

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**


**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

STATE EXECUTIVE'S CERTIFICATE

We, **GLEN MCATEAR** and **DAVID CRAWFORD**, being two members of the State Executive of the New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union, do state on behalf of the State Executive, and in accordance with a resolution passed by the State Executive that:

- (i) In the opinion of the State Executive, the attached financial report shows a true and fair view of the financial affairs of the Union as at 31 December 2020.
- (ii) In the opinion of the State Executive, meetings of the Executive were held during the year ended 31 December 2020, in accordance with the rules of the Union.
- (iii) To the knowledge of any member of the State Executive, there have been no instances where records of the Union or other documents (not being documents containing information made available to a member of the Union under Sub-Section 512 (2) of the Industrial Relations Act, 1991 as applied by Sub-Section 282(3) of the Industrial Relations Act, 1996), or copies of those records or documents, or copies of the rules of the Union, have not been furnished, or made available to members in accordance with the requirements of the Industrial Relations Act, 1991, the Regulations thereto, or the rules of the Union.
- (iv) The Union has complied with Sub-Sections 517(1) and (5) of the Industrial Relations Act, 1991, in relation to the financial report in respect of the year ended 31 December 2020 and the Auditors' Report, thereon.


.....
Glen McAtear
President


.....
David Crawford
Treasurer

21st June 2021

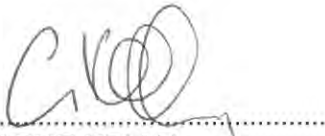
**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

ACCOUNTING OFFICER'S CERTIFICATE

I, **GRAEME KELLY**, being the Officer responsible for keeping the accounting records of the New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union, certify that as at 31 December 2020, the number of members of the Union was 30,201.

In my opinion:

- (i) The attached financial report shows a true and fair view of the financial affairs of the Union as at 31 December 2020.
- (ii) A record has been kept of all monies paid by or collected from members, by duly authorised representatives of the Union and all monies so paid or collected have been credited to the bank account to which those monies are to be credited, in accordance with the rules of the Union.
- (iii) Approval for expenditure incurred by the Union, was obtained in accordance with the rules of the Union.
- (iv) With regard to funds of the Union raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such fund for purposes other than those for which the fund was operated.
- (v) No loans or other financial benefits, other than remuneration in respect of their full time employment with the Union, were made to persons holding office in the Union.
- (vi) The register of members of the Union was maintained in accordance with the Industrial Relations Act, 1996.



GRAEME KELLY
General Secretary

21st June 2021

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**STATEMENT OF COMPREHENSIVE INCOME FOR THE
YEAR ENDED 31 DECEMBER 2020**

	NOTE	2020 \$	2019 \$
INCOME			
Contributions		14,356,043	13,980,811
Accommodation		673,107	752,251
Distributions from Financial Assets		47,093	27,358
Dividends		100,711	230,049
Training Income		1,850	1,154
Interest		479,571	639,788
Picnic Income		174,586	169,266
Rent		75,393	90,105
Superannuation Directors' Fees		11,400	17,990
Sundry Income		261,618	102,178
		<hr/>	<hr/>
TOTAL INCOME		16,181,372	16,010,950
LESS EXPENDITURE			
DEPRECIATION			
		<hr/> 797,533	<hr/> 774,803
EMPLOYEE BENEFITS EXPENSE			
Accrued Annual Leave		234,290	46,130
Sick Leave		157,332	109,984
Fringe Benefits Tax		129,914	138,007
Long Service Leave		195,963	(31,397)
Salaries - Officers and Staff	17	6,236,589	6,533,340
Superannuation		737,026	778,185
Employment sundry		26,243	-
		<hr/> 7,717,357	<hr/> 7,574,249
OTHER EXPENSES			
Advertising Expense		1,245	5,035
Affiliation Fees		313,861	332,048
Annual Conference Expenses		39,467	290,070
Attendance Allowance – Other Organisations		315	378
Payment to AMACSU NSW Branch re National AMACSU Capitation Fees		913,993	894,345
Auditors Remuneration	16	53,500	53,148
Computer Expenses		100,131	89,054
Delegates, Executive and Organising Expenses		702,842	889,100
Donations		18,242	112,265
Electricity and Gas		122,701	125,739
Employee Assistance Expenses		17,992	39,171
General Administration Expenses		471,119	486,379
Honoraria		100,727	100,807
		<hr/>	<hr/>
Carried Forward		2,856,135	3,417,539

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**STATEMENT OF COMPREHENSIVE INCOME FOR THE
YEAR ENDED 31 DECEMBER 2020 (Cont'd)**

	NOTE	2020 \$	2019 \$
Brought Forward		2,856,135	3,417,539
Insurance		116,288	192,628
Land Tax		137,481	137,400
Lease of Office Equipment and Property		223,543	277,472
Lease Liability Interest Expenses		1,630	-
Legal and Professional Expenses		85,586	181,645
Marketing and Promotions		266,617	257,793
Mortality Benefit		79,545	68,182
Motor Vehicle Expenses		317,023	369,526
OH & S Costs		60,249	39,619
Payroll Tax		250,947	400,421
Postage		211,930	157,420
Printing and Stationery		55,633	141,344
Property Expenses		392,851	485,995
Picnic Expenses		85,636	129,285
Telephones (including Mobiles)		156,717	126,247
Training Expenses		6,218	57,684
Union Magazines		130,275	129,832
Women's Committee and Conference		923	47,251
		<u>5,435,227</u>	<u>6,617,283</u>
TOTAL EXPENDITURE		<u>13,950,117</u>	<u>14,966,335</u>
OPERATING SURPLUS FOR THE YEAR – GENERAL FUND		2,231,255	1,044,615
Surplus on disposal of fixed assets		114,581	73,852
Loss on Disposal of Fair Value Assets – realised		(20,665)	(35,648)
		<u>2,325,171</u>	<u>1,082,819</u>
NET SURPLUS FOR THE YEAR		<u>2,325,171</u>	<u>1,082,819</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR			
Net (Decrease)/Increase in Fair Value Assets		(293,053)	447,640
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>2,032,118</u>	<u>1,530,459</u>

(The attached notes form part of these financial statements)

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	NOTE	2020 \$	2019 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	7	2,855,355	1,778,826
Trade and Other Receivables	8	441,752	433,103
Other Financial Assets	11	<u>24,961,678</u>	<u>24,445,961</u>
Total Current Assets		<u>28,258,785</u>	<u>26,657,890</u>
Non-Current Assets			
Property, Plant and Equipment	5	9,029,935	8,228,746
Right of Use Asset	6	<u>233,815</u>	<u>-</u>
TOTAL NON-CURRENT ASSETS		<u>9,263,750</u>	<u>8,228,746</u>
TOTAL ASSETS		<u>37,522,535</u>	<u>34,886,636</u>
LIABILITIES			
Current Liabilities			
Trade and Other Payables	9	962,553	1,051,278
Lease Liabilities		48,418	-
Employee Benefits	10	<u>3,920,143</u>	<u>3,442,188</u>
Total Current Liabilities		<u>4,931,114</u>	<u>4,493,466</u>
Non-Current Liabilities			
Employee Benefits	10	47,886	67,925
Lease Liabilities		<u>186,172</u>	<u>-</u>
TOTAL NON-CURRENT LIABILITIES		<u>234,058</u>	<u>67,925</u>
TOTAL LIABILITIES		<u>5,165,172</u>	<u>4,561,391</u>
NET ASSETS		<u>32,357,363</u>	<u>30,325,245</u>
ACCUMULATED FUNDS AND RESERVES			
Accumulated Funds		32,262,487	29,937,316
Fair Value through Other Comprehensive Income Investment Reserve	18	<u>94,876</u>	<u>387,929</u>
ACCUMULATED FUNDS AND RESERVES		<u>32,357,363</u>	<u>30,325,245</u>

(The attached notes form part of these financial statements)

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS AND RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Accumulated Funds	Fair Value Through Other Comprehensive Income Reserve	Total
	\$	\$	\$
Balance at 1 January 2019	28,854,497	(59,711)	28,794,786
Net reduction in value of Fair Value Through Other Comprehensive Income Assets	-	447,640	447,640
Net surplus for the Year	1,082,819	-	1,082,819
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2019	29,937,316	387,929	30,325,245
Net reduction in value of Fair Value Through Other Comprehensive Income Assets	-	(293,053)	(293,053)
Net surplus for the Year	2,325,171	-	2,325,171
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2020	<u>32,262,487</u>	<u>94,876</u>	<u>32,357,363</u>

(The attached notes form part of these financial statements)

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**STATEMENT OF CASH FLOWS FOR THE
YEAR ENDED 31 DECEMBER 2020**

	NOTE	2020 \$	2019 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Contributions and Levies from Members		16,425,191	15,378,892
Receipts from Customers		740,418	827,476
Payments to Suppliers and Employees		(14,336,994)	(15,480,964)
Interest Received		505,982	676,137
Rent Received		75,393	90,105
Other Receipts		<u>73,977</u>	<u>520,637</u>
NET CASH GENERATED BY OPERATING ACTIVITIES	21	<u>3,483,967</u>	<u>2,012,283</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payment to acquire Property, Plant and Equipment		(1,581,112)	(523,088)
Proceeds from the disposal of Property, Plant and Equipment		-	89,652
Net Received/(Payment) for Investments		<u>(808,769)</u>	<u>(532,699)</u>
NET CASH USED IN INVESTING ACTIVITIES		<u>(2,389,881)</u>	<u>(966,135)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Lease payments on ROU assets		<u>(17,557)</u>	<u>-</u>
NET CASH USED IN FINANCING ACTIVITIES		<u>(17,557)</u>	<u>-</u>
NET INCREASE IN CASH HELD		1,076,529	1,046,148
Cash and cash equivalents at beginning of year		<u>1,778,826</u>	<u>732,678</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	7	<u>2,855,355</u>	<u>1,778,826</u>

(The attached notes form part of these financial statements)

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations and the New South Wales Industrial Relations Act 1996.

Basis of Preparation

The financial report is for the entity New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union, as an individual entity ("the Union"). The New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union is an organisation registered under the New South Wales Industrial Relations Act, 1996. In accordance with the Act the Union is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Union is not subject to the Corporations Act 2001.

The financial report of New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union for the year ended 31 December 2020 was authorised for issue in accordance with a resolution of the State Executive Committee on 21st June 2021.

The financial report has been prepared on the basis of historical costs modified by the revaluation of selected financial assets and liabilities for which the fair value basis of accounting has been applied. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the significant accounting policies adopted by the economic entity in the preparation of the financial statements

(a) Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Union recognises revenue when it transfers control over a good or services to a customer. Each of New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union's activities are discussed below.

Contributions and Government Grants are accounted for on a cash receipts basis. Otherwise, the concept of accruals accounting has been adopted in the preparation of the financial statements.

Distributions from managed funds are recognised as income when declared and are then reinvested.

Interest is accounted for on an accruals basis.

All revenue is stated net of the amount of goods and services tax (GST).

(b) Income Tax

No provision for Income Tax is necessary as the Union is exempt from Income Tax under Section 50 - 15 of the Income Tax Assessment Act 1997. The Union still has an obligation for Fringe Benefit Tax (FBT) and the Goods and Services Tax (GST).

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Capitation fees and levies

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

(d) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and any impairment in value.

Freehold land and buildings are measured on a cost basis.

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the asset.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Union commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Land is not depreciated.

The depreciation rates used for each class of asset are:

Buildings	2.5%
Office Furniture and Equipment	5% - 33.33%
Motor Vehicles	22.5%
ROU Assets	2%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

Gains and losses on disposals are calculated as the difference between the net disposal proceeds and the asset's carrying amount and are included in the statement of comprehensive income in the year that the item is disposed of.

(e) Impairment of Non-Financial Assets

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised in the statement of comprehensive income for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and value in use. For the purpose of assessing value in use of assets not held primarily to generate cash, this represents depreciated current replacement cost, as the Union is a not-for-profit organisation.

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(f) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables on the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(g) Employee Benefits

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

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

Employee benefits are presented as current liabilities in the statement of financial position if the Union does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

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

(h) Investments

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

Fair Value Through Other Comprehensive Income Assets

Investments, which are classified as Fair Value through Other Comprehensive Income, are measured at fair value. Unrealised gains or losses on these investments are recognised directly to equity in the Fair Value Through Other Comprehensive Income Investment Reserve until the investment is sold or until, based on objective evidence, a Fair Value Through Other Comprehensive Income financial asset is determined to be impaired at which time the cumulative gain or loss previously reported for that asset is included in the statement of comprehensive income.

Receivables

Receivables are non-derivative financial assets with a fixed or determinable payment that are not quoted on an active market. They are recognised at amortised cost.

Collectability of receivables is assessed on an ongoing basis. Receivables which are known to be uncollectable are written off. An allowance is made for doubtful debts where there is objective evidence (such as significant financial difficulty or delay in payment) that the Union will not be able to collect all amounts according to original terms.

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(h) Investments (Cont'd)

Riverside Resort @Port

The assets and liabilities and the income and expenses of the Riverside Resort in Port Macquarie have been disclosed on a consolidated basis in the financial statements. Refer to Note 4 for further details.

(i) Cash

Cash and cash equivalents comprise cash on hand, cash at bank and deposits held at-call with bank

(j) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Union has decided against early adoption of these Standards.

(k) New Accounting Standards Adopted by the Union

The Union has adopted all standards effective for the first time at 31 December 2020. The adoption of these has not caused any material adjustments to the reported financial position, performance or cash flow of the Union.

(l) Right of Use Asset

At the lease commencement, the Union recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Union believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

2. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Industrial Relations Act, 1991 (NSW), the attention of members is drawn to the provisions of sub-sections (1) and (2) of section 512 which read as follows:

- (1) A member of an organisation, or the Industrial Registrar, may apply to the organisation for specified information prescribed by the regulations in relation to the organisation.
- (2) An organisation must, on the making of such an application, make the specified information available to the member or the Industrial Registrar in the manner, and within the time, prescribed by the regulations.

3. ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Union makes estimates and assumptions concerning the future. The resulting accounting estimates by definition seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

(b) Critical judgements in applying the Union's accounting principles

There are no critical judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (Cont'd)**

	2020 \$	2019 \$
4. RIVERSIDE RESORT		
(a) STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020		
INCOME		
Accommodation and Rent	699,841	785,351
Interest	18	17
Sundry Income	-	-
Laundry Commission and Linen	7,097	8,438
TOTAL INCOME	<u>706,956</u>	<u>793,806</u>
LESS EXPENDITURE		
Depreciation	<u>167,190</u>	<u>166,874</u>
Employee Benefits Expense		
Annual and Long Service Leave	15,967	8,219
Salaries – Staff	315,367	323,868
Superannuation	29,911	29,713
	<u>361,245</u>	<u>361,800</u>
Other Expenses		
Austar	7,219	8,663
Bank Charges	5,730	6,497
Catering (Motel)	1,154	1,527
Domestic Supplies	15,880	16,804
Electricity and Gas	44,883	46,484
Land Tax	72,275	71,342
Payroll Tax	17,188	17,786
Printing, Stationery and Advertising	5,108	4,299
Rates and Taxes (Council and Water)	45,435	44,887
Repairs, Replacements and Maintenance	27,887	32,563
Sundries and Other Expenditure	17,792	41,556
Telephone (Other)	8,459	9,077
	<u>269,010</u>	<u>301,485</u>
TOTAL EXPENDITURE	<u>797,445</u>	<u>830,159</u>
OPERATING DEFICIT FOR THE YEAR	<u>(90,489)</u>	<u>(36,353)</u>

NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (Cont'd)

	Note	2020 \$	2019 \$
4. RIVERSIDE RESORT (Cont'd)			
(b) STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020			
ASSETS			
Current Assets			
Cash and Cash Equivalents	(e)	284,542	175,502
Prepayments		1,285	2,415
Receivables	(f)	<u>4,722</u>	<u>8,761</u>
Total Current Assets		<u>290,549</u>	<u>186,678</u>
Non-Current Assets			
Land and Buildings (At Cost)		5,023,531	4,882,917
Less: Accumulated Depreciation		(1,997,946)	(1,884,775)
Equipment (At Cost)		921,512	901,204
Less: Accumulated Depreciation		<u>(660,090)</u>	<u>(606,071)</u>
Total Non-Current Assets	(c)	<u>3,287,007</u>	<u>3,293,275</u>
TOTAL ASSETS		<u>3,577,557</u>	<u>3,479,953</u>
LIABILITIES			
Current Liabilities			
Provision for Annual Leave		24,585	12,937
Payables	(g)	<u>244,749</u>	<u>235,275</u>
Total Current Liabilities		<u>269,334</u>	<u>248,212</u>
Non-Current Liabilities			
Provision for Long Service Leave		<u>7,842</u>	<u>3,523</u>
TOTAL LIABILITIES		<u>277,176</u>	<u>251,735</u>
NET ASSETS		<u>3,300,381</u>	<u>3,228,218</u>

(c) MOVEMENTS IN CARRYING AMOUNTS - NON CURRENT ASSETS

	Land and Buildings \$	Equipment \$	Total \$
Balance at 1 January 2020	2,998,144	295,131	3,293,275
Additions	140,614	20,308	160,922
Disposals	-	-	-
Depreciation	<u>(113,170)</u>	<u>(54,020)</u>	<u>(167,190)</u>
Balance at 31 December 2020	<u>3,025,588</u>	<u>261,419</u>	<u>3,287,007</u>

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (Cont'd)**

	Note	2020 \$	2019 \$
4. RIVERSIDE RESORT (Cont'd)			
(d) STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020			
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Customers		748,224	836,758
Payments to Suppliers and Employees		(667,666)	(746,946)
Interest Received		18	17
Rent Received		<u>26,734</u>	<u>33,100</u>
NET CASH GENERATED/(UTILISED) BY OPERATING ACTIVITIES	(d)(ii)	<u>107,310</u>	<u>122,929</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for Property, Plant and Equipment		<u>(160,922)</u>	<u>(11,606)</u>
NET CASH USED IN INVESTING ACTIVITIES		<u>(160,922)</u>	<u>(11,606)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Receipts from/(Payments) to General Fund		<u>162,652</u>	<u>(136,253)</u>
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES		<u>162,652</u>	<u>(136,253)</u>
NET INCREASE/(DECREASE) IN CASH HELD		109,040	(24,930)
Cash and Cash Equivalents at beginning of financial year		<u>175,502</u>	<u>200,432</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	(d)(i)	<u>284,542</u>	<u>175,502</u>

NOTES TO THE STATEMENT OF CASH FLOWS

- (i) For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions.

Cash on Hand	1,050	1,050
Cash at Bank	<u>283,492</u>	<u>174,452</u>
	<u>284,542</u>	<u>175,502</u>

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FOR THE YEAR ENDED 31 DECEMBER 2020 (Cont'd)**

	2020 \$	2019 \$
4. RIVERSIDE RESORT (Cont'd)		
(ii) RECONCILIATION OF CASH FLOW FROM OPERATING ACTIVITIES WITH NET SURPLUS		
Net Deficit	(90,489)	(36,353)
Non-Cash Flows In Net Deficit		
Depreciation	167,190	166,874
Changes in Assets and Liabilities		
Increase/(Decrease) in Debtors	5,169	(6,529)
Increase in Employee Entitlements Provision	15,966	8,219
Increase/(Decrease) in Creditors & Accruals	9,474	(9,282)
NET CASH GENERATED/(UTILISED) BY OPERATING ACTIVITIES	<u>107,310</u>	<u>122,929</u>
(e) CASH AND CASH EQUIVALENTS		
Cash on Hand	1,050	1,050
Cash at Bank	<u>283,492</u>	<u>174,452</u>
	<u>284,542</u>	<u>175,502</u>
(f) RECEIVABLES		
Sundry Debtors	<u>4,722</u>	<u>8,761</u>
	<u>4,722</u>	<u>8,761</u>
(g) PAYABLES		
Sundry Creditors and Accruals	244,749	235,275
GST Payable	-	-
	<u>244,749</u>	<u>235,275</u>

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FOR THE YEAR ENDED 31 DECEMBER 2020 (Cont'd)**

	2020	2019
	\$	\$
5. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings		
At cost		
Level 7, 321 Pitt St. Sydney	2,438,147	2,438,147
Level 8, 321 Pitt St Sydney	1,916,120	1,916,120
Levels 7 & 8, 321 Pitt St Sydney - Building Improvements	746,635	746,635
86 Lawson St Newcastle	590,995	590,995
2 & 3/100 Market St. Wollongong	359,524	359,524
1/157 Gordon St Port Macquarie	94,697	94,697
Shop 3, 4-12 Queen Elizabeth Drive Armidale	-	71,476
Shops 11 & 12, 142 William St Bathurst	95,934	95,934
55-61 Prince St Grafton	61,804	61,804
2/46 Church St Dubbo	180,558	180,558
7/56 Fitzmaurice St, Wagga Wagga	60,638	60,638
1/100 Market St. Wollongong	400,930	400,930
Riverside Resort – Port Macquarie	5,023,531	4,882,917
ACT Car Park 50% with ASU Nat Office	81,819	81,818
125 Racecourse Road, Rutherford	1,229,354	104,546
	<u>13,280,686</u>	<u>12,082,261</u>
Less: Accumulated Depreciation	<u>(5,530,809)</u>	<u>(5,264,301)</u>
Total Land and Buildings	<u>7,749,877</u>	<u>6,817,960</u>
Office Furniture and Equipment		
At Cost	3,328,863	3,122,323
Less: Accumulated Depreciation	<u>(2,572,231)</u>	<u>(2,325,890)</u>
Total Office Furniture and Equipment	<u>756,632</u>	<u>796,433</u>
Motor Vehicles		
At Cost	1,241,140	1,315,451
Less: Accumulated Depreciation	<u>(717,714)</u>	<u>(701,098)</u>
Total Motor Vehicles	<u>523,426</u>	<u>614,353</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>9,029,935</u>	<u>8,228,746</u>

During 2021, the land and buildings owned by the Union were valued by an independent valuer. The fair value of the properties was determined to be between \$80,000 and \$5,000,000 (depending on how the properties are parcelled). The total fair value of all properties was \$21,845,000. Fair values are determined by the valuer using market information, including prices for similar properties in comparable locations.

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FOR THE YEAR ENDED 31 DECEMBER 2020 (Cont'd)**

5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

MOVEMENTS IN CARRYING AMOUNTS

	Land and Buildings \$	Office Furniture and Equipment \$	Motor Vehicles \$	Total \$
Balance at 1 January 2020	6,817,960	796,433	614,353	8,228,746
Additions	1,269,901	213,046	145,649	1,628,596
Disposals	(44,516)	(2,059)	-	(46,575)
Depreciation	(293,468)	(250,788)	(236,576)	(780,832)
Balance at 31 December 2020	<u>7,749,877</u>	<u>756,632</u>	<u>523,426</u>	<u>9,029,935</u>

	Office equipment \$	Total \$
6. RIGHT OF USE ASSETS		
Change due to adoption of AASB 16	250,516	250,516
Depreciation Charge	(16,701)	(16,701)
Balance at end of year	<u>233,815</u>	<u>233,815</u>
	2020	2019
	\$	\$

7. CASH AND CASH EQUIVALENTS

Cash on Hand	1,700	1,700
Cash at Bank	2,399,211	1,365,262
Cash Held by Branches	169,902	236,362
Cash Held by Riverside Resort	284,542	175,502
	<u>2,855,355</u>	<u>1,778,826</u>

8. TRADE AND OTHER RECEIVABLE

Current

Trade Debtors	7,000	7,000
Prepayments	428,433	419,784
Sundry Debtors	1,577	1,577
Sundry Debtors – Riverside Resort	4,742	4,742
	<u>441,752</u>	<u>433,103</u>

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FOR THE YEAR ENDED 31 DECEMBER 2020 (Cont'd)

		2020	2019
		\$	\$
9. TRADE AND OTHER PAYABLE			
Sundry Creditors and Accruals		439,458	578,503
Sundry Creditors – Riverside Resort		244,749	235,279
GST Payable		278,346	237,496
		<u>962,553</u>	<u>1,051,278</u>
10. EMPLOYEE BENEFITS			
Current			
Provision for Sick Leave		1,206,536	1,127,889
Provision for Annual Leave		829,275	621,730
Provision for Long Service Leave		1,884,332	1,692,569
		<u>3,920,143</u>	<u>3,442,188</u>
Non-Current			
Provision for Long Service Leave		47,886	67,925
		<u>3,968,029</u>	<u>3,510,113</u>
11. OTHER FINANCIAL ASSETS			
Investment General Fund	12	22,304,017	21,863,586
Long Service Leave Fund	13	2,229,031	2,208,411
Mortality Fund	14	308,418	297,712
Other Investments		120,212	76,252
		<u>24,961,678</u>	<u>24,445,961</u>
12. INVESTMENT – GENERAL FUND CURRENT			
Cash and Cash Equivalents			
Cash Deposits		2,800,287	1,296,857
Term Deposit		9,334,938	11,277,433
Assets at Fair Value Through Other Comprehensive Income			
Shares in Listed Companies (at fair value)	15	3,638,651	3,808,442
Managed Funds (at fair value)	15	949,921	940,144
Investments in Bonds (at fair value)	15	5,580,220	4,540,710
		<u>22,304,017</u>	<u>21,863,586</u>

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	2020	2019
	\$	\$
13. INVESTMENTS – LONG SERVICE LEAVE FUND CURRENT		
Cash and Cash Equivalents		
Cash Deposit	2,229,031	2,208,411
14. INVESTMENTS - MORTALITY FUND CURRENT		
Cash and Cash Equivalents		
Cash Deposits	308,418	297,712
15. ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME		
At Fair Value		
Shares in Listed companies	3,638,651	3,808,442
General Fund Managed Funds	949,921	940,144
Investment in Bonds	5,580,220	4,540,710
	10,168,972	9,289,296
16. AUDITORS' REMUNERATION		
Auditing the Financial Statements	56,200	55,000
Prior Year Audit Fee	(2,700)	(1,852)
	53,500	53,148
17. SALARIES - OFFICERS AND STAFF		
Elected Officers	210,824	184,270
Officials	3,957,539	4,252,529
Administration Staff	1,752,859	1,772,673
Riverside Resort Staff	315,367	323,868
	6,236,589	6,533,340

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18. RESERVES

	2020	2019
	\$	\$
Fair Value through other comprehensive income Investment Reserve		
Opening Balance	387,929	(59,711)
Change in fair value during the year	(293,053)	447,640
Balance at end of the year	<u>94,876</u>	<u>387,929</u>

This reserve records unrealised gains and losses on Investments held at Fair Value Through Other Comprehensive Income.

19. SUPERANNUATION

Employees of the Union are entitled to benefits from superannuation plans on retirement, disability or death. The Union participated in four employer sponsored superannuation plans, one of which, the Local Government Superannuation Scheme is a defined benefit plan. The Scheme has advised that the assets and liabilities of the Union's employees are pooled with those of other employers. The Scheme has further advised that it is impractical to separate employers without additional cost to the employer. As a consequence the Union has elected to take the exemption allowed under AASB 119 and treat the Scheme for financial reporting purposes as a defined contribution scheme.

The other superannuation plans are defined contribution plans. The benefits provided under these plans are based on accumulated contributions and earnings for each employee. The Union's liability is limited to paying the contributions to the plans.

20. RELATED PARTY TRANSACTIONS

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

- (a) The aggregate amount of remuneration paid to officers during the financial year is disclosed in the Financial Report.
- (b) The aggregate amount paid during the financial year to a superannuation plan in respect of elected full time officers is \$14,471 (2019: \$14,014).
- (c) There have been no other transactions between the officers and the Union 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.

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	2020 \$	2019 \$
21. CASH FLOW INFORMATION		
Reconciliation of cash flow from operations with operating results:		
Net Surplus - General Fund	2,325,171	1,082,819
Non-Cash Flows in Operating Results		
Depreciation	780,832	774,803
(Surplus) on Sale of Fixed Assets	-	(73,852)
Loss on disposal of Financial Asset	-	35,648
Reinvestment of income from managed funds	-	(27,358)
Interest on ROU assets	1,630	-
Depreciation on ROU assets	16,701	-
Changes in Assets and Liabilities		
(Increase)/Decrease in Receivables	-	159,825
(Increase)/Decrease in Other Asset	(8,649)	-
(Increase)/Decrease in Accrued Interest	-	36,348
Increase/(Decrease) in Employee Entitlement Provisions	457,916	(325,310)
(Decrease)/Increase in Trade Creditors and Accruals	(89,634)	349,360
CASH FLOW GENERATED FROM OPERATIONS	<u>3,483,967</u>	<u>2,012,283</u>

22. FINANCIAL RISK MANAGEMENT

(a) General objectives, policies and processes

The Union is exposed to risks that arise from its use of financial instruments. This note describes the Union's objectives, policies and processes for managing those risks and the methods used to measure them.

There have been no substantive changes in the Union's exposure to financial instrument risk, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Union's financial instruments consist mainly of deposits with banks, local money market instruments, investments, trade receivables and payables. The main risks the Union is exposed to through its financial instruments are credit risk, liquidity risk and market risk (interest rate risk, other price risk and foreign currency risk).

The State Executive has overall responsibility for the determination of the Union's risk management objectives and policies and whilst retaining ultimate responsibility for them, the State Executive makes investment decisions after considering advice received from advisors.

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22. FINANCIAL RISK MANAGEMENT (Cont'd)

(b) *Credit Risk*

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Union incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Union.

There is no concentration of credit risk with respect to current and non-current receivables.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provision for doubtful debts, as disclosed below:

	2020	2019
	\$	\$
Cash at Bank	2,852,605	1,776,076
Cash Deposit	2,800,287	1,296,857
Term Deposit	<u>9,334,938</u>	<u>11,277,433</u>
	<u>14,987,830</u>	<u>14,350,366</u>

The cash and cash equivalents are held in high quality Australian financial institutions.

(c) *Liquidity Risk*

Liquidity risk is the risk that the Union may encounter difficulties raising funds to meet commitments associated with financial liabilities.

The Union is not significantly exposed to this risk, as at 31 December 2020, it had \$14,987,830 (2019: \$14,350,366) of cash and cash equivalents to meet these obligations as they fall due. Financial liabilities at 31st December, 2020 totalled \$1,010,971 (2019: \$1,051,278).

(d) *Market Risk*

Market risk arises from the use of interest bearing, tradable financial instruments. It is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or other market factors (other price risk).

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22. FINANCIAL RISK MANAGEMENT (Continued)

(e) *Interest Rate Risk*

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

31 December 2020	Floating interest rate	Non interest bearing	Total
Financial Assets	\$	\$	\$
Cash	2,852,605	2,750	2,855,355
Cash Deposits	15,776,712	-	15,776,712
Investments	6,533,581	-	6,533,581
Total Financial Assets	<u>25,162,898</u>	<u>2,750</u>	<u>25,165,648</u>
Weighted Average Interest Rate	1.07%		
Financial Liabilities	\$	\$	\$
Payables	-	1,010,971	1,010,971
Total Financial Liabilities	<u>-</u>	<u>1,010,971</u>	<u>1,010,971</u>
Net Financial Assets/(Liabilities)	<u>25,162,898</u>	<u>(1,008,221)</u>	<u>24,154,677</u>
31 December 2019	Floating interest rate	Non interest bearing	Total
Financial Assets	\$	\$	\$
Cash	1,776,076	2,750	1,778,826
Cash Deposits	15,084,494	-	15,084,494
Investments	5,484,294	-	5,484,294
Total Financial Assets	<u>22,344,864</u>	<u>2,750</u>	<u>22,347,614</u>
Weighted Average Interest Rate	1.49%		
Financial Liabilities	\$	\$	\$
Payables	-	1,051,278	1,051,278
Total Financial Liabilities	<u>-</u>	<u>1,051,278</u>	<u>1,051,278</u>
Net Financial Assets/(Liabilities)	<u>22,344,864</u>	<u>(1,048,528)</u>	<u>21,296,336</u>

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22. FINANCIAL RISK MANAGEMENT (Continued)

Sensitivity Analysis

2020	Carrying Amount	+1% (100 basis points) Profit	-1% (100 basis points) Loss
	\$	\$	\$
Cash & Cash Equivalents	25,162,898	251,629	(251,629)

2019	Carrying Amount	+1% (100 basis points) Profit	-1% (100 basis points) Loss
	\$	\$	\$
Cash & Cash Equivalents	22,344,864	223,449	(223,449)

(f) Price Risks

The union is exposed to equity securities price risk. This arises from investments held by the Union and classified on the Statement of Financial Position either as available-for-sale or at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Union only maintains a small portfolio.

The Union is not exposed to commodity price risk.

The Union's equity investments are publicly traded and are listed on the ASX.

The table below summarises the impact of increase/decrease of the indexes on the Union's surplus for the year and on equity. The analysis is based on the assumption that the equity indexes had increase/(decrease) by 10% (2019 -10%) with all other variables held constant and all the Union's equity instruments moved according to the historical correlation with the index.

	2020 \$	2019 \$
Effect on equity		
Increase of equity index by 10%	1,016,897	928,930
Decrease of equity index by 10%	(1,016,897)	(928,930)

(g) Foreign Exchange Risks

The Union is not exposed to foreign exchange risk

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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23. FAIR VALUE MEASUREMENT

The Union measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Fair Value Through Other Comprehensive Income Assets

(a) Fair Value Hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- a. Quoted price (unadjusted) in active markets for identical assets or liabilities (level 1)
- b. Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and
- c. Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

(1) Recognised fair value measurements

The following table presents the Union's assets and liabilities measured and recognised at fair value at 31 December 2020.

	Level 1		Level 2		Level 3		Total	2019 \$
	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	
Assets								
Financial assets through Other Comprehensive Income	10,168,972	9,289,296	-	-	-	-	10,168,972	9,289,296
Financial assets through profit and loss	-	-	-	-	-	-	-	-
Total assets	<u>10,168,972</u>	<u>9,289,296</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,168,972</u>	<u>9,289,296</u>

There were no transfers between Level 1, Level 2 and Level 3 in 2020 or 2019.

The carrying amounts of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (Cont'd)**

24. EVENTS AFTER THE END OF THE REPORTING PERIOD

The Australian economy has been severely impacted by the effects of COVID 19 since March 2020. The full extent of the impact and recovery from COVID 19 on the operations of the Union continues to evolve as at the date of this report, however the Union does not anticipate being significantly impacted at this stage.

The Union sold a property at 86 Lawson Street for \$1,500,000 after 31 December 2020. The sale was settled on 24 February 2021.

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

25. CONTINGENT LIABILITIES

	2020	2019
	\$	\$
Estimate of the maximum amount of contingent liabilities that may become payable:		
Nil	-	-

26. UNION DETAILS

The Registered Office and Principal place of Union is:

Level 7
321 Pitt Street
SYDNEY NSW 2000

Independent Audit Report to the members of New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union

Report on the Audit of the Financial Report

We have audited the financial report of New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union ("the Union"), which comprise the statement of financial position as at 31 December 2020, and the statement of profit or loss and other comprehensive income, statement of changes in accumulated funds and reserves and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the State Executive's certificate and accounting officer's certificate.

In our opinion, the financial report of the Union is in accordance with Australian Accounting Standards and the Industrial Relations Act 1996:

- i. giving a true and fair view of the entity's financial position as at 31 December 2020 and of its performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards and the Industrial Relations Act 1996.

Basis of 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 Union in accordance with the Industrial Relations Act 1996 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The State Executive and General Secretary are responsible for the other information. The other information comprises the information included in the Union's annual report for the year ended 31 December 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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 State Executive and General Secretary for the financial report

The State Executive and the General Secretary of the Union are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Industrial Relations Act 1996* and for such internal control as the State Executive and General Secretary determines is necessary to enable the preparation of financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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 the financial report.

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

We 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 controls.

We 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 Union's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the State Executive and General Secretary.

We conclude on the appropriateness of State Executive and General Secretary'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 Union'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 Union to cease to continue as a going concern.

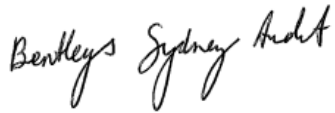
We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtained 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 State Executive and General Secretary regarding, amongst 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.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the State Executive and General Secretary with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Bentleys Sydney Audit Pty Limited
Chartered Accountants



Michael Payne
Audit Director
Sydney

Date: 28 June 2021