



Australian Government
Registered Organisations Commission

21 August 2018

Mr Cameron Bird
Branch Secretary
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied
Services Union of Australia - Queensland Communications Division Branch

By e-mail: comms@cepuqld.asn.au

Dear Mr Bird

**Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied
Services Union of Australia - Queensland Communications Division Branch
Financial Report for the year ended 31 March 2018 - FR2018/15**

I acknowledge receipt of the financial report for the year ended 31 March 2018 for the
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied
Services Union of Australia - Queensland Communications Division Branch (CEPU-CQLD). The
financial report was lodged with the Registered Organisations Commission (ROC) on 20 August
2018.

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

Whilst the 2017 report has been filed the following should be addressed in the preparation of the
next financial report.

1. Committee of Management Statement

Reference to s.272 & s.273

Following the enactment of the *Fair Work (Registered Organisations) Amendment Act 2016*, with
effect from 1 May 2017, section 272 refers to Commissioner of the ROC instead of the General
Manager, Fair Work Commission. However, section 273 continues to refer to the Fair Work
Commission (FWC).

The CEPU-CQLD Committee of Management statement, at reference (e)(vi), refers to the
'Registered Organisations Commission'. In future, please amend this reference to the 'Fair
Work Commission'.

2. General Purpose Financial Report (GPFR)

Future Australian Accounting Standards

Australian Accounting Standard *AASB 108 Accounting Policies, Changes in Accounting
Estimates and Errors* paragraph 30 requires that the entity disclose Australian Accounting
Standards issued but not yet effective with an assessment of the future impact on the entity.

At a minimum, new accounting standards *AASB 9 Financial Instruments* and *AASB 16 Leases* should be disclosed at Note 1(q) to the GPFR. In future, please ensure that accounting standards are disclosed in accordance with AASB 108.

Fair value measurement disclosures

Australian Accounting Standard *AASB 13 Fair Value Measurement* details the reporting disclosures required for assets and liabilities that are measured at fair value.

This information has not been provided.

Disclosure of grants and donations

Reporting Guideline 16(e) requires that where grants or donations have been paid, the total amount paid is to be disclosed as follows:

- (i) grants that were \$1,000 or less;
- (ii) grants that exceeded \$1,000;
- (iii) donations that were \$1,000 or less;
- (iv) donations that exceeded \$1,000

In future, please ensure that grants and donations are disclosed as required by reporting guideline 16(e).

Activities under Reporting Guidelines (RG) not disclosed

Items 17 and 21 of the RG state that if the activities identified in items 16 and 20 respectively have not occurred in the reporting period, a statement to this effect must be included in the notes to the GPFR. I note that for the following RG items no such disclosure has been made:

- Item 16(d) - compulsory levies imposed
- Item 16(i) - expenses incurred with holding meeting of members or any conferences or meeting of councils, committees, panels or other bodies
- Item 20(a) - payables to employers as consideration for employer making payroll deductions of membership subscriptions

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 9603 0707 or by email at ken.morgan@roc.gov.au

Yours faithfully



KEN MORGAN
Financial Reporting Advisor
Registered Organisations Commission

2018/08/31

14th August 2018



Registered Organisations Commission
GPO Box 2983
MELBOURNE VIC 3001

Dear Sir/Madam

Re YEAR 2018 REPORT ON FINANCIAL STATEMENTS

Enclosed are the audited Financial Statements for the Queensland Branch of the Communications Electrical Plumbing Union, Queensland Communications Division for the financial year ending 31st March 2018. This report was made available to members via our website on 10th July 2018.

Yours faithfully

A handwritten signature in black ink, appearing to read "C. Bird".

Cameron Bird
BRANCH SECRETARY

Year 2018 REPORT ON FINANCIAL STATEMENTS & ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2018

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER


s.268 *Fair Work (Registered Organisations) Act 2009*

Certificate for the year ended 31st March 2018

I Cameron Bird being the Branch State Secretary of the Communications Electrical Plumbing Union, Communications Division Queensland Branch certify

- that the documents lodged herewith are copies of the full report for the Communications Electrical Plumbing Union, Communications Division Queensland Branch for the period ended 31/3/2018 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 10th July 2018 and
- that the full report was presented to a *meeting of the Branch Committee of Management* of the reporting unit on 9th July 2018. Due to a lack of a quorum for the Annual General Meeting 13th August the Branch Committee of Management endorsed the report (at the BCOM held on 13th August 2018) in accordance with s.266(3) of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:


.....

Name of prescribed designated officer:

Cameron Bird
Branch Secretary

Dated:

14/08/18
.....

AUDITOR'S CERTIFICATE

**COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING AND
ALLIED SERVICES UNION OF AUSTRALIA – COMMUNICATIONS DIVISION QUEENSLAND BRANCH**

As auditor for the Communication, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Communications Division Queensland Branch (*"the Branch"*), I certify that the Branch has for the year ending 31 March 2018:

- (a) Kept and maintained a register of members of the branch as required by paragraph 230(1)(a) and subsection 230(2) of the *Fair Work (Registered Organisations) Act 2009*; and
- (b) 3,402 total members.



.....
Jeff Rake

Registered Company Auditor No: 6017

Accru Rawsons Chartered Accountants
GPO Box 2773
BRISBANE QLD 4001

Signed at Brisbane on 22th June 2018

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS
DIVISION BRANCH**

ABN 86 127 798 512

FINANCIAL REPORT

FOR THE YEAR ENDED 31 MARCH, 2018

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

OPERATING REPORT

The Branch Committee of Management present their operating report for the financial year ended 31 March 2018.

Committee Members

The names of members of the Branch Committee of Management at any time during the financial year are:

Cameron Bird (<i>Secretary</i>)	Brett O'Neill
Mark Templeman (<i>President</i>)	Fraser Dawson
Catherine O'Brien (<i>Vice President Affirmative Action</i>)	Noah Harris
Brian Kershaw (<i>Vice President</i>)	Martin Wagner
Kevin Hogan (<i>Vice President</i>)	Kevin Joinbee
Chris Gleeson	

Members served on the Committee from the start of the financial year to the end of the financial year unless otherwise stated.

Principal Activities

The principal activity of the Branch during the course of the financial year was the advancement and protection of the interests of members.

There were no significant changes in the nature of the principal activities of the Branch during the financial year.

Results of those Activities

The operating result of the Branch for the financial year was a loss of \$172,085.

Financial Affairs

There were no significant changes to the financial affairs of the Branch during the financial year.

Resignation from Membership

A member of the Branch may resign from membership by written notice addressed and delivered to the Branch Secretary. The notice of resignation can be given electronically.

A notice of resignation from membership takes effect:

- (a) where the member ceases to be eligible to become a member of the Branch:
 - (i) on the day on which the notice is received by the organisation; or
 - (ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;whichever is later;
- (b) in any other case:
 - (i) at the end of two weeks, or such shorter period as is specified in the rules of the organisation, after the notice is received by the organisation; or
 - (ii) on the day specified in the notice;whichever is later.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

OPERATING REPORT

Superannuation Fund Trustees

To the best of our knowledge and belief, no official or employee of the Branch is:

- (i) a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (ii) a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

Directorships of Companies or Members of a Board

To the best of our knowledge and belief, no official or employee of the Branch is:

- (i) a director of a company; or
- (ii) a member of a board.

Other Information

The activities of the Branch during the financial year produced many positive outcomes. Some of the main highlights are:

- o Daily Industrial representations and advocacy implementing industrial instruments. This remains a core activity and takes up the bulk of our resources- Postal and Telco.
- o Postal EBA – Workplace briefings, ballot and implementation
- o NDMT – National Delivery Modelling Tool. Workplace visits and implementations of Business Cases as agreed to by local members and local committees.
- o Postal Local Working Groups at numerous locations to implement appropriate processes and measures to reduce impact of proposals regarding workplace changes.
- o Organising Trips – Postal/Telco. Member engagement in regional areas. Each region receives 3 visits per calendar year.
- o Daily workplace visits – Postal/Telco
- o Postal State and National Consultative Committees and meetings
- o Multiple Disciplinary Inquires, Board Of Reference and Unfair Dismissal cases.
- o Telstra EBA – Groundwork, survey, communications and preliminary discussions with members
- o Telco visits to workplaces and Phone Shops

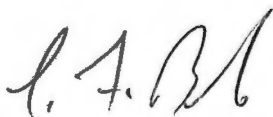
Branch Members

The number of members of the branch at the end of the financial year was 3,402.

Branch Employees

The number of employees of the Branch at the end of the financial year was 5.8

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



C Bird (Branch Secretary)

Dated this 10th day of July 2018.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018**

	Note	2018 \$	2017 \$
Revenue	2	1,293,498	1,326,701
Employee benefit expense	4	(737,637)	(613,293)
Depreciation and amortisation expense		(89,564)	(93,357)
Operating lease expense	3	(17,654)	(18,618)
Finance cost expense	3	-	-
Affiliation expenses	3	(18,090)	(14,746)
Bad and doubtful debt expenses	3	5,240	(22,102)
Insurance		(35,384)	(34,196)
Legal expenses	3	(2,184)	(24,381)
National Council Fund - Communications Electrical Plumbing Union		(9,973)	(8,302)
ACTU - Industrial Relations Levy Proportional Cost		-	-
Capitation fees - Communications Division - CEPU		(279,910)	(288,692)
Motor vehicle expenses		(25,685)	(25,107)
Office expenses		(102,717)	(79,583)
Organising and travelling expenses		(27,415)	(16,985)
Premises expenses		(72,271)	(77,564)
Telecommunications expenses		(11,636)	(12,098)
Other expenses from ordinary activities		<u>(40,703)</u>	<u>(57,306)</u>
Profit/(loss) before income tax		(172,085)	(59,629)
Income tax expense		<u>-</u>	<u>-</u>
Profit/(loss) attributable to members		<u><u>(172,085)</u></u>	<u><u>(59,629)</u></u>
Other comprehensive income			
Donations to Disaster Relief Reserve		1,800	2,500
Interest received on Disaster Relief Reserve		1	1
Expenditure from Disaster Relief Reserve		(2,500)	(200)
Net gain on revaluation of non-current assets		<u>644,852</u>	<u>-</u>
Total other comprehensive income for the year		<u><u>644,153</u></u>	<u><u>2,301</u></u>
Total comprehensive income for the year		<u><u>472,068</u></u>	<u><u>(57,329)</u></u>
Total comprehensive income attributable to members		<u><u>472,068</u></u>	<u><u>(57,329)</u></u>

The statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements set out on pages 7 to 26.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018**

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash on hand	6	429,229	419,844
Accounts receivable and other debtors	7	15,266	24,776
Other current assets	8	<u>30,810</u>	<u>37,477</u>
Total Current Assets		<u>475,305</u>	<u>482,097</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	<u>3,769,972</u>	<u>3,213,251</u>
Total Non-Current Assets		<u>3,769,972</u>	<u>3,213,251</u>
TOTAL ASSETS		<u>4,245,277</u>	<u>3,695,348</u>
 LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	10	87,134	65,576
Employee provisions	11	<u>208,482</u>	<u>164,722</u>
Total Current Liabilities		<u>295,616</u>	<u>230,298</u>
NON-CURRENT LIABILITIES			
Employee provisions	11	<u>33,776</u>	<u>19,433</u>
Total Non-Current Liabilities		<u>33,776</u>	<u>19,433</u>
TOTAL LIABILITIES		<u>329,392</u>	<u>249,731</u>
NET ASSETS		<u>3,915,885</u>	<u>3,445,617</u>
 EQUITY			
Reserves	12	3,027,080	2,382,316
Retained profits		<u>888,806</u>	<u>1,063,301</u>
TOTAL EQUITY		<u>3,915,885</u>	<u>3,445,617</u>

The statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 7 to 26.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

	Retained Profits \$	Asset Revaluation Reserve \$	Disaster Relief Reserve \$	Total \$
Balance at 1 April 2016	1,126,120	2,375,604	3,721	3,505,445
Comprehensive income				
Profit/(loss) attributable to members	(59,629)	-	-	(59,629)
Other comprehensive income for the year	-	-	(199)	(199)
Total comprehensive income	<u>(59,629)</u>	<u>-</u>	<u>(199)</u>	<u>(59,829)</u>
Amount due from general account to disaster relief reserve	610	-	(610)	-
Transfers	<u>(3,800)</u>	<u>-</u>	<u>3,800</u>	<u>-</u>
Balance at 31 March 2017	<u>1,063,301</u>	<u>2,375,604</u>	<u>6,712</u>	<u>3,445,617</u>
Comprehensive income				
Profit/(loss) attributable to members	(172,085)	-	-	(172,085)
Other comprehensive income for the year	-	644,852	(699)	644,153
Total comprehensive income	<u>(172,085)</u>	<u>644,852</u>	<u>(699)</u>	<u>472,068</u>
Amount due from general account to disaster relief reserve		-	-	-
Transfers	<u>(2,410)</u>	<u>-</u>	<u>610</u>	<u>(1,800)</u>
Balance at 31 March 2018	<u>888,806</u>	<u>3,020,456</u>	<u>6,622</u>	<u>3,915,885</u>

The statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 7 to 26.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018**

	Note	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members		1,265,120	1,287,705
Receipts from Communications Division - CEPU		2,863	1,471
Receipts from Electrical Trades Union (Qld & NT)		818	4,727
Receipts from AFULE		20,871	-
Other receipts		6,000	6,091
Payments to suppliers and employees		(1,008,955)	(983,402)
Payments to Communications Division - CEPU		(282,813)	(289,779)
Payments to CEPU National Council		-	(13,626)
Interest received		6,912	8,773
Interest paid		-	-
Net cash flows provided/(used) by operating activities	18(a)	<u>10,818</u>	<u>21,961</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	3,455
Purchases of property, plant and equipment		<u>(1,433)</u>	<u>(108,685)</u>
Net cash flows provided/(used) by investing activities		<u>(1,433)</u>	<u>(105,230)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		<u>-</u>	<u>-</u>
Net cash flows provided/(used) by financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held		9,385	(83,269)
Cash on hand at beginning of financial year		<u>419,844</u>	<u>503,113</u>
Cash on hand at end of financial year	6	<u><u>429,228</u></u>	<u><u>419,844</u></u>

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 7 to 26.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

The financial statements cover the CEPU Communications Division, Queensland Communications Division Branch as an individual entity, established and domiciled in Australia. The CEPU Communications Division, Queensland Communications Division Branch is a branch of an Industrial Union pursuant to the Fair Work (Registered Organisations) Act 2009.

The financial statements were authorised for issue on *9th July* 2018 by the members of the Branch Committee of Management.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Interpretations of the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009. For the purpose of preparing the general purpose financial statements, the CEPU Communications Division, Queensland Communications Division Branch is a not-for-profit entity.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

(a) Income Tax

No provision for income tax has been raised as the Branch is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(b) Fair value of Assets and Liabilities

The Branch measures some of its assets and liabilities at fair value on either recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Branch would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific assets or liability. The fair values of assets and liabilities are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible the use of the observable market data.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(c) Property, Plant and Equipment

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

Property

Freehold land and buildings are shown at cost or fair value, based on periodic valuations by external independent valuers, less accumulated depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Revaluation decreases that offset previous increases of the same asset are recognised against the revaluation surplus directly in equity. All other decreases are recognised in profit or loss. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amounts is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, is depreciated on a straight line basis over the asset's useful life commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate and Basis</i>
Buildings	2.50% to 4.00% straight line
Motor Vehicles	25.00% diminishing value
Leased Motor Vehicles	25.00% diminishing value
Plant and equipment	10.00% to 40.00% diminishing value

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

Gains and losses on disposals are determined by comparing net proceeds with the carrying amount. These gains and losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained surplus.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(d) Leases

Leases of property, plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the Branch, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amount equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a diminishing value basis over their estimated useful lives where it is likely that the Branch will obtain ownership of the asset over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight line basis over the term of the lease.

(e) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Branch becomes party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Branch commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of income or expense in profit or loss.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in fair value (ie gains or losses) being recognised in the profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Branch's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Impairment

A financial asset (or group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of once or more events (a 'loss event') having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors, or a group of debtors, are experiencing significant financial difficulty, default or delinquency in interest or principal payments, indications that they will enter into bankruptcy or other financial reorganisation; and changes in arrears

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having undertaken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Branch recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Branch no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(f) Impairment of Assets

At the end of each reporting period, the Branch Committee of Management assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is depreciated replacement cost of the asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the Branch estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(g) Employee Provisions

Short-term employee benefits

Provision is made for the Branch's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services, including wages, salaries and sick

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

leave. Short-term employee benefits are measured at the (undiscounted) amount expected to be paid when the obligation is settled.

The Branch's obligations for short-term employee benefits such as wages, salaries and sick leave as recognized as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' annual leave entitlements not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departure, and are discounted at rates determined by reference to end-of-reporting-period market yields on government bonds that have maturity dates approximating the terms of the obligations. Any remeasurements of other long-term employee benefit obligations due to changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Branch's obligation for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the association does not have an unconditional right to defer settlement for a least 12 month after the reporting date, in which case the obligations are presented as current provisions.

(h) Cash on Hand

Cash on hand includes cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts.

(i) Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members for services provided in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment. Refer to Note 1(f) for further discussion on the determination of impairment losses.

(j) Revenue and Other Income

Revenue from member contributions is recognised upon the member contributions becoming payable.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

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

(k) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such

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1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing or financing activities, which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payable to suppliers.

(m) Comparative Figures

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

(n) Account Payables and Other Payables

Account payables and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Branch during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(o) Provisions

Provisions are recognised when the Branch has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(p) Critical Accounting Estimates and Judgments

The Branch Committee of Management evaluates estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Branch.

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1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(q) Adoption of New and Revised Accounting Standards

During the year the Branch adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

	2018	2017
	\$	\$
2. REVENUE AND OTHER INCOME		
Operating activities		
Members' contributions	1,256,033	1,305,638
Expense reimbursements - Communications Division - CEPU	2,863	1,471
Interest received	6,912	8,773
Rent received - Electrical Trades Union (Qld and NT)	818	4,727
Rent received - Australian Federated Union of Locomotive Employees	20,871	-
Rent received - other	4,636	4,727
Other revenue	1,364	1,364
Profit on disposal of property, plant and equipment	-	-
	1,293,498	1,326,701
Total Revenue	1,293,498	1,326,701

Other Information

- The Branch did not receive any capitation fees from another reporting unit during the financial year.
- The Branch did not raise any compulsory levies or conduct any appeals for voluntary contributions (including whip arounds) during the financial year.
- The Branch did not receive any grants or donations during the financial year.

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	2018	2017
	\$	\$
3. SURPLUS FOR THE YEAR		
(a) Expenses		
Interest expense - external	-	-
Bad and doubtful debts:		
- member contributions receivable	(5,240)	12,141
- expense reimbursements - Communications Division - CEPU	-	9,961
	(5,240)	22,102
Rental expense on operating leases:		
- minimum lease payments on office equipment	17,654	18,618
Loss on disposal of property, plant and equipment	-	12,851
Commission for employers making payroll deductions	6,254	6,645
Affiliation expenses:		
- Australian Labour Party Queensland	650	734
- Queensland Council of Unions	8,370	5,100
- The Union Shopper Inc	9,070	8,912
	18,090	14,746
Donations expenses:		
- National Breast Cancer Foundation - donation	-	100
	-	100
Grants:		
- Member assistance (paid from Disaster Relief Fund)	2,500	200
State Executive attendance fees	1,840	1,800
State Executive other expenses	3,653	3,012
Legal expenses:		
- litigation	-	-
- other legal matters	2,254	24,381
	2,254	24,381
Penalties under Fair Work (Registered Organisations) Act 2009	-	-
(b) Significant Revenue and Expenses		
The following significant revenue and expense items are relevant in explaining the financial performance:		
Members' contributions	1,256,033	1,305,638

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	2018	2017
	\$	\$
4. SALARIES AND RELATED EXPENSES		
Holders of office:		
- wages and salaries	237,172	224,245
- superannuation	39,652	28,534
- leave and other entitlements	21,527	(35,261)
- separation and redundancies	-	-
- other employee expenses	-	-
Employees other than holders of office:		
- wages and salaries	308,720	317,037
- superannuation	51,908	51,393
- leave and other entitlements	36,576	(11,728)
- separation and redundancies	-	-
- other employee expenses	-	-
Other staff costs	<u>42,083</u>	<u>39,071</u>
	<u><u>737,637</u></u>	<u><u>613,293</u></u>
Other staff costs primarily comprise employee insurance, fringe benefits tax, payroll tax and workers compensation.		
5. AUDITOR'S REMUNERATION		
Remuneration of the auditor of the Branch for:		
Auditing or reviewing the financial report	12,400	12,400
Other services	<u>9,550</u>	<u>17,250</u>
	<u><u>21,950</u></u>	<u><u>29,650</u></u>
6. CASH ON HAND		
Petty cash	550	550
General account	12,048	20,450
Members Equity accounts	408,037	392,131
Prepaid VISA cards	1,971	-
Disaster relief fund	<u>6,623</u>	<u>6,712</u>
	<u><u>429,229</u></u>	<u><u>419,844</u></u>

Bank and investment accounts earn interest at floating rates based on daily deposit rates.

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QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

	2018	2017
	\$	\$
7. ACCOUNTS RECEIVABLE AND OTHER DEBTORS		
Current		
Member contributions in arrears	22,101	30,657
Less: Provision for impairment of receivables	<u>(6,834)</u>	<u>(16,165)</u>
	15,266	14,492
Receivable - Communications Division - CEPU	-	9,534
Less: Provision for impairment of receivables	<u>-</u>	<u>-</u>
	-	9,534
Other debtors	<u>-</u>	<u>750</u>
	<u>15,266</u>	<u>24,776</u>

Member contributions are generally payable by periodic payments. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual receivable is impaired. These amounts have been included in other expense items.

Credit Risk

The Branch has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The main source of credit risk to the Branch is considered to relate to the class of assets described as members contributions in arrears.

The following table details the Branch's accounts receivable and other debtors exposed to credit risk with aging analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the Branch and the member or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining their willingness to pay and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Branch. The balance of receivables that remain within initial terms (as detailed in the table) are considered to be of high credit quality.

	Gross amount	Past due and impaired	Past due but not impaired (days overdue)				Within initial trade terms
			< 30	31-60	61-90	> 90	
	\$	\$	\$	\$	\$	\$	
2017							
Contributions in arrears	30,657	16,165	-	-	14,492	-	-
Other receivables	10,284	-	-	-	-	-	10,284
Total	<u>40,941</u>	<u>16,165</u>	<u>-</u>	<u>-</u>	<u>14,492</u>	<u>-</u>	<u>10,284</u>
2018							
Contributions in arrears	22,101	6,834	-	-	15,266	-	-
Other receivables	-	-	-	-	-	-	-
Total	<u>22,101</u>	<u>6,834</u>	<u>-</u>	<u>-</u>	<u>15,266</u>	<u>-</u>	<u>-</u>

8. OTHER CURRENT ASSETS

Prepayments	<u>30,810</u>	<u>37,477</u>
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9. PROPERTY PLANT AND EQUIPMENT

Freehold land, at:		
- independent valuation	3,335,250	1,311,865
Buildings, at:		
- independent valuation	333,525	2,023,385
- at cost	-	214,447
Less: accumulated depreciation	-	(466,612)
	<u>333,525</u>	<u>1,771,220</u>
Plant and equipment, at cost	125,155	123,723
Less: accumulated depreciation	(99,495)	(94,272)
	<u>25,661</u>	<u>29,451</u>
Motor vehicles, at cost	136,140	136,140
Less: accumulated depreciation	(60,603)	(35,424)
	<u>75,536</u>	<u>100,715</u>
	<u><u>3,769,972</u></u>	<u><u>3,213,251</u></u>

The freehold land and buildings are in respect of the Branch's 44.47% interest in the building at 41 Peel Street, South Brisbane.

The Branch's land and buildings were revalued at 31 March 2018 by independent valuers. Valuations were based on an assessment of the property's market value. The revaluation surplus was credited to an asset revaluation reserve in equity.

Movements in carrying amounts

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

	<i>Freehold</i>		<i>Plant and</i>	<i>Motor</i>	
	<i>Land</i>	<i>Buildings</i>	<i>Equipment</i>	<i>Vehicles</i>	<i>Total</i>
	\$	\$	\$	\$	\$
2017					
Balance at 1 April	1,311,865	1,830,381	36,777	35,206	3,214,229
Additions	-	-	-	108,684	108,684
Disposals	-	-	(377)	(15,929)	(16,306)
Depreciation expense	-	(59,162)	(6,949)	(27,246)	(93,357)
Balance at 31 March	<u>1,311,865</u>	<u>1,771,219</u>	<u>29,451</u>	<u>100,715</u>	<u>3,213,250</u>
2018					
Balance at 1 April	1,311,865	1,771,219	29,451	100,715	3,213,250
Additions	-	-	1,433	-	1,433
Disposals	-	-	-	-	-
Depreciation expense	-	(59,162)	(5,223)	(25,179)	(89,564)
Revaluation	2,023,385	(1,378,532)	-	-	644,853
Balance at 31 March	<u>3,335,250</u>	<u>333,525</u>	<u>25,661</u>	<u>75,536</u>	<u>3,769,972</u>

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	2018	2017
	\$	\$
10. ACCOUNTS PAYABLE AND OTHER PAYABLES		
Current		
Unsecured liabilities:		
General accounts payable and accruals	25,578	21,677
Amount payable to Communications Division - CEPU	19,876	20,303
Accrual for CEPU National Council	9,973	2,476
Accrual for Queensland Council of Unions	7,000	-
Amount payable for legal costs (litigation)	-	-
Amount payable for legal costs (other legal matters)	-	-
Contributions received in advance	7,672	5,192
Payroll liabilities	9,964	9,894
GST liabilities	7,071	6,033
	<u>87,134</u>	<u>65,576</u>
	<u>87,134</u>	<u>65,576</u>

The average credit period on accounts payable and other payables is two months. No interest is payable on outstanding payables.

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	2018	2017
	\$	\$
11. EMPLOYEE PROVISIONS		
Opening balance at 1 April	184,155	231,143
Additional provisions raised during year	105,001	65,244
Amounts used	<u>(46,898)</u>	<u>(112,232)</u>
Balance at 31 March	<u>242,258</u>	<u>184,155</u>
<i>Analysis of Employee Provisions</i>		
Current	208,482	164,722
Non-current	<u>33,776</u>	<u>19,433</u>
	<u>242,258</u>	<u>184,155</u>
<i>Holders of Office</i>		
Annual Leave	47,171	44,640
Long service leave	68,833	49,837
Separation and redundancies	-	-
Other employee provisions	<u>-</u>	<u>-</u>
	<u>116,004</u>	<u>94,477</u>
<i>Employees other than Holders of Office</i>		
Annual Leave	46,391	22,695
Long service leave	79,863	59,005
Separation and redundancies	-	-
Other employee provisions	<u>-</u>	<u>7,978</u>
	<u>126,254</u>	<u>89,678</u>
	<u>242,258</u>	<u>184,155</u>

Employee Provisions

Employee provisions represent amounts accrued for annual leave, vested sick leave and long service leave. The current portion for this provision includes the total amount accrued for annual leave and sick leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Branch does not expect the full amounts of annual leave, sick leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Branch does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlements. The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

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	2018	2017
	\$	\$
12. RESERVES		
Asset Revaluation Reserve		
The Asset Revaluation Reserve represents the cumulative amount of fair value gains/losses recognised in other comprehensive income in revaluations of non-current assets.	3,020,457	2,375,604
Disaster Relief Reserve		
The Disaster Relief Reserve records funds set aside for disaster relief for members.	6,623	7,322
13. CAPITAL AND LEASING COMMITMENTS		
(a) Finance Lease Commitments		
Payable - minimum lease payments:		
- not later than 12 months	-	-
- between 12 months and 5 years	-	-
- greater than 5 years	-	-
	-	-
Minimum lease payments	-	-
Less future finance charges	-	-
	-	-
Present value of minimum lease payments	-	-
(b) Operating Lease Commitments		
Payable - minimum lease payments:		
- not later than 12 months	20,023	16,723
- between 12 months and 5 years	62,386	66,459
- greater than 5 years	-	-
	-	-
	82,409	83,182

Operating leases are in relation to office equipment. The leases are non cancellable, with fixed terms and with rental payable monthly in advance.

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QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

14. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

15. EVENTS AFTER THE REPORTING PERIOD

The Branch Committee of Management is not aware of any significant events since the end of the reporting period, other than listed below:

'- on 20 June 2018, Telstra announced 8,000 jobs will be cut. This is expected to have a negative effect on future income of the Branch. The financial impact is unable to be quantified at this stage.

	2018	2017
	\$	\$
16. RELATED PARTY TRANSACTIONS		
(a) Key Management Personnel		
Persons elected as Officials of the Branch and responsible for planning, directing and controlling the activities of the Branch are considered key management personnel.		
Short term employee benefits	237,172	224,245
Post employment benefits	39,652	28,534
Termination benefits	-	-
	276,824	252,779
Total compensation	276,824	252,779

(b) Other Related Parties

Other related parties include close family members of key management personnel.

No employees were deemed 'Other Related Parties' during the period 1 April 2017 - 31 March 2018. The comparative figures relate to S Hughes, wife of outgoing Branch Secretary P Hughes, was employed as a Union Organiser for the Branch from 1 April 2016 - 30 September 2016.

Short term employee benefits	-	47,720
Post employment benefits	-	6,841
Termination benefits	-	-
	-	54,561
Total compensation	-	54,561

Employment arrangements with related parties are on normal commercial terms and conditions no more favourable than those available to other persons.

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17. INFORMATION TO BE PROVIDED TO MEMBERS OR COMMISSIONER

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), (2) and (3) of section 272 of the Fair Work (Registered Organisations) Act 2009 which read as follows:

- “(1) A member of a reporting unit, or the Commissioner, 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).”

	2018	2017
	\$	\$
18. CASH FLOW INFORMATION		
(a) Reconciliation of net cash from operations with profit (loss) after income tax		
Profit (loss) after income tax	(172,085)	(59,629)
Cash flows excluded from profit attributable to reserves		
Movement in disaster relief fund	(2,499)	(199)
Non-cash flows in profit (loss)		
Depreciation	89,564	93,357
Doubtful debts	(9,331)	12,141
Net loss (gain) on disposal of plant and equipment	-	12,851
Changes in assets and liabilities during the financial year		
(Increase)/decrease in accounts rec. and other receivables	11,034	19,341
(Increase)/decrease in other current assets	15,224	(3,046)
(Decrease)/increase in accounts payable and other payables	20,809	(5,866)
(Decrease)/increase in provision for employee benefits	58,103	(46,988)
	<u>10,818</u>	<u>21,961</u>

(b) Credit Standby Arrangements

The Branch has no credit stand-by or financing facilities in place.

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	<i>Effective Weighted Average Interest Rate %</i>	<i>Floating Interest Rate \$</i>	<i>Fixed Interest Rate Maturing</i>		<i>Non-Interest Bearing \$</i>	<i>Total \$</i>
			<i>1 year or less \$</i>	<i>1 to 5 years \$</i>		
2018						
Financial Assets						
Cash and cash equivalents	1.6%	428,679	-	-	550	429,229
Accounts and other receivables	0.0%	-	-	-	15,266	15,266
Total Financial Assets		428,679	-	-	15,816	444,495
Financial Liabilities						
Accounts and other payables	0.0%	-	-	-	87,134	87,134
Borrowings	0.0%	-	-	-	-	-
Total Financial Liabilities		-	-	-	87,134	87,134
2017						
Financial Assets						
Cash and cash equivalents	1.6%	419,294	-	-	550	419,844
Accounts and other receivables	0.0%	-	-	-	24,776	24,776
Total Financial Assets		419,294	-	-	25,326	444,619
Financial Liabilities						
Accounts and other payables	0.0%	-	-	-	65,576	65,576
Borrowings	0.0%	-	-	-	-	-
Total Financial Liabilities		-	-	-	65,576	65,576

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19 FINANCIAL RISK MANAGEMENT (continued)

Financial Risk Management Policies

The Branch Committee of Management and officials are responsible for monitoring and managing the Branch's financial risk exposure.

Specific Financial Risk Exposures and Management

The main risks the Branch is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk. There have been no substantive changes in the types of risks the Branch is exposed to, how these risks arise, or the Branch's objectives, policies and processes for managing or measuring the risks from the previous period.

(a) Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance of counterparties of contract obligations that could lead to a financial loss for the Branch. The Branch does not have any material credit risk exposures as its major sources of revenues are receipts of member contributions.

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position. Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 7. The Branch has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties. Details with respect to credit risk of accounts receivable and other debtors are provided in Note 7.

(b) Liquidity Risk

Liquidity risk arises from the possibility that the Branch might encounter difficulty in settling its debts or otherwise meeting its obligations 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 contributions;
- retaining sufficient cash reserves to meet obligations.

(c) 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.

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QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

19. FINANCIAL RISK MANAGEMENT (continued)

Other Price Risk

Other 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 (other than those arising from interest rate risk or currency risk) of securities held. The Branch does not have a material other price risk.

20. OTHER INFORMATION

(a) Going Concern

The Branch's ability to continue as a going concern is not reliant on the agreed financial support from another reporting unit.

(b) Financial Support

No agreed financial support has been provided to ensure another reporting unit has the ability to continue as a going concern.

(c) Acquisitions of assets and liabilities under specific sections

The Branch did not acquire any asset or liability during the financial year as a result of:

- an amalgamation under Part 2 of Chapter 3 of the Fair Work (Registered Organisations) Act 2009;
- a restructure of the Branches of the organisation;
- a determination by the General Manager under subsection 245(1) of the Fair Work (Registered Organisations) Act 2009;
- a revocation by the General Manager under subsection 249(1) of the Fair Work (Registered Organisations) Act 2009.

(d) Acquisition of assets and liabilities as part of a business combination

The Branch did not acquire any assets or liabilities during the financial year as part of a business combination.

(e) Wage Recovery Activity

No recovery of wages activities occurred during the financial year. The Branch has not derived any revenue in respect of these activities.

21. BRANCH DETAILS

The principal place of business of the Branch is:

1st Floor
41 Peel Street
South Brisbane Qld 4101

CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH
COMMITTEE OF MANAGEMENT STATEMENT

The members of the Branch Committee of Management declare that in their opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Commissioner of the Registered Organisations Commission;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Branch for the financial year ended on 31 March 2018;
- (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 year to which the financial report relates and since the end of that year:
 - (i) meetings of the Branch Committee of Management were held in accordance with the rules of the organisation including the rules of the Branch; and
 - (ii) the financial affairs of the Branch have been managed in accordance with the rules of the organisation including the rules of the Branch; and
 - (iii) the financial records of the Branch have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a manner consistent with each of the other reporting units of the organisation;
 - (v) where information has been sought in any request of a member of the Branch or the Commissioner of the Registered Organisations Commission duly made under section 272 of the Fair Work (Registered Organisations) Act 2009, that information has been provided to the member or the Commissioner of the Registered Organisations Commission and
 - (vi) where any order for inspection of financial records made by the Registered Organisations Commission under section 273 of the Fair Work (Registered Organisations) Act 2009, there has been compliance.
- (f) In relation to recovery of wages activity, no recovery of wages activities occurred during the financial year. The Branch has not derived any revenue in respect of these activities.

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

9th July, 2018



C Bird (Branch Secretary)

Dated this 10th day of July 2018.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

Opinion

We have audited the financial report of the Communications Electrical Plumbing Union of Australia, Communications Division, Queensland Communications Division Branch (the Entity), which comprises the balance sheet as at 31 March 2018, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by those charged with governance.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Entity as at 31 March 2018, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act).

I declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the Entity's annual report for the year ended 31 March 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

Responsibilities of Brach Committee and Those Charged with Governance for the Financial Report

The Branch Committee of Management is responsible for the preparation of the financial report in accordance with Australian Auditing Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009 and for such internal control as the Branch Committee of Management determines 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, Branch Committee is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Branch Committee of Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

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 the financial report.

Level 2, 160 Wharf Street
Brisbane Qld 4000.



ACCRU RAWSONS.
Chartered Accountants



Jeff Rake – CA
Approved Auditor
Member of The Institute of Chartered Accountants in Australia
Holder of current Public Practice Certificate

Brisbane, *10th July* 2018