



5 August 2016

Mr Phil Hughes
Branch Secretary
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied
Services Union of Australia – Queensland Communications Division Branch
1st Floor, 41 Peel Street
SOUTH BISBANE QLD 4101

via email: comms@cepuqld.asn.au

Dear Mr Hughes

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 2016 - [FR2016/65]

I acknowledge receipt of the financial report for the year ended 31 March 2016 for the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Queensland Communications Division Branch (the reporting unit). The financial report was lodged with the Fair Work Commission (FWC) on 15 July 2016.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.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.

Please note that the financial report for the year ending 31 March 2017 may be subject to an advanced compliance review.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged. The FWC will confirm these concerns have been addressed prior to filing next year's report.

Committee of Management Statement

Date of resolution

Item 36 of the Reporting Guidelines requires that the Committee of Management Statement be made in accordance with such resolution as is passed by the Committee of Management. Such statement must also specify the date of passage of the resolution. I note that the date of the resolution was not provided.

Please ensure that in future years that this date is included in the Committee of Management Statement.

Statement of financial position

Disclosure of payables in respect of legal costs

Reporting Guideline 20(b) requires a payable in relation to legal costs to be disclosed by litigation and by other legal matters. Note 10 discloses this liability but does not distinguish based on the categories indicated above.

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

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) 8656 4681 or by email at joanne.fenwick@fwc.gov.au.

Yours sincerely



Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch



FR2016/65

2016/07/21

12th July 2016

Australian Industrial Registry
Level 8
Terrace Towers
80 William Street
EAST SYDNEY NSW 2011



Dear Sir/Madam

Re YEAR 2016 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 2016. This report was made available to members via our website on 14th June 2016.

Yours faithfully

Cameron Bird
ACTING BRANCH SECRETARY



Year 2016 REPORT ON FINANCIAL STATEMENTS & ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2016

BRANCH SECRETARY'S CERTIFICATE AS REQUIRED BY
"FAIR WORK ACT 2009"

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

- that the documents lodged herewith are copies of the full auditor's report referred to in Fair Work Act 2009; and
- that the full auditors report was originally provided to members on 14th June 2016 and
- that the full report was presented to a meeting of the Branch Committee of Management held on 13th June 2016. Due to the lack of a quorum for the Annual General Meeting 11th July 2016 the Branch Committee of Management endorsed the report (at the BCOM held on 11th July 2016) as per the following motion:-

"That the Queensland Branch Communications Division BCOM accepts the Auditor's Report for the year ending 31st March 2016 as a true statement of the financial affairs of the Branch and in compliance with Fair Work Act 2009."

Cameron Bird
Acting Branch Secretary
12th July 2016

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS
DIVISION BRANCH**

ABN 86 127 798 512

FINANCIAL REPORT

FOR THE YEAR ENDED 31 MARCH, 2016

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 2016.

Committee Members

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

Phil Hughes (<i>Secretary</i>)	Mark Templeman
Geoff Taylor (<i>President</i>) (<i>ceased 3 July 2015</i>)	Sonya Hughes
Cameron Bird (<i>President</i>)	Brett O'Neill
Catherine O'Brien (<i>Vice President Affirmative Action</i>)	Darryl Woods (<i>ceased 3 July 2015</i>)
Brian Kershaw (<i>Vice President</i>)	Fraser Dawson
Kevin Hogan (<i>Vice President</i>)	Bryan Plan
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 profit of \$40,196.

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 Hands Off Aussie Post Campaign stopped government privatising Australia Post;
- o Telstra Enterprise Agreement 2015 ;
- o Union Representatives Training – 4 in total; and
- o National Delivery Modelling Tool Consultation – some implementation.

Branch Members

The number of members of the branch at the end of the financial year was 3,587.

Branch Employees

The number of employees of the Branch at the end of the financial year was 5.2

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



C Bird (Acting Branch Secretary)

Dated this 13th day of June 2016.

CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 March 2016

	Note	2016 \$	2015 \$
Revenue	2	1,375,231	1,506,934
Employee benefit expense	4	(668,547)	(766,836)
Depreciation and amortisation expense		(79,741)	(86,532)
Operating lease expense	3	(23,602)	(21,051)
Finance cost expense	3	-	-
Affiliation expenses	3	(14,838)	(13,840)
Bad and doubtful debt expenses	3	80,857	(85,981)
Insurance		(26,043)	(28,889)
Legal expenses	3	(6,120)	(44,198)
National Council Fund - Communications Electrical Plumbing Union		(7,336)	(2,076)
ACTU - Industrial Relations Levy Proportional Cost		16,054	(16,054)
Capitation fees - Communications Division - CEPU		(357,000)	(310,958)
Motor vehicle expenses		(35,067)	(37,492)
Office expenses		(59,455)	(61,093)
Organising and travelling expenses		(36,413)	(28,784)
Premises expenses		(71,191)	(49,726)
Telecommunications expenses		(12,910)	(12,918)
Other expenses from ordinary activities		<u>(33,683)</u>	<u>(32,492)</u>
Profit/(loss) before income tax		40,196	(91,985)
Income tax expense		<u>-</u>	<u>-</u>
Profit/(loss) attributable to members		<u><u>40,196</u></u>	<u><u>(91,985)</u></u>
Other comprehensive income			
Donations to Disaster Relief Reserve		2,860	2,080
Interest received on Disaster Relief Reserve		-	-
Expenditure from Disaster Relief Reserve		-	(2,000)
Net gain on revaluation of non-current assets		<u>-</u>	<u>-</u>
Total other comprehensive income for the year		<u><u>2,860</u></u>	<u><u>80</u></u>
Total comprehensive income for the year		<u><u>43,056</u></u>	<u><u>(91,905)</u></u>
Total comprehensive income attributable to members		<u><u>43,056</u></u>	<u><u>(91,905)</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 2016**

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash on hand	6	503,113	487,326
Accounts receivable and other debtors	7	38,324	6,370
Other current assets	8	<u>52,365</u>	<u>52,502</u>
Total Current Assets		<u>593,802</u>	<u>546,198</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	<u>3,214,229</u>	<u>3,300,225</u>
Total Non-Current Assets		<u>3,214,229</u>	<u>3,300,225</u>
TOTAL ASSETS		<u>3,808,031</u>	<u>3,846,422</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	10	71,442	132,427
Employee provisions	11	<u>210,746</u>	<u>233,602</u>
Total Current Liabilities		<u>282,188</u>	<u>366,029</u>
NON-CURRENT LIABILITIES			
Employee provisions	11	<u>20,397</u>	<u>15,144</u>
Total Non-Current Liabilities		<u>20,397</u>	<u>15,144</u>
TOTAL LIABILITIES		<u>302,585</u>	<u>381,173</u>
NET ASSETS		<u>3,505,446</u>	<u>3,465,249</u>
EQUITY			
Reserves	12	2,379,326	2,377,665
Retained profits		<u>1,126,120</u>	<u>1,087,584</u>
TOTAL EQUITY		<u>3,505,446</u>	<u>3,465,249</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 2016**

	Retained Profits \$	Asset Revaluation Reserve \$	Disaster Relief Reserve \$	Total \$
Balance at 1 April 2014	1,181,548	2,375,604	2,081	3,559,233
Comprehensive income				
Profit/(loss) attributable to members	(91,985)	-	-	(91,985)
Other comprehensive income for the year	-	-	(2,000)	(2,000)
Total comprehensive income	<u>(91,985)</u>	<u>-</u>	<u>(2,000)</u>	<u>(93,985)</u>
Amount due from general account to disaster relief reserve	100		(100)	
Transfers	<u>(2,080)</u>	<u>-</u>	<u>2,080</u>	<u>-</u>
Balance at 31 March 2015	<u>1,087,584</u>	<u>2,375,604</u>	<u>2,061</u>	<u>3,465,249</u>
Comprehensive income				
Profit/(loss) attributable to members	40,196	-	-	40,196
Other comprehensive income for the year	-	-	-	-
Total comprehensive income	<u>40,196</u>	<u>-</u>	<u>-</u>	<u>40,196</u>
Amount due from general account to disaster relief reserve	1,200		(1,200)	
Transfers	<u>(2,860)</u>	<u>-</u>	<u>2,860</u>	<u>-</u>
Balance at 31 March 2016	<u>1,126,120</u>	<u>2,375,604</u>	<u>3,721</u>	<u>3,505,445</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 2016**

	Note	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members		1,336,534	1,395,344
Receipts from Communications Division - CEPU		6,327	4,609
Receipts from Electrical Trades Union (Qld & NT)		5,136	2,273
Other receipts		13,036	12,525
Payments to suppliers and employees		(1,051,072)	(1,136,432)
Payments to Communications Division - CEPU		(300,564)	(311,546)
Payments to CEPU National Council		(3,936)	(2,076)
Interest received		11,319	15,148
Interest paid		-	-
Net cash flows provided/(used) by operating activities	18(a)	<u>16,780</u>	<u>(20,155)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		1,909	9,545
Purchases of property, plant and equipment		<u>(2,903)</u>	<u>(31,105)</u>
Net cash flows provided/(used) by investing activities		<u>(994)</u>	<u>(21,560)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		-	-
Net cash flows provided/(used) by financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held		15,787	(41,715)
Cash on hand at beginning of financial year		<u>487,326</u>	<u>529,041</u>
Cash on hand at end of financial year	6	<u><u>503,113</u></u>	<u><u>487,326</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 2016**

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 *13th June* 2016 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 2016**

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 2016

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 2016

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 2016**

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

CEPU COMMUNICATIONS DIVISION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2016

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

CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2016

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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QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2016**

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.

	2016	2015
	\$	\$
2. REVENUE AND OTHER INCOME		
Operating activities		
Members' contributions	1,339,413	1,390,922
Expense reimbursements - Communications Division - CEPU	6,327	86,700
Interest received	11,319	13,875
Rent received - Electrical Trades Union (Qld and NT)	5,136	2,273
Rent received - other	11,502	11,502
Other revenue	1,534	1,023
Profit on disposal of property, plant and equipment	-	640
	-	640
Total Revenue	1,375,231	1,506,934

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 rounds) during the financial year.
- The Branch did not receive any grants or donations during the financial year.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2016**

	2016 \$	2015 \$
3. SURPLUS FOR THE YEAR		
(a) Expenses		
Interest expense - external	-	-
Bad and doubtful debts:		
- member contributions receivable	550	422
- expense reimbursements - Communications Division - CEPU	(81,406)	85,559
	(80,857)	85,981
Rental expense on operating leases:		
- minimum lease payments on office equipment	23,602	21,051
Loss on disposal of property, plant and equipment	7,248	-
Commission for employers making payroll deductions	7,284	7,799
Affiliation expenses:		
- Australian Labour Party Queensland	700	600
- Queensland Council of Unions	5,100	3,750
- The Union Shopper Inc	9,039	9,490
	14,838	13,840
Donations expenses:		
- Asbestos Related Disease Support Society - donation	-	200
- ALP donation (the donation was recognised as an expense at 31 March 2014 and has been reversed in the current year at the direction of the Branch Secretary)	(17,000)	-
	(17,000)	200
Grants:		
- Member assistance (paid from Disaster Relief Fund)	-	2,000
State Executive attendance fees	1,660	1,980
State Executive other expenses	2,858	924
Legal expenses:		
- litigation	-	22,675
- other legal matters	6,120	23,236
	6,120	45,911
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	1,339,413	1,390,922

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QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2016**

	2016	2015
	\$	\$
4. SALARIES AND RELATED EXPENSES		
Holders of office:		
- wages and salaries	226,916	221,794
- superannuation	37,491	36,964
- leave and other entitlements	(8,959)	(3,162)
- separation and redundancies	-	-
- other employee expenses	-	-
Employees other than holders of office:		
- wages and salaries	325,963	391,717
- superannuation	53,932	65,565
- leave and other entitlements	(8,644)	6,681
- separation and redundancies	-	-
- other employee expenses	-	-
Other staff costs	41,848	47,278
	668,547	766,836
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	12,000
Other services	9,235	7,315
	21,635	19,315
6. CASH ON HAND		
Petty cash	550	550
General account	23,241	39,103
Members Equity accounts	475,601	445,612
Disaster relief fund	3,721	2,061
	503,113	487,326

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

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2016**

	2016	2015
	\$	\$
7. ACCOUNTS RECEIVABLE AND OTHER DEBTORS		
Current		
Member contributions in arrears	12,724	9,845
Less: Provision for impairment of receivables	(4,025)	(3,475)
	8,699	6,370
Receivable - Communications Division - CEPU	26,925	85,559
Less: Provision for impairment of receivables	-	(85,559)
	26,925	-
Other debtors	2,700	-
	38,324	6,370

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.

Receivable Communication Division - CEPU: A settlement has been reached in April 2016 with the outcome being \$26,925 will be received.

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.

	<i>Past due and</i>		<i>Past due but not impaired</i>				<i>Within</i>
	<i>Gross amount</i>	<i>impaired</i>	<i>< 30</i>	<i>(days overdue)</i>		<i>initial trade</i>	
	\$	\$	\$	31-60	61-90	> 90	terms
							\$
2015							
Contributions in arrears	9,845	3,475	-	-	6,370	-	-
Other receivables	85,559	85,559	-	-	-	-	-
Total	95,404	89,034	-	-	6,370	-	-
2016							
Contributions in arrears	12,724	4,025	-	-	8,699	-	-
Other receivables	29,625	-	-	-	-	-	29,625
Total	42,349	4,025	-	-	8,699	-	29,625

	2016	2015
	\$	\$
8. OTHER CURRENT ASSETS		
Prepayments	52,365	52,502

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2016**

	2016 \$	2015 \$
9. PROPERTY PLANT AND EQUIPMENT		
Freehold land, at:		
- independent valuation 2009	<u>1,311,865</u>	<u>1,311,865</u>
Buildings, at:		
- independent valuation 2009	2,023,385	2,023,385
- at cost	214,447	214,447
Less: accumulated depreciation	<u>(407,450)</u>	<u>(348,287)</u>
	<u>1,830,382</u>	<u>1,889,545</u>
Plant and equipment, at cost	132,379	132,422
Less: accumulated depreciation	<u>(95,602)</u>	<u>(88,912)</u>
	<u>36,777</u>	<u>43,511</u>
Motor vehicles, at cost	95,051	116,697
Less: accumulated depreciation	<u>(59,845)</u>	<u>(61,392)</u>
	<u>35,205</u>	<u>55,305</u>
	<u><u>3,214,229</u></u>	<u><u>3,300,225</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 15 April 2009 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.

	<i>Land</i> \$	<i>Buildings</i> \$	<i>Equipment</i> \$	<i>Vehicles</i> \$	<i>Total</i> \$
2015					
Balance at 1 April	1,311,865	1,948,707	51,623	52,362	3,364,557
Additions	-	-	3,651	27,455	31,105
Disposals	-	-	(922)	(7,983)	(8,905)
Depreciation expense	-	(59,163)	(10,841)	(16,528)	(86,532)
Balance at 31 March	<u>1,311,865</u>	<u>1,889,544</u>	<u>43,511</u>	<u>55,305</u>	<u>3,300,225</u>
2016					
Balance at 1 April	1,311,865	1,889,544	43,511	55,305	3,300,225
Additions	-	-	2,903	-	2,903
Disposals	-	-	(504)	(8,653)	(9,157)
Depreciation expense	-	(59,163)	(9,133)	(11,446)	(79,742)
Balance at 31 March	<u>1,311,865</u>	<u>1,830,381</u>	<u>36,777</u>	<u>35,206</u>	<u>3,214,229</u>

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

	2016	2015
	\$	\$
10. ACCOUNTS PAYABLE AND OTHER PAYABLES		
Current		
Unsecured liabilities:		
General accounts payable and accruals	22,323	25,523
Amount payable to Communications Division - CEPU	21,390	57,521
Amount payable to Communications Division - CEPU in relation to the ALP donation	-	17,000
Accrual for CEPU National Council	7,800	4,400
Amount payable for employers making payroll deductions	-	-
Amount payable for legal costs and other expenses	600	2,280
Contributions received in advance	4,567	5,479
Payroll liabilities	11,603	16,815
GST liabilities	3,159	3,410
	<u>71,442</u>	<u>132,427</u>

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

At the direction of the branch secretary in April 2016, the amount payable of \$52,273 to the Communications Division - CEPU has been reversed (effective 31 March 2016).

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2016**

	2016	2015
	\$	\$
11. EMPLOYEE PROVISIONS		
Opening balance at 1 April	248,746	245,227
Additional provisions raised during year	22,642	89,961
Amounts used	<u>(40,244)</u>	<u>(86,442)</u>
Balance at 31 March	<u>231,143</u>	<u>248,746</u>
 <i>Analysis of Employee Provisions</i>		
Current	210,746	233,602
Non-current	<u>20,397</u>	<u>15,144</u>
	<u>231,143</u>	<u>248,746</u>
 <i>Holders of Office</i>		
Annual Leave	51,131	44,999
Long service leave	75,682	47,310
Separation and redundancies	-	-
Other employee provisions	<u>2,925</u>	<u>2,840</u>
	<u>129,737</u>	<u>95,149</u>
 <i>Employees other than Holders of Office</i>		
Annual Leave	24,668	66,352
Long service leave	71,446	79,732
Separation and redundancies	-	-
Other employee provisions	<u>5,292</u>	<u>7,513</u>
	<u>101,406</u>	<u>153,597</u>
	<u>231,143</u>	<u>248,746</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.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2016**

	2016	2015
	\$	\$
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.	2,375,604	2,375,604
Disaster Relief Reserve		
The Disaster Relief Reserve records funds set aside for disaster relief for members.	5,021	2,161
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	23,160	23,160
- between 12 months and 5 years	36,670	59,830
- greater than 5 years	-	-
	-	-
	59,830	82,990

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

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

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.

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.

	2016	2015
	\$	\$
Short term employee benefits	226,794	221,794
Post employment benefits	36,964	36,964
Termination benefits	-	-
	263,758	258,758
Total compensation	263,758	258,758

(b) Other Related Parties

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

S Hughes, wife of Branch Secretary P Hughes, is employed as a Union Organiser for the Branch:

Short term employee benefits	84,577	77,120
Post employment benefits	13,278	12,407
Termination benefits	-	-
	97,855	89,527
Total compensation	97,855	89,527

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

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2016**

17. INFORMATION TO BE PROVIDED TO MEMBERS OR GENERAL MANAGER

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 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).”

	2016	2015
	\$	\$
18. CASH FLOW INFORMATION		
(a) Reconciliation of net cash from operations with profit (loss) after income tax		
Profit (loss) after income tax	40,196	(91,985)
Cash flows excluded from profit attributable to reserves		
Movement in disaster relief fund	-	(2,000)
Non-cash flows in profit (loss)		
Depreciation	79,741	86,532
Doubtful debts	(85,010)	82,998
Net loss (gain) on disposal of plant and equipment	7,248	(640)
Changes in assets and liabilities during the financial year		
(Increase)/decrease in accounts rec. and other receivables	55,934	(78,110)
(Increase)/decrease in other current assets	(2,742)	(27,374)
(Decrease)/increase in accounts payable and other payables	(60,985)	6,905
(Decrease)/increase in provision for employee benefits	(17,603)	3,519
	<u>16,780</u>	<u>(20,155)</u>

(b) Credit Standby Arrangements

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

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2016**

19. FINANCIAL RISK MANAGEMENT

The Branch's financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable and loans. 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:

	<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>		
2016						
Financial Assets						
Cash and cash equivalents	2.4%	502,563	-	-	550	503,113
Accounts and other receivables	0.0%	-	-	-	38,324	38,324
Total Financial Assets		502,563	-	-	38,874	541,437
Financial Liabilities						
Accounts and other payables	0.0%	-	-	-	71,442	71,442
Borrowings	0.0%	-	-	-	-	-
Total Financial Liabilities		-	-	-	71,442	71,442
2015						
Financial Assets						
Cash and cash equivalents	2.5%	486,776	-	-	550	487,326
Accounts and other receivables	0.0%	-	-	-	6,370	6,370
Total Financial Assets		486,776	-	-	6,920	493,696
Financial Liabilities						
Accounts and other payables	0.0%	-	-	-	132,427	132,427
Borrowings	0.0%	-	-	-	-	-
Total Financial Liabilities		-	-	-	132,427	132,427

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

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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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

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
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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 General Manager of the Fair Work 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 2016;
- (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 General Manager of the Fair Work Commission duly made under section 272 of the Fair Work (Registered Organisations) Act 2009, that information has been provided to the member or the General Manager of the Fair Work Commission; and
 - (vi) where any order for inspection of financial records made by the Fair Work 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
2016



C Bird (Acting Branch Secretary)

Dated this 13th day of June 2016.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

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

Report on the Financial Report

We have audited the accompanying financial report of the Communications Electrical Plumbing Union of Australia, Communications Division, Queensland Communications Division Branch which comprises the statement of financial position as at 31 March 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the committee of management statement.

Branch Committee of Management's Responsibility for the Financial Report

The Branch's Committee of Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting 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 and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Branch Committee of Management, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by the Branch Committee of Management.

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

Independence

In conducting the audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

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

Auditor's Opinion

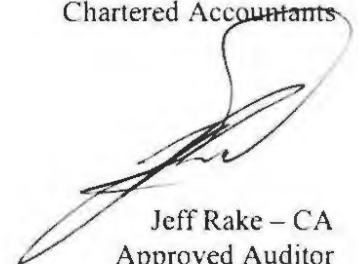
In our opinion:

- the financial report of the Communications Electrical Plumbing Union of Australia, Communications Division, Queensland Communications Division Branch presents fairly, in all material respects, the entity's financial position as at 31 March 2016 and the results of its operations, its changes in equity and cash flows for the year then ended in accordance with any of the following that apply to the entity:
 - (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 Branch Committee of Management's use of the going concern basis of accounting in the preparation of the entity's financial statements is appropriate.

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, 14 TH JUNE 2016



13 April 2016

Mr Phil Hughes
Branch Secretary

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

Sent via email: comms@cepuqld.asn.au

Dear Mr Hughes,

**Re: Lodgement of Financial Report - [FR2016/65]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia - Queensland Communications Division Branch (the reporting unit) ended on 31 March 2016.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date under s.268 of the RO Act, that being within 14 days after the meeting referred to in s.266 of the RO Act. The latest possible date for lodgement available to your reporting unit is 15 October 2016 subject to compliance with the requirements of ss. 266 and 268.

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. This includes a model set of financial statements which have been developed by the FWC. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. The model statement, Reporting Guidelines and other resources can be accessed through our website under [Financial Reporting](#) in the Compliance and Governance section.

Also you are reminded of the obligation to prepare and lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 requires this statement to be lodged with the FWC within 90 days of the end of the reporting unit's financial year, that is on or before 29 June 2016. A sample statement of loans, grants or donations is available at [sample documents](#).

It is requested that the financial report and any Statement of Loans, Grant or Donations be lodged electronically by emailing orgs@fwc.gov.au.

It should be noted that s.268 is a civil penalty provision. Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

Should you wish to seek any clarification in relation to the above, please contact me on (03) 8656 4699 or via email at Sam.Gallichio@fwc.gov.au.

Yours sincerely,



Sam Gallichio
Adviser
Regulatory Compliance Branch

Financial reporting timelines

Financial reports are to be lodged with the Fair Work Commission (the Commission) within 14 days of the meeting at which the financial reports have been presented, by completing the steps as outlined below.

See Fact sheet—Financial reporting for an explanation of each of these steps.

