition.<sup>5</sup>

### Disclosures relating to other reporting units

The reporting unit (CTSN) has made disclosures of transactions with the Divisional Conference (DIV). A comparison made between the disclosures by each relevant reporting unit identified the following differences:

- Payable owing from CTSN to DIV = \$8,296 but receivable owed reported by DIV = \$6,573

Subsection 252(2) of the RO Act requires that where an organisation consists of 2 or more reporting units, the financial records for each of the reporting units must, as far as practicable, be kept in a consistent manner. Moreover, reporting guideline 25(e)(iv) requires the committee of management to make a declaration in relation to the general purpose financial report to that effect. It is also noted that overall the accounting policies relating to the measurement basis and disclosure of key financial transactions for each reporting unit are the same. It would therefore be expected, in the ordinary course, that amounts disclosed in the respective reports of the relevant reporting units will correspond.

The reporting unit must take such steps as will ensure that balances for transactions with other reporting units within the organisation in next year's report will correspond with relevant balances disclosed in the reports of those other reporting units. The ROC will assess how this issue has been addressed prior to filing next year's report.

### **Reporting Requirements**

The ROC website provides several factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements. The ROC recommends that reporting units use these model

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<sup>2</sup> Not to be confused with disclosure of litigation expense [RG14(j)(i)] at Note 3I on page 19

<sup>3</sup> Not to be confused with disclosure of other legal matters expense [RG14(j)(ii)] at Note 3I on page 19

<sup>4</sup> See also Note 2E

<sup>5</sup> The specific reference to the audit of recovery of wage activity information has been removed from the form of the auditor's opinion declaration

financial statements to assist in complying with the RO Act, the reporting guidelines and Australian Accounting Standards. Access to this information is available 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

A handwritten signature in black ink, appearing to read "Stephen Kellett", with a long horizontal stroke extending to the right.

Stephen Kellett  
Financial Reporting  
Registered Organisations Commission

18 October 2019

Registered Organisation Commission  
GPO Box 2983  
Melbourne 3000

[regorgs@roc.gov.au](mailto:regorgs@roc.gov.au)

**Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union  
of Australia-Communications Division - NSW Telecommunications and Services Branch  
Financial Report for the year ended 31 March 2019 – (FR2019/12)**

***s.268 Fair Work (Registered Organisations) Act 2009***

**Certificate for the year ended 31 March 2019**

I Daniel Lee Dwyer being the Branch Secretary of the CEPU NSW Telecommunications and Services Branch name of the reporting unit] certify:

- that the documents lodged herewith are copies of the full report for the CEPU NSW Telecommunications and Services Branch for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 24 September 2019 and
- that the full report was presented to a *general meeting of members* of the reporting unit on 17 October 2019 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.



Dan Dwyer  
BRANCH SECRETARY  
18 October 2019

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

**COMMUNICATIONS DIVISION**

**NEW SOUTH WALES  
TELECOMMUNICATIONS AND SERVICES BRANCH**

**ABN 69 143 175 060**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 MARCH 2019**

## **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 2019.

### **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, and
- 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 loss of the Branch for the financial year was \$83,072 (2018: \$28,641). This included a significant termination (Redundancy) payment to a long standing employee.

### **Significant Changes**

The Branch has taken a number of decisions to significantly reduce costs and plan for a balanced budget in the 2019 - 2020 year and for a surplus in following years. The decisions include a reduction in office staff, reduction in leased office space, rationalisation of telecommunication and IT costs and rationalisation of leases. The Branch has also rationalised its administrative support. The accounts also reflect the redundancy payment of a long standing administrative employee.

### **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. There was no change to this rule during the year.

## OPERATING REPORT (Cont'd)

### Superannuation Office Holders

No Office Holder was a trustee of a Superannuation Scheme or a Director of a Company that is a trustee of a superannuation entity during the year ended 31 March 2019.

### 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 2019 was 702. There were 571 financial members.
- (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 2019 was 1.2.
- (3) The names of persons who have at any time during the financial year ending 31 March 2019 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 2018 to 31 March 2019 unless otherwise indicated.

| Position                          | Name             | Period                            |
|-----------------------------------|------------------|-----------------------------------|
| Branch President                  | Lloyd Harris     | 1 April 2018 to 31 March 2019     |
| Branch Vice President (Technical) | Glenn Falls      | 1 April 2018 to 31 March 2019     |
| Branch Vice President (Technical) | Peter Wasilewski | 1 April 2018 to 31 March 2019     |
| Branch Vice President (Operator)  | Joanne King      | 1 April 2018 to 31 March 2019     |
| Branch Secretary                  | Alex Jansen      | 1 April 2018 to 31 August 2018    |
| Branch Secretary                  | Daniel Dwyer     | 14 November 2018 to 31 March 2019 |
| Branch Assistant Secretary        | Lee Walkington   | 1 April 2018 to 31 March 2019     |
| Operator Division                 | Vacant           | 1 April 2018 to 31 March 2019     |
| Technical Division                | Randall Bye      | 1 April 2018 to 31 March 2019     |
| Technical Division                | Michael Lennon   | 1 April 2018 to 31 March 2019     |
| Technical Division                | Peter Banner     | 1 April 2018 to 31 March 2019     |
| Technical Division                | John Duffey      | 1 April 2018 to 31 March 2019     |
| Technical Division                | David Seychell   | 1 April 2018 to 31 March 2019     |
| Technical Division                | David Crotty     | 1 April 2018 to 19 September 2018 |
| Technical Division                | Simon Vanderzeil | 24 October 2018 to 31 March 2019  |

For and on behalf of the Committee of Management:



**Dan Dwyer**  
**BRANCH SECRETARY**

24 September 2019

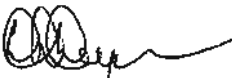
**BRANCH COMMITTEE OF MANAGEMENT'S STATEMENT**

On 23 September 2019 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 2019.

The Branch Committee of Management declares that in its opinion:

- a) the financial statements and notes comply with the Australian Accounting Standards;
- b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the **RO Act**);
- c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- e) during the financial year to which the GPFR relates and since the end of that year:
  - i. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - iii. the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
  - iv. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
  - v. where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
  - vi. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- f) during the financial year ended 31 March 2019 the branch did not participate in any recovery of wages activity.

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



**Dan Dwyer**  
**BRANCH SECRETARY**

24 September 2019



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

COMMUNICATIONS DIVISION NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

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**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2019**

|                                                     | Note  | 2019<br>\$      | 2018<br>\$      |
|-----------------------------------------------------|-------|-----------------|-----------------|
| <b>REVENUE</b>                                      |       |                 |                 |
| Members' Dues                                       |       | 366,916         | 422,382         |
| Capitation Fees/Revenue from another reporting unit | 2A    | -               | -               |
| Revenue from recovery of wages activity             | 2E    | -               | -               |
| Levies                                              | 2B    | -               | -               |
| Interest                                            | 2C    | 6,420           | 9,475           |
| Sundry Income                                       |       | 148             | 1,824           |
| Grants and Donations                                | 2D    | -               | -               |
| <b>TOTAL REVENUE</b>                                |       | <b>373,484</b>  | <b>433,681</b>  |
| <b>EXPENDITURE</b>                                  |       |                 |                 |
| <b>Depreciation</b>                                 |       |                 |                 |
| Furniture, Equipment & Leasehold Improvements       | 3A    | 1,430           | 1,654           |
| <b>Employee Benefits Expenses</b>                   |       |                 |                 |
| Annual Leave Provision                              | 3C    | 915             | (24,526)        |
| Fringe Benefits Tax                                 | 3B    | -               | -               |
| Long Service Leave Provision                        | 3C    | 1,239           | (6,385)         |
| Payroll Tax                                         |       | 15,013          | 13,214          |
| Superannuation                                      | 3B    | 19,366          | 27,360          |
| Salaries - Administration                           | 3B    | 105,561         | 59,107          |
| Salaries - Office Bearers                           | 3B    | 94,689          | 156,132         |
| <b>Other Expenses</b>                               |       |                 |                 |
| Affiliation Fees                                    | 3D    | 3,737           | 4,193           |
| Bank Charges                                        |       | 4,405           | 5,173           |
| Collection Commissions                              |       | 236             | 299             |
| Computer Expenses                                   |       | 9,501           | 10,624          |
| Divisional Conference Dues                          | 3E    | 75,032          | 95,354          |
| Donations                                           | 3F    | -               | -               |
| Electricity                                         |       | 4,554           | 3,963           |
| Equipment Rental and Maintenance                    |       | 8,336           | 8,069           |
| Insurance                                           |       | 6,635           | 5,178           |
| Meeting, Seminar and Lecture Expenses               | 3G    | 431             | 315             |
| Motor Vehicle Running Expenses                      |       | 1,561           | 2,726           |
| National Council Dues                               | 3E    | 4,816           | -               |
| Office Amenities                                    |       | 31              | 93              |
| Office Rent                                         |       | 43,564          | 37,334          |
| Organising Expenses - Fares and Car Hire            |       | 3,389           | -               |
| Other Expenses                                      | 3G    | -               | -               |
| Postage and Freight                                 |       | 2,593           | 3,332           |
| Printing and Stationery                             |       | 4,940           | 4,257           |
| Professional Services                               | 3H,3I | 35,657          | 40,292          |
| Provision for Lease Make Good                       |       | -               | -               |
| Sundry Expenses                                     |       | (137)           | 2,776           |
| Telephone                                           |       | 9,062           | 11,788          |
| <b>TOTAL EXPENDITURE</b>                            |       | <b>456,556</b>  | <b>462,322</b>  |
| <b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>        |       | <b>(83,072)</b> | <b>(28,641)</b> |

(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

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**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019**

|                                           | Note | 2019<br>\$     | 2018<br>\$     |
|-------------------------------------------|------|----------------|----------------|
| <b>ASSETS</b>                             |      |                |                |
| <b>Current Assets</b>                     |      |                |                |
| Cash and Cash Equivalents                 | 4A   | 12,209         | 42,468         |
| Trade and Other Receivables               | 4B   | 8,162          | 6,872          |
| Financial Assets                          | 4C   | 232,754        | 375,000        |
| <b>Total Current Assets</b>               |      | <b>253,125</b> | <b>424,340</b> |
| <b>Non-Current Assets</b>                 |      |                |                |
| Receivables                               | 4B   | 10,725         | 10,725         |
| Furniture, Equipment & Lease Improvements | 4D   | 7,665          | 9,095          |
| <b>Total Non-Current Assets</b>           |      | <b>18,390</b>  | <b>19,820</b>  |
| <b>TOTAL ASSETS</b>                       |      | <b>271,515</b> | <b>444,160</b> |
| <b>LIABILITIES</b>                        |      |                |                |
| <b>Current Liabilities</b>                |      |                |                |
| Trade and Other Payables                  | 5A   | 42,416         | 65,814         |
| Provision for Annual Leave                | 3C   | 915            | 41,005         |
| Provision for Long Service Leave          | 3C   | 1,239          | 8,426          |
| Provision for Leasehold Make Good         |      | 2,500          | 2,500          |
| Deferred Revenue                          |      | 1,517          | 754            |
| <b>Total Current Liabilities</b>          |      | <b>48,587</b>  | <b>118,499</b> |
| <b>Non-Current Liabilities</b>            |      |                |                |
| Provision for Long Service Leave          | 3C   | -              | 19,661         |
| <b>Total Non-Current Liabilities</b>      |      | <b>-</b>       | <b>19,661</b>  |
| <b>TOTAL LIABILITIES</b>                  |      | <b>48,587</b>  | <b>138,160</b> |
| <b>NET ASSETS</b>                         |      | <b>222,928</b> | <b>306,000</b> |
| <b>ACCUMULATED FUNDS</b>                  |      |                |                |
| General Account                           |      | 222,928        | 306,000        |
| <b>Total Accumulated Funds</b>            |      | <b>222,928</b> | <b>306,000</b> |

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

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,  
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COMMUNICATIONS DIVISION NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

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**STATEMENT OF CHANGES IN ACCUMULATED FUNDS FOR THE YEAR ENDED 31 MARCH 2019**

|                                            | <b>Accumulated Funds<br/>General Account<br/>\$</b> |
|--------------------------------------------|-----------------------------------------------------|
| Balance at 31 March 2017                   | 334,641                                             |
| <b>Total Comprehensive (Loss) for Year</b> | <b>(28,641)</b>                                     |
| Balance at 31 March 2018                   | <hr/> 306,000                                       |
| <b>Total Comprehensive (Loss) for Year</b> | <b>(83,072)</b>                                     |
| Balance at 31 March 2019                   | <hr/> 222,928 <hr/>                                 |

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

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,  
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COMMUNICATIONS DIVISION NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

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**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019**

|                                                                | <b>Note</b> | <b>2019</b>      | <b>2018</b>      |
|----------------------------------------------------------------|-------------|------------------|------------------|
|                                                                |             | <b>\$</b>        | <b>\$</b>        |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                    |             |                  |                  |
| Receipts from Members                                          |             | 424,915          | 423,799          |
| Payments to Suppliers and Employees                            |             | (528,955)        | (398,128)        |
| Payments to CEPU Divisional Conference                         |             | (75,032)         | (99,346)         |
| Payments to ALP ACT Branch                                     |             | -                | (157)            |
| Interest Received                                              |             | 6,567            | 13,297           |
| <b>NET CASH (USED IN) OPERATING ACTIVITIES</b>                 | <b>9</b>    | <u>(172,505)</u> | <u>(60,535)</u>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                    |             |                  |                  |
| Receipts from / (Payments to) Financial Assets                 |             | <u>142,246</u>   | <u>(375,000)</u> |
| <b>NET CASH RECEIVED FROM / (USED IN) INVESTING ACTIVITIES</b> |             | <u>142,246</u>   | <u>(375,000)</u> |
| <b>NET (DECREASE) IN CASH HELD</b>                             |             | (30,259)         | (435,535)        |
| Cash at Beginning of Year                                      |             | <u>42,468</u>    | <u>478,003</u>   |
| <b>CASH AT END OF YEAR</b>                                     | <b>9</b>    | <u>12,209</u>    | <u>42,468</u>    |

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 31 MARCH 2019**

|         |                                                           |
|---------|-----------------------------------------------------------|
| Note 1  | Summary of Significant Accounting Policies                |
| Note 2  | Revenue                                                   |
| Note 3  | Expenses                                                  |
| Note 4  | Assets                                                    |
| Note 5  | Liabilities                                               |
| Note 6  | Administration Expenses                                   |
| Note 7  | General Funds                                             |
| Note 8  | Other Specific Disclosures - Funds                        |
| Note 9  | Cash Flow Reconciliation                                  |
| Note 10 | Contingent Assets, Liabilities and Commitments            |
| Note 11 | Key management personnel                                  |
| Note 12 | Remuneration of Auditors                                  |
| Note 13 | Financial Instruments                                     |
| Note 14 | Events after the reporting period                         |
| Note 15 | Section 272 Fair Work (Registered organisations) Act 2009 |
| Note 16 | Disclosures in respect of statement of changes in equity  |
| Note 17 | National Council – Branch Voting Rights                   |
| Note 18 | Recovery of Wages Activity                                |
| Note 19 | Financial Risk Management                                 |

**NOTE 1            SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of preparation of the financial statements**

The financial report is for the New South Wales Branch of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing & Allied Services Union of Australia 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 Branch is a not-for-profit entity for the purpose of preparing financial statements under Australian Accounting Standards.

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Fair Work (Registered Organisations) 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 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 an accrual basis, and recorded in the year to which it relates, and to the extent that the amounts due are considered receivable.

Interest income is accounted for on an accruals 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.

**NOTE 1            SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

The depreciation rates used for each class of asset are:

Furniture, Equipment & Leasehold 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 Statement of Comprehensive Income 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 Statement of Comprehensive Income for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value and value in use. For the purpose of assessing value in use, this represents depreciated current replacement cost, as the Union is a not-for-profit organisation.

**e) Employee Benefits**

Provision is made for the Branch's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled plus related on costs.

Other employee benefits payable later than one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. In the case of Long Service Leave this results in an amount not materially different to that achieved by discounting future cash flows.

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

**f) Cash and cash equivalents**

*Cash* comprises cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

**g) Financial Assets**

The Branch classifies its financial assets into the following categories:

- a. financial assets at fair value through profit or loss
- b. amortised cost, and
- c. financial assets at fair value through other comprehensive income (previously available-for-sale financial assets).

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit or loss in which case the transaction costs are recognised in the income statement.

Purchases and sales of investments are recognised on trade-date, the date on which the Branch commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Branch has transferred substantially all the risks and rewards of ownership.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance date. The quoted market price used is the current bid price.

*The categories of financial assets are:*

**Financial assets at fair value through profit or loss**

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the Statement of Financial Position date.

After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the income statement.

**Financial assets at amortised cost**

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL or FVOCI): they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows, the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The entity's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as long-term deposit that were previously classified as held-to-maturity under AASB 139.

**Financial assets classified as fair value through other comprehensive income (FVOCI)**

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital. This category was previously classified as 'available-for-sale'.



**NOTE 1            SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date.

**Impairment of financial assets**

At each balance date the entity assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the income statement. The entity considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between: financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'), and financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2'). 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

**h) Leasehold on premises**

Leases where the lessor retains substantially all the risks and rewards of ownership of the net asset are classified as operating leases. Payments made under operating leases (net of incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

**i) 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.

**j) New Australian Accounting Standards**

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

***AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019)***

When effective, this Standard 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:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

The Committee of Management does not believe the effects of AASB 16 will significantly affect the Union.

***AASB 1058 Income of Not-for-Profit Entities***

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-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.

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).

**NOTE 1            SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

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:

- Contributions by owners;
- Revenue, or a contract liability arising from a contract with a customer;
- A lease liability;
- A financial instrument; or
- A provision.

These related amounts will be accounted for in accordance with the applicable Australian Accounting Standard.

The Union is yet to undertake a detailed assessment of the impact of AASB 1058. However, based on the Union's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 31 March 2019.

**k) Accounting Standards**

***New standard adopted as at 1 April 2018***

**AASB 9 Financial Instruments**

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

When adopting AASB 9, the Branch has applied transitional relief and opted not to restate prior periods. There are no differences arising from the adoption of AASB 9 in relation to classification, measurement, and impairment are recognised as at 1 April 2018. On the date of initial application, 1 April 2018, the Company held financial assets of cash and cash equivalents, and trade and other receivables, and financial liabilities of trade and other payables. Under AASB 139, these financial instruments were classified and measured at amortised cost and remain consistent under AASB 9. Further, reclassifications under AASB 9 are: held to maturity financial assets under AASB 139 were reclassified at amortised cost, and available-for-sale financial assets have been reclassified to fair value through other comprehensive income (FVOCI). No restatement was required as a result of these reclassifications.

**l) 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.

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**m) Administration**

The Branch has not been administered by another entity.

**n) Going concern support**

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

**o) 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.

**p) Business Combinations**

There have been no business combinations in the financial year.

**NOTE 1.2 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.

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|                                                                               | 2019         | 2018         |
|-------------------------------------------------------------------------------|--------------|--------------|
|                                                                               | \$           | \$           |
| <b>NOTE 2 REVENUE</b>                                                         |              |              |
| <b>NOTE 2A: CAPITATION FEES AND OTHER REVENUE FROM ANOTHER REPORTING UNIT</b> |              |              |
| Capitation fees                                                               | -            | -            |
| Other revenue from another reporting unit                                     | -            | -            |
| <b>Total capitation fees and revenue from other reporting unit</b>            | <b>-</b>     | <b>-</b>     |
| <b>NOTE 2B: LEVIES</b>                                                        |              |              |
| Levies                                                                        | -            | -            |
| <b>Total levies</b>                                                           | <b>-</b>     | <b>-</b>     |
| <b>NOTE 2C: INVESTMENT INCOME</b>                                             |              |              |
| Interest                                                                      |              |              |
| Deposits                                                                      | 6,420        | 9,475        |
| Loans                                                                         | -            | -            |
| Debt instruments at fair value through OCI                                    | -            | -            |
| Dividends                                                                     | -            | -            |
| <b>Total investment income</b>                                                | <b>6,420</b> | <b>9,475</b> |
| <b>NOTE 2D: GRANTS OR DONATIONS</b>                                           |              |              |
| Grants                                                                        | -            | -            |
| Donations                                                                     | -            | -            |
| <b>Total grants or donations</b>                                              | <b>-</b>     | <b>-</b>     |
| <b>NOTE 2E: REVENUE FROM RECOVERY OF WAGES ACTIVITY</b>                       |              |              |
| Amounts recovered from employers in respect of wages                          | -            | -            |
| Interest received on recovered money                                          | -            | -            |
| <b>Total revenue from recovery of wages activity</b>                          | <b>-</b>     | <b>-</b>     |
| <b>NOTE 3 EXPENSES</b>                                                        |              |              |
| <b>NOTE 3A: DEPRECIATION AND AMORTISATION</b>                                 |              |              |
| Depreciation                                                                  |              |              |
| Land & buildings                                                              | -            | -            |
| Property, plant and equipment                                                 | 1,430        | 1,654        |
| <b>Total depreciation</b>                                                     | <b>1,430</b> | <b>1,654</b> |
| Amortisation                                                                  |              |              |
| Intangibles                                                                   | -            | -            |
| <b>Total amortisation</b>                                                     | <b>-</b>     | <b>-</b>     |
| <b>Total depreciation and amortisation</b>                                    | <b>1,430</b> | <b>1,430</b> |

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|                                                                         | 2019           | 2018           |
|-------------------------------------------------------------------------|----------------|----------------|
|                                                                         | \$             | \$             |
| <b>NOTE 3B: EMPLOYEE EXPENSES</b>                                       |                |                |
| <b>Holders of office:</b>                                               |                |                |
| Wages and salaries                                                      | 94,689         | 117,172        |
| Superannuation                                                          | 12,803         | 19,469         |
| Leave and other entitlements                                            | (52,632)       | (6,861)        |
| Separation and redundancies                                             | -              | -              |
| Fringe Benefit expenses                                                 | -              | -              |
| Other employee expenses (Payroll Tax)                                   | 7,851          | 8,042          |
| <b>Employee expenses holders of office</b>                              | <b>107,065</b> | <b>137,822</b> |
| <b>Employees other than office holders:</b>                             |                |                |
| Wages and salaries                                                      | 54,940         | 67,195         |
| Superannuation                                                          | 6,562          | 7,891          |
| Leave and other entitlements                                            | (14,306)       | (24,050)       |
| Separation and redundancies                                             | 50,621         | 30,872         |
| Fringe Benefit Expenses                                                 | -              | -              |
| Other employee expenses (Payroll Tax)                                   | 7,463          | 8,042          |
| <b>Employee expenses employees other than office holders</b>            | <b>105,280</b> | <b>87,080</b>  |
| <b>Total employee expenses</b>                                          | <b>238,957</b> | <b>224,902</b> |
| <br>                                                                    |                |                |
| <b>NOTE 3C: EMPLOYEE PROVISIONS</b>                                     |                |                |
| <b>Office holders:</b>                                                  |                |                |
| Annual leave                                                            | 915            | 35,816         |
| Long service leave                                                      | 1,239          | 18,970         |
| Separations and redundancies                                            | -              | -              |
| Other                                                                   | -              | -              |
| <b>Subtotal employee provisions—office holders</b>                      | <b>2,154</b>   | <b>54,786</b>  |
| <b>Employees other than office holders:</b>                             |                |                |
| Annual leave                                                            | -              | 5,189          |
| Long service leave                                                      | -              | 9,117          |
| Separations and redundancies                                            | -              | -              |
| Other                                                                   | -              | -              |
| <b>Subtotal employee provisions—employees other than office holders</b> | <b>-</b>       | <b>14,306</b>  |
| <b>Total employee provisions</b>                                        | <b>2,154</b>   | <b>69,092</b>  |
| <br>                                                                    |                |                |
| Current                                                                 | 2,154          | 69,092         |
| Non-current                                                             | -              | -              |
| <b>Total employee provisions</b>                                        | <b>2,154</b>   | <b>69,092</b>  |

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|                                             | 2019         | 2018         |
|---------------------------------------------|--------------|--------------|
|                                             | \$           | \$           |
| <b>NOTE 3D: AFFILIATION FEES</b>            |              |              |
| ALP                                         | 3,392        | 3,818        |
| Union Shopper                               | 345          | 375          |
| <b>Total affiliation fees/subscriptions</b> | <u>3,737</u> | <u>4,193</u> |

|                                                                             |               |               |
|-----------------------------------------------------------------------------|---------------|---------------|
| <b>NOTE 3E: CAPITATION FEES AND OTHER EXPENSE TO ANOTHER REPORTING UNIT</b> |               |               |
| <b>Capitation fees</b>                                                      |               |               |
| Divisional Conference                                                       | 75,032        | 95,354        |
| National Council                                                            | 4,816         | -             |
| <b>Subtotal capitation fees</b>                                             | <u>79,848</u> | <u>95,354</u> |
| <b>Other expense to another reporting unit</b>                              | -             | -             |
| <b>Total capitation fees and other expense to another reporting unit</b>    | <u>79,848</u> | <u>95,354</u> |

|                                                |          |          |
|------------------------------------------------|----------|----------|
| <b>NOTE 3F: GRANTS OR DONATIONS</b>            |          |          |
| <b>Grants:</b>                                 |          |          |
| Total expensed that were \$1,000 or less – Nil | -        | -        |
| Total expensed that exceeded \$1,000 – Nil     | -        | -        |
| <b>Donations:</b>                              |          |          |
| Total expensed that were \$1,000 or less – Nil | -        | -        |
| Total expensed that exceeded \$1,000 - Nil     | -        | -        |
| <b>Total grants or donations</b>               | <u>-</u> | <u>-</u> |

|                                                         |            |            |
|---------------------------------------------------------|------------|------------|
| <b>NOTE 3G: OTHER EXPENSES</b>                          |            |            |
| Penalties - via RO Act or the <i>Fair Work Act 2009</i> | -          | -          |
| Delegate Meeting, Seminar and Lecture expenses          | 431        | 315        |
|                                                         | <u>431</u> | <u>315</u> |

|                                       |               |               |
|---------------------------------------|---------------|---------------|
| <b>NOTE 3H: PROFESSIONAL SERVICES</b> |               |               |
| Audit Fees                            | 22,753        | 20,850        |
| Accounting Fees                       | 1,950         | 11,000        |
| Bookkeeping Fees                      | 10,955        | 8,442         |
| Legal Fees                            | -             | -             |
| <b>Total Professional Fees</b>        | <u>35,657</u> | <u>40,292</u> |

|                             |          |          |
|-----------------------------|----------|----------|
| <b>NOTE 3I: LEGAL COSTS</b> |          |          |
| <b>Litigation</b>           |          |          |
| Other legal costs           | -        | -        |
| <b>Total legal costs</b>    | <u>-</u> | <u>-</u> |

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|                                                         | 2019           | 2018           |
|---------------------------------------------------------|----------------|----------------|
|                                                         | \$             | \$             |
| <b>NOTE 4</b>                                           |                |                |
| <b>CURRENT ASSETS</b>                                   |                |                |
| <br>                                                    |                |                |
| <b>NOTE 4A: CASH AND CASH EQUIVALENTS</b>               |                |                |
| Cash at bank                                            | 11,745         | 9,829          |
| Cash on hand                                            | 464            | 465            |
| Short term deposits                                     | -              | 32,174         |
| Other                                                   | -              | -              |
| <b>Total cash and cash equivalents</b>                  | <b>12,209</b>  | <b>42,468</b>  |
| <br>                                                    |                |                |
| <b>NOTE 4B: TRADE AND OTHER RECEIVABLES</b>             |                |                |
| <br>                                                    |                |                |
| <b>Receivables from other reporting units</b>           |                |                |
| Nil                                                     | -              | -              |
| <b>Total receivables from other reporting units</b>     | <b>-</b>       | <b>-</b>       |
| <br>                                                    |                |                |
| <b>Other receivables:</b>                               |                |                |
| Debtors                                                 | 3,869          | 3,185          |
| Prepayments                                             | 4,293          | 3,687          |
| Rental Bond                                             | 10,725         | 10,725         |
| <b>Total other receivables</b>                          | <b>18,887</b>  | <b>17,597</b>  |
| <b>Total trade and other receivables (net)</b>          | <b>18,887</b>  | <b>17,597</b>  |
| <br>                                                    |                |                |
| <b>NOTE 4C: OTHER CURRENT ASSETS</b>                    |                |                |
| Term Deposit ME Bank                                    | 232,754        | 375,000        |
| <b>Total other current assets</b>                       | <b>232,754</b> | <b>375,000</b> |
| <br>                                                    |                |                |
| <b>NOTE 4D NON-CURRENT ASSETS - PLANT AND EQUIPMENT</b> |                |                |
| <b>Plant and equipment:</b>                             |                |                |
| at cost                                                 | 97,144         | 97,144         |
| accumulated depreciation                                | (89,479)       | (88,049)       |
| <b>Total plant and equipment</b>                        | <b>7,665</b>   | <b>9,095</b>   |
| <br>                                                    |                |                |
| <b>Movements in carrying amounts</b>                    |                |                |
| Balance at 1 April 2018                                 | 9,095          | 10,749         |
| Additions                                               | -              | -              |
| Disposals                                               | -              | -              |
| Depreciation                                            | (1,430)        | (1,654)        |
| <b>Balance at 31 March 2019</b>                         | <b>7,665</b>   | <b>9,095</b>   |



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|                |                                                  | 2019          | 2018          |
|----------------|--------------------------------------------------|---------------|---------------|
|                |                                                  | \$            | \$            |
| <b>NOTE 5</b>  | <b>CURRENT LIABILITIES</b>                       |               |               |
| <b>NOTE 5A</b> | <b>TRADE AND OTHER PAYABLES</b>                  |               |               |
|                | Trade creditors and accruals                     | 31,678        | 17,721        |
|                | <b>Subtotal trade creditors</b>                  | 31,678        | 17,721        |
|                | <b>Payables to other reporting unit</b>          |               |               |
|                | CWU Divisional Conference                        | 8,296         | 48,093        |
|                | CEPU National Office                             | 2,442         | -             |
|                | <b>Subtotal payables to other reporting unit</b> | <b>10,738</b> | 48,093        |
|                | <b>Total trade payables</b>                      | <b>42,416</b> | <b>65,814</b> |

**NOTE 6: ADMINISTRATION EXPENSES**

|                                                               |                |                |
|---------------------------------------------------------------|----------------|----------------|
| Total paid to employers for payroll deductions of member fees | 236            | 299            |
| Compulsory levies                                             | -              | -              |
| Fees/allowances - meeting and conferences                     | 3,389          | -              |
| Conference and meeting expenses                               | 431            | 315            |
| Contractors/consultants                                       | 35,657         | 40,292         |
| Property expenses                                             | 43,564         | 37,334         |
| Office expenses                                               | 36,120         | 36,587         |
| Information communications technology                         | 9,501          | 10,264         |
| Other                                                         | 1,846          | 5,595          |
|                                                               | <b>138,705</b> | <b>130,686</b> |

**NOTE 7: GENERAL FUNDS**

Apart from the Operating account and term deposit, there are no other funds.

**NOTE 8: OTHER SPECIFIC DISCLOSURES – FUNDS**

|  | 2019 | 2018 |
|--|------|------|
|  | \$   | \$   |

Apart from the Operating account and term deposit, there are no other funds.

Compulsory levy/voluntary contribution fund – if invested in assets

Nil

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|  | 2019 | 2018 |
|--|------|------|
|  | \$   | \$   |

**NOTE 9: CASH FLOW**

|                                                                    |                  |                 |
|--------------------------------------------------------------------|------------------|-----------------|
| Cash on Hand – Petty Cash                                          | 464              | 465             |
| Cash at Bank – General Account                                     | 11,745           | 9,829           |
| Cash at Call                                                       | -                | 12,174          |
| Short Term – Term Deposits                                         | -                | 20,000          |
|                                                                    | <b>12,209</b>    | <b>42,468</b>   |
| Reconciliation of Cash Flow from Operations with (Deficit) Surplus |                  |                 |
| <b>(Deficit) Surplus</b>                                           |                  |                 |
| General Fund                                                       | (83,072)         | (28,641)        |
| <b>Total (Deficit) Surplus</b>                                     | <b>(83,072)</b>  | <b>(28,641)</b> |
| <b>Non Cash Flows in (Deficit) Surplus</b>                         |                  |                 |
| Depreciation                                                       | 1,430            | 1,654           |
| <b>Changes in Assets and Liabilities</b>                           |                  |                 |
| Increase/(decrease) in Employee Entitlement Provisions             | (66,938)         | (30,911)        |
| Increase/(decrease) in Sundry Debtors and Prepayments              | 372              | 5,037           |
| Increase/(decrease) in Accrued Interest                            | (1,662)          | (3,821)         |
| Increase/(decrease) in Sundry Creditors                            | (23,398)         | (10,048)        |
| Increase/(decrease) in other provisions                            | -                | (1,447)         |
| Increase/(decrease) in Unbilled Revenue                            | 763              | -               |
| <b>CASH FLOWS FROM OPERATIONS</b>                                  | <b>(172,505)</b> | <b>(60,535)</b> |

**NOTE 10            CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS**

**Operating lease commitments—as lessee**

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

|                                             |               |               |
|---------------------------------------------|---------------|---------------|
| Within one year                             | 34,542        | 52,974        |
| After one year but not more than five years | -             | 30,432        |
| More than five years                        | -             | -             |
|                                             | <b>34,542</b> | <b>83,406</b> |

**Other contingent assets or liabilities (i.e. legal claims)**

Nil

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**NOTE 11: RELATED PARTIES AND KEY MANAGEMENT PERSONNEL**

**RELATED PARTIES**

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

- a) The aggregate amount of remuneration paid to officers during the financial year is disclosed in the Statement of Comprehensive Income under Salaries – Office Bearers.
- b) The aggregate amount paid during the financial year to a superannuation plan in respect of elected full time officials was \$12,803 (2018: \$19,469).
- 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 favorable than those which it is reasonable to expect would have been adopted by parties at arm's length.
- d) National Office Dues paid to the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing & Allied Services Union of Australia National Office are disclosed as an expense in the Statement of Comprehensive Income.
- e) Amounts payable to the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing & Allied Services Union of Australia National Office are disclosed at Note 5 of the accounts.

The ultimate controlling entity of the Branch is the Communication Workers Union Divisional Conference.

Transactions with Ultimate Controlling Entity:

- a) Divisional Conference expenses are disclosed in the Statement of Comprehensive Income.
- b) Amounts payable to the Divisional conference and other related organisations are disclosed at Note 5 of the accounts.

**KEY MANAGEMENT PERSONNEL**

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.

| <b>Number of KMP</b>                      | <b>1</b>       | <b>2</b>       |
|-------------------------------------------|----------------|----------------|
| Salary (including annual leave taken)     | 147,321        | 162,057        |
| Superannuation                            | 12,803         | 21,534         |
| Separation and Redundancies               | -              | 30,782         |
| Payroll Tax                               | 7,851          | 10,338         |
| Leave and other entitlements (Movement)   | (52,632)       | (29,771)       |
| <b>Total short-term employee benefits</b> | <b>115,343</b> | <b>194,940</b> |

The following items as prescribed under the reporting guidelines of the Fair Work (Registered Organisation) Act, 2009 are not applicable;

- a) Outstanding balances at the end of the financial year
- b) Doubtful debt provisions raised against any related party balances
- c) No interest bearing loans

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**NOTE 12 REMUNERATION OF AUDITORS**

**Value of the services provided**

|                                       |               |               |
|---------------------------------------|---------------|---------------|
| Financial statement audit services    | 19,652        | 20,850        |
| Other services                        | 1,200         | -             |
| <b>Total remuneration of auditors</b> | <b>20,852</b> | <b>20,850</b> |

**NOTE 13 FINANCIAL INSTRUMENTS**

The Branch has a Term deposit with ME Bank. The interest received is reinvested. There are no other Instruments.

Categories of Financial Instruments

**Financial assets**

Fair value through profit or loss:

|                      |                |                |
|----------------------|----------------|----------------|
| Term Deposit ME Bank | 232,754        | 375,000        |
| <b>Total</b>         | <b>232,754</b> | <b>375,000</b> |

**NOTE 14 EVENTS AFTER THE REPORTING PERIOD**

There were no events that occurred after 31 March 2019, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Branch.

**NOTE 15 SECTION 272 FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009**

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

- 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).

**NOTE 16 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.

**NOTE 17 NATIONAL COUNCIL – BRANCH VOTING ENTITLEMENTS**

For the purposes of the National Council Composition and Voting Rights, the actual membership contributions received for the financial year ended 31 March 2019 were \$366,916.

**NOTE 18 RECOVERY OF WAGES ACTIVITY FOR THE YEAR ENDED 31 MARCH 2019**

The Branch has not undertaken recovery of wages activity. The New South Wales Branch does assist with recovery of 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 Union member) and at no point of time is any money banked the Union's bank account.

Reportable amounts are NIL for:

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

**NOTE 19 FINANCIAL RISK MANAGEMENT NOTE**

***a. General objectives, policies, and processes***

The New South Wales Telecommunications and Services Branch 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. The New South Wales Telecommunications and Services Branch has no financial instruments relevant to the risk mentioned and this objective does not apply.

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 (see section (e) below), liquidity risk and credit risk.

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

***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:

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|                                                                                                              | <b>2019</b>  | <b>2018</b>  |
|--------------------------------------------------------------------------------------------------------------|--------------|--------------|
|                                                                                                              | <b>\$</b>    | <b>\$</b>    |
| Cash and Cash Equivalents                                                                                    | 12,209       | 42,468       |
| Long term – Term Deposits                                                                                    | 232,754      | 375,000      |
| The cash and cash equivalents and term deposits are held in a high quality Australian financial institutions |              |              |
| Receivable – Member Dues Receivable                                                                          | 3,869        | 1,523        |
| Less Provision for Doubtful Debts                                                                            | -            | -            |
| Sundry Debtors                                                                                               | -            | -            |
| Total receivables                                                                                            | <u>3,896</u> | <u>1,523</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 2019 it has \$12,209 of cash and cash equivalents to meet these obligations as they fall due. Financial liabilities at 31 March 2019 was \$NIL.

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).

**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:

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| 31 March 2019                                 | Weighted<br>Average<br>Effective<br>Interest Rate | Floating<br>Interest<br>Rate<br>\$ | Fixed Interest Rate Maturing |                    | Non Interest<br>Bearing<br>\$ | Total<br>\$ |
|-----------------------------------------------|---------------------------------------------------|------------------------------------|------------------------------|--------------------|-------------------------------|-------------|
|                                               |                                                   |                                    | Within 1 Year<br>\$          | 1 to 5 Years<br>\$ |                               |             |
| <i>Financial Assets</i>                       |                                                   |                                    |                              |                    |                               |             |
| Cash assets                                   | 3.0%                                              | 11,744                             | -                            | -                  | 465                           | 12,209      |
| Long term – Term Deposits                     |                                                   | -                                  | 232,754                      | -                  | -                             | 232,754     |
| Receivables                                   |                                                   | -                                  | -                            | -                  | 3,869                         | 3,869       |
| Investments                                   |                                                   | -                                  | -                            | -                  | -                             | -           |
|                                               |                                                   | <hr/>                              | <hr/>                        | <hr/>              | <hr/>                         | <hr/>       |
| Total Financial Assets                        | 3.0%                                              | 11,744                             | 232,754                      | -                  | 4,334                         | 248,832     |
|                                               |                                                   | <hr/>                              | <hr/>                        | <hr/>              | <hr/>                         | <hr/>       |
| <i>Financial Liabilities</i>                  |                                                   |                                    |                              |                    |                               |             |
| Payables                                      | -                                                 | -                                  | -                            | -                  | (42,416)                      | (42,416)    |
|                                               |                                                   | <hr/>                              | <hr/>                        | <hr/>              | <hr/>                         | <hr/>       |
| <b>Net Financial Assets<br/>(Liabilities)</b> | 3.0%                                              | 11,744                             | 232,754                      | -                  | (38,082)                      | 206,416     |
|                                               |                                                   | <hr/>                              | <hr/>                        | <hr/>              | <hr/>                         | <hr/>       |

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| 31 March 2018                                 | Weighted<br>Average<br>Effective<br>Interest Rate | Floating<br>Interest<br>Rate<br>\$ | Fixed Interest Rate Maturing |                    | Non Interest<br>Bearing<br>\$ | Total<br>\$ |
|-----------------------------------------------|---------------------------------------------------|------------------------------------|------------------------------|--------------------|-------------------------------|-------------|
|                                               |                                                   |                                    | Within 1 Year<br>\$          | 1 to 5 Years<br>\$ |                               |             |
| <i>Financial Assets</i>                       |                                                   |                                    |                              |                    |                               |             |
| Cash assets                                   | 3.0%                                              | 22,003                             | 20,000                       | -                  | 465                           | 42,468      |
| Long term – Term Deposits                     |                                                   | -                                  | 375,000                      | -                  | -                             | 375,000     |
| Receivables                                   |                                                   | -                                  | -                            | -                  | -                             | -           |
| Investments                                   |                                                   | -                                  | -                            | -                  | -                             | -           |
|                                               |                                                   | <hr/>                              | <hr/>                        | <hr/>              | <hr/>                         | <hr/>       |
| Total Financial Assets                        | 3.0%                                              | 22,003                             | 395,000                      | -                  | 465                           | 417,468     |
|                                               |                                                   | <hr/>                              | <hr/>                        | <hr/>              | <hr/>                         | <hr/>       |
| <i>Financial Liabilities</i>                  |                                                   |                                    |                              |                    |                               |             |
| Payables                                      | -                                                 | -                                  | -                            | -                  | (65,814)                      | 65,814      |
|                                               |                                                   | <hr/>                              | <hr/>                        | <hr/>              | <hr/>                         | <hr/>       |
| <b>Net Financial Assets<br/>(Liabilities)</b> | 3.0%                                              | 22,003                             | 395,000                      | -                  | (65,349)                      | 351,654     |
|                                               |                                                   | <hr/>                              | <hr/>                        | <hr/>              | <hr/>                         | <hr/>       |

**Sensitivity Analysis**

| 2019             | Carrying Amount<br>\$ | +0.5%                             | -0.5%                           |
|------------------|-----------------------|-----------------------------------|---------------------------------|
|                  |                       | (50 basis points)<br>Profit<br>\$ | (50 basis points)<br>Loss<br>\$ |
| Cash Assets      | 12,209                | 61                                | (61)                            |
| Financial Assets | 236,623               | 1,183                             | (1,183)                         |
|                  | <hr/>                 | <hr/>                             | <hr/>                           |
|                  | 248,832               | 1,244                             | (1,244)                         |
|                  | <hr/>                 | <hr/>                             | <hr/>                           |



**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,  
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| 2018             | Carrying Amount | +0.5%<br>(50 basis points)<br>Profit | -0.5%<br>(50 basis points)<br>Loss |
|------------------|-----------------|--------------------------------------|------------------------------------|
|                  | \$              | \$                                   | \$                                 |
| Cash Assets      | 42,468          | 212                                  | (212)                              |
| Financial Assets | 375,000         | 1,875                                | (1,875)                            |
|                  | 417,468         | 2,087                                | (2,087)                            |

**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.

**REPORT REQUIRED UNDER SUBSECTION 255(2A) FOR THE YEAR ENDED 31 MARCH 2019**

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 31 March 2019.

Descriptive form

| Categories of expenditures                                   | 2019 (\$) | 2018 (\$) |
|--------------------------------------------------------------|-----------|-----------|
| Remuneration and other employment-related costs and expenses | 238,957   | 224,902   |
| Advertising                                                  | -         | -         |
| Operating costs                                              | 217,599   | 237,420   |
| Donations to political parties                               | -         | -         |
| Legal costs                                                  | -         | -         |



**Dan Dwyer**  
**BRANCH SECRETARY**

24 September 2019

## Independent Auditor's Report

To the Members of Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing & Allied Services Union of Australia - Communications Division

### Report on the audit of the financial report

#### Opinion

We have audited the financial report of Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing & Allied Services Union of Australia - Communications Division (the Reporting Unit), which comprises the statement of financial position as at 31 March 2019, the statement of comprehensive income, statement of changes in accumulated funds 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, Electronic, Energy, Information, Postal, Plumbing & Allied Services Union of Australia - Communications Division as at 31 March 2019, 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 Unit is appropriate.

#### Basis for opinion

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

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

### **Information other than the financial report and auditor's report thereon**

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

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

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

### **Responsibilities of committee of management for the financial report**

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

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

### **Auditor's responsibilities for the audit of the financial report**

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

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

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

may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Unit 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.

We declare that Madeleine Mattera is an approved auditor, a member of Chartered Accountants Australian & New Zealand and holds a current Public Practice Certificate.

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

The Committee of Management Statement reflects that Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing & Allied Services Union of Australia - Communications Division has not undertaken any recovery of wages activity during the reporting period ended 31 March 2019. As such, no opinion is provided in relation to recovery of wages activity.

*Grant Thornton*

Grant Thornton Audit Pty Ltd  
Chartered Accountants

*Madeleine Mattera*

Madeleine Mattera

Partner – Audit & Assurance

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/107

Sydney, 24 September 2019