Communications, Electrical, Electronics, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Divisional Conference

ABN: 22 401 014 998

Financial Statements

For the Year Ended 31 March 2023

Communications, Electrical, Electronics, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Divisional Conference

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Contents

For the Year Ended 31 March 2023

Communications, Electrical, Electronics, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Divisional Conference

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Operating Report

31 March 2023

In accordance with Section 254 of the Fair Work (Registered Organisations) Act 2009 ("Act") the Divisional Executive Committee of Management present their Operating Report on Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communication Division, Divisional Conference ("the Union"), the relevant Reporting Unit, for the financial year ended 31 March 2023.

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

Significant changes

No significant change in the nature of these activities occurred during the year.

Operating result

The net surplus of the Union for the financial year was amounted to $155,506 (2022: $247,745).

Rights of Members

Pursuant to the Reporting Unit Rule 21 and Section174 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 whichever is the later, or

b) in any other case:

   i. at the end of two weeks after the notice us received by the Union, or

   ii. on the day specified in the notice

   whichever is later.

Communications, Electrical, Electronics, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Divisional Conference

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Operating Report
31 March 2023

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	-	**34,084**
James Perkins	Telstra Superannuation Scheme	-	**70,670**
Dahlian Khatab	Telstra Superannuation Scheme	-	**70,670**

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 trustee of a superannuation entity or an exempt public sector superannuation scheme.

Other Prescribed Information

In accordance with Regulation 159 of the Fair Work (Registered Organisation) 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 20,225 (2022: 20,516).

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 6 (2022: 6).

c) the names of each person who have been a member of the Divisional Executive Committee of Management 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	Period
S. Murphy	Divisional President (Honorary)	01/04/2022 - 31/03/2023
G. Rayner	Divisional Secretary	01/04/2022 - 31/03/2023
B. Clarke	Divisional Vice-President (Honorary) - Resigned	01/04/2022 - 03/05/2022
C. Shelly	Divisional Vice-President (Honorary) - Appointed	03/05/2022 - 31/03/2023
J. Perkins	Divisional Assistant Secretary	01/04/2022 - 31/03/2023
N. Robinson	Divisional Assistant Secretary	01/04/2022 - 31/03/2023
L. Bahls	Divisional Vice President - Affirmative Action (Honorary)	01/04/2022 - 31/03/2023
S. Riley	Telecommunication and Services	01/04/2022 - 31/03/2023
L. Walkington	Telecommunication and Services	01/04/2022 - 31/03/2023
J. King	Telecommunication and Services	01/04/2022 - 31/03/2023
P. Chaloner	Postal and Telecommunications	01/04/2022 - 31/03/2023
P. O'Connell	Postal and Telecommunications	01/04/2022 - 31/03/2023
L. Lazaro	Postal and Telecommunications	01/04/2022 - 31/03/2023
V. Butler	Postal and Telecommunications	01/04/2022 - 31/03/2023
C. Bird	Communications Division	01/04/2022 - 31/03/2023

Operating Report
31 March 2023

Other Prescribed Information (continued)

Name	Position	Period
B. McVee	Communications Division	01/04/2022 - 31/03/2023
C. Thomas	Communications Division	01/04/2022 - 31/03/2023
N. Townsend	Communications Division	01/04/2022 - 31/03/2023
G. Lorrain	Communications Division - Resigned	01/04/2022 - 31/12/2022
K. Joinbee	Communications Division - Appointed	11/04/2022 - 31/03/2023

Signed in accordance with a resolution of the Divisional Executive Committee of Management:

For Divisional Executive Committee of Management:

Divisional Secretary: ....
Greg Rayner

Dated 21 August 2023

Report required under subsection 255 (2A)

31 March 2023

The Divisional Executive Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 31 March 2023.

Categories of expenditures	2023 $	2022 $
Remuneration and other employment-related costs and expenses – employees	**1,093,378**	1,020,507
Advertising	**-**	-
Operating costs	**486,642**	393,999
Donations	**47,000**	1,000
Legal costs	**3,819**	11,741

Signature of designated officer: ....

Name of designated officer: Greg Rayner

Title of designated officer: Divisional Secretary

Dated 21 August 2023

Communications, Electrical, Electronics, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Divisional Conference

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Divisional Executive Committee of Management's Statement

On 21 August 2023, the Divisional Executive Committee of Management of the Communications, Electrical, Electronics, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Divisional Conference passed the following resolution in relation to the general purpose financial report (GPFR) of the Branch for the year ended 31 March 2023:

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

a) the financial statements and notes comply with the Australian Accounting Standards;

b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);

c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the branch for the financial year ended 31 March 2023;

d) there are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable; and

e) during the financial period to which the GPFR relates and since the end of that period:

    i. meetings of the Divisional Executive Committee of Management were held in accordance with the rules of the organisation and including the rules of the branch concerned; and

    ii. the financial affairs of the Union have been managed in accordance with the rules of the organisation and the rules of the Union; and

    iii. the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and

    iv. the financial records of the branch have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and

    v. where information has been sought in any request by the member of the reporting unit or General manager duly made under section 272 of the RO Act 2009 has been provided to the member or General manager; and

    vi. where any order for the inspection of the financial records was made by the Fair Work Commission under section 273 of the RO Act 2009, there has been compliance.

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

Divisional Secretary ....
Greg Rayner

Dated 21 August 2023

Statement of Comprehensive Income

For the Year Ended 31 March 2023

	Note	2023 $	2022 $
Revenue from contracts with customers	3		
Membership subscriptions		**-**	-
Capitation fees and other revenue from another reporting unit	3A	**1,581,492**	1,598,004
Levies	3B	**-**	-
Revenue from recovery of wages activity	3E	**-**	-
Total revenue from contracts with customers		**1,581,492**	1,598,004
Income for furthering objectives			
Grants and/or donations	3C	**-**	-
Income recognised from volunteer services		**-**	-
Total income for furthering objectives		**-**	-
Other income			
Interest - investment	3F	**197,340**	34,885
Other income	3G	**221,101**	251,092
Gain on disposal of assets	3H	**139**	-
Total other income		**418,580**	285,977
Total Income		**2,000,072**	1,883,981
Expenses			
Employee benefit expenses	4A	**(1,093,378)**	(1,020,507)
Capitation - Divisional conference	4B	**-**	-
Affiliation fees	4C	**(144,345)**	(141,395)
Administration expense	4D	**(453,839)**	(361,199)
Grants or donations	4E	**(47,000)**	(1,000)
Depreciation and amortisation expense	4F	**(69,385)**	(67,594)
Legal costs		**(3,819)**	(11,741)
Audit fees	12	**(32,800)**	(32,800)
Total expenditure		**(1,844,566)**	(1,636,236)
Net surplus for the year		**155,506**	247,745
Other comprehensive income			
Gain on revaluation of buildings		**-**	535,143
Total other comprehensive income for the year		**-**	535,143
Total comprehensive income for the year		**155,506**	782,888

The accompanying notes form part of these financial statements.

Communications, Electrical, Electronics, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Divisional Conference

ABN: 22 401 014 998

Statement of Financial Position

As At 31 March 2023

	Note	2023 $	2022 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5A	**9,083,515**	8,641,818
Trade and other receivables	5B	**279,201**	503,736
Other current assets	5C	**30,326**	9,710
TOTAL CURRENT ASSETS		**9,393,042**	9,155,264
NON-CURRENT ASSETS			
Property, plant and equipment	6A	**4,282,801**	4,291,896
TOTAL NON-CURRENT ASSETS		**4,282,801**	4,291,896
TOTAL ASSETS		**13,675,843**	13,447,160
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	**433,760**	404,038
Provision for Employee benefits	8	**664,997**	691,105
TOTAL CURRENT LIABILITIES		**1,098,757**	1,095,143
NON-CURRENT LIABILITIES			
Provision for long service leave	8	**69,563**	-
TOTAL NON-CURRENT LIABILITIES		**69,563**	-
TOTAL LIABILITIES		**1,168,320**	1,095,143
NET ASSETS		**12,507,523**	12,352,017
EQUITY			
Retained earnings		**10,099,776**	9,944,270
Reserves		**2,407,747**	2,407,747
TOTAL EQUITY		**12,507,523**	12,352,017

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 March 2023

	Retained Earnings	Asset revaluation reserve	Total Equity
	$	$	$
Balance at 1 April 2021	**9,696,525**	**1,872,604**	**11,569,129**
Surplus for the year	247,745	-	247,745
Other comprehensive income for the year	-	535,143	535,143
Balance at 31 March 2022	**9,944,270**	**2,407,747**	**12,352,017**
Surplus for the year	155,506	-	155,506
Other comprehensive income for the year	-	-	-
Balance at 31 March 2023	**10,099,776**	2,407,747	**12,507,523**

The accompanying notes form part of these financial statements.

Communications, Electrical, Electronics, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Divisional Conference

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Statement of Cash Flows

For the Year Ended 31 March 2023

	Note	2023 $	2022 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received			
Receipts from other reporting units	9B	**2,858,352**	2,347,441
Interest received		**197,340**	34,886
Other receipts		**211,552**	251,092
Cash used			
Payments to employees		**(1,049,924)**	(912,016)
Payments to suppliers		**(1,344,333)**	(1,148,213)
Payment to other reporting units	9B	**(371,139)**	(223,685)
Net cash provided by operating activities	9A	**501,848**	349,505
CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash received		**-**	-
Proceeds from sale of plant and equipment		**182**	-
Cash used			
Purchase of property, plant and equipment		**(60,333)**	(2,584)
Net cash used in investing activities		**(60,151)**	(2,584)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Cash received		**-**	-
Cash used		**-**	-
Net cash used in financing activities		**-**	-
Net increase in cash and cash equivalents held		**441,697**	346,921
Cash and cash equivalents at beginning of the year		**8,641,818**	8,294,897
Cash and cash equivalents at end of financial year	5A	**9,083,515**	8,641,818

The accompanying notes form part of these financial statements.

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For the Year Ended 31 March 2023

Notes to the Financial Statements

For the Year Ended 31 March 2023

1 Summary of Significant Accounting Policies

1.1 Basis of preparation

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

The financial statements except for cashflow information 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 Going concern

The Union is not reliant on the financial support of any other reporting units to ensure they can continue on a going concern basis.

The Union has not agreed to provide financial support to another reporting entity to ensure they can continue as a going concern basis.

1.3 Comparatives

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

1.4 Significant accounting judgements and estimates

There have not been any material 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.

1.5 Adoption of new and revised accounting standards

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

The accounting policies adopted are consistent with those of the previous financial years.

Future Australian Accounting Standards

The following Australian Accounting Standards have been issued early but are not yet effective. These standards have not been adopted in preparation of the financial statements at the reporting date but will be adopted at application date. The Union has assessed the potential impact on the financial statements from the adoption of these standards and interpretations and there are not material effect on the Union's profit or loss:

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

1 Summary of Significant Accounting Policies (continued)

Future Australian Accounting Standards (continued)

Standard Name	Effective date for entity	Requirements	Impact
AASB 2020-1 Amendments to Australian Accounting Standards – Classifications of Liabilities as Current or Non-Current AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants	1 April 2024	This Standard amends AASB 101 to improve the information an entity provides in its financial statements about liabilities arising from loan arrangements for which the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement. The Standard also amends an example in Practice Statement 2 regarding assessing whether information about covenants is material for disclosure. Note: AASB 2022-6 changes some of the requirements in AASB 2020-1 and therefore entities should ensure that they review the requirements of both standards prior to adoption.	Classification of liabilities between current and non-current may be amended following the adoption of AASB 2022-6.

1.6 Investment in associates and joint arrangements

An associate is an entity over which the Union has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the individual assets and obligations for the liabilities of the joint operation.

The results and assets and liabilities of associates and its joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with AASB 5 Non-current Asset Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate or joint venture is initially recognized in the statement of financial position at cost and adjusted thereafter to recognise the share of the profit or loss and other comprehensive income of the associate. When the share of losses of an associate or joint venture exceeds the interest in that associate, the Union discontinues to recognized its share of further losses. Additional losses are recognized only to the extent that it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Any excess of the cost of acquisition over the share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is

1 Summary of Significant Accounting Policies (continued)

1.6 Investment in associates and joint arrangements (continued)

recognized immediately in profit or loss.

1.7 Acquisition of assets and or liabilities that do not constitute a business combination

The Union did not acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of the organisation, a determination or revocation by the General Manager of the Fair Work Commission under subsections 245(1) or 249(1) of the RO Act.

1.8 Current versus non-current classification

The Union presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Union classifies all other liabilities as non-current.

1.9 Revenue

The Union enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees and grants.

1 Summary of Significant Accounting Policies (continued)

1.9 Revenue (continued)

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Revenue from contracts with customers

Where the Union has a contract with a customer, the Union recognises revenue when or as it transfers control of goods or services to the customer. The Union accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

Membership subscriptions

For membership subscription arrangements that meet the criteria for contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the Union.

If there is only one distinct membership service promised in the arrangement, the Union recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Union's promise to stand ready to provide assistance and support to the member as required.

If there is more than one distinct good or service promised in the membership subscription, the Union allocates the transaction price to each performance obligation based on the relative standalone selling prices of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that the Union charges for that good or service in a standalone sale. When a performance obligation is satisfied, which is either when the customer obtains control of the good (for example, books or clothing) or as the service transfers to the customer (for example, member services or training course), the Union recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, the Union has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from the Union at their standalone selling price, the Union accounts for those sales as a separate contract with a customer.

Capitation fees

Where the Union's arrangement with a branch or another reporting entity meets the criteria for a contract with a customer, the Union recognises the capitation fees promised under that arrangement when or as it transfers the other reporting units's participation and voting rights that will transfer as part of its sufficiently specific promise to the Divisional Executive Council.

1 Summary of Significant Accounting Policies (continued)

1.9 Revenue (continued)

Capitation fees (continued)

In circumstances where the criteria for a contract with a customer are not met, the Union will recognise capitation fees as income upon receipt.

Levies

Levies paid by a member (or other party) in an arrangement that meets the criteria for a contract with a customer is recognised as revenue when or as the Union transfers the other reporting unit's participation and voting rights that will transfer as part of its sufficiently specific promise to the Divisional Executive Council.

In circumstances where the criteria for a contract with a customer are not met, the Union will recognise levies as income upon receipt.

Volunteer services

During the year, the Union did not recognise any volunteer services as revenue because it could not really measure the fair value of those services.

Income of the Union as a Not-for-Profit Entity

Consideration is received by the Union to enable it to further its objectives. The Union recognises each of these amounts of consideration as income when the consideration is received (which is when the Union obtains control of the cash) because, based on the rights and obligations is each arrangement:

- the arrangements do not meet the criteria for contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and

- the Union's recognition of the cash contribution does not give rise to any related liabilities.

Gain from sale of assets

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains controls) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the assets (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) is included in the statement of profit or loss when the asset is derecognised.

Interest income

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

1 Summary of Significant Accounting Policies (continued)

1.9 Revenue (continued)

Rental income

Leases in which the Union, as a lessor, does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the relevant lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as income in the period in which they are earned.

1.10 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.

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.

1.11 Leases

The Union assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Union as a lessee

The Union applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Union recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

1 Summary of Significant Accounting Policies (continued)

1.11 Leases (continued)

Right-of-use asset

The Union recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	2023	2022
Plant and equipment	**4-5 years**	4-5 years

If ownership of the leased asset transfers to the Union the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Union recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Union and payments of penalties for terminating the lease, if the lease term reflects the Union exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Union uses the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Adoption of short term leases or low value asset exception

The Union has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Union recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

1.12 Borrowing costs

All borrowing costs are recognised in the profit and loss statement in the year which they are incurred.

1 Summary of Significant Accounting Policies (continued)

1.13 Cash and cash equivalents

Cash is recognised at amortised cost. 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.

1.14 Financial instruments

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

Financial assets

Contract assets and receivables

A contract asset is recognised when the Union's right to consideration in exchange goods or services that has transferred to the customer when that right is conditioned on the Union's future performance or some other condition.

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e. only the passage of time is required before payment of the consideration is due).

Contract assets and receivables are subject to impairment assessment. Refer to accounting policies on impairment of financial assets below.

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Union's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Union initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Union's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:

- Financial assets at amortised cost

1 Summary of Significant Accounting Policies (continued)

1.14 Financial instruments (continued)

Financial assets (continued)

- Financial assets at fair value through other comprehensive income
- Financial assets at fair value through profit or loss
- Financial assets designated at fair value through profit or loss.

Financial assets at amortised cost

The Union measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Union's financial assets at amortised cost includes trade and other receivables and cash and cash equivalents in the statement of financial position.

Financial assets at fair value through other comprehensive income

The Union measures debt instruments at fair value through other comprehensive income (OCI) if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost.

The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Union's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

1 Summary of Significant Accounting Policies (continued)

1.14 Financial instruments (continued)

Financial assets (continued)

Financial assets at fair value through profit or loss (including designated)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Union has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either:
    a) the Union has transferred substantially all the risks and rewards of the asset, or
    b) the Union has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Union has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Union continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1 Summary of Significant Accounting Policies (continued)

1.14 Financial instruments (continued)

Financial assets (continued)

Impairment

Expected credit losses (ECLs)

i. Debt instruments other than trade receivables

The Union recognises an allowance for ECLs for all debt instruments not held at fair value through the profit and loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Union expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages:

- For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL).

- For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Union considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, The Union may also consider a financial asset to be in default when internal or external information indicates that reporting unit is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii. Trade receivables

For trade receivables that do not have a significant financing component, the Union applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the Union does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL's at each reporting date. The Union has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Historically, the Union have received membership fees and rental income and the Union expects this trend to continue and has therefore not recognised any loss allowance.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost or at fair value through profit or loss.

1 Summary of Significant Accounting Policies (continued)

1.14 Financial instruments (continued)

Financial liabilities (continued)

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Union's financial liabilities include trade and other payables.

Subsequent measurement

Financial liabilities at fair value through profit or loss (including designated)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 Financial Instruments are satisfied.

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

1.15 Liabilities relating to contract with customers

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before [reporting unit] transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when [reporting unit] performs under the contract (i.e. transfers control of the related goods or services to the customer).

1 Summary of Significant Accounting Policies (continued)

1.15 Liabilities relating to contract with customers (continued)

Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer. The Union refund liabilities arise from customers' right of return. The liability is measured at the amount The Union ultimately expects it will have to return to the customer. The Union updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

1.16 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.

1.17 Land, buildings, plant and equipment

Asset recognition threshold

Purchases of 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.

Revaluations - Buildings

Following initial recognition at cost, the buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do no differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus / deficit. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

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.

1 Summary of Significant Accounting Policies (continued)

1.17 Land, buildings, plant and equipment (continued)

The estimated useful lives used for each class of depreciable asset along with depreciation method are based on the following useful lives:

Fixed asset class	Useful life
Building	40 Years
Plant and equipment	2 to 10 years

Derecognition

An item of buildings, plant and equipment and motor vehicle 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.

1.18 Impairment of 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 Union was deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.19 Taxation

The Union 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 (ATO); 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 ATO is classified within operating cash flows.

1 Summary of Significant Accounting Policies (continued)

1.20 Fair value measurement

The Union measures financial instruments, such as financial assets as at fair value through the profit and loss, and non-financial assets such as land and buildings at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 14.

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 Union. 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 Union 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.

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 Union 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. External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Union 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.

Notes to the Financial Statements

For the Year Ended 31 March 2023

2 Events After the End of the Reporting Period

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.

3 Revenue and Income

Disaggregation of revenue from contracts with customers

A disaggregation of the Union's revenue by type of arrangements is provided on the face of the Statement of Profit or Loss and other comprehensive income. The table below also sets out a disaggregation of revenue by type of customer.

	2023 $	2022 $
Types of customer		
Reporting units	**1,581,492**	1,598,004
Other parties	**418,580**	285,977
Revenue from contracts with customers	**2,000,072**	1,883,981

3A Capitation fees and other revenue from another reporting unit

	2023 $	2022 $
Postal and Telecommunications:		
- New South Wales	**386,596**	642,143
- Victoria	**325,417**	332,131
Telecommunication and Services:		
- New South Wales	**42,337**	44,921
- Victoria	**103,849**	114,439
Communications Divisional Branches		
- Queensland	**132,462**	229,660
- South Australia/Northern Territory	**67,422**	108,366
- Tasmania	**-**	-
- Western Australia	**137,197**	126,344
- CWU Central	**386,212**	-
Subtotal capitation fees	**1,581,492**	1,598,004
Other revenue from another reporting unit	**-**	-
Subtotal other revenue from another reporting unit	**-**	-
Total capitation fees and other revenue from another reporting unit	**1,581,492**	1,598,004

Notes to the Financial Statements

For the Year Ended 31 March 2023

3 Revenue and Income (continued)

3B Levies

	2023 $	2022 $
Levies	-	-
Total levies	-	-

3C Grants and/or donations

	2023 $	2022 $
Grants	-	-
Donations	-	-
Total grants and donations	-	-

3D Income recognised from volunteer services

	2023 $	2022 $
Amounts recognised from volunteer services	-	-
Total income recognised from volunteer services	-	-

3E Revenue from recovery of wages activity

	2023 $	2022 $
Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	-	-
Total revenue from recovery of wages activity	-	-

3F Investment income

	2023 $	2022 $
Interest received	**197,340**	34,885
Total investment income	**197,340**	34,885

3G Other income

	2023 $	2022 $
Board positions	**175,424**	188,449
Sundry income	**45,677**	62,643
Total other income	**221,101**	251,092

Notes to the Financial Statements

For the Year Ended 31 March 2023

3 Revenue and Income (continued)

3H Net (profit)/losses from sale of assets

	2023	2022
	$	$
Property, plant and equipment	**139**	-
Total	**139**	-

4 Expenses

4A Employee benefit expenses

	2023	2022
	$	$
Holders of Office:		
Wages and Salaries	**525,372**	491,421
Superannuation	**87,540**	82,605
Payroll tax	**36,118**	-
Leave and other entitlements	**7,712**	11,523
Separation and redundancies	**-**	-
	656,742	585,549
Employees other than office holders:		
Wages and Salaries	**331,910**	320,513
Superannuation	**49,973**	48,211
Superannuation additional insurance	**6,843**	-
Payroll tax	**12,166**	23,511
Leave and other entitlements	**35,744**	42,723
Separation and redundancies	**-**	-
	436,636	434,958
Total employee benefit expenses	**1,093,378**	1,020,507

4B Capitation fees

	2023	2022
	$	$
Capitation fees	**-**	-
Total capitation fees	**-**	-

Notes to the Financial Statements

For the Year Ended 31 March 2023

4 Expenses (continued)

4C Affiliation fees

	2023	2022
	$	$
Affiliation - A.C.T.U. *	**138,340**	135,530
Affiliation - G.T.U.F.	**6,005**	5,865
Total affiliation fees/subscriptions	**144,345**	141,395

*A.C.T.U. Industrial Relations Levy - Levy imposed by the Australian Council of Trade Unions for purposes of funding action for Industrial relations.

4D Administration expenses

	2023	2022
	$	$
Total paid to employers for payroll deductions of membership subscriptions	**-**	-
Compulsory levies	**-**	-
Fees/allowances - meeting and conferences	**33,525**	11,922
Contractors/consultants	**238,637**	250,739
Property expenses	**31,641**	12,668
Office expenses	**87,241**	53,074
Information communication technology	**20,313**	16,050
Travel expenses	**40,966**	15,832
Other	**1,516**	914
Total administration expense	**453,839**	361,199

4E Donations & grants

	2023	2022
	$	$
Grants:	**-**	-
Total Grants that were $1,000 or less	**-**	-
Total Grants that exceeded $1,000	**-**	-
Donations:	**-**	-
Total Donations that were $1,000 or less	**-**	1,000
Total Donations that exceeded $1,000	**47,000**	-
Total donations and grants	**47,000**	1,000

Notes to the Financial Statements

For the Year Ended 31 March 2023

4 Expenses (continued)

4F Depreciation

	2023	2022
	$	$
Buildings	**62,643**	62,643
Plant and equipment	**6,742**	4,951
Total depreciation	**69,385**	67,594

4G Legal and professional fees

	2023	2022
	$	$
Legal cost - litigation	**-**	-
Legal costs - other matters	**3,819**	11,741
Total legal and professional fees	**3,819**	11,741

5 Current assets

5A Cash and Cash Equivalents

	2023	2022
	$	$
Cash on hand	**-**	-
Cash at bank	**258,515**	316,818
Short-term deposits	**8,825,000**	8,325,000
Total cash and cash equivalents	**9,083,515**	8,641,818

Notes to the Financial Statements

For the Year Ended 31 March 2023

5B Trade and Other Receivables

Receivables from other reporting units

	2023	2022
	$	$
Postal and Telecommunications:		
- New South Wales	**-**	71,542
- Victoria	**71,912**	50,503
Telecommunications and Services:		
- New South Wales	**4,167**	3,905
- Victoria	**10,601**	202,831
Communications Divisional Branches		
- CWU Central	**113,981**	-
- Queensland	**-**	47,940
- South Australia/Northern Territory	**-**	21,313
- Tasmania	**-**	-
- Western Australia	**15,727**	11,925
Electrical Divisional Branches		
- Victoria	**-**	25,163
- National	**-**	42,927
Plumbing Divisional Branches		
- Victoria	**22,263**	22,308
- Federal	**199**	-
National Council	**-**	203
Amounts due from CEPU Divisional Conference	**-**	-
Total receivables from other reporting unit	**238,850**	500,560
Less allowance for expected credit losses	**-**	-
Receivables from other reporting units (net)	**238,850**	500,560
Other receivables:		
Other receivables	**40,351**	3,176
Total other receivables	**40,351**	3,176
Total trade and other receivables (net)	**279,201**	503,736

5C Other current assets

	2023	2022
	$	$
Prepayments	**30,326**	9,710
Total other current assets	**30,326**	9,710

Notes to the Financial Statements

For the Year Ended 31 March 2023

6 Non-current assets

6A Property, plant and equipment

	2023	2022
	$	$
Buildings		
At cost	**4,535,143**	4,535,143
Accumulated depreciation	**(322,786)**	(260,143)
Total buildings	**4,212,357**	4,275,000
Plant and equipment		
At cost	**211,979**	153,031
Accumulated depreciation	**(141,535)**	(136,135)
Total plant and equipment	**70,444**	16,896
Total property, plant and equipment	**4,282,801**	4,291,896

Notes to the Financial Statements

For the Year Ended 31 March 2023

6A Property, plant and equipment (continued)

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

Buildings

	Buildings $	Total $
31 March 2023		
Buildings:		
At Fair value	**4,535,143**	**4,535,143**
Accumulated depreciation	**(322,786)**	**(322,786)**
Total Buildings	**4,212,357**	**4,212,357**
Reconciliation of opening and closing balances of buildings		
Net Book value 1 April 2022	**4,275,000**	**4,275,000**
Additions	**-**	**-**
Impairments	**-**	**-**
Revaluation	**-**	**-**
Depreciation expense	**(62,643)**	**(62,643)**
Disposals	**-**	**-**
Other changes, movements	**-**	**-**
Net Book value 31 March 2023	**4,212,357**	**4,212,357**
Net book value as of 31 March 2023 represented by:		
Gross book value	**4,535,143**	**4,535,143**
Accumulated depreciation and impairment	**(322,786)**	**(322,786)**
Net Book value 31 March 2023	**4,212,357**	**4,212,357**
31 March 2022		
Buildings:		
At Fair value	4,535,143	4,535,143
Accumulated depreciation	(260,143)	(260,143)
Total Property, Plant and Equipment	4,275,000	4,275,000
Reconciliation of opening and closing balances of building		
Net Book value 1 April 2021	3,802,500	3,802,500
Additions	535,143	535,143
Revaluation	-	-
Impairments	-	-
Depreciation expense	(62,643)	(62,643)
Disposals	-	-
Other changes, movements	-	-
Net Book value 31 March 2022	4,275,000	4,275,000
Net book value as of 31 March 2022 represented by:		
Gross book value	4,535,143	4,535,143
Accumulated depreciation and impairment	(260,143)	(260,143)
Net Book value 31 March 2022	4,275,000	4,275,000

Notes to the Financial Statements

For the Year Ended 31 March 2023

6A Property, plant and equipment (continued)

Plant and equipment

	Plant and equipment $	Total $
31 March 2023		
Property, Plant and Equipment:		
Carrying amount	**211,978**	**211,978**
Accumulated depreciation	**(141,534)**	**(141,534)**
Total Property, Plant and Equipment	**70,444**	**70,444**
Reconciliation of opening and closing balances of property, plant and equipment		
Net Book value 1 April 2022	**16,896**	**16,896**
Additions	**60,333**	**60,333**
Impairments	**-**	**-**
Revaluation	**-**	**-**
Depreciation expense	**(6,742)**	**(6,742)**
Disposals	**(43)**	**(43)**
Other changes, movements	**-**	**-**
Net Book value 31 March 2023	**70,444**	**70,444**
Net book value as of 31 March 2023 represented by:		
Gross book value	**211,978**	**211,978**
Accumulated depreciation and impairment	**(141,534)**	**(141,534)**
Net Book value 31 March 2023	**70,444**	**70,444**
31 March 2022		
Property, Plant and Equipment:		
Carrying amount	153,030	153,030
Accumulated depreciation	(136,134)	(136,134)
Total Property, Plant and Equipment	16,896	16,896
Reconciliation of opening and closing balances of property, plant and equipment		
Net Book value 1 April 2021	18,316	18,316
Additions	3,531	3,531
Revaluation	-	-
Impairments	-	-
Depreciation expense	(4,951)	(4,951)
Disposals	-	-
Other changes, movements	-	-
Net Book value 31 March 2022	16,896	16,896
Net book value as of 31 March 2022 represented by:		
Gross book value	153,030	153,030
Accumulated depreciation and impairment	(136,134)	(136,134)
Net Book value 31 March 2022	16,896	16,896

Notes to the Financial Statements

For the Year Ended 31 March 2023

7 Current liabilities

7A Trade payables

	2023	2022
	$	$
Trade payables	**205,296**	110,666
Subtotal trade payables	**205,296**	110,666
Payable to other reporting units		
National council	**38,595**	80,797
Postal and Telecommunications - New South Wales	**-**	29,149
CWU Central branch	**14,020**	-
Subtotal payable to other reporting units	**52,615**	109,946
Total trade payables	**257,911**	220,612

7B Other payables

	2023	2022
	$	$
Payable to employers for making payroll deductions of membership subscriptions	**-**	-
Legal cots - litigation	**-**	-
Legal costs - other	**-**	-
GST payable	**175,663**	107,490
Sundry creditor	**186**	75,936
Total other payables	**175,849**	183,426
Total trade and other payables	**433,760**	404,038

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

Notes to the Financial Statements

For the Year Ended 31 March 2023

8 Provisions

Employee provisions

	2023	2022
	$	$
Office Holders:		
Annual leave	**135,456**	64,892
Long service leave	**113,973**	57,014
Separations and redundancies	**-**	-
Other - sick leave	**-**	-
Subtotal employee provisions-office holders	**249,429**	121,906
Employees other than office holders		
Annual leave	**65,821**	139,409
Long service leave	**128,298**	155,761
Separations and redundancies	**-**	-
Other - sick leave	**291,012**	274,029
Subtotal employee provisions- employees other than office holders	**485,131**	569,199
Total employee provisions	**734,560**	691,105

	2023	2022
Current	**664,997**	**691,105**
Non-current	**69,563**	**-**
Total employee provisions	**734,560**	**691,105**

9 Cash Flow

9A Reconciliation of cash

	2023 $	2022 $
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash at bank	**258,515**	316,818
Short term deposits	**8,825,000**	8,325,000
	9,083,515	8,641,818

Reconciliation of cashflow from operations with net surplus:

	2023 $	2022 $
Net surplus	**155,503**	247,745
Non-cash flows in net surplus:		
- net gain on disposal of property, plant and equipment	**(139)**	-
- depreciation and amortisation	**69,385**	67,594
Changes in assets and liabilities:		
- decrease/(increase) in trade and other receivables	**224,535**	(54,397)
- increase in prepayments	**(20,616)**	(1,155)
- increase in trade payables	**37,299**	21,570
- (decrease)/increase in other payables	**(7,574)**	13,903
- increase in employee provisions	**43,455**	54,245
Cashflows from operations	**501,848**	349,505

Notes to the Financial Statements

For the Year Ended 31 March 2023

9 Cash Flow (continued)

9B Cash flow information

	2023 $	2022 $
Cash Inflows		
Postal and Telecommunication:		
- New South Wales	**497,170**	749,066
- Victoria	**482,880**	406,535
Telecommunications and Services:		
- New South Wales	**32,532**	50,792
- Victoria	**319,129**	95,723
Communication Divisional Branches		
- Queensland	**193,649**	232,606
- Central Branch	**310,852**	-
- South Australia/ Northern Territory	**96,056**	109,850
- Western Australia	**147,899**	136,443
- Electrical Divisional Victoria Branch	**350,445**	319,727
- Electrical Divisional National Office	**59,878**	11,829
- Plumbing Divisional Victoria Branch	**365,454**	232,629
- Plumbing Divisional Federal Office	**2,408**	2,241
- National Council	**-**	-
Total Cash inflows	**2,858,352**	2,347,441
Cash Outflows		
National Council	**200,381**	74,151
Plumbing Division	**-**	-
Postal and Telecommunication:		
- New South Wales	**104,481**	142,538
- Victoria	**-**	-
Telecommunications and Services:		
- New South Wales	**-**	-
- Victoria	**-**	-
Communication Divisional Branches		
- Queensland	**-**	2,774
- Central Branch	**59,556**	-
- South Australia/ Northern Territory	**-**	199
- Tasmania	**-**	-
- Western Australia	**6,721**	4,023
Total Cash outflows	**371,139**	223,685

Notes to the Financial Statements

For the Year Ended 31 March 2023

10 Contingent liabilities, assets and commitments

In the opinion of the Divisional Executive Committee of Management, the Union did not have any contingencies at 31 March 2023 (31 March 2022:None).

11 Related parties disclosure

11A Related party transactions for the reporting period

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

i. The aggregate amount of remuneration paid to officers during the financial year is disclosed in the Financial Report Note 4A.

ii. The aggregate amount paid during the financial year to a superannuation plan in respect of elected full-time officers was $87,540 (31 March 2022: $82,605).

iii. There have been no other transactions between the officers and the Communications, Electrical, Electronics, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Divisional Conference other than those relating to their membership of the Union and the reimbursement by the Union in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.

iv. Capitation fees and administration fees paid to Divisional Conference are disclosed as income and expenses respectively in the Statement of Comprehensive Income and as cash paid in Note 4.

v. Amounts receivable from and payable to the Divisional Conference at balance date are disclosed in Note 5B.

Notes to the Financial Statements

For the Year Ended 31 March 2023

11 Related parties disclosure (continued)

11A Related party transactions for the reporting period (continued)

The following transactions occurred with related parties:

	2023 $	2022 $
Revenue received from related branches includes the following:		
Postal and Telecommunications:		
- New South Wales	497,170	749,066
- Victoria	482,880	406,535
Telecommunications and Services:		
- New South Wales	32,532	50,792
- Victoria	319,129	95,723
Communications Divisional Branches		
- Queensland	193,649	232,606
- South Australia/Northern Territory	96,056	109,850
- Central Branch	310,852	-
- Western Australia	147,899	136,443
Electrical Divisional Victoria Branch	350,445	319,727
Plumbing Divisional Victoria Branch	59,878	232,629
Plumbing Divisional Federal Office	2,408	2,241
Expenses paid to related parties and branches includes the following:		
National Council	200,381	74,151
Postal and Telecommunications:		
- New South Wales	104,481	142,538
- Victoria	-	-
Telecommunications and Services:		
- New South Wales	-	-
- Victoria	-	-
Communications Divisional Branches		
- Queensland	-	2,774
- Central Branch	59,556	-
- South Australia/Northern Territory	-	199
- Tasmania	-	-
- Western Australia	6,721	4,023
Plumbing Division	-	-

11 Related parties disclosure (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 end of the period 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 2023 (2022: $Nil).

11B Key Management Personnel Remuneration

The remuneration paid to key management personnel of Communications, Electrical, Electronics, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Divisional Conference during the year is as follows:

	2023	2022
	$	$
Salary	**525,372**	491,422
Leave and other entitlements	**3,868**	5,779
Performance bonus	**-**	-
Total short-term employee benefits	**529,240**	497,201
Post-employment benefits		
Superannuation	**87,540**	82,605
Total post-employment benefits	**87,540**	82,605
Other long-term benefits:		
Long-service leave	**3,844**	5,744
Total other long-term benefits	**3,844**	5,744
Termination benefits	**-**	-
	620,624	585,550

Transactions with key management personnel & their close family members

	2023	2022
	$	$
Loans to/from key management personnel	**-**	-
Other transactions with key management personnel	**-**	-

Notes to the Financial Statements

For the Year Ended 31 March 2023

12 Remuneration of auditors

	2023	2022
	$	$
Remuneration of the auditor KrestonSW Audit Pty Ltd for:		
- Financial statements audit service	**32,800**	32,800
Total	**32,800**	32,800

13 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:

13A Categories of 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	2023	2022
		$	$
Financial assets			
At amortised cost:			
Cash and cash equivalents		**9,083,515**	8,641,818
Loans and receivables			
Trade and other receivables	5B	**279,201**	503,736
Carrying amount of financial assets		**9,362,716**	9,145,554
Financial liabilities			
Trade and other payables		**433,762**	404,038
Carrying amount of financial liabilities		**433,762**	404,038

13 Financial Instruments (continued)

13B Net income and expense from financial assets

	2023	2022
	$	$
At amortised cost:		
Interest - investment	**197,340**	34,885
Net gain from financial assets	**197,340**	34,885

The net income/expense from financial assets not at fair value through profit and loss is $197,340 (31 March 2022: $34,885).

13C 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 Union 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.

Notes to the Financial Statements

For the Year Ended 31 March 2023

13 Financial Instruments (continued)

13C Credit risk (continued)

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

	2023	2022
	$	$
Financial assets		
Cash and cash equivalents	**9,083,515**	8,641,818
Trade and other receivables	**279,201**	503,736
Total	**9,362,716**	9,145,554
Financial liabilities		
Trade and other payables	**433,762**	404,038

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

Currently the Union does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

Set out below is the information about the credit risk exposure on financial assets using a provision matrix:

31 March 2023	**Trade and other receivables**						
				Days past due			
	Current	**<30days**	**30-60days**	**61-90days**	**>91days**	**>180days**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**
Expected credit loss rate	0%	0%	0%	0%	0%	0%	-
Estimate total gross carrying amount at default	-	-	-	-	-	-	-
Expected credit loss	-	-	-	-	-	-	-

31 March 2022	**Trade and other receivables**						
				Days past due			
	Current	**<30days**	**30-60days**	**61-90days**	**>91days**	**>180days**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**
Expected credit loss rate	0%	0%	0%	0%	0%	0%	-
Estimate total gross carrying amount at default	-	-	-	-	-	-	-
Expected credit loss	-	-	-	-	-	-	-

Notes to the Financial Statements

For the Year Ended 31 March 2023

13 Financial Instruments (continued)

13D Liquidity risk

Contractual maturities for financial liabilities 31 March 2023

	On demand	<1 year	1-2 years	2-5 years	>5 years	Total
	$	$	$	$	$	$
Trade and other payables	-	433,760	-	-	-	433,760
Total	-	433,760	-	-	-	433,760

Contractual maturities for financial liabilities 31 March 2022

	On demand	<1 year	1-2 years	2-5 years	>5 years	Total
	$	$	$	$	$	$
Trade and other payables	-	404,038	-	-	-	404,038
Total	-	404,038	-	-	-	404,038

13 Financial Instruments (continued)

13E Market risk

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 or the fair value of fixed rate financial instruments. The branch is exposed to earnings volatility on floating rate investments. The financial instruments that expose the Branch to interest rate risk are limited to cash and cash equivalents.

	2023	2022	2023	2022
	%	%	$	$
Floating rate instruments				
Cash and cash equivalents	**6.37**	4.12	**9,083,515**	8,641,818

Sensitivity analysis of the risk that the entity is exposed to for 31 March 2023

		Effect on	
	Change in risk variable	Profit and loss	Equity
Risk Variable	%	$	$
Interest rate risk	+1%	**669,455**	669,455
Interest rate risk	-1%	**487,785**	487,785

Sensitivity analysis of the risk that the entity is exposed to for 31 March 2022

		Effect on	
	Change in risk variable	Profit and loss	Equity
	%	$	$
Interest rate risk	+1%	**442,461**	442,461
Interest rate risk	-1%	**269,625**	269,625

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.

Notes to the Financial Statements

For the Year Ended 31 March 2023

14 Fair Value Measurement

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 2023 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 2023 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 2023	Fair value 2023	Carrying amount 2022	Fair value 2022
Financial Assets				
Cash and cash equivalents	**9,083,515**	**9,083,515**	8,641,818	**8,641,818**
Trade and other receivables	**279,201**	**279,201**	503,736	**503,736**
Total	**9,362,716**	**9,362,716**	9,145,554	**9,145,554**
Financial Liabilities				
Trade and other payables	**433,760**	**433,760**	404,038	**404,038**
Total	**433,760**	**433,760**	404,038	**404,038**

Fair value measurement

No financial and non-financial assets and liabilities are measured at a fair value that is different to their carrying amount as at 31 March 2023.

14 Fair Value Measurement (continued)

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.

24 October 2022	Level 1 $	Level 2 $	Level 3 $	Total $
Recurring fair value measurements				
Property, plant and equipment				
Buildings	**-**	**4,275,000**	**-**	**4,275,000**

31 March 2022	Level 1 $	Level 2 $	Level 3 $	Total $
Recurring fair value measurements				
Property, plant and equipment				
Buildings	-	4,275,000	-	4,275,000

15 Administration of financial affairs by a third party

There was no administration of financial affairs by a third party during the year (2022: None).

Name of entity providing service: Not applicable

Terms and conditions: Not applicable

Nature of expenses/consultancy service: Not applicable

16 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:

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.

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.

A reporting unit must comply with an application made under subsection (1).

Communications, Electrical, Electronics, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Divisional Conference

ABN: 22 401 014 998

Officer Declaration Statement

31 March 2023

I, Greg Rayner, being the Divisional Secretary of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communication Division, Divisional Conference , declare that the following activities did not occur during the financial year ended 31 March 2023.

The reporting unit did not:

- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- make a payment to a former related party of the reporting unit

Signed by the officer..

Dated 21 August 2023

Independent Auditor's Report
To the Members of Communications, Electrical, Electronics, 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 accompanying financial report of Communications, Electrical, Electronics, 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 2023, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, the divisional executive committee of management statement, the subsection 255(2A) report and the officer declaration statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Reporting Unit as at 31 March 2023, and its financial performance and its cash flows for the year ended on that date in accordance with:

- the Australian Accounting Standards; and
- 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).

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 auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia.

We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

The divisional executive 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 the Divisional Executive Committee of Management for the Financial Report

The divisional executive committee of management of the Reporting Unit is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the divisional executive committee of management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the divisional executive committee of management is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors 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 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 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.

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 divisional executive committee of management.

- Conclude on the appropriateness of the divisional executive 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 divisional executive committee of management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

I declare that I am an auditor registered under the RO Act, a director of KrestonSW Audit Pty Ltd, an authorised audit company, and a registered auditor.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 257(7) of the RO Act, we are required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act.

Our opinion on the financial report is not modified in respect of any such matter(s) because, in our opinion, any such matters have been appropriately addressed by the Reporting Unit and are not considered material in the context of the audit of the financial report as a whole.

Kreston SW Audit

KrestonSW Audit Pty Ltd

K Thakkar

Kamal Thakkar

Director

Registration number: AA2017/175

Sydney

21 August 2023