

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

COMMUNICATIONS DIVISION

NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2017**

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
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OPERATING REPORT

Branch Committee of Management report in accordance with Section 254 of the Fair Work (Registered Organisations) Act 2009 for the year ended 31 March 2017.

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 \$64,173 (2016: \$62,242).

Significant Changes

No significant changes in the Union's state of affairs occurred during the financial year.

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

Rights of Members

Subject to the Rule 11 of the Union's rules and Section 174 (1) of the Fair Work (Registered Organisations) Act 2009, members of the Union have the right to resign from membership by providing written notice addressed to and delivered to the Secretary of the Union. In accordance with Section 174 (1) of the Fair Work (Registered Organisations) Act 2009 a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation. There was no change to this rule during the year.

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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 2017.

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 2017 was 997.
- (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 2017 was 3.
- (3) The names of persons who have at any time during the financial year ending 31 March 2017 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 2016 to 31 March 2017 unless otherwise indicated.

Position	Name	Period
<u>Executive</u>		
Branch President	Lloyd Harris	1 April 2016 to 31 March 2017
Branch Vice Presidents (Technical)	Glenn Falls	1 April 2016 to 31 March 2017
Branch Vice President (Technical)	Peter Wasilewski	1 April 2016 to 31 March 2017
Branch Vice President (Operator)	James Perkins	1 April 2016 to 31 March 2017
Branch Secretary	Alex Jansen	1 April 2016 to 31 March 2017
Branch Assistant Secretary	Lee Walkington	1 April 2016 to 31 March 2017
<u>Operator Division</u>	Joanne King	1 April 2016 to 31 March 2017
<u>Technical Division</u>	Randall Bye	1 April 2016 to 31 March 2017
	Michael Lennon	1 April 2016 to 31 March 2017
	Peter Banner	1 April 2016 to 31 March 2017
	John Duffey	1 April 2016 to 31 March 2017
	David Crotty	1 April 2016 to 31 March 2017
	David Seychell	1 April 2016 to 31 March 2017

For and on behalf of the Committee of Management:



**ALEX JANSEN
BRANCH SECRETARY
15 July 2017**

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

BRANCH COMMITTEE OF MANAGEMENT'S STATEMENT

On 15 July 2017 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 2017.

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

- (a) the financial report and notes comply with the Australian Accounting Standards;
- (b) the financial report and notes comply with the reporting guidelines of the General Manager of Fair Work Commission;
- (c) the financial report and notes give a true and fair view of the financial performance, financial position and cash flows of the Branch for the financial year ended 31 March 2017;
- (d) there are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year ended 31 March 2017 and since the end of the financial year:
 - (i) meetings of the Branch Committee of Management were held in accordance with the rules of the organisation and the rules of the Branch; and
 - (ii) the financial affairs of the Branch have been managed in accordance with the rules of the organisation and the rules of the Branch; and
 - (iii) the financial records of the Branch have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009; and
 - (iv) the financial records of the Branch have been kept, as far as practicable, in a consistent manner to each of the other branches of the organisation; and
 - (v) no information has been sought in any request of a member of the branch or the Registrar of Fair Work Commission under Section 272 of the Fair Work (Registered Organisations) Act 2009; and
 - (vi) no order for inspection of the financial records was made by Fair Work Commission under Section 273 of the Fair Work (Registered Organisations) Act 2009.
- (f) during the financial year ended 31 March 2017 the branch did not participate in any recovery of wages activity.

For the Branch Committee of Management:



ALEX JANSEN
BRANCH SECRETARY
15 July 2017

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
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**COMMUNICATIONS DIVISION
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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 March 2017**

GENERAL ACCOUNT

		2017 \$	2016 \$
REVENUE			
Members' Dues	4	471,190	512,312
Interest		14,994	15,750
Donations		-	50
Sundry Income		<u>4,499</u>	<u>2,157</u>
TOTAL REVENUE		<u>490,683</u>	<u>530,269</u>
EXPENDITURE			
Depreciation			
Furniture, Equipment & Leasehold Improvements		<u>1,883</u>	<u>2,018</u>
Employee Benefits Expenses			
Annual Leave Provision Movement	5b,c	1,507	3,235
Fringe Benefits Tax		332	145
Long Service Leave Provision Movement		7,669	4,268
Payroll Tax		14,398	14,765
Superannuation		32,731	33,310
Salaries - Industrial		-	-
- Administration		52,371	52,988
- Office Bearers		<u>185,546</u>	<u>189,040</u>
		<u>294,554</u>	<u>297,750</u>
Other Expenses			
Affiliation Fees	5a	7,140	15,408
Bank Charges		7,545	9,986
Cleaning		536	849
Collection Commissions		308	320
Computer Expenses		9,903	9,750
Divisional Conference Dues	5a	105,526	115,270
Donations	6	-	-
Electricity		<u>3,360</u>	<u>3,528</u>
Carried Forward		<u>134,318</u>	<u>155,111</u>

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

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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 March 2017 (Cont'd)**

GENERAL ACCOUNT

	Note	2017 \$	2016 \$
EXPENDITURE (Cont'd)			
Brought Forward		134,318	155,111
Equipment Rental and Maintenance		7,956	10,420
Insurance		4,716	4,615
Meeting, Seminar and Lecture Expenses	5e	852	2,936
Motor Vehicle Running Expenses		7,299	9,211
Office Amenities		182	132
Office Rent		43,016	40,815
Organising Expenses - Fares and Car Hire		-	152
Postage and Freight		4,221	5,758
Printing and Stationery		3,359	9,066
Professional Services	21	34,448	34,337
Provision for Lease Make Good		-	-
Sundry Expenses		6,671	7,013
Telephone		11,381	13,177
		<u>258,419</u>	<u>292,743</u>
TOTAL EXPENDITURE		<u>554,856</u>	<u>592,511</u>
SURPLUS/(DEFICIT) FOR YEAR		<u>(64,173)</u>	<u>(62,242)</u>
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		<u>(64,173)</u>	<u>(62,242)</u>

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

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STATEMENT OF FINANCIAL POSITION
AS AT 31 March 2017

	Note	2017 \$	2016 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	9	478,003	550,145
Receivables	10	<u>25,846</u>	<u>21,806</u>
Total Current Assets		<u>503,849</u>	<u>571,951</u>
Non-Current Assets			
Furniture, Equipment & Leasehold Improvements	11	<u>10,749</u>	<u>8,031</u>
Total Non-Current Assets		<u>10,749</u>	<u>8,031</u>
TOTAL ASSETS		<u>514,598</u>	<u>579,982</u>
LIABILITIES			
Current Liabilities			
Provision for Annual Leave	12	65,531	64,024
Provision for Long Service Leave	12	10,341	8,040
Provision for Leasehold Make Good		2,500	2,500
Deferred Revenue		145	-
Payables	13	<u>77,310</u>	<u>87,841</u>
Total Current Liabilities		<u>155,827</u>	<u>162,405</u>
Non-Current Liabilities			
Provision for Long Service Leave	12	<u>24,130</u>	<u>18,763</u>
Total Non-Current Liabilities		<u>24,130</u>	<u>18,763</u>
TOTAL LIABILITIES		<u>179,957</u>	<u>181,168</u>
NET ASSETS		<u>334,641</u>	<u>398,814</u>
ACCUMULATED FUNDS			
General Account		<u>334,641</u>	<u>398,814</u>
		<u>334,641</u>	<u>398,814</u>

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

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**STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 31 March 2017**

	Accumulated Funds General Account \$
Balance at 31 March 2015	461,056
Total Comprehensive (Loss) for Year	<u>(62,242)</u>
Balance at 31 March 2016	398,814
Total Comprehensive (Loss) for Year	<u>(64,173)</u>
Balance at 31 March 2017	<u>334,641</u>

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

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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 March 2017**

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Members		469,004	512,312
Payments to Suppliers and Employees		(465,978)	(471,068)
Payments to CEPU Divisional Conference		(83,813)	(75,720)
Payments to ALP NSW Branch		(4,118)	(4,172)
Payments to ALP ACT Branch		(406)	-
Interest Received		13,292	13,204
Other		4,478	2,207
NET CASH (USED IN) OPERATING ACTIVITIES	14(b)	<u>(67,541)</u>	<u>(23,237)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for Furniture & Equipment		<u>(4,601)</u>	<u>-</u>
NET CASH (USED IN) INVESTING ACTIVITIES		<u>(4,601)</u>	<u>-</u>
NET (DECREASE) IN CASH HELD		(72,142)	(23,237)
Cash at Beginning of Year		<u>550,145</u>	<u>573,382</u>
CASH AT END OF YEAR	14(a)	<u>478,003</u>	<u>550,145</u>

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

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RECOVERY OF WAGES ACTIVITY FOR THE YEAR ENDED 31 March 2017

The New South Wales Branch of The Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia 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.

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**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 March 2017**

1. STATEMENT OF ACCOUNTING POLICIES

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.

BASIS OF PREPARATION

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.

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**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 March 2017 (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.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Investments

All investments and other financial assets are initially stated at cost, being the fair value of consideration given plus acquisition costs. Purchases and sales of investments are recognised on trade date, which is the date on which the entity commits to purchase, or sell the asset. Accounting policies for each category of investments and other financial assets subsequent to initial recognition are set out below.

Available-for-sale financial assets

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

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**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 March 2017 (Cont'd)**

(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) Accounting Standards

New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

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

Standard Name	Effective date year ended	Requirements	Impact
AASB 2014-1 Amendments to Australian Accounting Standards.	31 March 2016	The amendments clarify that if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service. In contrast, if the amount of the contributions is dependent on the number of years of service, an entity is required to attribute those contributions to periods of service using the same attribution method required by paragraph 70 of AASB 119 for the gross benefit.	Management have considered this accounting standard and noted there is no impact in the current year financial statements.
AASB 2014-1 Amendments to Australian Accounting Standards	31 March 2016	AASB 2014 -1 makes amendments to particular Australian Accounting Standards to delete their references to AASB 1031 Materiality as each standard is amended for another purpose.	Management have considered this accounting standard and noted there is no impact in the current year financial statements.

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

Note 1 (j) (cont'd) - New Australian Accounting Standards

Standard Name	Effective date year ended	Requirements	Impact
AASB 2014-1 Amendments to Australian Accounting Standards (2010 - 2012 cycle).	31 March 2016	<p>The following standards and changes are made under AASB 2014-1:</p> <ul style="list-style-type: none"> - AASB 3 Business Combinations - clarification that contingent consideration that is classified as an asset or a liability shall be measured at fair value at each reporting date. - AASB 8 Operating Segments - amendments to disclosures - AASB 3 Business Combinations - references to contingent consideration - AASB 13 Fair value measurement - minor clarification re: measurement of short-term receivables and payables - AASB 116 Property, plant and equipment - clarifies that when an item of property, plant and equipment is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount. - AASB 124 Related Party Disclosures - clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity. 	Management have considered this accounting standard and noted there is no impact in the current year financial statements.
AASB 2014-1 Amendments to Australian Accounting Standards (2011 - 2013 cycle).	31 March 2016	<p>The following standards and changes are made under AASB 2014-1:</p> <ul style="list-style-type: none"> - AASB 1 First-time Adoption of Australian Accounting Standards - clarification in the basis of conclusion - AASB 3 Business Combinations - Clarifies that AASB 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself. - AASB 13 Fair Value Measurement - Clarifies that the scope of the portfolio exception defined in paragraph 52 of AASB 13 includes all contracts accounted for within the scope of AASB 139 Financial Instruments: Recognition and Measurement or AASB 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in AASB 132 Financial Instruments: Presentation. 	Management have considered this accounting standard and noted there is no impact in the current year financial statements.

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Note 1 (j) (cont'd) - New Australian Accounting Standards

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact on the reporting unit include:

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

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Note 1 (j) (cont'd) - New Australian Accounting Standards

Standard Name	Effective date year ended	Requirements	Impact
Equity method in separate financial statements (Amendments to IAS 27)	31 March 2017	This standard will allow entities to use the equity method to account for its interest in subsidiaries, joint venture and associates in separate financial statements.	Management have considered this accounting standard and noted there is no impact in the current year financial statements.
IFRS 9 Financial Instruments	31 March 2019	<p>Significant revisions to the classification and measurement of financial assets, reducing the number of categories and simplifying the measurement choices, including the removal of impairment testing of assets measured at fair value. The amortised cost model is available for debt assets meeting both business model and cash flow characteristics tests. All investments in equity instruments using IFRS 9 are to be measured at fair value.</p> <p>Amends measurement rules for financial liabilities that the entity elects to measure at fair value through profit and loss. Changes in fair value attributable to changes in the entity's own credit risk are presented in other comprehensive income. Impairment of assets is now based on expected losses in IFRS 9 which requires entities to measure:</p> <ul style="list-style-type: none"> - the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or - full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument). 	Management have considered this accounting standard and noted there is no impact in the current year financial statements.

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**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 March 2017 (Cont'd)**

(k) Accounting Standards

There are no new accounting standards which were adopted during the financial year.

(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.

(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.

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

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

- (1) A member of a reporting unit, or the General Manager of Fair Work Commission Australia, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A Reporting unit must comply with an application made under subsection (1).

4. INCOME

(a) Membership fees

	2017	2016
	\$	\$
Membership fees	471,190	512,312

(b) Specific items that have not occurred.

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

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

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5. EXPENSE

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

	2017	2016
	\$	\$
Labour Council of NSW	1,957	4,047
Unions NSW - South Coast Labour Council	43	57
ALP ACT Branch	406	-
ALP NSW Branch	4,118	4,171
Union Shopper	500	561
Newcastle Trades Hall Council	116	223
ACTU IR Levy	-	6,349
	<u>7,140</u>	<u>15,408</u>
CEPU Divisional Conference (Capitation Fees)	105,526	115,270

(b) Payroll Expenses related to holders of office.

	2017	2016
	\$	\$
Officers benefits expense		
Wages and Salaries	111,414	113,518
Superannuation	18,869	19,227
Leave and other entitlements (Movement)	3,692	8,611
Separation and redundancies	-	-
Fringe benefit expenses	332	145
Payroll Tax (other employee expenses)	6,742	6,925
	<u>141,049</u>	<u>148,426</u>

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

	2017	2016
	\$	\$
Employees benefits expense		
Wages and Salaries	126,503	128,508
Superannuation	13,863	14,083
Leave and other entitlements (Movement)	5,483	(1,107)
Separation and redundancies	-	-
Fringe benefit expenses	-	-
Payroll Tax (other employee expenses)	7,656	7,840
	<u>153,505</u>	<u>149,324</u>

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(d) Legal Fees

	2017	2016
	\$	\$
Legal costs - litigation	-	-
Legal costs - other matters	-	1,500
Total	<u>-</u>	<u>1,500</u>

(e) Delegates expenses

	2017	2016
	\$	\$
Meeting, Seminar and Lecture Expenses	852	2,936

**Included in the above meeting, seminar and lecture expense
are expenses for:**

Fees or allowances for attendances as representatives of the Union at conferences or other meetings.	-	1,840
Expenses incurred in connection with holding meetings of members of the reporting unit.	370	1,010
	<u>370</u>	<u>2,850</u>

6.a. DONATIONS

Non-reportable donations less than or equal to \$1,000 (excl. GST)

Details to whom payment made	Purpose	2017 \$	2016 \$
N/A	N/A	-	-

Reportable donations exceeding \$1,000 (excl. GST)

Details to whom payment made	Purpose	2017 \$	2016 \$
N/A	N/A	-	-

6.b. GRANTS

Non-reportable grants less than or equal to \$1,000 (excl. GST)

Details to whom payment made	Purpose	2017 \$	2016 \$
N/A	N/A	-	-

Reportable grants exceeding \$1,000 (excl. GST)

Details to whom payment made	Purpose	2017 \$	2016 \$
N/A	N/A	-	-

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7. SPECIFIED ITEMS THAT HAVE NOT OCCURRED

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

Statement of Comprehensive Income - Expenses

- a) Considerations for employers making payroll deductions.
- b) No compulsory levies have been imposed.
- c) Penalties imposed under the Registered Organisations Act.

Statement of Financial Position

- a) Payments to employer's for payroll deduction activity
- b) Legal fees related to litigation and other legal matters
- c) No receipts from another reporting unit.
- d) No payment in respect of legal costs and other expenses related to litigation of other legal matters.
- e) There are no receivable from other Reporting Unit at the end of the reporting period.

8. 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.

9. CASH AND CASH EQUIVALENTS

	2017 \$	2016 \$
Cash on Hand - Petty Cash	896	500
Cash at Bank - General Account	15,328	25,158
Cash at Call	8,779	4,487
Term Deposits	<u>453,000</u>	<u>520,000</u>
	<u>478,003</u>	<u>550,145</u>

10. RECEIVABLES

	2017 \$	2016 \$
Current		
Accrued Interest	5,483	3,782
Member Dues Receivable	2,331	-
Rental Bond	10,725	10,725
Prepayments	<u>7,307</u>	<u>7,299</u>
	<u>25,846</u>	<u>21,806</u>

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11. FURNITURE, EQUIPMENT & LEASEHOLD IMPROVEMENTS	2017	2016
	\$	\$
Furniture and Equipment		
Cost	91,688	87,087
Less Accumulated Depreciation	<u>(86,075)</u>	<u>(84,329)</u>
	5,612	2,758
Leasehold Improvements		
Cost	5,455	5,454
Less Accumulated Depreciation	<u>(318)</u>	<u>(181)</u>
	<u>5,137</u>	<u>5,273</u>
	<u>10,749</u>	<u>8,031</u>

MOVEMENTS IN CARRYING AMOUNTS	2017	2016
	\$	\$
Furniture, Equipment & Leasehold Improvements		
Balance at 1 April 2016	8,031	10,049
Additions	4,601	-
Disposals	-	-
Depreciation	<u>1,883</u>	<u>2,018</u>
Balance at 31 March 2017	<u>10,749</u>	<u>8,031</u>

12. PROVISIONS FOR EMPLOYEES AND OFFICERS

(a) Employee provisions related to holders of office in the Branch

	2017	2016
	\$	\$
Officers provisions		
Annual leave	44,905	46,341
Long service leave	16,741	11,613
Separation and redundancies	-	-
Other employee provisions (sick leave)	-	-
	<u>61,646</u>	<u>57,954</u>

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

	2017	2016
	\$	\$
Employees provisions		
Annual leave	20,626	17,682
Long service leave	17,730	15,190
Separation and redundancies	-	-
Other employee provisions (sick leave)	-	-
	<u>38,356</u>	<u>32,872</u>

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(c) Employee provisions current non-current split related to employees

	2017	2016
	\$	\$
Employees provisions		
Current	10,341	8,040
Non-Current Split	24,130	18,763
	<u>34,471</u>	<u>26,803</u>

	2017	2016
	\$	\$
13. PAYABLES		
CWU Divisional Conference	21,712	39,549
ALP NSW Branch	4,027	4,530
ALP ACT Branch	-	-
Other Creditors	50,124	43,762
	<u>75,863</u>	<u>87,841</u>

14. CASH FLOW INFORMATION

(a) For the purposes of the Statement of Cash Flows, cash includes cash on hand and at call deposits with banks and other financial institutions.

Cash on Hand - Petty Cash	896	500
Cash at Bank - General Account	15,328	25,158
Cash at Call	8,779	4,487
Term Deposits	453,000	520,000
	<u>478,003</u>	<u>550,145</u>

(b) Reconciliation of Cash Flow from Operations with (Deficit) / Surplus (Deficit) / Surplus

General Fund	(64,173)	(62,242)
Total (Deficit) Surplus	<u>(64,173)</u>	<u>(62,242)</u>

Non-Cash Flows in (Deficit) / Surplus

Depreciation	1,883	2,018
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Changes in Assets and Liabilities

Increase/(Decrease) in Employee Entitlement Provisions	9,175	7,503
Increase/(Decrease) in Other Provisions	1,447	-
Decrease/(Increase) in Sundry Debtors and Prepayments	(2,338)	(3,128)
Decrease/(Increase) in Accrued Interest	(1,701)	(2,545)
Increase/(Decrease) in Sundry Creditors	(11,834)	35,157
CASH FLOWS FROM OPERATIONS	<u>(67,541)</u>	<u>(23,237)</u>

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15. SUPERANNUATION

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

16. 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 \$18,868 (2016: \$19,226).
- (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 13 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 Dues are disclosed in Note 5(a), and as expenses in the Statement of Comprehensive Income.
- (b) Amounts payable to the Divisional conference and other related organisations are disclosed at Note 13 of the accounts.

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Note 16 (cont'd) - RELATED PARTIES

The names of persons who have at any time during the financial year ending 31 March 2017 been members of The New South Wales Telecommunications and Services Branch Committee of Management are as follows:

Position	Name	Period
<u>Executive</u>		
Branch President	Lloyd Harris	1 April 2016 to 31 March 2017
Branch Vice Presidents (Technical)	Glenn Falls	1 April 2016 to 31 March 2017
Branch Vice President (Technical)	Peter Wasilewski	1 April 2016 to 31 March 2017
Branch Vice President (Operator)	James Perkins	1 April 2016 to 31 March 2017
Branch Secretary	Alex Jansen	1 April 2016 to 31 March 2017
Branch Assistant Secretary	Lee Walkington	1 April 2016 to 31 March 2017
<u>Operator Division</u>		
	Joanne King	1 April 2016 to 31 March 2017
<u>Technical Division</u>		
	Randall Bye	1 April 2016 to 31 March 2017
	Michael Lennon	1 April 2016 to 31 March 2017
	Peter Banner	1 April 2016 to 31 March 2017
	John Duffey	1 April 2016 to 31 March 2017
	David Crotty	1 April 2016 to 31 March 2017
	David Seychell	1 April 2016 to 31 March 2017

17. KEY MANAGEMENT PERSONNEL COMPENSATION

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.

(a) Employee expenses related to key Management Personnel.

	2017	2016
	\$	\$
Number of KMP	2	2
Wages and Salaries	185,546	188,667
Superannuation	26,992	27,462
Payroll Tax	11,229	11,509
Leave and other entitlements (Movement)	9,250	4,514
Separation and redundancies	-	-
Fringe benefit expenses	332	145
	<u>233,349</u>	<u>232,297</u>

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Note 17 - KEY MANAGEMENT PERSONNEL COMPENSATION (cont'd)

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

18. COMMITMENTS	2017	2016
	\$	\$
Costs in respect of finance leases on office equipment with an average remaining term of 2.5 years		
- Less than one year	5,640	5,640
- One to five years	8,930	14,587
- Greater than five years	-	-
	<u>14,570</u>	<u>20,227</u>
Costs in respect of operating leases on office Premises with an average remaining term of 1 year		
- Less than one year	24,370	39,298
- One to five years	-	22,924
- Greater than five years	-	-
	<u>38,940</u>	<u>62,221</u>

19. 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 2017 were \$469,004.

20. 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.

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20. FINANCIAL RISK MANAGEMENT NOTE (Cont'd)

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:

	2017	2016
	\$	\$
Cash and cash equivalents	478,003	550,145
The cash and cash equivalents are held in a high quality Australian financial institutions		
Receivable - Member Dues Receivable	2,331	-
Less Provision for Doubtful Debts	-	-
Sundry Debtors	-	-
Total receivables	<u>2,331</u>	<u>-</u>

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

(c) Liquidity Risk

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

The Branch is not significantly exposed to this risk; as at 31 March 2017 it has \$478,003 of cash and cash equivalents to meet these obligations as they fall due. Financial liabilities at 31 March 2017 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).

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20. FINANCIAL RISK MANAGEMENT NOTE (Cont'd)

(e) (e)(i) Interest Rate Risk

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

31 March 2017	Weighted Average Effective Interest Rate	Floating Interest Rate \$	Fixed Interest Rate Maturing		Non Interest Bearing \$	Total \$
			Within 1 Year \$	1 to 5 Years \$		
Financial Assets						
Cash assets	3.0%	24,107	453,000	-	896	478,003
Receivables		-	-	-	-	-
Investments		-	-	-	-	-
Total Financial Assets	3.0%	24,107	453,000	-	896	478,003
Financial Liabilities						
Payables	-	-	-	-	-	-
Net Financial Assets (Liabilities)	3.0%	24,107	453,000	-	896	478,003
31 March 2016	Weighted Average Effective Interest Rate	Floating Interest Rate \$	Fixed Interest Rate Maturing		Non Interest Bearing \$	Total \$
			Within 1 Year \$	1 to 5 Years \$		
Financial Assets						
Cash assets	3.0%	29,645	520,000	-	500	550,145
Receivables		-	-	-	-	-
Investments		-	-	-	-	-
Total Financial Assets	3.0%	29,645	520,000	-	500	550,145
Financial Liabilities						
Payables	-	-	-	-	-	-
Net Financial Assets (Liabilities)	3.0%	29,645	520,000	-	500	550,145

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20. FINANCIAL RISK MANAGEMENT NOTE (Cont'd)

Sensitivity Analysis

2017	Carrying Amount	+0.5% (50 basis points) Profit	-0.5% (50 basis points) Loss
	\$	\$	\$
Cash Assets	<u>478,003</u>	<u>2,390</u>	<u>(2,390)</u>
2016			
Cash Assets	<u>550,145</u>	<u>2,751</u>	<u>(2,751)</u>

(e) (ii) 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.

(e) (iii) Foreign Exchange Risk

The Branch is not directly exposed to foreign exchange rate.

21. PROFESSIONAL SERVICES

	2017	2016
	\$	\$
Audit Fees	15,906	14,490
Audit Other Fees	-	-
Accounting Fees	8,000	8,585
Bookkeeping Fees	9,102	9,762
Legal Fees	-	1,500
IT Consultancy	<u>1,440</u>	<u>-</u>
	<u>34,448</u>	<u>34,337</u>

22. REGISTERED OFFICE

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

Suite 1B, Level 1,
57-59 Renwick Street
Leichhardt NSW 2040

INDEPENDENT AUDITOR'S REPORT

Level 17, 383 Kent Street
Sydney NSW 2000

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Independent Auditor's Report

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

Auditor's Opinion

We have audited the financial report of Communications, Electrical, Electronic Energy, Information, Postal, Plumbing & Allied Services Union of Australia - Communications Division - New South Wales Telecommunications and Services Branch (the Trade Union), which comprises the statement of financial position as at 31 March 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and comprising notes to the financial statements, including a summary of significant accounting policies and the statement by the Committee of Management.

In our opinion, the accompanying financial report of Communications, Electrical, Electronic Energy, Information, Postal, Plumbing & Allied Services Union of Australia - Communications Division - New South Wales Telecommunications and Services Branch:

- a presents fairly, in all material respects, the Trade Union's financial position as at 31 March 2017 and of its performance and cash flows for the year then ended; and
- b complies with Australian Accounting Standards and the Fair Work Act 2009 (Registered Organisations);
- c management have appropriately applied the going concern basis of accounting; and
- d complies with any other requirements imposed by these reporting guidelines or part 3 of chapter 8 of the Registered Organisations Act.

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Basis for Auditor's 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 Trade Union in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to 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 audit opinion.

Responsibility of the Committee of Management for the Financial Report

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

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

Those charged with governance are responsible for overseeing the Trade Union's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our auditor's report.

Report on the recovery of wages activity

The Branch Committee of Management are responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with Section 253(2)(c) of the Fair Work Act 2009 (Registered Organisations). Our responsibility is to express an opinion on the recovery of wages activity financial report, based on our audit conducted in accordance with Australian Auditing Standards. We have been advised that no recovery of wages activity has been

undertaken in the current financial year. Accordingly we have not been instructed by the Branch Committee of Management to include in the scope of the audit required under subsection 257(1) of the RO Act all recovery of wages activity by the reporting unit from which revenues had been derived for the financial year in respect of such activity.

Other Matter

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

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Mattera

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Partner - Audit & Assurance

Sydney, 15 July 2017

