



Fair Work  
Commission

18 December 2023

Shane Murphy  
Branch Secretary  
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of  
Australia - Queensland Communications Division Branch  
Sent via email: [shane.murphy@cepu.org](mailto:shane.murphy@cepu.org)  
CC: [kamal@krestonsw.com.au](mailto:kamal@krestonsw.com.au)

Dear Shane Murphy

**Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of  
Australia - Queensland Communications Division Branch  
Financial Report for the year ended 24 October 2022 – (FR2022/202)**

I acknowledge receipt of the financial report for the year ended 24 October 2022 for the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia - Queensland Communications Division Branch. The documents were lodged with the Fair Work Commission (the Commission) on 28 August 2023.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under sections 253, 265, 266 and 268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under section 268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

**Reporting Requirements**

The Commission's website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the section 253 reporting guidelines and a model set of financial statements.

The Commission recommends that reporting units use these model financial statements to assist in complying with the RO Act, the section 253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please call 1300 341 665 or email [regorgs@fwc.gov.au](mailto:regorgs@fwc.gov.au).

Yours sincerely

**Fair Work Commission**



S.268 Fair Work (Registered Organisations) Act 2009

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Secretary

Peter Chaloner  
Assistant Secretary NSW / ACT

Cameron Bird  
Assistant Secretary QLD

Nick Townsend  
Assistant Secretary SA / NT

Connecting  
our community

**Certificate by prescribed designated officer.**

Certificate for the period ended 24 October 2022

I, Shane Murphy, being the Branch Secretary of the CWU Central Branch  
Re: CEPU COMMUNICATIONS DIVISION - QUEENSLAND COMMUNICATIONS  
DIVISION, certify:

- that the documents lodged herewith are copies of the full report for the CEPU COMMUNICATIONS DIVISION - QUEENSLAND COMMUNICATIONS DIVISION for the period ended referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members of the reporting unit on the 19 July 2023; and
- that the full report was presented to the Branch Committee of Management of the reporting unit on 19 July 2023 in accordance with s266 of the Fair Work (Registered Organisations) Act 2009.

If you require further information, please do not hesitate to contact me on (02) 9893 7822.

Signature of Prescribed designated officer: 

Name of Prescribed designated officer:

**SHANE MURPHY**

Title of the prescribed designated officer:

**BRANCH SECRETARY**

Dated: **19 July 2023**



A Division of the CEPU

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

**CEPU COMMUNICATIONS DIVISION**

**QUEENSLAND COMMUNICATIONS DIVISION**

**FINANCIAL REPORT FOR THE PERIOD ENDED 24 OCTOBER 2022**

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**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATION DIVISION**

**Operating Report**

for the period ended 24 October 2022

In accordance with Section 254 of the Fair Work (Registered Organisations) Act 2009 ("Act") the Branch Committee of Management present their Operating Report on CEPU Communications Division - Queensland Communications Division ("CEPU QLD Branch"), the relevant Reporting Unit, for the financial period ended 24 October 2022.

**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 CEPU Communications Division - Queensland Communications Division was the advancement and protection of the interest of members.

- 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 CEPU QLD Branch.

There have been no significant changes to the way the CEPU QLD Branch has carried out these activities during the last financial year.

**Operating Result**

The operating profit for the Branch for the period ending 24 October 2022 is \$3,203,050 (31 March 2022: \$91,588 loss).

**Significant changes in financial affairs**

This is the final financial report for this branch as it has amalgamated with CEPU NSW P&T and CEPU SA/NT branches to form CWU Central branch as of 25<sup>th</sup> October 2022.

**Right of members to resign**

Members have the right to resign their membership of the CEPU QLD Branch by giving written notice of resignation to the Branch Secretary. This written notification is accepted subject to the rules of CEPU 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.

**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATION DIVISION**

**Operating Report (cont'd)**

for the period ended 24 October 2022

**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 CEPU QLD Branch as at 24 October 2022 was 3,219 (31 March 2022: 3,199).

**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 24 October 2022 was 5 (31 March 2022: 4.68).

**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 period positions held during the financial period.**

The names of persons who have at any time during the financial period ending 24 October 2022 been members of the CEPU QLD Branch Committee of Management and periods they served on the branch committee are as follows:

<b><u>Position</u></b>	<b><u>Name</u></b>	<b><u>Period</u></b>
Branch President	Kevin Hogan	01/04/2022 – 24/10/2022
Branch Vice Presidents	Robert McLauchlan	01/04/2022 – 24/10/2022
	Catherine O'Brien	01/04/2022 – 24/10/2022
Branch Secretary	Cameron Bird	01/04/2022 – 24/10/2022
Branch Assistant Secretary	Brett O'Neill	01/04/2022 – 24/10/2022
Branch Organiser	Christopher Gleeson	01/04/2022 – 24/10/2022
BCOM Member	Michael Dunning	01/04/2022 – 24/10/2022
	Noah Harris	01/04/2022 – 24/10/2022
	Marguerite O'Shea	01/04/2022 – 24/10/2022
	Jason Burgess	01/04/2022 – 24/10/2022
	Patrick Smith	01/04/2022 – 24/10/2022
	Kevin Joinbee	01/04/2022 – 24/10/2022

**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATION DIVISION**

**Operating Report (cont'd)**

for the period ended 24 October 2022

For and on behalf of the Committee of Management



**Shane Murphy**

**BRANCH SECRETARY**

Dated: 19 July 2023

CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATION DIVISION

**Report required Under Subsection 255(2A)**

for the period ended 24 October 2022

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the period ended 24 October 2022.

Categories of Expenditure	24 October 2022	31 March 2022
Remuneration and other employment-related costs and expenses - employees	444,733	695,172
Advertising	-	-
Operating costs	334,666	525,815
Donations to political parties	250	-
Legal costs	3,700	2,000

Signature of designated officer: .....

Name and title of designated officer: Shane Murphy .....

Branch Secretary

Dated: 19 July 2023.....



**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATION DIVISION**

**Branch Committee of Management's Statement**

for the period ended 24 October 2022

On 19 July 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 24 October 2022.

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 which they relate;
- (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 the rules of the organisation 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**

Date: 19 July 2023

**CEPU COMMUNICATIONS DIVISION**  
**QUEENSLAND COMMUNICATION DIVISION**

**Statement of Comprehensive Income**

As at 24 October 2022

	Note	24 October 2022 \$	31 March 2022 \$
<b>Revenue from contracts with customers</b>	3		
Membership subscriptions		596,727	1,168,458
Capitation fees and other revenue from another reporting unit		-	-
Levies		-	-
Revenue from recovery of wages activity		-	-
<b>Total revenue from contracts with customers</b>		<b>596,727</b>	<b>1,168,458</b>
<b>Income for furthering objectives</b>			
Grants & Donations		-	-
Income recognised from volunteer services		-	-
<b>Total income for furthering objectives</b>		<b>-</b>	<b>-</b>
<b>Other Income</b>			
Net gains from sale of assets	3A	3,406,048	
Investment income	3B	12,890	2,376
Rental income	3C	5,024	32,185
Other income	3F	397	4,449
<b>Total other income</b>		<b>3,424,359</b>	<b>39,010</b>
<b>TOTAL INCOME</b>		<b>4,021,086</b>	<b>1,207,468</b>
<b>EXPENSES</b>			
Employee expenses	4A	444,733	695,172
Capitation fees and other expense to another reporting unit	4B	132,462	240,625
Affiliation fees	4C	15,662	26,789
Administration expenses	4D	167,704	257,488
Grants or donations	4E	250	-
Depreciation and amortisation	4F	19,025	49,280
Legal costs	4G	3,700	2,000
Net losses from sale of assets		-	-
Other expenses	4H	-	4,252
Audit fees	13	34,500	23,450
<b>Total expenses</b>		<b>818,036</b>	<b>1,299,056</b>
<b>Surplus (deficit) for the period</b>		<b>3,203,050</b>	<b>(91,588)</b>
<b>Other comprehensive income</b>			
Items that will be subsequently reclassified to profit or loss			
Donations to Disaster Relief Reserve		-	2,420
Interest received to Disaster Relief Reserve		-	1
Expenditure from Disaster Relief Reserve		-	(2,500)
Gain/(loss) on revaluation of land & buildings	9	-	333,525
<b>Total other comprehensive income for the period</b>		<b>-</b>	<b>333,446</b>
<b>Total comprehensive income for the period</b>		<b>3,203,050</b>	<b>241,858</b>

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

**CEPU COMMUNICATIONS DIVISION**  
**QUEENSLAND COMMUNICATION DIVISION**

**Statement of Financial Position**

As at 24 October 2022

	<b>Note</b>	<b>24 October 2022</b> \$	<b>31 March 2022</b> \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and Cash Equivalents	5A	4,412,728	491,042
Trade and Other Receivables	5B	1,230	31,064
Other current assets	5C	14,228	66,311
<b>Total current assets</b>		<b>4,428,186</b>	<b>588,417</b>
<b>Non-current assets</b>			
Property, Plant and Equipment	6A	56,126	4,014,102
Right of Use Assets	6B	16,538	25,521
<b>Total non-current assets</b>		<b>72,664</b>	<b>4,039,623</b>
<b>Total assets</b>		<b>4,500,850</b>	<b>4,628,040</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payables	7A	104,823	119,065
Other payables	7B	24,162	17,189
Employee provision	8A	195,415	253,319
Lease liabilities	6B	17,240	15,485
<b>Total current liabilities</b>		<b>341,640</b>	<b>405,058</b>
<b>Non-current liabilities</b>			
Employee provisions	8A	135,545	37,520
Lease liabilities	6B	-	10,865
<b>Total non-current liabilities</b>		<b>135,545</b>	<b>48,385</b>
<b>Total liabilities</b>		<b>477,185</b>	<b>453,443</b>
<b>NET ASSETS</b>		<b>4,023,665</b>	<b>4,174,597</b>
<b>EQUITY</b>			
Retained earnings		4,023,665	3,363,248
Reserves	9	-	811,349
<b>Total equity</b>		<b>4,023,665</b>	<b>4,174,597</b>

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

**CEPU COMMUNICATIONS DIVISION**  
**QUEENSLAND COMMUNICATION DIVISION**

**Statement of Changes in Equity**

For the period ended 24 October 2022

	Notes	Retained earnings	Reserves	Total
		\$	\$	\$
<b>Balance at 1 April 2021</b>		<b>901,358</b>	<b>3,031,302</b>	<b>3,932,660</b>
Surplus / (deficit)		(91,588)	-	(91,588)
Other comprehensive income		-	333,446	333,446
Transfer to/from Disaster Relief Fund	9A	(2,421)	2,500	79
Transfer from retained earnings		4,000	(4,000)	-
<b>Balance at 31 March 2022</b>		<b>811,349</b>	<b>3,363,248</b>	<b>4,174,597</b>
Surplus / (deficit)		3,203,050	-	3,203,050
Asset revaluation increment	9A	-	(3,353,982)	(3,353,982)
Transfer to/from Disaster Relief Fund	9A	9,266	(9,266)	-
Transfer from retained earnings		-	-	-
<b>Balance at 24 October 2022</b>		<b>4,023,665</b>	<b>-</b>	<b>4,023,665</b>

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

**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATION DIVISION**

**Statement of Cash flows**

For the period ended 24 October 2022

	<b>Note</b>	<b>24 October 2022</b> \$	<b>31 March 2022</b> \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash Received</b>			
Receipts from member		627,362	1,274,439
Receipts from AFULE		-	30,203
Other Receipts		4,621	6,700
Receipts from other reporting unit/controlled entity(s)		-	-
Interest Received		12,889	2,377
<b>Cash used</b>			
Payment to employees		(389,681)	(650,898)
Payment to suppliers		(181,700)	(435,815)
Interest payments and other finance costs		(9,658)	-
Payment to Communications Division – CEPU		(132,462)	(232,606)
Payment to other reporting unit/controlled entity(s)		-	-
<b>Net cash used by operating activities</b>	<b>10A</b>	<b>(68,629)</b>	<b>(5,600)</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash used</b>			
Proceeds from Property, Plant and Equipment	<b>6A</b>	<b>4,000,000</b>	<b>-</b>
Payments for Property, Plant and Equipment		-	(7,111)
<b>Net cash from (used by) investing activities</b>		<b>4,000,000</b>	<b>(7,111)</b>
<b>FINANCING ACTIVITIES</b>			
Repayment of lease liabilities	<b>6B</b>	<b>(9,685)</b>	<b>(7,822)</b>
<b>Net cash used by financing activities</b>		<b>(9,685)</b>	<b>(7,822)</b>
<b>Net increase (decrease) in cash held</b>		<b>3,921,686</b>	<b>(20,533)</b>
Cash & cash equivalents at the beginning of the reporting period		491,042	511,575
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	<b>5A</b>	<b>4,412,728</b>	<b>491,042</b>

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

**CEPU COMMUNICATIONS DIVISION**  
**QUEENSLAND COMMUNICATION DIVISION**

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## **Notes to and forming part of the Financial Statements**

For the period ended 24 October 2022

### **Note 1. Summary of significant accounting policy**

#### **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 CEPU QLD 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.

#### **Non-going concern basis due to cessation of activities**

On 29 March 2022, members of the CEPU QLD Branch, together with the members of CEPU SA/NT and the CEPU NSW P&T branches, voted in favour of an amalgamation of their respective branches to form the Communications Workers Union - Central Branch (CWU Central Branch). The amalgamation came into effect on 25 October 2022. Members of the CEPU QLD Branch became members of the CWU Central Branch as at the date of amalgamation.

The Branch Committee of Management present this final financial report of CEPU QLD Branch for the period ended 24 October 2022 on a non-going concern basis to reflect the cessation of activities of the CEPU QLD Branch.

The assets and liabilities of the CEPU QLD Branch were transferred to CWU Central Branch at their carrying values, representing their fair values and the fair value of the member's interests at amalgamation date. These net assets have been recognised as a direct contribution to the equity of the CWU Central Branch.

The amounts disclosed in the statement of financial position as at 24 October 2022 are recognised at their realisable value

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

#### **1.2 Going concern**

The Branch was not reliant on the agreed financial support of another the Branch to continue on a going concern basis. As detailed in Note 1.1, subsequent to 24 October 2022, the Branch ceased activities and was amalgamated with CEPU SA/NT and CEPU NSW P&T branches to form the CWU Central Branch.

## **Notes to and forming part of the Financial Statements**

For the period ended 24 October 2022

### **Note 1. Summary of significant accounting policy (cont'd)**

#### **1.3 Comparatives**

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

#### **1.4 Significant accounting judgements and estimates**

There have not been any material accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

#### **1.5 New Australian Accounting Standards**

##### **Adoption of New Australian Accounting Standard Requirements and amendments**

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 Requirements**

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 CEPU QLD 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 CEPU QLD'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 CEPU QLD include:



## **Notes to and forming part of the Financial Statements**

For the period ended 24 October 2022

### **Note 1. Summary of significant accounting policy (cont'd)**

#### **Future Australian Accounting Standards Requirements (cont'd)**

<b>Standard Name</b>	<b>Effective date for entity</b>	<b>Requirements</b>	<b>Impact</b>
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		The Standard also amends an example in Practice Statement 2 regarding assessing whether information about covenants is material for disclosure.	
AASB 2022-6 Amendments to Australian Accounting Standards – Non- current Liabilities with Covenants		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.	

## **Notes to and forming part of the Financial Statements**

For the period ended 24 October 2022

### **Note 1. Summary of significant accounting policy (cont'd)**

#### **1.6 Investment in associates and joint arrangements**

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

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

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

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

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

The net book value of assets and or liabilities transferred to Communication Workers Union or CWU Central Branch for no consideration is used to account for a restructure of the branches of the organization. The assets and liabilities are recognized as at the date of transfer.

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

Under the proposed structure, all reporting units of the CEPU NSW P&T, CEPU SA/NT and CEPU QLD are to be abolished. Under the scheme, the following is to occur:

## **Notes to and forming part of the Financial Statements**

For the period ended 24 October 2022

### **Note 1. Summary of significant accounting policy (cont'd)**

#### **1.7 Acquisition of assets and or liabilities that do not constitute a business combination (cont'd)**

- All assets and liabilities of the CEPU NSW P&T Branch, CEPU SA/NT and the CEPU QLD will be consolidated into the Communications Workers Union – Central Branch;
- Branch committee of management members of CEPU NSW P&T Branch will be translated into the new committee of the Communications Workers Union – Central Branch.
- Members of the former CEPU NSW P&T Branch, CEPU SA/NT and the CEPU QLD will become members of the Communications Workers Union – Central Branch.
- Employees of the CEPU NSW P&T Branch, CEPU SA/NT and the CEPU QLD will become employees of the Communications Workers Union – Central Branch.

Upon the amalgamation date the Communications Workers Union – Central Branch will commence operations, resulting in the existing CEPU NSW P&T Branch, CEPU SA/NT and the CEPU QLD reporting units to cease operations.

#### **1.8 Current versus non-current classification**

The CEPU QLD 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 CEPU QLD Branch classifies all other liabilities as non-current.

## **Notes to and forming part of the Financial Statements**

For the period ended 24 October 2022

### **Note 1. Summary of significant accounting policy (cont'd)**

#### **1.9 Revenue**

CEPU QLD Branch enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions.

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

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

#### **Membership subscriptions**

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

If there is only one distinct membership service promised in the arrangement, CEPU QLD 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 CEPU QLD 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 CEPU QLD 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 CEPU QLD 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), CEPU QLD Branch recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, CEPU QLD 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.

## **Notes to and forming part of the Financial Statements**

For the period ended 24 October 2022

### **Note 1. Summary of significant accounting policy (cont'd)**

#### **1.9 Revenue (cont'd)**

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

#### **Income of the CEPU QLD Branch as a Not-for-Profit Entity**

Consideration is received by CEPU QLD Branch to enable the entity to further its objectives. CEPU QLD Branch recognises each of these amounts of consideration as income when the consideration is received (which is when CEPU QLD Branch obtains control of the cash) because, based on the rights and obligations in 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
- CEPU QLD Branch's recognition of the cash contribution does not give rise to any related liabilities.

#### **Interest income**

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

#### **Rental income**

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

#### **Gains from sale of assets**

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

## **Notes to and forming part of the Financial Statements**

For the period ended 24 October 2022

### **Note 1. Summary of significant accounting policy (cont'd)**

#### **1.10 Employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits in the circumstances set up below.

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 CEPU QLD branch in respect of services provided by employees up to reporting date.

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

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

#### **1.11 Leases**

CEPU QLD 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.

##### **CEPU QLD Branch as a lessee**

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

##### **Right-of-use assets**

CEPU QLD 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

## Notes to and forming part of the Financial Statements

For the period ended 24 October 2022

### Note 1. Summary of significant accounting policy (cont'd)

#### 1.11 Leases (cont'd)

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:

	24 October 2022	31 March 2022
Plant and equipment	5 years	5 years

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

#### Lease liabilities

At the commencement date of the lease, CEPU QLD 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 CEPU QLD Branch and payments of penalties for terminating the lease, if the lease term reflects CEPU QLD 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, CEPU QLD 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.

#### 1.12 Borrowing Costs

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

## **Notes to and forming part of the Financial Statements**

For the period ended 24 October 2022

### **Note 1. Summary of significant accounting policy (cont'd)**

#### **1.13 Cash and Cash equivalents**

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

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

#### **1.14 Financial instruments**

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

#### **1.15 Financial assets**

##### **Contract assets and receivables**

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

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

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

##### **Initial recognition and measurement**

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the CEPU QLD Branch's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the CEPU QLD 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.



## **Notes to and forming part of the Financial Statements**

For the period ended 24 October 2022

### **Note 1. Summary of significant accounting policy (cont'd)**

#### **1.15 Financial assets (cont'd)**

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.

CEPU QLD 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.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that CEPU QLD branch commits to purchase or sell the asset.

#### **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
- Financial assets at fair value through profit or loss
- Financial assets designated at fair value through profit or loss.

#### **Financial assets at amortised cost**

CEPU QLD 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
- 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.

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

## **Notes to and forming part of the Financial Statements**

For the period ended 24 October 2022

### **Note 1. Summary of significant accounting policy (cont'd)**

#### **1.15 Financial assets (cont'd)**

##### **Financial assets at fair value through other comprehensive income**

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

##### **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.

## **Notes to and forming part of the Financial Statements**

For the period ended 24 October 2022

### **Note 1. Summary of significant accounting policy (cont'd)**

#### **1.15 Financial assets (cont'd)**

##### **Derecognition**

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The CEPU QLD 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 CEPU QLD Branch has transferred substantially all the risks and rewards of the asset, or
  - (b) CEPU QLD Branch has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When CEPU QLD 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 CEPU QLD 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.

##### **Impairment**

##### **Expected credit losses (ECLs)**

- (i) Debt instruments other than trade receivables

The CEPU QLD 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

CEPU QLD 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.

## **Notes to and forming part of the Financial Statements**

For the period ended 24 October 2022

### **Note 1. Summary of significant accounting policy (cont'd)**

#### **1.15 Financial assets (cont'd)**

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

#### **1.16 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 cost, net of directly attributable transaction costs.

The CEPU QLD Branch's financial liabilities include trade and other payables.

## **Notes to and forming part of the Financial Statements**

For the period ended 24 October 2022

### **Note 1. Summary of significant accounting policy (cont'd)**

#### **1.16 Financial liabilities (cont'd)**

##### **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.

#### **1.17 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 CEPU QLD Branch transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when CEPU QLD Branch performs under the contract (i.e. transfers control of the related goods or services to the customer).

## **Notes to and forming part of the Financial Statements**

For the period ended 24 October 2022

### **Note 1. Summary of significant accounting policy (cont'd)**

#### **1.17 Liabilities relating to contract with customers (cont'd)**

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

#### **1.18 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.

#### **1.19 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.

##### **Land and building – revaluations model**

Following initial recognition at cost, the buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

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

##### **Depreciation**

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation.

## **Notes to and forming part of the Financial Statements**

For the period ended 24 October 2022

### **Note 1. Summary of significant accounting policy (cont'd)**

#### **1.19 Land, Buildings, plant and equipment (cont'd)**

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate

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

<b>Asset Class</b>	<b>24 October 2022</b>	<b>31 March 2022</b>
Buildings	40 years	40 years
Plant and equipment	2 to 10 years	2 to 10 years
Motor vehicles	3 to 5 years	3 to 5 years

#### **Derecognition**

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

#### **1.20 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 CEPU QLD 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).

## **Notes to and forming part of the Financial Statements**

For the period ended 24 October 2022

### **Note 1. Summary of significant accounting policy (cont'd)**

#### **1.21 Taxation (cont'd)**

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 CEPU QLD 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 15A Financial assets and liabilities.

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 CEPU QLD 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 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 CEPU QLD 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.



## **Notes to and forming part of the Financial Statements**

For the period ended 24 October 2022

### **Note 1. Summary of significant accounting policy (cont'd)**

#### **1.22 Fair value measurement (cont'd)**

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 CEPU QLD 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 CEPU QLD 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.

### **Note 2. Events after the reporting period**

Other than the amalgamation of the CEPU QLD with CEPU NSW P&T and CEPU SA stated in note 1.7 on the 25<sup>th</sup> 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 CEPU QLD Branch, the results of those operations, or the state of affairs of the CEPU QLD Branch.

### **Note 3. Revenue and Income**

#### **Disaggregation of revenue from contracts with customers**

A disaggregation of CEPU QLD 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.

	<b>24 October 2022</b>	<b>31 March 2022</b>
	\$	\$
<b>Types of customer</b>		
Membership contributions	596,727	1,168,458
<b>Total revenue from contracts with customers</b>	<b>596,727</b>	<b>1,168,458</b>

**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATION DIVISION**

**Notes to and forming part of the Financial Statements**

For the period ended 24 October 2022

**Note 3. Revenue and Income (cont'd)**

**Disaggregation of income for furthering activities**

A disaggregation of the CEPU QLD Branch's income by type of arrangement is provided on the face of the Statement of comprehensive income. The table below also sets out a disaggregation of income by funding source:

	<b>24 October 2022</b>	<b>31 March 2022</b>
	<b>\$</b>	<b>\$</b>
<b>Income funding sources</b>		
Grants and Donations	-	-
Levies	-	-
<b>Total income from furthering activities</b>	<b>-</b>	<b>-</b>

**Note 3A. Net gains from sale of assets**

	<b>Note</b>	<b>24 October 2022</b>	<b>31 March 2022</b>
		<b>\$</b>	<b>\$</b>
Land and building	<b>6A</b>	3,406,048	-
<b>Total net gains from sale of assets</b>		<b>3,406,048</b>	<b>-</b>

**Note 3B. Investment income**

	<b>24 October 2022</b>	<b>31 March 2022</b>
	<b>\$</b>	<b>\$</b>
Interest on deposits	12,890	2,376
<b>Total investment income</b>	<b>12,890</b>	<b>2,376</b>

**Note 3C. Rental income**

	<b>24 October 2022</b>	<b>31 March 2022</b>
	<b>\$</b>	<b>\$</b>
Properties	5,024	32,185
<b>Total rental income</b>	<b>5,024</b>	<b>32,185</b>

**Note 3D. Other income**

	<b>24 October 2022</b>	<b>31 March 2022</b>
	<b>\$</b>	<b>\$</b>
Other revenue	397	4,449
<b>Total other income</b>	<b>397</b>	<b>4,449</b>

**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATION DIVISION**

**Notes to and forming part of the Financial Statements**

For the period ended 24 October 2022

**Note 4. Expenses**

**Note 4A. Employee expenses**

	<b>24 October 2022</b>	<b>31 March 2022</b>
	<b>\$</b>	<b>\$</b>
<b>Holders of Office:</b>		
Wages and Salaries	109,829	247,251
Superannuation	27,181	44,963
Leave and other entitlements	40,978	(7,134)
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Subtotal employee expenses holders of office</b>	<b>177,988</b>	<b>285,080</b>
<b>Employees other than office holders:</b>		
Wages and Salaries	215,605	291,401
Superannuation	29,947	52,076
Leave and other entitlements	(647)	30,547
Separation and redundancies	-	-
Other employee expenses	21,840	36,068
<b>Subtotal employee expenses employees other than office holders</b>	<b>266,745</b>	<b>410,092</b>
<b>Total employee expenses</b>	<b>444,733</b>	<b>695,172</b>

**Note 4B. Capitation fees and other expense to another reporting unit**

	<b>24 October 2022</b>	<b>31 March 2022</b>
	<b>\$</b>	<b>\$</b>
<b>Capitation fees:</b>		
Communications Division - CEPU	132,462	229,660
<b>Subtotal capitation fees</b>	<b>132,462</b>	<b>229,660</b>
<b>Other expenses to another reporting unit:</b>		
Other revenue to another reporting unit – CEPU National Council	-	10,965
<b>Subtotal other expenses to another reporting unit</b>	<b>-</b>	<b>10,965</b>
<b>Total capitation fees and other expenses to another reporting unit</b>	<b>132,462</b>	<b>240,625</b>

**Note 4C. Affiliation fee**

	<b>24 October 2022</b>	<b>31 March 2022</b>
	<b>\$</b>	<b>\$</b>
Australian Labour Party Queensland	-	575
Queensland Council of Unions	12,623	21,182
The Union Shopper Inc	3,039	5,032
<b>Total affiliation fees</b>	<b>15,662</b>	<b>26,789</b>

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**Notes to and forming part of the Financial Statements**

For the period ended 24 October 2022

**Note 4. Expenses (cont'd)**

**Note 4D. Administration expenses**

	<b>24 October 2022</b>	<b>31 March 2022</b>
	<b>\$</b>	<b>\$</b>
Total paid to employers for payroll deductions of membership subscriptions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	667	4,147
Contractors/consultants	-	-
Property expenses	65,349	74,908
Office expenses	26,230	46,323
Information communications technology	3,912	6,990
Motor vehicle expenses	17,305	27,596
Travel expenses	15,881	27,094
Printing, postage and stationary	3,285	19,143
Insurance	27,024	39,785
Other	8,051	11,502
<b>Subtotal administration expense</b>	<b>167,704</b>	<b>257,488</b>
Lease rentals:		
Short term, low value and variable lease payments	-	-
<b>Total administration expenses</b>	<b>167,704</b>	<b>257,488</b>

**Note 4E. Grants & Donations**

	<b>24 October 2022</b>	<b>31 March 2022</b>
	<b>\$</b>	<b>\$</b>
Total Donations that were \$1,000 or less	250	-
Total Donations that exceeded \$1,000	-	-
Total Grants that were \$1,000 or less	-	-
Total Grants that exceeded \$1,000	-	-
<b>Total grants or donations</b>	<b>250</b>	<b>-</b>

**Note 4F. Depreciation and amortisation**

	<b>24 October 2022</b>	<b>31 March 2022</b>
	<b>\$</b>	<b>\$</b>
Depreciation		
Land & building	1,058	13,318
Property, plant and equipment	8,984	20,050
Total depreciation	10,042	33,368
Right-of-use assets	8,983	15,912
<b>Total depreciation and amortisation</b>	<b>19,025</b>	<b>49,280</b>

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**Notes to and forming part of the Financial Statements**

For the period ended 24 October 2022

**Note 4. Expenses (cont'd)**

**Note 4G. Legal and Professional Fees**

	<b>24 October 2022</b>	<b>31 March 2022</b>
	<b>\$</b>	<b>\$</b>
Litigation	-	-
Other legal cost	3,700	2,000
<b>Total legal and professional fees</b>	<b>3,700</b>	<b>2,000</b>

**Note 4H. Other expenses**

	<b>24 October 2022</b>	<b>31 March 2022</b>
	<b>\$</b>	<b>\$</b>
Penalties - via RO Act or the Fair Work Act 2009	-	-
Bad debts	-	2,250
Doubtful debts	-	2,002
<b>Total other expenses</b>	<b>-</b>	<b>4,252</b>

**Note 5. Current Assets**

**Note 5A. Cash and cash equivalents**

	<b>24 October 2022</b>	<b>31 March 2022</b>
	<b>\$</b>	<b>\$</b>
Cash at Bank	4,412,178	490,492
Cash on hand	550	550
Short term deposits	-	-
<b>Total cash and cash equivalents</b>	<b>4,412,728</b>	<b>491,042</b>

**Note 5B. Trade and other Receivables**

	<b>24 October 2022</b>	<b>31 March 2022</b>
	<b>\$</b>	<b>\$</b>
<b>Receivables from other reporting unit(s)</b>		
Receivables from other reporting units	-	-
<b>Total Receivables from other reporting unit(s)</b>	<b>-</b>	<b>-</b>
<b>Less allowance for expected credit losses</b>		
Less allowance for expected credit losses	-	-
<b>Total Less allowance for expected credit losses</b>	<b>-</b>	<b>-</b>
<b>Receivable from other operating unit(s) (net)</b>	<b>-</b>	<b>-</b>
<b>Other Receivables</b>		
<b>Member contribution in arrears</b>		
Member contributions in arrears	-	30,635
Less: Provision for impairment of receivables	-	(2,381)
<b>Net member contribution in arrears</b>	<b>-</b>	<b>28,254</b>
Other	1,230	2,810
<b>Total prepayments</b>	<b>1,230</b>	<b>2,810</b>
<b>Total Trade and other receivables (net)</b>	<b>1,230</b>	<b>31,064</b>

**CEPU COMMUNICATIONS DIVISION**  
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**Notes to and forming part of the Financial Statements**

For the period ended 24 October 2022

**Note 5B. Trade and other receivables (cont'd)**

The movement in the allowance for expected credit losses of trade and other receivables is as follows:

At 1 April	4,252	999
Provision for expected credit losses	-	1,840
Write-off	(4,252)	1,413
<b>At 24 October (31 March)</b>	<b>-</b>	<b>4,252</b>

**Note 5C. Other current assets**

	<b>24 October 2022</b>	<b>31 March 2022</b>
	\$	\$
Prepayments	14,228	66,311
<b>Total other current assets</b>	<b>14,228</b>	<b>66,311</b>

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**Notes to and forming part of the Financial Statements**

For the period ended 24 October 2022

**Note 6. Non-current assets**

**Note 6A. Property, Plant and Equipment**

**24 October 2022**

	Land	Building	Plant and Equipment	Motor Vehicle	Total
	\$	\$	\$	\$	\$
Property, Plant and Equipment carrying amount	-	-	132,122	136,925	269,047
accumulated depreciation	-	-	(116,495)	(96,426)	(212,921)
<b>Total Property, Plant and Equipment</b>	-	-	<b>15,627</b>	<b>40,499</b>	<b>56,126</b>

**Reconciliation of opening and closing balances of property, plant and equipment**

<b>Net Book value 1 April 2022</b>	<b>2,890,550</b>	<b>1,058,442</b>	<b>17,921</b>	<b>47,189</b>	<b>4,014,102</b>
Additions:					
By purchase	-	-	-	-	-
Revaluation	-	-	-	-	-
Impairments	-	-	-	-	-
Depreciation expense	-	(1,058)	(2,294)	(6,690)	(10,042)
Other movement – adjustments	-	-	-	-	-
Disposals:	(2,890,550)	(1,057,384)	-	-	(3,947,934)
Other	-	-	-	-	-
<b>Net Book value 24 October 2022</b>	-	-	<b>15,627</b>	<b>40,499</b>	<b>56,126</b>
Net book value as of 24 October 2022 represented by:					
Gross book value	-	-	132,122	136,925	269,047
Accumulated depreciation and impairment	-	-	(116,495)	(96,426)	(212,921)
<b>Net book value 24 October 2022</b>	-	-	<b>15,627</b>	<b>40,499</b>	<b>56,126</b>

**CEPU COMMUNICATIONS DIVISION**  
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**Notes to and forming part of the Financial Statements**

For the period ended 24 October 2022

**Note 6A. Property, Plant and Equipment (Cont'd)**

**31 March 2022**

	<b>Land</b>	<b>Building</b>	<b>Plant and Equipment</b>	<b>Motor Vehicle</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Property, Plant and Equipment carrying amount	2,890,550	1,111,750	132,122	136,925	4,271,347
accumulated depreciation	-	(53,308)	(114,201)	(89,736)	(257,245)
<b>Total Property, Plant and Equipment</b>	<b>2,890,550</b>	<b>1,058,442</b>	<b>17,921</b>	<b>47,189</b>	<b>4,014,102</b>

**Reconciliation of opening and closing balances of property, plant and equipment**

<b>Net Book value 1 April 2021</b>	<b>3,335,250</b>	<b>293,535</b>	<b>15,130</b>	<b>62,919</b>	<b>3,706,834</b>
Additions:					
By purchase	-	-	7,111	-	7,111
Revaluation	(444,700)	778,225	-	-	333,525
Impairments	-	-	-	-	-
Depreciation expense	-	(13,318)	(4,320)	(15,730)	(33,368)
Other movement – adjustments	-	-	-	-	-
Disposals:	-	-	-	-	-
Other	-	-	-	-	-
<b>Net Book value 31 March 2022</b>	<b>2,890,550</b>	<b>1,058,442</b>	<b>17,921</b>	<b>47,189</b>	<b>4,014,102</b>
Net book value as of 31 March 2022 represented by:					
Gross book value	2,890,550	1,111,750	132,122	136,925	4,271,347
Accumulated depreciation and impairment	-	(53,308)	(114,201)	(89,736)	(257,245)
<b>Net book value 31 March 2022</b>	<b>2,890,550</b>	<b>1,058,442</b>	<b>17,921</b>	<b>47,189</b>	<b>4,014,102</b>

On 29 April 2022, CEPU QLD has agreed to transfer to ETU the property in 41 Peel Street South Brisbane (described as Lot 31 on survey plan 211433) for a settlement amount of \$4,000,000.00 which has resulted to a gain on sale of \$3,406,048.



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**Notes to and forming part of the Financial Statements**

For the period ended 24 October 2022

**Note 6B. Leases**

**The Branch as a lessee**

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

	Photocopier	Phone System	Total
	\$	\$	\$
<b>As at 1 April 2021</b>	26,604	6,050	32,654
Additions	-	-	-
Depreciation expense	(12,568)	(3,344)	(15,912)
Impairment	-	-	-
Disposal	-	-	-
Other movement - adjustment	8,774	5	8,779
<b>As at 1 April 2022</b>	22,810	2,711	25,521
Additions	-	-	-
Depreciation expense	(7,258)	(1,725)	(8,983)
Impairment	-	-	-
Disposal	-	-	-
Other movement - adjustment	-	-	-
<b>As at 24 October 2022</b>	<b>15,552</b>	<b>986</b>	<b>16,538</b>

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

	24 October 2022	31 March 2022
	\$	\$
<b>As at 1 April</b>	26,350	32,654
Additions	-	-
Accretion of interest	575	1,518
Payments	(9,685)	(7,822)
<b>As at 24 October / 31 March</b>	<b>17,240</b>	<b>26,350</b>
Current	17,240	15,485
Non-current	-	10,865
The following are the amounts recognised in profit or loss:		
Depreciation expense of right-of-use assets	8,983	15,912
Interest expense on lease liabilities (incl. in bank charges & interest)	575	1,518
Expense relating to leases of low-value assets (included in administrative expenses)	-	1,760
<b>Total amount recognised in profit or loss</b>	<b>9,558</b>	<b>19,190</b>

**CEPU COMMUNICATIONS DIVISION**  
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**Notes to and forming part of the Financial Statements**

For the period ended 24 October 2022

**Note 7. Current Liabilities**

**Note 7A. Trade payable**

	<b>24 October 2022</b>	<b>31 March 2022</b>
	<b>\$</b>	<b>\$</b>
Trade creditors and accruals	104,823	119,065
<b>Subtotal trade creditors</b>	<b>104,823</b>	<b>119,065</b>
<b>Payables to other reporting unit(s)</b>		
Payables to other reporting unit	-	-
<b>Subtotal payables to other reporting unit(s)</b>	<b>-</b>	<b>-</b>
<b>Total trade payables</b>	<b>104,823</b>	<b>119,065</b>

Settlement is usually made within 30 days.

**Note 7B. Other payable**

	<b>24 October 2022</b>	<b>31 March 2022</b>
	<b>\$</b>	<b>\$</b>
PAYG withholding tax	11,128	12,282
Superannuation	13,263	(1,645)
Payable to employers for making payroll deductions of membership subscriptions	-	-
Legal costs	-	-
Litigation	-	-
Other legal costs	-	-
GST payable	(5,244)	1,559
Contribution received in advance	5,058	5,058
Salary sacrifice	(65)	(65)
Other	22	-
<b>Total other payable</b>	<b>24,162</b>	<b>17,189</b>
<b>Total other payables are expected to be settled in:</b>		
No more than 12 months	24,162	17,189
More than 12 months	-	-
<b>Total other payables</b>	<b>24,162</b>	<b>17,189</b>

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**Notes to and forming part of the Financial Statements**

For the period ended 24 October 2022

**Note 8. Provisions**

**Note 8A. Employee provisions**

	<b>24 October 2022</b>	<b>31 March 2022</b>
	<b>\$</b>	<b>\$</b>
<b>Office Holders:</b>		
Annual leave	116,684	82,998
Long service leave	62,943	55,652
Separations and redundancies	-	-
Other - sick leave	-	-
<b>Subtotal employee provisions-office holders</b>	<b>179,627</b>	<b>138,650</b>
<b>Employees other than office holders</b>		
Annual leave	78,731	87,401
Long service leave	72,602	64,788
Separations and redundancies	-	-
Other - sick leave	-	-
<b>Subtotal employee provisions- employees other than office holders</b>	<b>151,333</b>	<b>152,189</b>
<b>Total employee provisions</b>	<b>330,960</b>	<b>290,839</b>
Current	195,415	253,319
Non-current	135,545	37,520
<b>Total employee provisions</b>	<b>330,960</b>	<b>290,839</b>

**Note 9. Reserve**

**Note 9A. Other funds**

	<b>24 October 2022</b>	<b>31 March 2022</b>
	<b>\$</b>	<b>\$</b>
<b>Compulsory levy/voluntary contribution fund</b>		
<b>Balance as at start of the period</b>		
Transferred to fund, account or controlled entity	-	-
Transferred out of fund, account or controlled entity	-	-
<b>Balance as at end of the period</b>	<b>-</b>	<b>-</b>
<b>Total compulsory levy/voluntary contribution fund</b>	<b>-</b>	<b>-</b>

**Reserve**

Disaster relief reserve

The Disaster Relief Reserve records funds set aside for disaster relief for members.

<b>Balance as at start of the period</b>	9,266	9,345
Transferred to reserve	-	2,421
Transferred out of reserve	(9,266)	(2,500)
<b>Balance as at end of period</b>	<b>-</b>	<b>9,266</b>

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**Notes to and forming part of the Financial Statements**

For the period ended 24 October 2022

**Note 9. Reserves (cont'd)**

**Note 9A. Other funds (cont'd)**

	24 October 2022	31 March 2022
	\$	\$
<b>Asset revaluation reserve</b>		
The Asset Revaluation Reserve represents the cumulative amount of fair value gains / losses recognized in other comprehensive income in revaluations of non-current assets. The asset has been sold during the period and the gain was recognized in profit and loss.		
<b>Balance as at start of the period</b>	3,353,982	3,020,457
Transferred to reserve	-	333,525
Transferred out of reserve	(3,353,982)	-
<b>Balance as at end of the period</b>	<u>-</u>	<u>3,353,982</u>

**Note 10. Cash Flow**

**Note 10A. Cash flow reconciliation**

**Reconciliation of cash and cash equivalents as per statement of financial position to statement of cash flow:**

	24 October 2022	31 March 2022
	\$	\$
<b>Cash and cash equivalents as per:</b>		
Statement of cash flow	4,412,728	491,041
Statement of financial position	4,412,728	491,041
<b>Difference</b>	<u>-</u>	<u>-</u>

**Reconciliation of Surplus/(deficit) to net cash from operating activities:**

Surplus/(deficit) for the year	3,203,050	(91,588)
<b>Adjustments for non-cash items</b>		
Depreciation/amortisation	19,025	49,280
Doubtful debts	-	2,202
Bad debts	-	2,250
Fair value movements in investment property	-	-
Gain on disposal of assets	(3,406,048)	-
Movement in disaster relief fund	-	1
Interest on lease liability	575	1,518
<b>Changes in assets/liabilities</b>		
decrease/(increase) in net receivables	29,834	(12,799)
decrease/(increase) in prepayments	52,083	(8,082)
(decrease)/increase in trade payables and other payables	(7,269)	39,405
increase in employee provisions	40,121	23,413
<b>Net cash from (used by) operating activities</b>	<u>(68,629)</u>	<u>5,600</u>

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**Notes to and forming part of the Financial Statements**

For the period ended 24 October 2022

**Note 11. Contingent liabilities, assets and commitments**

**Note 11A. Commitments and contingencies**

The CEPU QLD Branch Committee of Management is not aware of any contingent liabilities or contingent assets.

**Note 12. Related party disclosures**

**Note 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 4G.
- ii. The aggregate amount paid during the financial period to a superannuation plan in respect of elected full-time officers was \$27,181 (31 March 2022: \$44,963).
- iii. There have been no other transactions between the officers and the CEPU Communications Division – Queensland Communication Division 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 5B.

**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 24 October 2022.

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**Notes to and forming part of the Financial Statements**

For the period ended 24 October 2022

**Note 12. Related party disclosure (cont'd)**

**Note 12B. Key management personnel remuneration for the reporting period**

	<b>24 October 2022</b>	<b>31 March 2022</b>
	<b>\$</b>	<b>\$</b>
<b>Short-term employee benefits</b>		
Salary (including annual leave taken)	109,830	247,251
Annual leave accrued	33,686	82,998
Performance bonus	-	-
<b>Total short-term employee benefits</b>	<b>143,516</b>	<b>330,249</b>
<b>Post-employment benefits:</b>		
Superannuation	27,181	44,963
<b>Total post-employment benefits</b>	<b>27,181</b>	<b>44,963</b>
<b>Other long-term benefits:</b>		
Long-service leave	7,291	55,652
<b>Total other long-term benefits</b>	<b>7,291</b>	<b>55,652</b>
<b>Termination benefits</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>-</b>	<b>-</b>

**Transactions with key management personnel & their close family members**

<b>Loans to/from key management personnel</b>	-	-
<b>Other transactions with key management personnel</b>	-	-

**Note 13. Remuneration of auditors**

**Value of the services provided**

	<b>24 October 2022</b>	<b>31 March 2022</b>
	<b>\$</b>	<b>\$</b>
Financial statement audit services	23,000	13,650
Other services	5,000	9,800
Other non-audit services	6,500	-
<b>Total remuneration of auditors</b>	<b>34,500</b>	<b>23,450</b>

**Note 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:

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**Notes to and forming part of the Financial Statements**

For the period ended 24 October 2022

**Note 14. Financial Instruments (cont'd)**

**Note 14A. 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 CEPU QLD 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.

Currently the CEPU QLD 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:

<b>24 October 2022</b>		<b>Trade and other receivables</b>				
		<b>Days past due</b>				
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
	\$	\$	\$	\$	\$	\$
Contribution in arrears	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-
<b>31 March 2022</b>		<b>Trade and other receivables</b>				
		<b>Days past due</b>				
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
	\$	\$	\$	\$	\$	\$
Contribution in arrears	30,635	-	-	-	30,635	30,635
Other receivables	2,810	722	2,088	-	-	2,810

**CEPU COMMUNICATIONS DIVISION**  
**QUEENSLAND COMMUNICATION DIVISION**

**Notes to and forming part of the Financial Statements**

For the period ended 24 October 2022

**Note 14. Financial Instruments (cont'd)**

**Note 14A. Credit risk (cont'd)**

The Branch's maximum exposure to credit risk for the components of the statement of financial position as at 24 Oct 2022 and 31 March 2022 is the carrying amount as illustrated above.

**Note 14B. Liquidity risk**

Liquidity risk arises from the possibility that the branch might encounter difficulty in settling its debts or otherwise meeting its obligation relating to financial liabilities. The Branch manages this risk through the following:

- Only investing surplus cash with major financial institutions;
- Maintaining a reputable credit profile;
- Proactively monitoring the recovery of unpaid member contribution;
- Retaining sufficient cash reserves to meet obligations.

The table below reflect an undiscounted contractual maturity analysis for non-derivative financial liabilities. The Branch does not hold directly any derivative financial liabilities.

Cash flow realized from financial assets reflect management's expectation as to the timing of realization. Actual timing may therefore differ from that disclosed. The timing of cashflows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

**Contractual maturities for financial liabilities 24 October 2022**

	On Demand	<1 year \$	1-2 years \$	2-5 years \$	>5 years \$	Total \$
Trade and other payables	-	104,823	-	-	-	104,823
Other payables	-	24,162	-	-	-	24,162
Lease liabilities	-	17,240	-	-	-	17,240
<b>Total</b>	<b>-</b>	<b>146,225</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>146,225</b>

**Contractual maturities for financial liabilities 31 March 2022**

	On Demand	<1 year \$	1-2 years \$	2-5 years \$	>5 years \$	Total \$
Trade and other payables	-	119,065	-	-	-	119,065
Other payables	-	17,189	-	-	-	17,189
Lease liabilities	-	15,485	10,865	-	-	26,350
<b>Total</b>	<b>-</b>	<b>151,739</b>	<b>10,865</b>	<b>-</b>	<b>-</b>	<b>162,604</b>

**Lease liability maturity 24 October 2022**

	On Demand	<1 year \$	1-2 years \$	2-5 years \$	>5 years \$	Total \$
Photocopier	-	16,150	-	-	-	16,150
Phone System	-	1,090	-	-	-	1,090
<b>Total</b>	<b>-</b>	<b>17,240</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,240</b>



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**Notes to and forming part of the Financial Statements**

For the period ended 24 October 2022

**Note 14. Financial Instruments (cont'd)**

**Note 14B. Liquidity risk (cont'd)**

**Lease liability maturity 31 March 2022**

	On Demand	<1 year \$	1-2 years \$	2-5 years \$	>5 years \$	Total \$
Photocopier	-	12,525	10,865	-	-	23,390
Phone System	-	2,960	-	-	-	2,960
Total	-	15,485	10,865	-	-	26,350

**Note 14C. 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.

**Sensitivity analysis of the risk that the entity is exposed to for 24 October 2022**

	Effective Weighted Average Interest rate			
	24 October 2022 %	31 March 2022 %	24 October 2022 \$	31 March 2022 \$
Floating Interest Rate				
Cash and cash equivalents	2.85	0.70	4,412,728	491,042

Risk Variable	Change in risk variable %	Effect on	
		Profit and loss \$	Equity \$
Interest rate risk	+1%	169,890	169,890
Interest rate risk	-1%	81,635	81,635

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

Risk Variable	Change in risk variable %	Effect on	
		Profit and loss \$	Equity \$
Interest rate risk	+1%	8,342	8,342
Interest rate risk	-1%	(1,473)	(1,473)

**CEPU COMMUNICATIONS DIVISION**  
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**Notes to and forming part of the Financial Statements**

For the period ended 24 October 2022

**Note 14. Financial Instruments (cont'd)**

**Note 14C. Market risk (cont'd)**

**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.

**Note 15. Fair value measurement**

**Note 15A. 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 24 October 2022 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 24 October 2022 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:

	<b>Carrying amount</b>	<b>Fair value</b>	<b>Carrying amount</b>	<b>Fair value</b>
	<b>24 October 2022</b>	<b>24 October 2022</b>	<b>31 March 2022</b>	<b>31 March 2022</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial Assets</b>				
Cash and cash equivalents	4,412,728	4,412,728	491,042	491,042
Trade and other receivables	1,230	1,230	31,064	31,064
Other current assets	14,228	14,228	66,311	66,311
<b>Total</b>	<b>4,428,186</b>	<b>4,428,186</b>	<b>588,417</b>	<b>588,417</b>
<b>Financial Liabilities</b>				
Trade payables and other payables	146,225	146,225	162,604	162,604
<b>Total</b>	<b>146,225</b>	<b>146,225</b>	<b>162,604</b>	<b>162,604</b>

**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATION DIVISION**

**Notes to and forming part of the Financial Statements**

For the period ended 24 October 2022

**Note 15. Fair value measurements (cont'd)**

**Note 15B. Financial and non-financial assets and liabilities fair value hierarchy**

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

**Fair value hierarchy – 24 October 2022**

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		\$	\$	\$
Land and Building		-	-	-
Total		-	-	-

**Fair value hierarchy – 31 March 2022**

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		\$	\$	\$
Land and Building	05/07/2021	4,002,300	-	-
Total		4,002,300	-	-

**Note 16. Administration of financial affairs by a third party**

There was no administration of financial affairs by a third party during the period (31 March 2022: None).

Name of entity providing service: Not applicable

Terms and conditions: Not applicable

Nature of expenses/consultancy service: Not applicable

**Notes to and forming part of the Financial Statements**

For the period ended 24 October 2022

**Note 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).

**CEPU COMMUNICATIONS DIVISION  
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**Officer declaration statement**

I, Shane Murphy, being the branch Secretary of the CEPU Communications Division – Queensland Communication Division Branch, declare that the following activities did not occur during the reporting period ending 24 October, 2022.

CEPU Communications Division – Queensland Communication Division Branch did not:

- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive revenue from undertaking recovery of wages activity
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- make a payment to a former related party of the reporting unit

Signed by the officer:  .....

Dated: 19 July 2023.....

## Independent Auditor's Report To the Members of CEPU Communications Division – Queensland Communications Divisions Branch

### Report on the Audit of the Financial Report

#### Opinion

We have audited the accompanying financial report of CEPU Communications Division – Queensland Communications Divisions Branch (the Reporting Unit) which comprises the statement of financial position as at 24 October 2022, 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 Reporting Unit as at 24 October 2022, 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

#### Emphasis of Matter – Basis of Accounting

We draw attention to Note 1.1 to the financial report, which describes the basis of accounting. The financial report has been prepared using the non-going concern basis of accounting to reflect the cessation of activities of the Reporting Unit. The assets and liabilities recognised in the statement of financial position of the Reporting Unit as at 24 October 2022 are at their realisable value. This, and other matters as set out in Note 1.1, detail the basis of accounting adopted for the financial report. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

## 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.

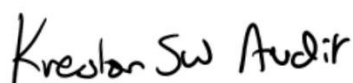
We communicate with the branch committee of management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.



**KrestonSW Audit Pty Ltd**



**Kamal Thakkar**

Director

**Registration number: AA2017/175**

**Sydney**

**19 July 2023**