

Communication Workers Union Central Branch

ABN: 81 643 762 631

Financial Statements

For the Period Ended 31 March 2023

Communication Workers Union Central Branch

ABN: 81 643 762 631

Contents

For the Period Ended 31 March 2023

	Page
Financial Statements	
Operating Report	1
Report required under subsection 255 (2A)	4
Branch Committee of Management's Statement	5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Index to the Notes of the Financial Statements	10
Notes to the Financial Statements	11
Officer declaration statement	47
Independent Auditor's Report	48

Communication Workers Union Central Branch

ABN: 81 643 762 631

Operating Report 31 March 2023

In accordance with Section 254 of the Fair Work (Registered Organisations) Act 2009 ("Act") the Branch Committee of Management present their first Operating Report on Communication Worker Union Central Branch ("the CWU Central Branch"), the relevant Reporting Unit, for the financial period ended 31 March 2023.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the period

The principal activities of the Communication Worker Union (CWU) Central Branch are to:

- Represent and provide industrial and organising services to its members with the objective of protecting and improving the interests of its members;
- Be active in negotiating the Enterprise agreement for improvements in wages and working conditions for its members across the board;
- Handle daily workplace enquiries for its members including any work related disputes that may have arisen in their organisation;
- Organise and recruit new members;
- Undertake training and development for the delegates of the CWU Central Branch.

There have been no significant changes to the way the CWU Central Branch has carried out these activities during the financial period.

Significant changes

On the 25 October 2022, the CWU Central branch was formed further to the amalgamation of the reporting units CEPU NSW/ACT, CEPU SA/NT and CEPU QLD which ceased trading their own capacity on 24 October 2022.

Operating results and review of operations for the period

Operating result

The Surplus of the CWU Central Branch for the financial period ending 31 March 2023 is amounted to \$13,451.

Right of members to resign

Members have the right to resign their membership of the CWU Central Branch by giving written notice of resignation to the Branch Secretary. This written notification is accepted subject to the rules of the CWU Central Branch and in accordance with section 174(1) of the Fair Work (Registered Organisations) Act 2009. In accordance with section 174(1) of the Fair Work (Registered Organisations) Act 2009 a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation. There was no change to this rule during the period.

Number of members

Under section 230 of the Fair Work (Registered Organisations) Act 2009 the number of persons recorded in the register of members and who under section 244 of the Fair Work (Registered Organisations) Act 2009 are taken to be members of the Branch of the CWU Central Branches at 31 March 2023 was 12,640.

Communication Workers Union Central Branch

ABN: 81 643 762 631

Operating Report 31 March 2023

Number of employees

The number of persons, both full-time and part time employees measured on a full-time equivalent basis, employed by the Branch as at 31 March 2023 was 26.

Details of officers or members who are trustees, or directors of a company that is a trustee, of a superannuation entity because they are a member or an officer of a registered organisation

No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such a position is that they are an officer or member of an organisation

Names of Committee of Management members and positions held during the financial period

The names of persons who have at any time during the financial period ending 31 March 2023 been members of the CWU Central Branch Committee of Management and periods they served on the branch committee are as follows:

Name	Position	Period
Rod Baxter	Branch President	25/10/2022 - 31/03/2023
Rita Karim	Branch Vice Presidents (NSW/ACT)	25/10/2022 - 31/03/2023
Peter O'Connell	Branch Vice Presidents (NSW/ACT)	25/10/2022 - 31/03/2023
Kevin Hogan	Branch Vice Presidents (QLD)	25/10/2022 - 31/03/2023
Robert McLauchlan	Branch Vice Presidents (QLD)	25/10/2022 - 31/03/2023
Kevin Joinbee	Branch Vice Presidents (QLD)	25/10/2022 - 31/03/2023
Tim Muirhead	Branch Vice Presidents (SA/NT)	25/10/2022 - 31/03/2023
Catherine O'Brien	Branch Vice Presidents (QLD)	25/10/2022 - 31/03/2023
Donna Ziino	Branch Vice Presidents (SA/NT)	25/10/2022 - 31/03/2023
Graham Lorraine	Branch Vice Presidents (SA/NT)	25/10/2022 - 30/12/2022
Shane Murphy	Branch Secretary	25/10/2022 - 31/03/2023
Peter Chaloner	Branch Assistant Secretary (NSW/ACT)	25/10/2022 - 31/03/2023
Cameron Bird	Branch Assistant Secretary (QLD)	25/10/2022 - 31/03/2023
Nick Townsend	Branch Assistant Secretary (SA/NT)	25/10/2022 - 31/03/2023
Cade Anderson	Branch Organisers (NSW/ACT)	25/10/2022 - 31/03/2023
Tan Kien Ly	Branch Organisers (NSW/ACT)	25/10/2022 - 31/03/2023
Liam Murphy	Branch Organisers (NSW/ACT)	25/10/2022 - 31/03/2023
Dennis Williams	Branch Organisers (NSW/ACT)	25/10/2022 - 31/03/2023
Brett O'Neill	Branch Organisers (QLD)	25/10/2022 - 31/03/2023
Max Catania	BCOM - Lines & General (NSW/ACT)	25/10/2022 - 31/03/2023
Phillip Kessey	BCOM - Lines & General (NSW/ACT)	25/10/2022 - 31/03/2023
George Deligiannis	BCOM - Lines & General (NSW/ACT)	25/10/2022 - 31/03/2023
Tony Damjanovski	BCOM - Lines & General (NSW/ACT)	25/10/2022 - 31/03/2023
Donald Watson	BCOM - Postal (NSW/ACT)	25/10/2022 - 31/03/2023
David Wong	BCOM - Postal (NSW/ACT)	25/10/2022 - 31/03/2023
James McCallum	BCOM - Postal (NSW/ACT)	25/10/2022 - 31/03/2023
Trong Minh Luu	BCOM - Postal (NSW/ACT)	25/10/2022 - 31/03/2023
Anita Rathour	BCOM - Postal (NSW/ACT)	25/10/2022 - 31/03/2023
Mark Beckman	BCOM - Postal (NSW/ACT)	25/10/2022 - 31/03/2023
Kevin Backhouse	BCOM - Postal (NSW/ACT)	25/10/2022 - 31/03/2023

Communication Workers Union Central Branch

ABN: 81 643 762 631

Operating Report


31 March 2023

Names of Committee of Management members and positions held during the financial period (continued)

Name	Position	Period
Christopher Gleeson	BCOM - Postal (QLD)	25/10/2022 - 31/03/2023
Michael Dunning	BCOM - Postal (QLD)	25/10/2022 - 31/03/2023
Noah Harris	BCOM - Postal (QLD)	25/10/2022 - 31/03/2023
Marguerite O'Shea	BCOM - Postal (QLD)	25/10/2022 - 31/03/2023
Patrick Smith	BCOM - Lines & General (QLD)	25/10/2022 - 31/03/2023
Jason Burgess	BCOM - Lines & General (QLD)	25/10/2022 - 31/03/2023
Nicholas Bentley	BCOM - Postal (SA/NT)	25/10/2022 - 31/03/2023
Gavin Hocking	BCOM - Postal (SA/NT)	25/10/2022 - 31/03/2023
Phil Payne	BCOM - Postal (SA/NT)	25/10/2022 - 31/03/2023
David Seidl	BCOM - Postal (SA/NT)	25/10/2022 - 31/03/2023

Signed in accordance with a resolution of the Members of the Committee:

Branch Secretary:


Shane Murphy

Dated: 13 December 2023

Report required under subsection 255 (2A)

31 March 2023

Categories of expenditures	2023 \$
Remuneration and other employment-related costs and expenses – employees	1,480,566
Advertising	-
Operating costs	1,441,483
Donations	6,680
Legal costs	24,841

Signature of designated officer.....

Name of designated officer Shane Murphy

Title of designated officer Branch Secretary

Dated: 13 December 2023

Communication Workers Union Central Branch

ABN: 81 643 762 631

Branch Committee of Management's Statement

On 13 December 2023, the Branch Committee of Management of the CWU Central Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the Branch for the period ended 31 March 2023:

The Branch 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 period ended 31 March 2023;
- d) there are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
- e) during the financial period to which the GPFR relates and since the end of that period:
 - i. meetings of the Branch 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 Branch have been managed in accordance with the rules of the organisation and the rules of the Branch; and
 - iii. the financial records of the 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 Branch Committee of Management.



Shane Murphy

Branch Secretary

Dated: 13 December 2023

Communication Workers Union Central Branch

ABN: 81 643 762 631

Statement of Comprehensive Income For the Period Ended 31 March 2023

	Note	2023 \$
Revenue from contracts with customers		
Member contribution	3	2,160,661
Capitation fees and other revenue from another reporting unit	3A	-
Levies	3B	-
Revenue from recovery of wages activity	3E	-
Total revenue from contracts with customers		2,160,661
Income for furthering objectives		
Grants & donations	3C	-
Income recognised from volunteer services	3D	-
Total income for furthering objectives		-
Other income		
Investment income	3F	618,386
Rental income	3G	85,443
Other income	3H	88,073
Gain on disposal of assets	3I	14,458
Total other income		806,360
Total Income		2,967,021
Expenses		
Employee benefits expense	4A	(1,480,566)
Capitation - Divisional conference	4B	(394,034)
Affiliation fees	4C	(42,272)
Administration expense	4D	(651,332)
Grants or donations	4E	(6,680)
Depreciation and amortisation expense	4F	(126,782)
Finance costs	4G	(20,872)
Legal costs	4H	(24,841)
Other expenses	4I	(112,930)
CEPU Journey Cover		(47,586)
Audit fees	13	(45,675)
Total expenditure		(2,953,570)
Net surplus for the period		13,451
Other comprehensive income for the period		-
Total comprehensive income for the period		13,451

The accompanying notes form part of these financial statements.

Communication Workers Union Central Branch

ABN: 81 643 762 631

Statement of Financial Position

As At 31 March 2023

	Note	2023 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	5A	42,297,187
Trade and other receivables	5B	699,604
Other current assets	5C	73,033
Other financial assets	6A	3,725,435
TOTAL CURRENT ASSETS		46,795,259
NON-CURRENT ASSETS		
Other financial assets	6A	4,193
Property, plant and equipment	6B	8,104,135
Right-of-use assets	6C	10,368
TOTAL NON-CURRENT ASSETS		8,118,696
TOTAL ASSETS		54,913,955
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	7	700,287
Lease liabilities	6C	7,906
Provision	8	886,532
TOTAL CURRENT LIABILITIES		1,594,725
NON-CURRENT LIABILITIES		
Lease liabilities	6C	2,960
Provision	8	130,102
TOTAL NON-CURRENT LIABILITIES		133,062
TOTAL LIABILITIES		1,727,787
NET ASSETS		53,186,168
EQUITY		
Retained earnings		13,451
Reserves	9A	53,172,717
TOTAL EQUITY		53,186,168

The accompanying notes form part of these financial statements.

Communication Workers Union Central Branch

ABN: 81 643 762 631

Statement of Changes in Equity

For the Period Ended 31 March 2023

	Note	Retained Earnings \$	Amalgamation Reserve \$	Total \$
Balance at 25 October 2022		-	-	-
Surplus for the period		13,451	-	13,451
Other comprehensive income for the period		-	-	-
Transfer arising on amalgamation	1.6, 9	-	53,172,717	53,172,717
Balance at 31 March 2023		13,451	53,172,717	53,186,168

The accompanying notes form part of these financial statements.

Communication Workers Union Central Branch

ABN: 81 643 762 631

Statement of Cash Flows For the Period Ended 31 March 2023

	Note	2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received		
Receipts from customer		2,053,102
Interest received		583,826
Other receipts		277,378
Receipt from other reporting unit (CWU Divisional conference)		59,556
Dividends received		52
Cash used		
Payment to employees		(2,009,434)
Payments to suppliers		(568,467)
Payment to capitation other reporting unit (CWU Divisional conference)		(310,852)
Interest paid		(20,605)
Net cash used in operating activities	10	<u>64,556</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash received		
Proceeds from sale of plant and equipment		16,999
Cash used		
Purchase of property, plant and equipment	6B	<u>(194,133)</u>
Net cash provided used in investing activities		<u>(177,134)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash received		
Cash used		
Repayment of lease liabilities	6C	<u>(6,642)</u>
Net cash used in financing activities		<u>(6,642)</u>
Cash and cash equivalents arising from amalgamation		<u>42,416,407</u>
Net increase in cash and cash equivalents held		<u>42,297,187</u>
Cash and cash equivalents at end of the period	5A	<u>42,297,187</u>

The accompanying notes form part of these financial statements.

Index to the Notes of the Financial Statements

For the Period Ended 31 March 2023

Note 1	Summary of Significant Accounting Policies
Note 2	Events After the End of the Reporting Period
Note 3	Revenue and Income
Note 4	Expenses
Note 5	Current assets
Note 6	Non-current assets
Note 7	Current liabilities
Note 8	Provisions
Note 9	Equity
Note 10	Cash Flow
Note 11	Contingent liabilities, assets and commitments
Note 12	Related parties disclosure
Note 13	Remuneration of auditors
Note 14	Financial Instruments
Note 15	Fair Value Measurement
Note 16	Administration of financial affairs by a third party
Note 17	Section 272 Fair Work (Registered Organisations) Act 2009

Communication Workers Union Central Branch

ABN: 81 643 762 631

Notes to the Financial Statements For the Period 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 CWU Central Branch 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.

The following is a summary of other significant accounting policies adopted in the preparation of the financial statements.

1.2 Going concern

The Branch is not reliant on the agreed financial support of another the Branch to continue on a going concern basis.

1.3 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.

1.4 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 except for the following standard, which has been adopted for the first time this financial period.

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 CWU Central Branch 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 CWU Central Branch'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 CWU Central Branch include:

Communication Workers Union Central Branch

ABN: 81 643 762 631

Notes to the Financial Statements For the Period Ended 31 March 2023

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	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.	Classification of liabilities between current and noncurrent may be amended following the adoption of AASB 2022-6.
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		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.			

1.5 Investment in associates and joint arrangements

An associate is an entity over which the CWU Central Branch 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 recognised 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 CWU Central Branch discontinues recognised its share of further losses. Additional losses are recognised 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 recognised at the date of acquisition is recognised 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

Communication Workers Union Central Branch

ABN: 81 643 762 631

Notes to the Financial Statements

For the Period Ended 31 March 2023

1 Summary of Significant Accounting Policies (continued)

1.5 Investment in associates and joint arrangements (continued)

recognised immediately in profit or loss.

1.6 Amalgamation - acquisition of assets and or liabilities that do not constitute a business combination

On 29 March 2022, members of the CEPU NSW P&T Branch, CEPU SA/NT and the CEPU QLD branches voted to amalgamate and form the Communications Workers Union - Central Branch (CWU Central Branch).

Under the amalgamation, the reporting units CEPU NSW, CEPU SA/NT and CEPU QLD ceased operations and trading. The amalgamation was effected as follows:

- All assets and liabilities of the CEPU NSW P&T, CEPU SA/NT and CEPU QLD branches have been consolidated into the Communications Workers Union - Central Branch;
- Branch committee of management members of CEPU NSW P&T Branch have been transferred into the new committee of the CWU - Central Branch.
- Members of the former CEPU NSW P&T Branch, CEPU SA/NT and the CEPU QLD became members of the Communications Workers Union - Central Branch.
- Employees of the CEPU NSW P&T Branch, CEPU SA/NT and the CEPU QLD became employees of the CWU - Central Branch.

The amalgamation was completed on 25 October 2022 at which date the CWU Central Branch commenced operations. The CEPU NSW P&T, CEPU SA/NT and CEPU QLD reporting units ceased operations on 24 October 2022.

The assets and liabilities of the CEPU NSW P&T, CEPU SA/NT and CEPU QLD branches (the acquirees) were transferred to CWU Central Branch (the acquirer) at their carrying values, representing the fair value of the member's interests in the acquirees at amalgamation date, for no consideration. In accordance with the Accounting Standards, the acquiree's net assets are recognised as a direct addition to equity (in the amalgamation reserve) in the CWU Central Branch's statement of financial position as at the date of amalgamation. Refer to Note 9A.

Communication Workers Union Central Branch

ABN: 81 643 762 631

Notes to the Financial Statements For the Period Ended 31 March 2023

1 Summary of Significant Accounting Policies (continued)

1.6 Amalgamation - acquisition of assets and or liabilities that do not constitute a business combination (continued)

The net book value of assets and liabilities transferred to the Communication Workers Union Central Branch for no consideration is used to account for an amalgamation of the Communications, Electrical, Plumbing Union of Australia, Postal and Telecommunications NSW Postal & Telecommunication Branch (CEPU NSW P&T Branch), CEPU Communications Division - Queensland Communications Division (CEPU QLD Branch) and Communications, Electrical, Plumbing Union (CEPU) Communication Division Branch (CEPU SA/NT Branch) on 25 October 2022 under Part 2 of Chapter 3 of the RO Act:

	CEPU NSW P&T	CEPU QLD	CEPU SA/NT	Balance on transfer date 25 October 2022
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	37,957,239	4,412,728	46,315	42,416,282
Trade and other receivables	836,894	1,230	1,905	840,029
Other current assets	-	14,228	10,968	25,196
TOTAL CURRENT ASSETS	38,794,133	4,428,186	59,188	43,281,507
NON-CURRENT ASSETS				
Other financial assets	4,336	-	3,725,438	3,729,774
Property, plant and equipment	7,919,527	56,126	57,501	8,033,154
Right of use asset	-	16,538	-	16,538
TOTAL NON-CURRENT ASSETS	7,923,863	72,664	3,782,939	11,779,466
TOTAL ASSETS	46,717,996	4,500,850	3,842,127	55,060,973
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	380,166	128,985	88,501	597,652
Lease liabilities	-	17,240	-	17,240
Provisions	604,949	195,415	284,014	1,084,378
TOTAL CURRENT LIABILITIES	985,115	341,640	372,515	1,699,270
NON-CURRENT LIABILITIES				
Provisions	53,297	135,545	-	188,842
TOTAL NON-CURRENT LIABILITIES	53,297	135,545	-	188,842
TOTAL LIABILITIES	1,038,412	477,185	372,515	1,888,112
NET ASSETS	45,679,584	4,023,665	3,469,612	53,172,861
EQUITY				
Retained earnings	45,676,840	4,023,665	3,123,767	52,824,272
Reserves	2,744	-	345,845	348,589
TOTAL EQUITY	45,679,584	4,023,665	3,469,612	53,172,861

Notes to the Financial Statements

For the Period Ended 31 March 2023

1 Summary of Significant Accounting Policies (continued)

1.7 Current versus non-current classification

The CWU Central Branch 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 CWU Central Branch classifies all other liabilities as non-current.

1.8 Revenue

The CWU Central Branch 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.

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

Communication Workers Union Central Branch

ABN: 81 643 762 631

Notes to the Financial Statements

For the Period Ended 31 March 2023

1 Summary of Significant Accounting Policies (continued)

1.8 Revenue (continued)

Revenue from contracts with customers (continued)

- 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 to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the CWU Central Branch.

If there is only one distinct membership service promised in the arrangement, the CWU Central Branch recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the CWU Central Branch'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 CWU Central Branch 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 CWU Central Branch 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 CWU Central Branch recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, the CWU Central Branch 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 CWU Central Branch at their standalone selling price, the CWU Central Branch accounts for those sales as a separate contract with a customer.

Capitation fees

Where the CWU Central Branch's arrangement with a branch or another reporting meets the criteria to be contract with a customer, the CWU Central Branch recognises the capitation fees promised under that arrangement when or as it transfer the other reporting units'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 CWU Central Branch will recognise capitation fees as income upon receipt.

Communication Workers Union Central Branch

ABN: 81 643 762 631

Notes to the Financial Statements

For the Period Ended 31 March 2023

1 Summary of Significant Accounting Policies (continued)

1.8 Revenue (continued)

Levies

Levies paid by a member (or other party) in an arrangement that meets the criteria to be a contract with a customer is recognised as revenue when or as the CWU Central Branch 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..

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

Volunteer services

During the period, the CWU Central Branch 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 CWU Central Branch to enable the entity to further its objectives. The CWU Central Branch recognises each of these amounts of consideration as income when the consideration is received (which is when the CWU Central Branch obtains control of the cash) because, based on the rights and obligations is each arrangement:

- the arrangements do not meet the criteria to be 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.

During the period, the CWU Central Branch received cash consideration from the following arrangements whereby that consideration will be recognised as income upon receipt:

- government grants (cash flow boost as part of the government's economic stimulus package for COVID-19)

Gain on disposal 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.

1.9 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.

Communication Workers Union Central Branch

ABN: 81 643 762 631

Notes to the Financial Statements

For the Period Ended 31 March 2023

1 Summary of Significant Accounting Policies (continued)

1.9 Employee benefits (continued)

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.

1.10 Leases

The CWU Central Branch 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.

CWU Central Branch as a lessee

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

Right-of-use asset

The CWU Central Branch 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
	\$
Plant and equipment	4-5 years

If ownership of the leased asset transfers to the CWU Central Branch 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.

Notes to the Financial Statements

For the Period Ended 31 March 2023

1 Summary of Significant Accounting Policies (continued)

1.10 Leases (continued)

Lease liability

At the commencement date of the lease, the CWU Central Branch 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 CWU Central Branch and payments of penalties for terminating the lease, if the lease term reflects the CWU Central Branch 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 CWU Central Branch 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 CWU Central Branch 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 CWU Central Branch recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

1.11 Borrowing costs

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

1.12 Cash and cash equivalents

Cash is recognised at its 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.

1.13 Financial instruments

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

1.14 Financial assets

Contract assets and receivables

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

Notes to the Financial Statements

For the Period Ended 31 March 2023

1 Summary of Significant Accounting Policies (continued)

1.14 Financial assets (continued)

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 CWU Central Branch's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the CWU Central Branch 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 CWU Central Branch'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
- Financial assets at fair value through other comprehensive income
- Investments in equity instruments designated 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 CWU Central Branch 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

Notes to the Financial Statements

For the Period Ended 31 March 2023

1 Summary of Significant Accounting Policies (continued)

1.14 Financial assets (continued)

- 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 CWU Central Branch's financial assets at amortised cost includes trade receivables and cash and cash equivalents in the statement of financial position.

Financial assets at fair value through other comprehensive income

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

Investments in equity instruments designated at fair value through other comprehensive income

Upon initial recognition, the CWU Central Branch can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under AASB 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the CWU Central Branch benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

The CWU Central Branch elected to classify irrevocably its listed and non-listed equity investments under this category.

Notes to the Financial Statements

For the Period Ended 31 March 2023

1 Summary of Significant Accounting Policies (continued)

1.14 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 CWU Central Branch 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 CWU Central Branch has transferred substantially all the risks and rewards of the asset, or
 - b) the CWU Central Branch has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the CWU Central Branch 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 CWU Central Branch 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.

Notes to the Financial Statements

For the Period Ended 31 March 2023

1 Summary of Significant Accounting Policies (continued)

1.14 Financial assets (continued)

Impairment

Expected credit losses (ECLs)

i. Debt instruments other than trade receivables

The CWU Central Branch 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 CWU Central Branch 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 CWU Central Branch considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, The CWU Central Branch 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 CWU Central Branch 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 CWU Central Branch does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL's at each reporting date. The CWU Central Branch 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 CWU Central Branch have received membership fees and rental income and the CWU Central Branch expects this trend to continue and has therefore not recognised any loss allowance.

1.15 Financial liabilities

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised

Notes to the Financial Statements

For the Period Ended 31 March 2023

1 Summary of Significant Accounting Policies (continued)

1.15 Financial liabilities (continued)

cost, net of directly attributable transaction costs.

The CWU Central Branch's financial liabilities include trade and other payables and lease liabilities.

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.

1.16 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).

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 CWU Central Branch refund liabilities arise from customers' right of return. The liability is measured at the amount The CWU Central Branch ultimately expects it will have to return to the customer. The CWU Central Branch updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Notes to the Financial Statements

For the Period Ended 31 March 2023

1 Summary of Significant Accounting Policies (continued)

1.17 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.

1.18 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.

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.

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

Fixed asset class	Depreciation rate
Property Improvements	2.5%
Office equipment & furniture	10% to 50%
Motor Vehicles	25%

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.

1.19 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Notes to the Financial Statements

For the Period Ended 31 March 2023

1 Summary of Significant Accounting Policies (continued)

1.20 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 CEPU Communications Division were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.21 Taxation

The CWU Central Branch 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.

1.22 Fair value measurement

The CWU Central Branch measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 15.

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 CWU Central Branch. 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

Notes to the Financial Statements

For the Period Ended 31 March 2023

1 Summary of Significant Accounting Policies (continued)

1.22 Fair value measurement (continued)

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 CWU Central Branch 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 CWU Central Branch 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 CWU Central Branch 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.

2 Events After the End of the Reporting Period

Subsequent to year end, On 15 November 2023, the CWU Central Branch BCOM approved a commitment for refurbishment with authorised expenditure of up to \$1Million specifically designated for both locations Queensland and Harris Park in New South Wales.

Other than above and the amalgamation of the CWU Central Branch with CEPU QLD and CEPU NSW stated in note 1.6 on the 25th October 2022. There has not been any other matter or circumstance occurring subsequent to the end of the financial period that has significantly affected, or may significantly affect, the operations of the CWU Central Branch, the results of those operations, or the state of affairs of the CWU Central Branch.

Communication Workers Union Central Branch

ABN: 81 643 762 631

Notes to the Financial Statements

For the Period Ended 31 March 2023

3 Revenue and Income

Disaggregation of revenue from contracts with customers

A disaggregation of the CWU Central Branch'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 \$
Types of customer	
Member contribution	2,160,661

3A Capitation fees and other revenue from another reporting unit

	2023 \$
Capitation fees	-
Other revenue from another reporting unit	-
Total capitation fees and other revenue from another reporting unit	-

3B Levies

	2023 \$
Levies	-
Total levies	-

3C Grants and donations

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

3D Income recognised from volunteer services

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

Communication Workers Union Central Branch

ABN: 81 643 762 631

Notes to the Financial Statements For the Period Ended 31 March 2023

3 Revenue and Income (continued)

3E Revenue from recovery of wages activity

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

3F Investment income

	2023
	\$
Interest received	616,651
Dividend income	1,735
Total investment income	618,386

3G Rental income

	2023
	\$
Rental income - property	85,443
Total rental income	85,443

3H Other income

	2023
	\$
Consultant fee received	73,575
Publication advertisement	12,347
Sundry income	2,151
Total other income	88,073

3I Gain on disposal of assets

	2023
	\$
Gain on disposal of fixed assets	14,458
Total	14,458

Communication Workers Union Central Branch

ABN: 81 643 762 631

Notes to the Financial Statements

For the Period Ended 31 March 2023

4 Expenses

4A Employee expenses related to holders of office

	2023 \$
Holders of Office:	
Wages and Salaries	382,262
Superannuation	64,479
Payroll tax	14,558
Leave and other entitlements	(67,510)
Separation and redundancies	-
	<u>393,789</u>
Employees other than office holders:	
Wages and Salaries	1,070,604
Superannuation	164,478
Payroll tax	40,772
Leave and other entitlements	(189,077)
Separation and redundancies	-
	<u>1,086,777</u>
Total employee expenses	<u><u>1,480,566</u></u>

4B Capitation fees

	2023 \$
CEPU - Communication Divisional Office	394,034
Total capitation fees	<u><u>394,034</u></u>

4C Affiliation fees

	2023 \$
National council fund	-
Australian Labour Party - NSW	12,114
Australian Labour Party - QLD	19,669
Australian Labour Party - SA	2,524
Australian Labour Party - NT	695
Union NSW	7,270
Total affiliation fees/subscriptions	<u><u>42,272</u></u>

Communication Workers Union Central Branch

ABN: 81 643 762 631

Notes to the Financial Statements For the Period Ended 31 March 2023

4 Expenses (continued)

4D Administration expenses

	2023
	\$
Total paid to employers for payroll deductions of membership subscriptions	11,969
Compulsory levies	-
Fees/allowances - meeting and conferences	291,498
Conference and meeting expenses	-
Property expenses*	13,127
Office expenses	82,143
Information communication technology	46,536
Insurance**	35,736
Death benefits paid	14,000
Rental expenses	76,190
Campaign	31,496
Other	48,637
Total administration expense	651,332

*Property expenses includes repair & maintenance, power expenses, land and council taxes.

**Insurance includes business, personal accident and death disability insurance.

4E Donations & grants

	2023
	\$
Grants:	-
Total Grants that were \$1,000 or less	-
Total Grants that exceeded \$1,000	-
Donations:	-
Total Donations that were \$1,000 or less	680
Total Donations that exceeded \$1,000	6,000
Total	6,680

Communication Workers Union Central Branch

ABN: 81 643 762 631

Notes to the Financial Statements For the Period Ended 31 March 2023

4 Expenses (continued)

4F Depreciation and amortisation

	2023 \$
Depreciation	
Buildings	83,135
Property improvements	959
Motor vehicles	27,457
Office equipment	9,061
Total depreciation	120,612
Amortisation	
Right-of-Use - Asset	6,170
Total amortisation	6,170
Total depreciation and amortisation	126,782

4G Finance costs

	2023 \$
Interest expense	808
Bank charges	20,064
Total finance expenses	20,872

4H Legal and professional fees

	2023 \$
Legal cost - litigation	-
Legal costs - other matters	24,841
Total legal and professional fees	24,841

4I Other expenses

	2023 \$
Penalties - via RO Act or the Fair Work Act 2009	-
Work cover	18,920
Training	564
Honorium	2,000
Motor vehicle expenses	91,446
Total	112,930

Communication Workers Union Central Branch

ABN: 81 643 762 631

Notes to the Financial Statements For the Period Ended 31 March 2023

5 Current assets

5A Cash and Cash Equivalents

	2023
	\$
Cash on hand	1,350
Cash at bank	42,295,837
Total cash and cash equivalents	42,297,187

5B Trade and Other Receivables

Receivables from other reporting units

	2023
	\$
Amounts due from CEPU Divisional Conference	14,020
Total receivables from other reporting unit	14,020
Less allowance for expected credit losses	-
Receivables from other reporting units (net)	14,020

Other receivables:

Bonds	6,795
Accrued interest	79,831
Other receivables	101,670
Sundry receivables	497,288

Total other receivables	685,584
--------------------------------	----------------

Total trade and other receivables (net)	699,604
--	----------------

5C Other current assets

	2023
	\$
Prepayments	73,033
Total other current assets	73,033

Communication Workers Union Central Branch

ABN: 81 643 762 631

Notes to the Financial Statements For the Period Ended 31 March 2023

6 Non-current assets

6A Other financial assets

	2023 \$
CURRENT	
Term deposit	3,725,435
Total	3,725,435
NON-CURRENT	
NRMA shares, at fair value	4,193
Total	4,193

6B Property, Plant and Equipment

	Land & Buildings \$	Motor Vehicles \$	Office Equipment & Furniture \$	Property Improvements \$	Total \$
31 March 2023					
Property, Plant and Equipment:					
Carrying amount	7,706,949	804,317	748,436	38,360	9,298,062
Accumulated depreciation	(122,107)	(469,120)	(593,898)	(8,802)	(1,193,927)
Total Property, Plant and Equipment	7,584,842	335,197	154,538	29,558	8,104,135
Reconciliation of opening and closing balances of property, plant and equipment					
Net Book value 25 October 2022	-	-	-	-	-
Additions through amalgamation	7,667,977	217,852	116,809	30,517	8,033,155
Additions	-	147,343	46,790	-	194,133
Impairments	-	-	-	-	-
Revaluation	-	-	-	-	-
Depreciation expense	(83,135)	(27,457)	(9,061)	(959)	(120,612)
Disposals	-	(2,541)	-	-	(2,541)
Other changes, movements	-	-	-	-	-
Net Book value 31 March 2023	7,584,842	335,197	154,538	29,558	8,104,135
Net book value as of 31 March 2023 represented by:					
Gross book value	7,706,949	804,317	748,436	38,360	9,298,062
Accumulated depreciation and impairment	(122,107)	(469,120)	(593,898)	(8,802)	(1,193,927)
Net Book value 31 March 2023	7,584,842	335,197	154,538	29,558	8,104,135

Communication Workers Union Central Branch

ABN: 81 643 762 631

Notes to the Financial Statements For the Period Ended 31 March 2023

6C Leases

CWU Central Branch as a lessee

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Plant & Equipment \$	Total \$
As at 25 October 2022	-	-
Additions through amalgamation	16,538	16,538
Additions to right-of-use assets	-	-
Amortisation expense	(6,170)	(6,170)
As at 31 March 2023	10,368	10,368

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2023 \$
Opening	-
Additions	-
Additions through amalgamation	17,241
Accretion of interest	267
Payments	(6,642)
Closing	10,866
Current	7,906
Non-current	2,960
	10,866

The following are the amounts recognised in profit or loss:

Amortisation expense of right-of-use assets	6,170
Interest expense on lease liabilities (incl. in bank charges & interest)	267
Expense relating to short-term leases	-
Total amount recognised in profit or loss	6,437

Communication Workers Union Central Branch

ABN: 81 643 762 631

Notes to the Financial Statements For the Period Ended 31 March 2023

7 Current liabilities

7A Trade payables

	2023
	\$
Trade payable	48,753
Subtotal trade payables	48,753
Payable to other reporting units	
CEPU - Communication Division Office	113,981
Subtotal payable to other reporting units	113,981
Total trade payables	162,734

7B Other payables

	2023
	\$
Superannuation	54,446
Payable to employers for making payroll deductions of membership subscriptions	-
Legal costs - litigation	-
Legal costs - other	-
Other payables	29,932
GST payable	382,696
Total other payables	467,074
Total trade and other payables	700,287

Total other payables are expected to be settled within 12 months.

Communication Workers Union Central Branch

ABN: 81 643 762 631

Notes to the Financial Statements For the Period Ended 31 March 2023

8 Provisions

Employee provisions

	2023 \$
Office Holders:	
Annual leave	66,919
Long service leave	173,873
Separations and redundancies	-
Other	10,122
Subtotal employee provisions-office holders	250,914
Employees other than office holders	
Annual leave	369,631
Long service leave	374,241
Separations and redundancies	-
Other	21,848
Subtotal employee provisions- employees other than office holders	765,720
Total employee provisions	1,016,634
Current	886,532
Non-current	130,102
Total employee provisions	1,016,634

Communication Workers Union Central Branch

ABN: 81 643 762 631

Notes to the Financial Statements For the Period Ended 31 March 2023

9 Equity

9A Reserves

	2023 \$
Compulsory levy/voluntary contribution fund	
Balance as at start of period	-
Transferred to fund, account or controlled entity	-
Transferred out of fund, account or controlled entity	-
Balance as at end of period	<u>-</u>
Amalgamation Reserve	
Balance as at start of period	-
Transfer arising on amalgamation *	<u>53,172,717</u>
Balance as at end of period	<u>53,172,717</u>
Total	<u><u>53,172,717</u></u>

* This amount represents direct transfer to the Reporting Unit's equity arising from an amalgamation of mutual entities
- refer to Note 1.6 for further details.

10 Cash Flow

10A Reconciliation of cash

	2023 \$
Cash at the end of the financial period as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:	
Cash on hand	1,350
Cash at bank	<u>42,295,837</u>
	<u><u>42,297,187</u></u>

Communication Workers Union Central Branch

ABN: 81 643 762 631

Notes to the Financial Statements

For the Period Ended 31 March 2023

10 Cash Flow (continued)

10B Reconciliation of cashflow from operations with net surplus:

	2023
	\$
Net surplus	13,451
Non-cash flows in net surplus:	
- net gain on disposal of property, plant and equipment	(14,458)
- depreciation and amortisation	126,782
- Interest expenses from financing activities	267
Changes in assets and liabilities:	
- increase in trade and other receivables	(569,516)
- increase in trade and other payables	764,617
- decrease in employee benefits	(256,587)
Cashflows from operations	<u>64,556</u>

11 Contingent liabilities, assets and commitments

In the opinion of the Branch Committee of Management, the CWU Central Branch did not have any contingencies or commitments at 31 March 2023.

Subsequent to year end, On 15 November 2023, the CWU Central Branch BCOM approved a commitment for refurbishment with authorised expenditure of up to \$1Million specifically designated for both locations Queensland and Harris Park in New South Wales.

12 Related parties disclosure

12A 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 period is disclosed in the Financial Report Note 4A.
- ii. The aggregate amount paid during the financial period to a superannuation plan in respect of elected full-time officers was \$64,479.
- iii. There have been no other transactions between the officers and the Communication Workers Union Central Branch 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 Profit or Loss and Other 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

Communication Workers Union Central Branch

ABN: 81 643 762 631

Notes to the Financial Statements For the Period Ended 31 March 2023

12 Related parties disclosure (continued)

12A Related party transactions for the reporting period (continued) 5B and 7A.

12B 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 period ended 31 March 2023.

12C Key Management Personnel Remuneration

The remuneration paid to key management personnel of Communication Workers Union Central Branch during the period is as follows:

	2023
	\$
Salary	396,820
Leave and other entitlements	(67,510)
Performance bonus	-
Total short-term employee benefits	329,310
Post-employment benefits	
Superannuation	64,479
Total post-employment benefits	64,479
Other long-term benefits:	
Long-service leave	-
Total other long-term benefits	-
Termination benefits	-
	393,789

Transactions with key management personnel & their close family members

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

Communication Workers Union Central Branch

ABN: 81 643 762 631

Notes to the Financial Statements For the Period Ended 31 March 2023

13 Remuneration of auditors

	2023 \$
Remuneration of the auditor KrestonSW Audit Pty Ltd, for:	
- audit of the financial statements	<u>45,675</u>
Total	<u><u>45,675</u></u>

Other services provided by a related entity of the audit company was assistance with the preparation of the financial statements

14 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:

14A 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 \$
Financial assets		
At amortised cost:		
Cash and cash equivalents		42,297,187
Trade and other receivables	5B	<u>699,604</u>
Carrying amount of financial assets		<u><u>42,996,791</u></u>
Financial liabilities		
Trade and other payables		700,287
Lease liabilities		<u>7,906</u>
Carrying amount of financial liabilities		<u><u>708,193</u></u>

Communication Workers Union Central Branch

ABN: 81 643 762 631

Notes to the Financial Statements For the Period Ended 31 March 2023

14 Financial Instruments (continued)

Net income and expense from financial assets

	2023 \$
At amortised cost:	
Interest - investment	616,651
Net gain from financial assets	616,651

The net income/expense from financial assets not at fair value through profit and loss is \$616,651.

14B 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 CWU Central Branch 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.

Communication Workers Union Central Branch

ABN: 81 643 762 631

Notes to the Financial Statements For the Period Ended 31 March 2023

14 Financial Instruments (continued)

14B Credit risk (continued)

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

	2023 \$
Financial assets	
Cash and cash equivalents	42,297,187
Trade and other receivables	699,604
Total	42,996,791
Financial liabilities	
Trade and other payables	700,287
Lease liabilities	7,906
Total	708,193

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

Currently the CWU Central Branch 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	-	-	-	-	-	-	-

14C 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	-	700,287	-	-	-	700,287
Lease liabilities	-	7,906	-	-	-	7,906
Total	-	708,193	-	-	-	708,193

Communication Workers Union Central Branch

ABN: 81 643 762 631

Notes to the Financial Statements

For the Period Ended 31 March 2023

14 Financial Instruments (continued)

14D 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 on hand.

	2023 %	2023 \$
Floating rate instruments		
Cash and cash equivalents	2.85	42,297,187

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

Risk Variable	Change in risk variable %	Effect on	
		Profit and loss \$	Equity \$
Interest rate risk	+1%	1,628,442	1,628,442
Interest rate risk	-1%	782,498	782,498

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.

Communication Workers Union Central Branch

ABN: 81 643 762 631

Notes to the Financial Statements

For the Period Ended 31 March 2023

15 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
Financial Assets		
Cash and cash equivalents	42,297,187	42,297,187
Trade and other receivables	699,604	699,604
Total	42,996,791	42,996,791
Financial Liabilities		
Trade and other payables	700,287	700,287
Lease liabilities	7,906	7,906
Total	708,193	708,193

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.

Communication Workers Union Central Branch

ABN: 81 643 762 631

Notes to the Financial Statements

For the Period Ended 31 March 2023

15 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.

	Level 1	Level 2	Level 3	Total
31 March 2023	\$	\$	\$	\$
Recurring fair value measurements				
Property, plant and equipment				
Buildings	7,667,977	-	-	7,667,977

16 Administration of financial affairs by a third party

There was no administration of financial affairs by a third party during the period.

Name of entity providing service: Not applicable

Terms and conditions: Not applicable

Nature of expenses/consultancy service: Not applicable

17 Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or General manager:

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

Communication Workers Union Central Branch

ABN: 81 643 762 631

Officer declaration statement

31 March 2023

I, Shane Murphy, being the branch Secretary of the Communications Worker Union (CWU) Central Branch, declare that the following activities did not occur during the reporting period ending 31 March 2023.

The reporting unit did not:

- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- 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 an organisation, a determination or revocation by the General Manager, Fair Work Commission
- make a payment to a former related party of the reporting unit

Signed by the officer.....



Shane Murphy (Branch Secretary)

Dated: 13 December 2023

Independent Auditor's Report To the Members of Communications Workers Union Central Branch

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Communications Workers Union Central Branch (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 period then ended, notes to the financial statements, including a summary of significant accounting policies, the branch 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 Union as at 31 March 2023, and its financial performance and its cash flows for the period 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 branch 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 Branch Committee of Management for the Financial Report

The branch 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 branch 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 branch 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 branch committee of management.
- Conclude on the appropriateness of the branch 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 branch 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.

A handwritten signature in black ink that reads "KrestonSW Audit".

KrestonSW Audit Pty Ltd

A handwritten signature in black ink that reads "K Thakkar".

Kamal Thakkar

Director

Registration number: AA2017/175

Sydney

13 December 2023