COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,

PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA, COMMUNICATIONS DIVISION,

DIVISIONAL CONFERENCE

ABN 22 401 014 998

FINANCIAL REPORT

FOR THE YEAR ENDED

31 MARCH 2017

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA, COMMUNICATIONS DIVISION, DIVISIONAL CONFERENCE
ABN 22 401 014 998

OPERATING REPORT FOR THE PERIOD ENDED 31 MARCH 2017

In accordance with Section 254 of the Fair Work (Registered Organisations) Act 2009 ("Act") the Committee of Management present their Operating Report on Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications division, Divisional Conference ("the Union"), the relevant Reporting Unit, for the financial year ended 31 March 2017.

Principal Activities

The principal activities of the Union during the financial year were to provide industrial and organising services to each of the Branches of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications division, Divisional Conference and their members, consistent with the objectives of the National Council and particularly the objective of protecting and improving the interests of the various Branches and their members.

Operating Result

The operating loss of the Union for the financial year was $377,491 (2016: loss $308,970). No provision for tax was necessary as the Union is exempt from income tax. The Divisional Office accounts remain in good order and barring unexpected expenditure, the budget for the year proposes a surplus in the 2018 financial year.

Significant change

There were no significant changes in the principal activities or financial affairs of the Union during the financial year.

Rights of Members

Pursuant to the Reporting Unit Rule 21 and Section 174 of the Fair Work (Registered Organisations) Act 2009, members have the right to resign from membership by providing written notice addressed to and delivered to the Secretary of the Reporting Unit.

A notice of resignation from membership of the Union takes effect:

(a) where the member ceases to be eligible to become a member of the Union
  - (i) on the day on which the notice is received by the Union
  - (ii) on the day specified in the notice which is a day not earlier than the day when the member ceases to be eligible to become a member;

  whichever is the later, or

(b) in any other case:
  - (i) at the end of two weeks after the notice is received by the Union, or
  - (ii) on the day specified in the notice

  whichever is the later.

Superannuation Officeholders

The following officers and members of the Union held a Directorship of an Australian Superannuation Fund during the financial year:

Name	Fund Name	Fees received by the officer	Fees included in the union's revenue
Greg Rayner	Australian Post Superannuation Scheme	29,676	29,676
Shane Murphy	Telstra Superannuation Scheme	37,316	37,316
Carol Gee (Resigned 29/1/2017)	Telstra Superannuation Scheme	22,672	22,672

No other officer or member of the Union is:

(a) is a trustee of a superannuation entity or an exempt public sector superannuation scheme; or

(b) a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

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OPERATING REPORT FOR THE PERIOD ENDED 31 MARCH 2017 continued

Other Prescribed Information

In accordance with Regulation 159 of the Fair Work (Registered Organisations) Regulations 2009 ("Regulations"):

(a) the number of persons that were, at the end of the financial year to which the report relates, recorded in the register of members for Section 230 of the Act and who are taken to be members of the Union under section 244 of the Act was 22,095 (2016: 23,125).

(b) the number of persons who were, at the end of the financial year to which the report relates, employees of the Union, where the number of employees includes both full-time and part-time employees, measured on a full-time equivalent basis was 12 (2016: 10).

(c) the names of each person who have been a member of the Committee of Management (Divisional Executive) of the Union at any time during the reporting period, and the period for which he or she held such a position were;

Name	**Position**
S. Murphy	Divisional President (Honorary)
G. Rayner	Divisional Secretary
B. Clarke	Divisional Vice-President (Honorary)
J. O'Donnell	Divisional Assistant Secretary
N. Robinson	Divisional Assistant Secretary
L. Bahls (Resigned 23/1/17)	Affirmative Action (Honorary)
E. Huttly (Appointed 16/2/17)	Affirmative Action (Honorary)
A. Jansen	Telecommunication and Services
J. Perkins (Resigned 8/6/17)	Telecommunication and Services
J. Ellery	Telecommunication and Services
M. Parker	Telecommunication and Services
J. Metcher (Resigned 7/3/17)	Postal and Telecommunications
P. Chalenor (Appointed 7/3/17)	Postal and Telecommunications
S. Murphy (Resigned 22/3/17)	Postal and Telecommunications
P. O'Connell (Appointed 22/3/17)	Postal and Telecommunications
J. Doyle	Postal and Telecommunications
V. Butler	Postal and Telecommunications

Communications Divisional Branch Representatives:

C. Bird
P. Hughes (Resigned 15/2/17)
C. Gleeson (Appointed 15/2/17)
B. Kershaw
P. Miller (Tasmanian Branch closed in October 2016)
G. Colbeck (Tasmanian Branch closed in October 2016)
N. Tredrea
N. Townsend
B. McVee

Committee members have been in office since the start of the financial year to the date of this report unless otherwise stated.

Signed in accordance with a resolution of the Committee of Management.

For Committee of Management: Greg Rayner
Title of Office held: Divisional Secretary

Signature:

Dated: 26th July 2017
Melbourne

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COMMITTEE OF MANAGEMENT STATEMENT FOR THE PERIOD ENDED 31 MARCH 2017

On the 26 July 2017 the Committee of Management of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communication Division, Divisional Conference passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 March 2017:

The 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 the reporting guidelines of the General Manager;

(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 reporting unit 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 reporting unit 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 General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; 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) no revenue has been derived from undertaking recovery of wages activity during the reporting period.

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

Signature of designated officer:

Name and title of designated officer: Greg Rayner - Divisional Secretary

Dated: 26th July 2017

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STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 $	2016 $
Revenue			
Membership subscription			
Capitation fees	3A	**1,921,803**	2,033,930
Levies	3B	**-**	-
Interest	3C	**193,815**	204,090
Rental revenue	3D	**-**	-
Other revenue		**93,830**	84,060
Total revenue		**2,209,448**	2,322,080
Other Income			
Grants and/or donations	3E	**-**	-
Share of net profit from associate	6E	**-**	-
Net gains from sale of assets	3F	**-**	-
Total other income		**-**	-
Total income		**2,209,448**	2,322,080
Expenses			
Employee expenses	4A	**1,565,052**	1,473,172
Capitation fees	4B	**-**	-
Affiliation fees	4C	**135,398**	143,318
Administration expenses	4D	**509,658**	601,105
Grants or donations	4E	**49,100**	-
Depreciation and amortisation	4F	**75,456**	91,409
Finance costs	4G	**-**	-
Legal costs	4H	**174,836**	81,217
Audit fees	14	**59,558**	65,320
Share of net loss from associate	6E	**-**	-
Write-down and impairment of assets	4I	**17,881**	175,509
Net losses from sale of assets	4J	**-**	-
Other expenses	4K	**-**	-
Total expenses		**2,586,939**	2,631,050
(Loss)/profit for the year		**(377,491)**	(308,970)
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss		**-**	-
Gain on revaluation of land & buildings		**-**	-
Total comprehensive (loss)/income for the year		**(377,491)**	(308,970)

The above statement should be read in conjunction with the notes.

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STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	Notes	2017 $	2016 $
ASSETS			
Current Assets			
Cash and cash equivalents	5A	**7,647,207**	8,087,893
Trade and other receivables	5B	**637,262**	479,737
Other current assets	5C	**2,019**	11,116
Total current assets		**8,286,488**	8,578,746
Non-Current Assets			
Land and buildings	6A	**2,190,039**	2,252,682
Plant and equipment	6B	**8,649**	19,902
Investment Property	6C	-	-
Intangibles	6D	-	-
Investments in associates	6E	-	-
Other investments	6F	-	-
Other non-current assets	6G		
Total non-financial assets		**2,198,688**	2,272,584
Total assets		**10,485,176**	10,851,330
LIABILITIES			
Current Liabilities			
Trade payables	7A	**150,988**	252,054
Other payables	7B	**171,875**	186,847
Employee provisions	8A	**690,643**	563,268
Total current liabilities		**1,013,506**	1,002,169
Non-Current Liabilities			
Employee provisions	8A	-	-
Other non-current liabilities	9A	-	-
Total non-current liabilities		-	-
Total liabilities		**1,013,505**	1,002,169
Net assets		**9,471,670**	9,849,161
EQUITY			
General funds	10A	-	-
Retained earnings (accumulated deficit)		**9,471,670**	9,849,161
Total equity		**9,471,670**	9,849,161

The above statement should be read in conjunction with the notes.

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Retained earnings general fund $	Retained earnings special fund $	Retained earnings international fund $	Retained earnings members benefit campaign fund $	Total equity $
Balance as at 31 March 2015		4,643,483	5,283,243	(4,669)	236,074	10,158,131
Adjustment for errors		-	-	-	-	-
Adjustment for changes in accounting policies		-	-	-	-	-
Profit for the year		(308,970)	-	-	-	(308,970)
Other comprehensive income for the year		-	-	-	-	-
Transfer to/from	10A	5,514,648	(5,283,243)	4,669	(236,074)	-
Transfer from retained earnings		-	-	-	-	-
Closing balance as at 31 March 2016		9,849,161	-	-	-	9,849,161
Adjustment for errors		-	-	-	-	-
Adjustment for changes in accounting policies		-	-	-	-	-
Loss for the year		**(377,491)**	-	-	-	**(377,491)**
Other comprehensive income for the year		-	-	-	-	-
Transfer to/from	10A	-	-	-	-	-
Transfer from retained earnings		-	-	-	-	-
Closing balance as at 31 March 2017		**9,471,670**	-	-	-	**9,471,670**

The above statement should be read in conjunction with the notes.

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STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 $	2016 $
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units/controlled entity(s)	11B	**2,025,643**	2,107,944
Interest		**187,475**	204,090
Other		**103,320**	115,905
Cash used			
Employees		**(1,132,578)**	(1,715,827)
Suppliers		**(1,344,928)**	(641,897)
Payment to other reporting units/controlled entity(s)	11B	**(278,058)**	(131,634)
Net cash (used by) operating activities	11A	**(439,126)**	(61,419)
INVESTING ACTVITIES			
Cash received			
Proceeds from sale of plant and equipment		-	-
Proceeds from sale of land and buildings		-	-
Other		-	-
Cash used			
Purchase of plant and equipment		**(1,560)**	(10,757)
Purchase of land and buildings		-	-
Other		-	-
Net cash from (used by) investing activities		**(1,560)**	(10,757)
FINANCING ACTIVITIES			
Cash received			
Contributed equity		-	-
Other		-	-
Cash used			
Repayment of borrowings		-	-
Other		-	-
Net cash from (used by) financing activities		-	-
Net increase (decrease) in cash held		**(440,686)**	(72,176)
Cash & cash equivalents at the beginning of the reporting period		**8,087,893**	8,160,069
Cash & cash equivalents at the end of the reporting period	5A	**7,647,207**	8,087,893

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RECOVERY OF WAGES ACTIVITY FOR THE YEAR ENDED 31 MARCH 2017

	2017 $	2016 $
Cash assets in respect of recovered money at beginning of year	-	-
Receipts		
Amounts recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
Total receipts	-	-
Payments		
Deductions of amount due in respect of membership for:		
12 months or less	-	-
Greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:		
The reporting unit:		
name of account	-	-
name of fund	-	-
Name of other reporting unit of the organisation:		
name of account	-	-
name of fund	-	-
Name of other entity		
name of account	-	-
name of fund	-	-
Deductions of fees or reimbursement of expenses	-	-
Payment to workers in respect of recovered money	-	-
Total payments	-	-
Cash asset's in respect of recovered money at end of year	-	-
Number of workers to which the monies recovered relates	-	-
Aggregate payables to workers attributable to recovered monies but not yet distributed		
Payable balance	-	-
Number of workers the payables relates to	-	-
Fund or account operated for recovery of wages		
N/A	-	-

No revenue has been derived from undertaking recovery of wages activity during the current reporting period.

Index to the Notes of the Financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED

Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009.* For the purpose of preparing the general purpose financial statements, the reporting unit is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

1.2 Comparative amounts

When required by Accounting Standard, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

1.3 Significant accounting judgements and estimates

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

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

Future Australian Accounting Standards Requirements

Standard Name	Effective date - year ended	Requirements	Impact
AASB 16 Leases	31 March 2019	AASB 16:replaces AASB 117 Leases and some lease-related Interpretations requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases provides new guidance on the application of the definition of lease and on sale and lease back accounting largely retains the existing lessor accounting requirements in AASB 117requires new and different disclosures about leases.	Impacts on the reported financial position and performance have not yet been determined.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED

Note 1 Summary of significant accounting policies continued

1.4 New Australian Accounting Standards continued

Future Australian Accounting Standards Requirements

Standard Name	Effective date - year ended	Requirements	Impact
AASB 1058 Income of Not-for-Profit Entities	31 March 2019	AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-to-profit (NFP) entities, in conjunction with AASB 15 Revenue from Contracts with Customers. These Standards supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions. Under AASB 1058, the timing of income recognition depends on whether a NFP transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity. This standard applies when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. In the latter case, the entity will recognise and measure the asset at fair value in accordance with the applicable Australian Accounting Standard (e.g. AASB 116 Property, Plant and Equipment). Upon initial recognition of the asset, AASB 1058 requires the entity to consider whether any other financial statement elements (called 'related amounts') should be recognised, such as: a Contributions by owners; b Revenue, or a contract liability arising from a contract with a customer; c A lease liability; d A financial instrument; or e A provision. These related amounts will be accounted for in accordance with the applicable Australian Accounting Standard.	Impacts on the reported financial position and performance have not yet been determined.

Note 1 Summary of significant accounting policies continued

1.4 New Australian Accounting Standards continued

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
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.	Impacts on the reported financial position and performance have not yet been determined.

1.5 Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Interest revenue is recognised on an accrual basis using the effective interest method.

1.6 Capitation fees and levies

Capitation fees and levies are to be recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

Note 1 Summary of significant accounting policies continued

1.7 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 Employee Benefits) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. Reporting Unit recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

1.8 Leases

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

1.9 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

1.10 Financial instruments

Financial assets and financial liabilities are recognised when a reporting unit entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1.11 Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Note 1 Summary of significant accounting policies continued

1.11 Financial assets continued

Fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:
- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:
- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Available-for-sale

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Note 1 Summary of significant accounting policies continued

1.11 Financial assets continued

Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past ' experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

Note 1 Summary of significant accounting policies continued

1.11 Financial assets continued

Impairment of financial assets continued

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Derecognition of financial assets

The reporting unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

1.12 Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Note 1 Summary of significant accounting policies continued

1.12 Financial liabilities continued

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The reporting unit derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

1.13 Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

1.14 Land, buildings, plant and equipment

Asset recognition threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Property, plant and equipment

Property, plant and equipment are measured initially at cost. Cost includes all directly attributable expenditure incurred including costs to get the asset ready for its use as intended by management, and an estimate of any expenditure expected to be incurred at the end of the asset's useful life, including restoration, rehabilitation and decommissioning costs. Following initial recognition, property, plant and equipment is carried at cost less subsequent accumulated depreciation and accumulated impairment losses.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

Asset Class	**Depreciation rates**
Buildings	2.5%
Motor Vehicles	10% - 25%
Plant and Equipment	10% - 50%

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

Note 1 Summary of significant accounting policies continued

1.15 Impairment for non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the reporting unit were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.16 Taxation

The reporting unit is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

1.17 Fair value measurement

Fair values of financial instruments measured at amortised cost are disclosed in Note 16A.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the reporting unit. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The reporting unit uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Note 1 Summary of significant accounting policies continued

1.17 Fair value measurement continued

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1-Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2-Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3-Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the reporting unit determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the reporting unit has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

1.18 Going concern

The reporting unit is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis. The reporting unit has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

Note 2 Events after the reporting period

There were no events that occurred after 31 March 2017, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the reporting unit.

	2017 $	2016 $
Note 3 Income		
Note 3A: Capitation fees		
Postal and Telecommunications:		
- New South Wales	**693,715**	722,846
- Victoria	**352,404**	382,060
Telecommunications and Services:		
- New South Wales	**105,526**	115,270
- Victoria	**173,607**	173,390
Communications Divisional Branches		
- Queensland	**288,692**	301,728
- South Australia/Northern Territory	**125,283**	136,681
- Tasmania	**17,881**	47,058
- Western Australia	**164,695**	154,897
Total capitation fees	**1,921,803**	2,033,930
Note 3B: Levies		
Levies	-	-
Total Levies	-	-
Note 3C: Interest		
Deposits	**193,815**	204,090
Loans	-	-
Total interest	**193,815**	204,090
Note 3D: Rental revenue		
Properties	-	-
Other	-	-
Total rental revenue	-	-
Note 3E: Grants or donations		
Grants	-	-
Donations	-	-
Total grants or donations	-	-
Note 3F: Net gains from sale of assets		
Land and buildings	-	-
Plant and equipment	-	-
Intangibles	-	-
Total net gain from sale of assets	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

	2017 $	2016 $
Note 4 Expenses		
Note 4A: Employee expenses		
Holders of office:		
Wages and salaries	**349,876**	381,413
Superannuation	**70,484**	68,186
Leave and other entitlements	**68,867**	32,807
Separation and redundancies	**-**	-
Other employee expenses	**-**	-
Subtotal employee expenses holders of office	**489,227**	482,406
Employees other than office holders:		
Wages and salaries	**665,873**	474,691
Superannuation	**127,715**	122,137
Leave and other entitlements	**184,890**	90,274
Separation and redundancies	**-**	188,892
Other employee expenses	**-**	-
Subtotal employee expenses employees other than office holders	**978,478**	875,994
Other employee expenses		
Fringe benefits expense	**15,318**	16,652
Superannuation insurance	**-**	-
Payroll tax	**70,454**	84,981
Workcover	**11,575**	13,139
Subtotal other employee expenses	**97,347**	114,772
Total employee expenses	**1,565,052**	1,473,172
Note 4B: Capitation fees		
Capitation fees	**-**	-
Total capitation fees	**-**	-
Note 4C: Affiliation fees		
Affiliation fees – ACTU* paid to National Office	**135,398**	143,318
Total affiliation fees/subscriptions	**135,398**	143,318

*ACTU Industrial Relations Levy — Levy imposed by the Australian Council of Trade Unions for purposes of funding action for Industrial relations.

	2017 $	2016 $
Note 4D: Administration expenses		
Consideration to employers for payroll deductions	-	-
Compulsory levies		
Levies	-	-
Fees/allowances - meeting and conferences	110,875	60,572
Conference and meeting expenses	37,226	63,606
Contractors/consultants	77,828	86,568
Property expenses	69,213	66,753
Office expenses	24,335	94,378
Information communications technology	34,417	38,007
Travel expenses	110,156	122,331
Other	27,844	36,047
Subtotal administration expense	491,894	568,262
Operating lease rentals:		
Minimum lease payments	17,764	32,843
Total administration expenses	509,658	601,105
Note 4E: Grants or donations		
Grants:		
Total paid that were $1,000 or less	-	-
Total paid that exceeded $1,000	-	-
Donations		
Total paid that were $1,000 or less	100	-
Total paid that exceeded $1,000	49,000	-
Total grants or donations	49,100	-
Note 4F: Depreciation and amortization		
Depreciation		
Buildings	62,643	62,643
Plant and equipment	12,813	28,766
Total depreciation	75,456	91,409
Amortisation		
Intangibles	-	-
Total amortisation	-	-
Total depreciation and amortisation	75,456	91,409

	2017 $	2016 $
Note 4G: Finance costs		
Finance leases	-	-
Overdrafts/loans	-	-
Unwinding of discount	-	-
Total finance costs	-	-
Note 4H: Legal costs		
Litigation	**153,826**	27,493
Other legal matters	**21,010**	53,724
Total legal costs	**174,836**	81,217
Note 4I: Write-down and impairment of assets		
Asset write-downs and impairments of:		
Land and buildings	-	-
Plant and equipment	-	-
Intangible assets	-	-
Other	**17,881**	175,509
Total write-down and impairment of assets	**17,881**	175,509
Note 4J: Net losses from sale of assets		
Land and buildings	-	-
Plant and equipment	-	-
Intangibles	-	-
Total net losses from asset sales	-	-
Note 4K: Other expenses		
Penalties – via RO Act or RO Regulations	-	-
Total other expenses	-	-

Note 5 Current assets

	2017 $	2016 $
Note 5A: Cash and cash equivalents		
Cash at bank	**187,302**	223,980
Cash on hand	-	206
Short term deposits	**7,459,905**	7,863,707
Other	-	-
Total cash and cash equivalents	**7,647,207**	8,087,893

	2017 $	2016 $
Note 5B: Trade and other receivables		
Receivables from other reporting units		
Postal and Telecommunications:		
- New South Wales	**209,896**	61,735
- Victoria	**47,939**	53,410
Telecommunications and Services:		
- New South Wales	**19,989**	33,618
- Victoria	**13,215**	134,804
Communications Divisional Branches		
- Queensland	**23,746**	23,529
- South Australia/Northern Territory	**19,709**	32,546
- Tasmania	-	338,899
- Western Australia	**13,050**	26,165
Electrical Divisional Branches		
- Victoria	**73,810**	25,464
Plumbing Divisional branches		
- Victoria	**17,885**	31,160
National Council	**103,331**	-
Total receivables from other reporting units	**542,570**	761,330
Less provision of doubtful debts		
Postal and Telecommunications:		
- New South Wales	-	-
- Victoria	-	-
Telecommunications and Services:		
- New South Wales	-	-
- Victoria	-	-
Communications Divisional Branches		
- Queensland	-	-
- South Australia/Northern Territory	-	-
- Tasmania	-	338,899
- Western Australia	-	-
Total provision for doubtful debts	-	338,899
Receivable from other reporting units (net)	**542,570**	422,431
Other receivables:		
GST receivable from the Australian Taxation Office	-	-
Other trade receivables	**94,692**	57,306
Total other receivables	**94,692**	57,306
Total trade and other receivables (net)	**637,262**	479,737

	2017 $	2016 $
Note 5C: Other current assets		
Prepayments	**2,019**	11,116
Total other current assets	**2,019**	11,116

Note 6 Non-current assets

	2017 $	2016 $
Note 6A: Land and buildings		
Land and buildings		
at cost	**2,505,723**	2,505,723
accumulated depreciation	**(315,684)**	(253,041)
Total land and buildings	**2,190,039**	2,252,682

	2017 $	2016 $
Reconciliation of the opening and closing balances of land and buildings		
As at 1 April		
Gross book value	**2,505,723**	2,505,723
Accumulated depreciation and impairment	**(253,041)**	(190,398)
Net book value 1 April	**2,252,682**	2,315,325
Additions:		
By purchase	-	-
From acquisition of entities (including restructuring)	-	-
Revaluations	-	-
Impairments	-	-
Depreciation expense	**(62,643)**	(62,643)
Other movement		
Disposals:		
From disposal of entities (including restructuring)	-	-
Other	-	-
Net book value 31 March	**2,190,039**	2,252,682
Net book value as of 31 March represented by:		
Gross book value	**2,505,723**	2,505,723
Accumulated depreciation and impairment	**(315,684)**	(253,041)
Net book value 31 March	**2,190,039**	2,252,682

Land and buildings were measured using the cost model.

	2017 $	2016 $
Note 6B: Plant and equipment		
Plant and equipment		
at cost	169,051	167,491
accumulated depreciation	(160,402)	(147,589)
Total plant and equipment	8,649	19,902
Reconciliation of the opening and closing balances of plant and equipment As at 1 April		
Gross book value	167,495	156,738
Accumulated depreciation and impairment	(147,593)	(118,827)
Net book value 1 April	19,902	37,911
Additions:		
By purchase	1,560	10,757
From acquisition of entities (including restructuring)	-	-
Impairments	-	-
Depreciation expense	(12,813)	(28,766)
Other movement	-	-
Disposals:		
From disposal of entities (including restructuring)	-	-
Other	-	-
Net book value 31 March	8,649	19,902
Net book value as of 31 March represented by:		
Gross book value	169,055	167,491
Accumulated depreciation and impairment	(160,406)	(147,589)
Net book value 31 March	8,649	19,902
Note 6C: Investment property		
Opening balance as at 1 April		
Additions	-	-
Net gain from fair value adjustment	-	-
Closing balance as at 31 March	-	-

	2017 $	2016 $
Note 6D: Intangibles		
Computer software at cost		
Internally developed	-	-
Purchased	-	-
Accumulated amortization	-	-
Total intangibles	-	-
Reconciliation of the opening and closing balances of intangibles		
As at 1 April		
Gross book value	-	-
Accumulated depreciation and impairment	-	-
Net book value 1 April	-	-
Additions:	-	
By purchase	-	-
From acquisition of entities (including restructuring)	-	-
Impairments	-	-
Amortisation	-	-
Other movement [give details below]	-	-
Disposals:	-	
From disposal of entities (including restructuring)	-	-
Other	-	-
Net book value 31 March	-	-
Net book value as of 31 March represented by:	-	
Gross book value	-	-
Accumulated depreciation and impairment	-	-
Net book value 31 March	-	-

Note 6E: Investments in associates

	2017 $	2016 $
Investments in associates:	-	-
-	-	-
Total investments	-	-

Details of investments in associates

	Principal activity	Ownership 2017 %	Ownership 2016 %
Associates:			
Associates	-	-	-

	2017 $	2016 $
Note 6E: Investments in associates continued		
Summary financial information of associates		
Statement of financial position:		
Assets	-	-
Liabilities	-	-
Net assets	-	-
Statement of comprehensive income:		
Income	-	-
Expenses	-	-
Net surplus/(deficit)	-	-
Share of net surplus/(deficit):		
Share of net surplus/(deficit) before tax	-	-
Income tax expense	-	-
Share of net surplus/(deficit) after tax	-	-

	2017 $	2016 $
Note 6F: Other Investments		
Deposits	-	-
Other	-	-
Total other investments	-	-
Note 6G: Other non-current assets		
Prepayments	-	-
Other	-	-
Total other non-financial assets	-	-

No assets have been acquired during the year as part of an amalgamation, restructure, change in the reporting unit or determination or revocation by the General Manager.

	2017 $	2016 $
Note 7 Current liabilities		
Note 7A: Trade payables		
Trade creditors and accruals	**109,743**	150,048
Operating lease rentals	**-**	-
Subtotal trade creditors	**109,743**	150,048
Payables to other reporting units		
National Council	**40,883**	86,569
Postal and Telecommunications - New South Wales	**250**	5,809
Telecommunications and Services - New South Wales	**-**	1,063
Telecommunications and Services - Victoria	**-**	-
Communications Divisional Branches		
- Queensland	**131**	3,468
- South Australia/Northern Territory	**-**	5,116
- Western Australia	**(19)**	(19)
Subtotal payables to other reporting units	**41,245**	102,006
Total trade payables	**150,988**	252,054

Settlement is usually made within 30 days.

	2017 $	2016 $
Note 7B: Other payables		
Wages and salaries	**10,432**	-
Superannuation	**17,308**	24,033
Consideration to employers for payroll deductions	**-**	-
Legal costs		
Litigation	**5,061**	-
Other legal matters	**-**	15,770
Prepayments received/unearned revenue	**-**	-
GST payable	**94,022**	99,820
Sundry creditors	**45,052**	47,224
Total other payables	**171,875**	186,847
Total other payables are expected to be settled in:		
No more than 12 months	**171,875**	186,847
More than 12 months	**-**	-
Total other payables	**171,875**	186,847

Note 8 Provisions

Note 8A: Employee provisions

	2017 $	2016 $
Office Holders:		
Annual leave	33,591	26,876
Long service leave	43,384	24,724
Separations and redundancies	-	-
Other - sick leave	-	-
Subtotal employee provisions-office holders	76,975	51,600
Employees other than office holders		
Annual leave	121,864	104,369
Long service leave	280,736	207,021
Separations and redundancies	-	-
Other - sick leave	211,068	200,278
Subtotal employee provisions- employees other than office holders	613,668	511,668
Total employee provisions	690,643	563,268
Current	690,643	563,268
Non-current	-	-
Total employee provisions	690,643	563,268

Note 9 Non-current liabilities

Note 9A: Other non-current liabilities

	2017 $	2016 $
Other non-current liabilities	-	-
Total other non-current liabilities	-	-

No liabilities have been acquired during the year as part of an amalgamation, restructure, change in the reporting unit or determination or revocation by the General Manager.

	2017	2016
	$	$
Note 10 Equity		
Note 10A: Funds		
Special Fund		
Balance as at start of year	-	5,283,243
Transferred to reserve	-	(5,283,243)
Transferred out of reserve		
Balance as at end of year	-	-
International Fund		
Balance as at start of year	-	(4,669)
Transferred to reserve	-	4,669
Transferred out of reserve		
Balance as at end of year	-	-
Members benefit campaign fund		
Balance as at start of year	-	236,074
Transferred to reserve	-	(236,074)
Transferred out of reserve		
Balance as at end of year	-	-
Total Reserves	-	-
Note 10B: Other specific disclosures - Funds		
Compulsory levy/voluntary contribution fund – if invested in assets		
Fund/account	-	-
Other funds required by rules	-	-
Fund	-	-
Balance as at start of year	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	-	-

	2017 $	2016 $
Note 11 Cash flow		
Note 11A: Cash flow reconciliation		
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:		
Cash and cash equivalents as per:		
Cash flow statement	7,647,207	8,087,893
Balance sheet	7,647,207	8,087,893
Difference	-	-
Reconciliation of profit/(deficit) to net cash from operating activities:		
(Loss)/profit for the year	(377,491)	(308,970)
Adjustments for non-cash items		
Depreciation/amortisation	75,456	91,409
Net write-down of financial assets	-	175,509
Accrued interest not yet received	-	-
Gain on disposal of assets	-	-
Changes in assets/liabilities		
Decrease/(increase) in net receivables	(157,523)	107,817
(Increase) in prepayments	9,099	(2,797)
Increase/(decrease) in supplier payables	(54,561)	90,897
Increase/(decrease) in other payables	(61,481)	108,431
Increase/(decrease) in other provisions	-	-
(Decrease)/increase in employee provisions	127,375	(323,715)
Net cash from (used by) operating activities	(439,126)	(61,419)

	2017 $	2016 $
Note 11B: Cash flow information		
Cash inflows		
Postal and Telecommunications:		
- New South Wales	**608,680**	729,147
- Victoria	**400,505**	415,115
Telecommunications and Services:		
- New South Wales	**123,777**	99,629
- Victoria	**290,183**	121,828
Communications Divisional Branches		
- Queensland	**289,779**	301,198
- South Australia/Northern Territory	**136,953**	288,204
- Tasmania	**-**	355
- Western Australia	**175,766**	152,468
Total cash inflows	**2,025,643**	2,107,944
Cash outflows		
National Council	**232,049**	97,253
Postal and Telecommunications:		
- New South Wales	**6,451**	6,647
- Victoria	**-**	419
Telecommunications and Services:		
- New South Wales	**-**	-
- Victoria	**642**	9,017
Communications Divisional Branches		
- Queensland	**10,196**	2,894
- South Australia/Northern Territory	**6,219**	-
- Tasmania	**11,362**	95
- Western Australia	**11,139**	15,309
Total cash outflows	**278,058**	131,634

	2017 $	2016 $
Note 12 Contingent liabilities, assets and commitments		
Note 12A: Commitments and contingencies		
Operating lease commitments – as lessee		
Future minimum rentals payable under non-cancellable operating leases as at 31 March are as follows:		
Within one year	**23,400**	36,122
After one year but not more than five years	**73,341**	99,337
More than five years	**-**	-
	96,741	135,459
Capital commitments		
Finance lease commitments-as lessee		
Within one year	-	-
After one year but not more than five years	-	-
More than five years	-	-
Total minimum lease payments	-	-
Less amounts representing finance charges	-	-
Present value of minimum lease payments	-	-
Included in the financial statements as:		
Current interest-bearing loans and borrowings	-	-
Non-current interest-bearing loans and borrowings	-	-
Total included in interest-bearing loans and borrowings	-	-
Finance leases-lessor		
Minimum lease payments	-	-
Unguaranteed residual value	-	-
Gross investment	-	-
Unearned finance income	-	-
Net investment (present value of the minimum lease payments)	-	-
Gross amount of minimum lease payments:		
Within one year	-	-
After one year but not more than five years	-	-
More than five years	-	-
Total gross amount of minimum lease payments	-	-
Present value of minimum lease payments:		
Within one year	-	-
After one year but not more than five years	-	-
More than five years	-	-
Total present value of minimum lease payments	-	-

	2017	2016
	$	$

Note 12 Contingent liabilities, assets and commitments continued

Note 12A: Commitments and contingencies continued

Other contingent assets

On 11 August 2016, the Fair Work Commissions approved the alteration of the rules of communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia.

Under the rule changes it allowed the Communication Division, Tasmania Branch to merge with the Electrical, Energy and Services Division – Tasmanian Branch (CEPU Tasmania)

In addition a Memorandum of Understanding was agreed between the Electrical Division and the Communications Division detailing that:

(a) The membership and assets of the Communications Division, Tasmania Branch (CWU Tasmania) are to be transferred to the Electrical, Energy and Services Division – Tasmanian Branch (CEPU Tasmania)

(b) The CWU Tasmania is to dissolve post-merger.

(c) Liabilities relating to outstanding capitation fees (as per section D Rule 47) will not be transferred to the CEPU Tasmania.

(d) The CEPU Tasmania is to have sole entitlement within the CEPU to enroll and represent the interest of employees eligible to be members of the CWU Tasmania.

(e) Mr David Moore (Branch Secretary) is to return from the union upon the merger.

(f) The newly created Tasmanian Communications Advisory Committee shall appoint an organiser for the Communications Industry until the next quadrennial election in 2019, whereby the position will then become an elected position.

(g) In the event that the sale of the real property transferred from the CWU Tasmania (the building located at 105 New Town Road, New Town), the proceeds (after any debts and liabilities) shall divided evenly between the respective Divisional Funds of the Electrical Divisions and the Communications Division.

Note 13 Related party disclosures

Note 13A: Related party transactions for the reporting period

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

Revenue received from related branches includes the following:		
Postal and Telecommunications:		
- New South Wales	**693,715**	708,639
- Victoria	**352,404**	374,653
Telecommunications and Services:		
- New South Wales	**105,526**	113,547
- Victoria	**173,607**	170,239
Communications Divisional Branches		
- Queensland	**288,692**	293,556
- South Australia/Northern Territory	**125,283**	136,681
- Tasmania	**17,881**	46,809
- Western Australia	**164,695**	151,953
Expenses paid to related branches includes the following:		
National Council	**232,049**	97,253
Postal and Telecommunications:		
- New South Wales	**6,451**	6,647
- Victoria	**-**	419
Telecommunications and Services:		
- New South Wales	**-**	-
- Victoria	**642**	9,017
Communications Divisional Branches		
- Queensland	**10,196**	2,894
- South Australia/Northern Territory	**6,219**	-
- Tasmania	**11,362**	95
- Western Australia	**11,139**	15,309
Assets transferred from/to related parties includes the following:		
N/A	**-**	-

	2017	2015
	$	$

Note 13 Related party disclosures continued

Note 13A: Related party transactions for the reporting period continued

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. Impairment of receivables relating to amounts owed by related parties and declared person or body are as disclosed in Note 5B to the financial statements. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

No property was transferred to related parties during the financial year ended 31 March 2017.

Note 13B: Key management personnel remuneration for the reporting period

	2017 $	2015 $
Short-term employee benefits		
Salary (including annual leave taken)	**418,743**	381,413
Annual leave accrued	**152,505**	133,585
Performance bonus	**-**	-
Total short-term employee benefits	**571,248**	514,998
Post-employment benefits:		
Superannuation	**70,484**	68,186
Total post-employment benefits	**70,484**	68,186
Other long-term benefits:		
Long-service leave	**-**	51,219
Total other long-term benefits	**-**	51,219
Termination benefits	**-**	-
Total	**641,732**	634,403

Note 13C: Transactions with key management personnel and their close family members

	2017 $	2015 $
Loans to/from key management personnel	**-**	-
Other transactions with key management personnel	**-**	-

	2017 $	2016 $

Note 14 Remuneration of auditors

	2017 $	2016 $
Value of the services provided		
Financial statement audit services		
Current auditors – Grant Thornton Audit Pty Ltd	**48,390**	30,000
Previous auditors – MSI Ragg Weir	**-**	-
Other services		
Current auditors – Grant Thornton Audit Pty Ltd		
Forensic services	**960**	28,000
Tax services	**-**	2,820
Other Financials Audits		
Compliance audit	10,208	4,500
Total remuneration of auditors	59,558	65,320

No other services were provided by the auditors of the financial statements.

Note 15 Financial instruments

The entity's financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans to and from related unions.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

Note 15A: Categories of financial instruments

Financial assets

	2017 $	2016 $
Fair value through profit or loss:	**-**	-
Total		-
Held-to-maturity investments:		
Cash and cash equivalents	**7,647,207**	8,087,893
Total	**7,647,207**	8,087,893
Available-for-sale assets:	**-**	-
Total	**-**	-
Loans and receivables:		
Receivables - refer to Note 5B	**637,262**	479,737
Total	**637,262**	479,737
Carrying amount of financial assets	**8,2864,469**	8,567,630

	2017 $	2016 $
Note 15A: Categories of financial instruments continued		
Financial liabilities		
Fair value through profit or loss:	-	-
Total	-	-
Other financial liabilities:		
Trade and other payables	322,863	438,901
Total	322,863	438,901
Carrying amount of financial liabilities	322,863	438,901
Note 15B: Net income and expense from financial assets		
Held-to-maturity		
Interest revenue	193,815	204,090
Exchange gains/(loss)	-	-
Impairment	-	-
Gain/loss on disposal	-	-
Net gain/(loss) held-to-maturity	193,815	204,090
Loans and receivables		
Interest revenue	-	-
Exchange gains/(loss)	-	-
Impairment	-	-
Gain/loss on disposal	-	-
Net gain/(loss) from loans and receivables		
Available for sale	-	-
Interest revenue	-	-
Dividend revenue	-	-
Exchange gains/(loss)	-	-
Gain/loss recognised in equity		
Amounts reversed from equity:	-	-
Impairment	-	-
Fair value changes reversed on disposal	-	-
Gain/loss on disposal	-	-
Net gain/(loss) from available for sale	-	-

	2017 $	2016 $
Note 15B: Net income and expense from financial assets continued		
Fair value through profit and loss		
Held for trading:		
Change in fair value	-	-
Interest revenue	-	-
Dividend revenue	-	-
Exchange gains/(loss)	-	-
Total held for trading	-	-
Designated as fair value through profit and loss:		
Change in fair value	-	-
Interest revenue	-	-
Dividend revenue	-	-
Exchange gains/(loss)	-	-
Total designated as fair value through profit and loss	-	-
Net gain/(loss) at fair value through profit and loss	-	-
Net gain/(loss) from financial assets	193,815	204,090

The net income/expense from financial assets not at fair value through profit and loss is $193,815 (2016:$204.090).

	2017 $	2016 $
Note 15C: Net income and expense from financial liabilities		
At amortised cost		
Interest expense	-	-
Exchange gains/(loss)	-	-
Gain/loss on disposal	-	-
Net gain/(loss) financial liabilities - at amortised cost	-	-
Fair value through profit and loss		
Held for trading:		
Change in fair value	-	-
Interest expense	-	-
Exchange gains/(loss)	-	-
Total held for trading	-	-
Designated as fair value through profit and loss:		
Change in fair value	-	-
Interest expense	-	-
Total designated as fair value through profit and loss	-	-
Net gain/(loss) at fair value through profit and loss	-	-
Net gain/(loss) from financial liabilities	-	-

	2017	2016
	$	$

The net income/expense from financial liabilities not at fair value through profit and loss is Nil (2016: Nil).

Note 15D: Credit risk

Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the entity.

Credit risk is managed through maintaining procedures (such as the utilisation of systems for the approval, granting and removal of credit limits, regular monitoring of exposure against such limits and monitoring of the financial stability of significant customers and counterparties) ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the committee has otherwise cleared as being financially sound.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

There is no collateral held by the entity securing trade and other receivables.

The entity has no significant concentrations of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of trade and other receivables are provided in Note 5B.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 5B.

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2017	2016
Financial assets		
Trade and other receivables	**637,262**	479,737
Total	**637,262**	479,737
Financial liabilities		
Trade and other payables	**322,863**	438,901
Total	**322,863**	438,901

In relation to the entity's gross credit risk the following collateral is held: Nil

Credit quality of financial instruments not past due or individually determined as impaired

	Not past due nor impaired	**Past due or impaired**	Not past due nor impaired	Past due or impaired
	2017	**2017**	2016	2016
	$	**$**	$	$
Trade and other receivables	-	-	(338,899)	(338,899)
Total	-	-	(338,899)	(338,899)

Note 15D: Credit risk continued

Ageing of financial assets that were past due but not impaired for 2017

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	$	$	$	$	$
Trade and other receivables	306,997	192,514	7,726	130,025	637,262
Total	306,997	192,514	7,726	130,025	637,262

Ageing of financial assets that were past due but not impaired for 2016

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	$	$	$	$	$
Trade and other receivables	286,996	94,912	17,143	80,686	479,737
Total	286,996	94,912	17,143	80,686	479,737

Note 15E: Liquidity risk

Contractual maturities for financial liabilities 2017

	On Demand	<1 year $	1-2 years $	2-5 years $	>years $	Total $
Trade and other payables	-	322,863	-	-	-	322,863
Total	-	322,863	-	-	-	322,863

Note 15E: Liquidity risk continued

Contractual maturities for financial liabilities 2016

	On Demand	<1 year $	1-2 years $	2-5 years $	>years $	Total $
Trade and other payables	-	438,901	-	-	-	438,901
Total	-	438,901	-	-	-	438,901

Note 15F: Market risk

(i) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows.

Sensitivity analysis of the risk that the entity is exposed to for 2017

	Risk Variable	Change in risk variable %	Effect on Profit and loss $	Effect on Equity $
Interest rate risk	-	+2%	152,994	152,994
Interest rate risk	-	-2%	(152,994)	(152,994)

Note 15F: Market risk

Sensitivity analysis of the risk that the entity is exposed to for 2016

	Risk Variable	Change in risk variable %	Effect on Profit and loss $	Effect on Equity $
Interest rate risk	-	+2%	161,758	161,758
Interest rate risk	-	-2%	(161,758)	(161,758)

Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held.

The entity is not exposed to securities price risk on available-for-sale investments

	Risk Variable	Change in risk variable %	Effect on Profit and loss $	Effect on Equity $
Other price risk	-	-	-	-
Other price risk	-	-	-	-

Sensitivity analysis of the risk that the entity is exposed to for 2016

	Risk Variable	Change in risk variable %	Effect on Profit and loss $	Effect on Equity $
Other price risk	-	-	-	-
Other price risk	-	-	-	-

	2017 $	2016 $
Note 15G: Asset pledged/or held as collateral		
Assets pledged as collateral		
Financial assets pledged as collateral	-	-
-	-	-
Total assets pledged as collateral	-	-
-		
Assets held as collateral		
Fair value of assets held as collateral		
Financial assets	-	-
Non-financial assets	-	-
Total assets held as collateral	-	-

Note 16 Fair value measurement

Note 16A: Financial assets and liabilities

Management of the reporting unit assessed that cash, trade receivables and trade payables approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 31 March 2017 was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the reporting entity based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 31 March 2017 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The following table contains the carrying amounts and related fair values for the reporting unit's financial assets and liabilities:

	Carrying amount	**Fair value**	Carrying amount	Fair value
	2017	**2017**	2016	2016
	$	**$**	$	$
Financial Assets				
Cash and cash equivalents	**7,647,207**	**7,647,207**	8,087,893	8,087,893
Trade and other receivables	**637,262**	**637,262**	479,737	479,737
Total	**8,284,469**	**8,284,469**	8,567,630	8,567,630
Financial Liabilities				
Trade payables	**322,863**	**322,863**	438,901	438,901
Total	**322,863**	**322,863**	438,901	438,901

Note 16B: Fair value hierarchy

The following tables provide an analysis of financial and non-financial assets and liabilities that are measured at fair value, by fair value hierarchy.

Fair value hierarchy – 31 March 2017

	Date of valuation	**Level 1**	**Level 2**	**Level 3**
Assets measured at fair value		**$**	**$**	**$**
-	-	-	-	-
Total	-	-	-	-
Liabilities measured at fair value				
-	-	-	-	-
Total	-	-	-	-

Note 16B: Fair value hierarchy continued

Fair value hierarchy – 31 March 2016

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		$	$	$
-	-	-	-	-
Total	-	-	-	-
Liabilities measured at fair value				
-	-	-	-	-
Total	-	-	-	-

Note 17: Business combinations

Subsidiaries acquired

Name of Entity	Principal activity	Date of acquisition	Proportion of shares acquired %	Consideration transferred
2017:				
-	-	-	-	-
2016:				
-	-	-	-	-

Consideration transferred

2017:	[Entity]	[Entity]
Cash	-	-
Transfer of land & buildings at fair value at date of acquisition	-	-
Total	-	-
2016:	[Entity]	[Entity]
Cash	-	-
Transfer of land & buildings at fair value at date of acquisition	-	-
Total	-	-

Note 17: Business combinations continued

Assets acquired and liabilities assumed at the date of acquisition

2017:	[Entity]	[Entity]	Total
Current assets			
Cash and cash equivalents	-	-	-
Trade and other receivables	-	-	-
Inventories	-	-	-
Non-current assets	-	-	-
Plant and equipment	-	-	-
Current liabilities	-	-	-
Trade and other payables	-	-	-
Non-current liabilities	-	-	-
Deferred tax liabilities	-	-	-
Contingent liabilities	-	-	-
	-	-	-

There were no business combinations in the previous period.

Note 18 Administration of financial affairs by a third party

Name of entity providing service: N/A

Terms and conditions: N/A

Nature of expenses/consultancy service: N/A

Note 19 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 General Manager:

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNICATIONS, ELECTRICAL, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA, COMMUNICATIONS DIVISION, DIVISIONAL CONFERENCE

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Communications, Electrical, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Divisional Conference (the Reporting Unit), which comprises the statement of financial position as at 31 March 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 March 2017, 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, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Divisional Conference as at 31 March 2017, 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.

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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 Sandra Patricia Lawson is an approved auditor, a member of the Institute of Chartered Accountants in Australia and holds a current Public Practice Certificate.

Other Matter

The Committee of Management Statement reflects that the Reporting unit has not undertaken any recovery of wages activity during the reporting period ended 31 March 2017. As such, no opinion is provided in relation to recovery of wages activity.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

S P Lawson
Partner - Audit & Assurance

Melbourne, 26 July 2017

Registration number (as registered by the RO Commissioner under the RO Act): (AA2017/88)