

**From:** [ROC - Registered Org Commission](#)  
**To:** ["cbird@cwuqld.asn.au"](mailto:cbird@cwuqld.asn.au); ["brendan@accrubris.com.au"](mailto:brendan@accrubris.com.au)  
**Cc:** ["comms@cwuqld.asn.au"](mailto:comms@cwuqld.asn.au); ["comms@cepugld.asn.au"](mailto:comms@cepugld.asn.au)  
**Subject:** FR2017/13 CEPU CQLD Departmental Scan 22082017 [SEC=UNCLASSIFIED]  
**Date:** Tuesday, 3 October 2017 9:31:00 AM  
**Attachments:** [image001.png](#)  
[CEPU QLD COMM DIV FR2017\\_13 Filing letter 03102017.pdf](#)

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**UNCLASSIFIED**

Dear Mr Bird,

Please see attached my letter in relation to the above financial report, which has also been copied to Mr Brendan Watson of Accru Rawsons.

Yours faithfully

**DAVID VALE**

Principal Adviser

Financial Reporting

**Registered Organisations Commission**

Tel: (02) 8293 4654

[david.vale@roc.gov.au](mailto:david.vale@roc.gov.au)

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**From:** HIBBERD,Christine  
**Sent:** Tuesday, 22 August 2017 9:27 AM  
**To:** HIBBERD,Christine  
**Subject:** FR2017/13 CEPU CQLD Departmental Scan 22082017

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3 October 2017

Mr Cameron Bird  
Branch President  
Queensland Communications Division Branch  
Communications, Electrical, Electronic, Energy, Information  
Postal Plumbing and Allied Services Union of Australia  
[cbird@cwuqld.asn.au](mailto:cbird@cwuqld.asn.au)

CC: [brendan@accrubris.com.au](mailto:brendan@accrubris.com.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 2017 - [FR2017/13]**

I acknowledge receipt of the financial report of the Queensland Communications Division Branch of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia (the **reporting unit**). The documents were lodged with the Registered Organisations Commission (the **ROC**) on 22 August 2017. I also acknowledge the supplementary information relating to the Auditor's Statement provided on 28 September 2017 by Mr Brendan Watson from Accru Rawsons.

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 2018 may be subject to an advanced compliance review.

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

**Auditor's Statement**

Auditor's Opinion

Under subsection 257(5) of the RO Act, within the auditor's report an auditor must state whether in their opinion the general purpose financial report is presented fairly in accordance with the Australian Accounting Standards and any other requirements imposed by Part 3 of Chapter 8 of the RO Act. A statement to this effect was not included in the auditor's statement. Following a request for further information relating to this matter your auditor's, Accru Rawsons, stated that the omission was an oversight when preparing the report to comply with the updated requirements of Australian Auditing Standard ASA 700 *Forming an Opinion and Reporting on a Financial Report*.

Please ensure in future years that the auditor's report complies with the requirements within the Australian Auditing Standards and the RO Act.

## Auditor's report: declaration regarding going concern

Paragraph 39 of the Reporting Guidelines requires an auditor to include in the auditor's statement a declaration that as part of the audit of the financial statement they have concluded that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate. This declaration was not included in the auditor's statements.

### **Auditor of a reporting unit**

Since the commencement of the ROC on 2 May 2017, transitional provisions have been in place which provide for the transitional recognition of previous 'approved auditors' for a period of 3 months as registered auditors. This transitional recognition ceased on 1 August 2017 and after this time, auditors must be registered to continue to audit financial reports. The current auditor for the reporting unit, Mr Jeff Rake, is not a registered auditor and will be unable to hold the position of auditor of the reporting unit after 1 August 2017.

Under subsection 256(2) of the RO Act, the position of auditor of a reporting unit is to be held by:

- (a) an individual who is a registered auditor; or
- (b) a firm, at least one of whose members is a registered auditor; or
- (c) a company, at least one of whose directors, officers or employees is a registered auditor.

Currently none of the employees at Accru Rawsons are registered auditors with the ROC, therefore as per subsection 256(2) of the RO Act, Accru Rawsons cannot hold the position of auditors of the reporting unit.

A list of Registered Auditors is available for viewing in the Register of Auditors which can be found on the ROC's website via [this link](#).

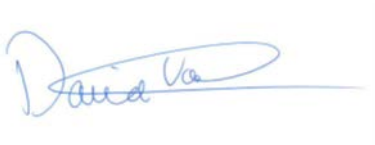
### **Reporting Requirements**

New Reporting Guidelines will apply to organisations and branches with financial years commencing on or after 1 July 2017. Updates and information on the new guidelines will be provided through the ROC website and the [subscription service](#).

On the ROC website is a number of factsheets in relation to the financial reporting process and associated timelines. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The ROC 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](#).

If you have any queries regarding this letter, please contact me on (02) 8293 4654 or via email at [david.vale@roc.gov.au](mailto:david.vale@roc.gov.au).

Yours faithfully



David Vale  
Registered Organisations Commission

**From:** Brendan Watson <brendan@accrubris.com.au>  
**Sent:** Thursday, 28 September 2017 1:53 PM  
**To:** VALE,David  
**Subject:** RE: FR2017/13 CEPU CQLD Departmental Scan 22082017 [SEC=UNCLASSIFIED]

Dear David,

Further to our discussion earlier today, I confirm that the two omissions from the Auditor's Report that you have identified below were an oversight when preparing the report to comply with the updated requirements of ASA700.

We understand that as 1<sup>st</sup> August 2017 has passed, we are not able to rectify this by way of updating and submitting a new Auditor's Report. For next financial years audit, the report will include these requirements.

Should you have any further queries, please don't hesitate to contact me.

Regards

**Brendan Watson**  
Partner



Level 2, 160 Wharf Street Brisbane QLD 4000 Australia  
Email [brendan@accrubris.com.au](mailto:brendan@accrubris.com.au)  
Telephone +61 7 3839 3666  
Facsimile +61 7 3839 3599  
[www.accru.com](http://www.accru.com)

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**From:** ROC - Registered Org Commission  
**Sent:** Tuesday, 26 September 2017 11:27 AM  
**To:** 'info@accrubris.com.au'  
**Cc:** 'cbird@cwuqld.asn.au'; 'comms@cepuqld.asn.au'  
**Subject:** FR2017/13 CEPU CQLD Departmental Scan 22082017 [SEC=UNCLASSIFIED]  
**Importance:** High

**UNCLASSIFIED**

Dear Mr Rake

On 22 August 2017, the Registered Organisations Commission (ROC) received lodgement of a copy of the full Financial Report from the Queensland Communications Division Branch of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia. Included in the Financial Report was the independent Auditor's Report which you signed on 18 July 2017 (I have attached a copy of the report for your assistance). I provide the following comments regarding the Auditor's Report.

- i. The Auditor's Report did not contain an opinion whether the general purpose financial report was presented fairly, in all material aspects, in accordance with Australian Accounting Standards;

- ii. The Auditor's Report did not include a declaration that management's use of the going concern basis of accounting in preparing the general purpose financial report was appropriate.

In relation to point (i) above, pursuant to section 257(5) of the *Fair Work (Registered Organisations) Act 2009* (the RO Act), an auditor must, in their report, state whether in the auditor's opinion the general purpose financial report is presented fairly in accordance with Australian Accounting Standards, or if not of that opinion, must state why. This requirement is also included in reporting guideline 37(a) of the Reporting Guidelines which are set out pursuant to section 255 of the RO Act. In relation to point (ii) above, reporting guideline 39 of the Reporting Guidelines requires an auditor's statement to include a declaration that as part of the audit of the financial statements, an auditor has concluded that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate.

Before this Financial Report is filed, I would appreciate your comments regarding the above two omissions, and how you intend on rectifying the above omissions.

Finally, I note from our records that you are currently not an auditor registered as a company auditor with the ROC. Please note that the period of transitional recognition for auditors of registered organisations who are not a registered company auditor ceased after 1 August 2017. Should you wish to become a registered company auditor to continue auditing the financial statements of reporting units of registered organisations, you will need to make an application pursuant to section 255A of the Fair Work (Registered Organisations) Act 2009. An application can be made using the AF 001 Form which can be downloaded from the ROC's website at <http://www.roc.gov.au/running-a-registered-organisation/registration-of-auditors>, and which also provides additional information for auditors. I have also attached a copy of the AF 001 form for your assistance.

Yours sincerely

**DAVID VALE**

Principal Adviser  
Financial Reporting

**Registered Organisations Commission**

Tel: (02) 8293 4654  
[david.vale@roc.gov.au](mailto:david.vale@roc.gov.au)

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**Sent:** Tuesday, 22 August 2017 9:27 AM  
**To:** HIBBERD,Christine  
**Subject:** FR2017/13 CEPU CQLD Departmental Scan 22082017

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**svc-adlib5**

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**From:** VALE,David  
**Sent:** Tuesday, 26 September 2017 3:24 PM  
**To:** 'info@accrubis.com.au'  
**Cc:** 'cbird@cwuqld.asn.au'; 'comms@cwuqld.asn.au'  
**Subject:** FW: FR2017/13 CEPU CQLD Departmental Scan 22082017 [SEC=UNCLASSIFIED]  
**Attachments:** Departmental Scan 22082017\_1009703 christine.hibberd.pdf; af001-application-form-auditor-registration-rca\_19 June 2017.docx

**Importance:** High

**UNCLASSIFIED**

Dear Mr Rake

It has come to my attention that an email forwarded to you earlier today and which was marked for your attention may have been sent to an incorrect email address. Please find below (and attached) correspondence for your attention.

Yours sincerely

**DAVID VALE**

Principal Adviser  
Financial Reporting

**Registered Organisations Commission**

Tel: (02) 8293 4654  
[david.vale@roc.gov.au](mailto:david.vale@roc.gov.au)

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**Sent:** Tuesday, 26 September 2017 11:27 AM  
**To:** 'info@accrubis.com.au'  
**Cc:** 'cbird@cwuqld.asn.au'; 'comms@cepuqld.asn.au'  
**Subject:** FR2017/13 CEPU CQLD Departmental Scan 22082017 [SEC=UNCLASSIFIED]  
**Importance:** High

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Yours sincerely

**DAVID VALE**  
Principal Adviser  
Financial Reporting  
**Registered Organisations Commission**

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**Sent:** Tuesday, 22 August 2017 9:27 AM  
**To:** HIBBERD,Christine  
**Subject:** FR2017/13 CEPU CQLD Departmental Scan 22082017

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2017/08/29

15<sup>th</sup> August 2017



Registered Organisations Commission  
GPO Box 2983  
MELBOURNE VIC 3001

Dear Sir/Madam

**Re YEAR 2017 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 31<sup>st</sup> March 2017. This report was made available to members via our website on 18<sup>th</sup> July 2017.

Yours faithfully

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

Cameron Bird  
BRANCH SECRETARY

**Year 2017 REPORT ON FINANCIAL STATEMENTS & ACCOUNTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017**

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

"I Cameron Bird being the 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 18<sup>th</sup> July 2017 and
- that the full report was presented to a meeting of the Branch Committee of Management held on 17<sup>th</sup> July 2017. Due to the lack of a quorum for the Annual General Meeting 14<sup>th</sup> August 2017 the Branch Committee of Management endorsed the report ( at the BCOM held on 14<sup>th</sup> August 2017) as per the following motion:-

"That the Queensland Branch Communications Division BCOM accepts the Auditor's Report for the year ending 31<sup>st</sup> March 2017 as a true statement of the financial affairs of the Branch and in compliance with Fair Work Act 2009."



Cameron Bird  
Branch Secretary  
15<sup>h</sup> August 2017

**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATIONS  
DIVISION BRANCH**

**ABN 86 127 798 512**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 MARCH, 2017**

**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 EBA Negotiations – Postal;
- o National Delivery Modelling Tool Consultation – further implementation;
- o Numerous WFM's Retail – Postal;
- o Consolidated consultation through Local Working Groups – Postal;
- o Consultation on implementation of New Sorting Machines – (CFCP and FSM);
- o Redundancies – Telstra;
- o Broadcast Australia EBA;
- o Reclassification of Telstra CFW4's to CFW5's.

**Branch Members**

The number of members of the branch at the end of the financial year was 3,508.

**Branch Employees**

The number of employees of the Branch at the end of the financial year was 4.8

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



\_\_\_\_\_  
C Bird (Branch Secretary)

Dated this 17th day of July 2017.

**CEPU COMMUNICATIONS DIVISION**  
**QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2017**

	Note	2017 \$	2016 \$
Revenue	2	1,326,701	1,375,231
Employee benefit expense	4	(613,293)	(668,547)
Depreciation and amortisation expense		(93,357)	(79,741)
Operating lease expense	3	(18,618)	(23,602)
Finance cost expense	3	-	-
Affiliation expenses	3	(14,746)	(14,838)
Bad and doubtful debt expenses	3	(22,102)	80,857
Insurance		(34,196)	(26,043)
Legal expenses	3	(24,381)	(6,120)
National Council Fund - Communications Electrical Plumbing Union		(8,302)	(7,336)
ACTU - Industrial Relations Levy Proportional Cost		-	16,054
Capitation fees - Communications Division - CEPU		(288,692)	(357,000)
Motor vehicle expenses		(25,107)	(35,067)
Office expenses		(79,583)	(59,455)
Organising and travelling expenses		(16,985)	(36,413)
Premises expenses		(77,564)	(71,191)
Telecommunications expenses		(12,098)	(12,910)
Other expenses from ordinary activities		<u>(57,306)</u>	<u>(33,683)</u>
<b>Profit/(loss) before income tax</b>		(59,629)	40,196
Income tax expense		<u>-</u>	<u>-</u>
<b>Profit/(loss) attributable to members</b>		<u><u>(59,629)</u></u>	<u><u>40,196</u></u>
<b>Other comprehensive income</b>			
Donations to Disaster Relief Reserve		2,500	2,860
Interest received on Disaster Relief Reserve		1	-
Expenditure from Disaster Relief Reserve		(200)	-
Net gain on revaluation of non-current assets		<u>-</u>	<u>-</u>
<b>Total other comprehensive income for the year</b>		<u><u>2,301</u></u>	<u><u>2,860</u></u>
<b>Total comprehensive income for the year</b>		<u><u>(57,329)</u></u>	<u><u>43,056</u></u>
<b>Total comprehensive income attributable to members</b>		<u><u>(57,329)</u></u>	<u><u>43,056</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 2017**

	Note	2017 \$	2016 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash on hand	6	419,844	503,113
Accounts receivable and other debtors	7	24,776	38,324
Other current assets	8	<u>37,477</u>	<u>52,365</u>
Total Current Assets		<u>482,097</u>	<u>593,802</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	<u>3,213,251</u>	<u>3,214,229</u>
Total Non-Current Assets		<u>3,213,251</u>	<u>3,214,229</u>
<b>TOTAL ASSETS</b>		<u>3,695,348</u>	<u>3,808,031</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and other payables	10	65,576	71,442
Employee provisions	11	<u>164,722</u>	<u>210,746</u>
Total Current Liabilities		<u>230,298</u>	<u>282,188</u>
<b>NON-CURRENT LIABILITIES</b>			
Employee provisions	11	<u>19,433</u>	<u>20,397</u>
Total Non-Current Liabilities		<u>19,433</u>	<u>20,397</u>
<b>TOTAL LIABILITIES</b>		<u>249,731</u>	<u>302,585</u>
<b>NET ASSETS</b>		<u>3,445,617</u>	<u>3,505,446</u>
<b>EQUITY</b>			
Reserves	12	2,382,316	2,379,326
Retained profits		<u>1,063,301</u>	<u>1,126,120</u>
<b>TOTAL EQUITY</b>		<u>3,445,617</u>	<u>3,505,446</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 2017**

	<b>Retained Profits</b>	<b>Asset Revaluation Reserve</b>	<b>Disaster Relief Reserve</b>	<b>Total</b>
	\$	\$	\$	\$
Balance at 1 April 2015	1,087,584	2,375,604	2,061	3,465,249
<b>Comprehensive income</b>				
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>
<b>Comprehensive income</b>				
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>

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 2017**

	Note	2017 \$	2016 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from members		1,287,705	1,336,534
Receipts from Communications Division - CEPU		1,471	6,327
Receipts from Electrical Trades Union (Qld & NT)		4,727	5,136
Other receipts		6,091	13,036
Payments to suppliers and employees		(983,402)	(1,051,072)
Payments to Communications Division - CEPU		(289,779)	(300,564)
Payments to CEPU National Council		(13,626)	(3,936)
Interest received		8,773	11,319
Interest paid		-	-
Net cash flows provided/(used) by operating activities	18(a)	<u>21,961</u>	<u>16,780</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		3,455	1,909
Purchases of property, plant and equipment		<u>(108,685)</u>	<u>(2,903)</u>
Net cash flows provided/(used) by investing activities		<u>(105,230)</u>	<u>(994)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
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		(83,269)	15,787
Cash on hand at beginning of financial year		<u>503,113</u>	<u>487,326</u>
Cash on hand at end of financial year	6	<u><u>419,843</u></u>	<u><u>503,113</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.

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**NOTES TO THE FINANCIAL STATEMENTS  
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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 17 July 2017 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.

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**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.

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**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

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**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

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**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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**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.

	2017	2016
	\$	\$
<b>2. REVENUE AND OTHER INCOME</b>		
<b>Operating activities</b>		
Members' contributions	1,305,638	1,339,413
Expense reimbursements - Communications Division - CEPU	1,471	6,327
Interest received	8,773	11,319
Rent received - Electrical Trades Union (Qld and NT)	4,727	5,136
Rent received - other	4,727	11,502
Other revenue	1,364	1,534
Profit on disposal of property, plant and equipment	-	-
Total Revenue	1,326,701	1,375,231

**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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	2017	2016
	\$	\$
<b>3. SURPLUS FOR THE YEAR</b>		
<b>(a) Expenses</b>		
Interest expense - external	-	-
Bad and doubtful debts:		
- member contributions receivable	12,141	550
- expense reimbursements - Communications Division - CEPU	9,961	(81,406)
	22,102	(80,857)
Rental expense on operating leases:		
- minimum lease payments on office equipment	18,618	23,602
Loss on disposal of property, plant and equipment	12,851	7,248
Commission for employers making payroll deductions	6,645	7,284
Affiliation expenses:		
- Australian Labour Party Queensland	734	700
- Queensland Council of Unions	5,100	5,100
- The Union Shopper Inc	8,912	9,039
	14,746	14,838
Donations expenses:		
- National Breast Cancer Foundation - donation	100	-
- ALP donation (the donation was recognised as an expense at 31 March 2014 and was reversed as at 31 March 2016 at the direction of the Branch Secretary)	-	(17,000)
	100	(17,000)
Grants:		
- Member assistance (paid from Disaster Relief Fund)	200	-
State Executive attendance fees	1,800	1,660
State Executive other expenses	3,012	2,858
Legal expenses:		
- litigation	-	-
- other legal matters	24,381	6,120
	24,381	6,120
Penalties under Fair Work (Registered Organisations) Act 2009	-	-
<b>(b) Significant Revenue and Expenses</b>		
The following significant revenue and expense items are relevant in explaining the financial performance:		
Members' contributions	1,305,638	1,339,413

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	2017	2016
	\$	\$
<b>4. SALARIES AND RELATED EXPENSES</b>		
Holders of office:		
- wages and salaries	224,245	226,916
- superannuation	28,534	37,491
- leave and other entitlements	(35,261)	(8,959)
- separation and redundancies	-	-
- other employee expenses	-	-
Employees other than holders of office:		
- wages and salaries	317,037	325,963
- superannuation	51,393	53,932
- leave and other entitlements	(11,728)	(8,644)
- separation and redundancies	-	-
- other employee expenses	-	-
Other staff costs	39,071	41,848
	613,293	668,547
Other staff costs primarily comprise employee insurance, fringe benefits tax, payroll tax and workers compensation.		
<b>5. AUDITOR'S REMUNERATION</b>		
Remuneration of the auditor of the Branch for:		
Auditing or reviewing the financial report	12,400	12,400
Other services	17,250	9,235
	29,650	21,635
<b>6. CASH ON HAND</b>		
Petty cash	550	550
General account	20,450	23,241
Members Equity accounts	392,131	475,601
Disaster relief fund	6,712	3,721
	419,844	503,113

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

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	2017	2016
	\$	\$
<b>7. ACCOUNTS RECEIVABLE AND OTHER DEBTORS</b>		
Current		
Member contributions in arrears	30,657	12,724
Less: Provision for impairment of receivables	(16,165)	(4,025)
	14,492	8,699
Receivable - Communications Division - CEPU	9,534	26,925
Less: Provision for impairment of receivables	-	-
	9,534	26,925
Other debtors	750	2,700
	24,776	38,324

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	
	\$	\$	\$	\$	\$	\$	
<b>2016</b>							
Contributions in arrears	12,724	4,025	-	-	8,699	-	
Other receivables	29,625	-	-	-	-	29,625	
Total	42,349	4,025	-	-	8,699	29,625	
<b>2017</b>							
Contributions in arrears	30,657	16,165	-	-	14,492	-	
Other receivables	10,284	-	-	-	-	10,284	
Total	40,941	16,165	-	-	14,492	10,284	

	2017	2016
	\$	\$
<b>8. OTHER CURRENT ASSETS</b>		
Prepayments	37,477	52,365

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NOTES TO THE FINANCIAL STATEMENTS  
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	2017	2016
	\$	\$
<b>9. PROPERTY PLANT AND EQUIPMENT</b>		
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>(466,612)</u>	<u>(407,450)</u>
	<u>1,771,220</u>	<u>1,830,382</u>
Plant and equipment, at cost	123,723	132,379
Less: accumulated depreciation	<u>(94,272)</u>	<u>(95,602)</u>
	<u>29,451</u>	<u>36,777</u>
Motor vehicles, at cost	136,140	95,051
Less: accumulated depreciation	<u>(35,424)</u>	<u>(59,845)</u>
	<u>100,715</u>	<u>35,205</u>
	<u><u>3,213,251</u></u>	<u><u>3,214,230</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.

	Land	Buildings	Equipment	Vehicles	Total
	\$	\$	\$	\$	\$
<b>2016</b>					
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>
<b>2017</b>					
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>

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	2017	2016
	\$	\$
<b>10. ACCOUNTS PAYABLE AND OTHER PAYABLES</b>		
Current		
Unsecured liabilities:		
General accounts payable and accruals	21,677	22,323
Amount payable to Communications Division - CEPU	20,303	21,390
Accrual for CEPU National Council	2,476	7,800
Amount payable for legal costs (non-litigation) and other expenses	-	600
Contributions received in advance	5,192	4,567
Payroll liabilities	9,894	11,603
GST liabilities	6,033	3,159
	<u>65,576</u>	<u>71,442</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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	2017	2016
	\$	\$
<b>11. EMPLOYEE PROVISIONS</b>		
Opening balance at 1 April	231,143	248,746
Additional provisions raised during year	65,244	22,642
Amounts used	<u>(112,232)</u>	<u>(40,244)</u>
Balance at 31 March	<u><u>184,155</u></u>	<u><u>231,143</u></u>
 <i>Analysis of Employee Provisions</i>		
Current	164,722	210,746
Non-current	19,433	20,397
	<u><u>184,155</u></u>	<u><u>231,143</u></u>
 <i>Holdings of Office</i>		
Annual Leave	44,640	51,131
Long service leave	49,837	75,682
Separation and redundancies	-	-
Other employee provisions	-	2,925
	<u><u>94,477</u></u>	<u><u>129,737</u></u>
 <i>Employees other than Holdings of Office</i>		
Annual Leave	22,695	24,668
Long service leave	59,005	71,446
Separation and redundancies	-	-
Other employee provisions	7,978	5,292
	<u><u>89,678</u></u>	<u><u>101,406</u></u>
	<u><u>184,155</u></u>	<u><u>231,143</u></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 2017**

	2017	2016
	\$	\$
<b>12. RESERVES</b>		
<b>Asset Revaluation Reserve</b>		
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
<b>Disaster Relief Reserve</b>		
The Disaster Relief Reserve records funds set aside for disaster relief for members.	7,322	5,021
<b>13. CAPITAL AND LEASING COMMITMENTS</b>		
<b>(a) Finance Lease Commitments</b>		
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>(b) Operating Lease Commitments</b>		
Payable - minimum lease payments:		
- not later than 12 months	16,723	23,160
- between 12 months and 5 years	66,459	36,670
- greater than 5 years	-	-
	-	-
	83,182	59,830

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 2017**

**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.

	2017	2016
	\$	\$

**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	224,245	226,794
Post employment benefits	28,534	36,964
Termination benefits	<u>-</u>	<u>-</u>
 Total compensation	 <u>252,779</u>	 <u>263,758</u>

**(b) Other Related Parties**

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

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	84,577
Post employment benefits	6,841	13,278
Termination benefits	<u>-</u>	<u>-</u>
 Total compensation	 <u>54,561</u>	 <u>97,855</u>

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 2017**

**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).”

	2017	2016
	\$	\$
<b>18. CASH FLOW INFORMATION</b>		
<b>(a) Reconciliation of net cash from operations with profit (loss) after income tax</b>		
Profit (loss) after income tax	(59,629)	40,196
Cash flows excluded from profit attributable to reserves		
Movement in disaster relief fund	(199)	-
Non-cash flows in profit (loss)		
Depreciation	93,357	79,741
Doubtful debts	12,141	(85,010)
Net loss (gain) on disposal of plant and equipment	12,851	7,248
Changes in assets and liabilities during the financial year		
(Increase)/decrease in accounts rec. and other receivables	19,341	55,934
(Increase)/decrease in other current assets	(3,046)	(2,742)
(Decrease)/increase in accounts payable and other payables	(5,866)	(60,985)
(Decrease)/increase in provision for employee benefits	(46,988)	(17,603)
	<u>21,961</u>	<u>16,780</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 2017**

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>		
<b>2017</b>						
<b>Financial Assets</b>						
Cash and cash equivalents	1.6%	419,294	-	-	550	419,844
Accounts and other receivables	0.0%	-	-	-	24,776	24,776
<b>Total Financial Assets</b>		<b>419,294</b>	<b>-</b>	<b>-</b>	<b>25,326</b>	<b>444,619</b>
<b>Financial Liabilities</b>						
Accounts and other payables	0.0%	-	-	-	65,576	65,576
Borrowings	0.0%	-	-	-	-	-
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>65,576</b>	<b>65,576</b>
<b>2016</b>						
<b>Financial Assets</b>						
Cash and cash equivalents	2.4%	502,563	-	-	550	503,113
Accounts and other receivables	0.0%	-	-	-	38,324	38,324
<b>Total Financial Assets</b>		<b>502,563</b>	<b>-</b>	<b>-</b>	<b>38,874</b>	<b>541,437</b>
<b>Financial Liabilities</b>						
Accounts and other payables	0.0%	-	-	-	71,442	71,442
Borrowings	0.0%	-	-	-	-	-
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>71,442</b>	<b>71,442</b>

**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**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.

**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**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**

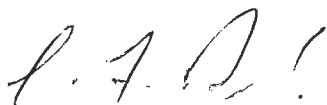
The members of the Branch Committee of Management declare that in their opinion:

- (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 2017;
- (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

17th July

2017



C Bird (Branch Secretary)

Dated this 17th day of July 2017.

**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 2017, 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 of the Entity is prepared, in all material respects, in accordance with the Fair Work (Registered Organisations) Act 2009.

**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 2017, 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.

**Responsibilities of Branch 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.

**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

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

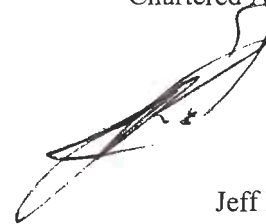
Those charged with governance are responsible for overseeing the Entity's financial reporting process.

**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, 18<sup>th</sup> July 2017





# Application for registration as a registered auditor by a registered company auditor

under Subdivision A of Division 4 of Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*

## Purpose of this form

This form is for use by individuals who are applying for registration as a registered auditor (**RA**) under the *Fair Work (Registered Organisations) Act 2009 (the Act)* and who are currently a registered company auditor (**RCA**) under Part 9.2 of the *Corporations Act 2001 (the Corporations Act)*.

Your answers to the following questions will enable the Registered Organisation Commissioner to make an informed decision on whether or not you satisfy the requirements for registration as an RA.

The Guidance Notes, [Applying to become a registered auditor under section 255A of the Fair Work \(Registered Organisations\) Act 2009](#), further assist in setting out how an applicant may meet the requirements for registration as an RA.

### Eligibility

This form is to be completed by an individual who:

- wishes to apply to be an RA; and
- is currently an RCA under the Corporations Act.

Eligibility requirements are set out in the Act and the *Fair Work (Registered Organisations) Regulations 2009 (the Regulations)*.

## Instructions for completing this form

Please read each part of the application carefully, fully answer all the questions, sign where indicated and attach the required documentation.

You must complete and submit:

- Part A: Personal details
- Part B: Capacity
- Part C: Registered company auditor
- Part D: Declaration and signature

<b>Check boxes</b>	Mark boxes like this <input type="checkbox"/> with a ✓ or ✗. When an instruction asks you to 'tick' the box, you can still use either ✓ or ✗.
<b>Go to</b>	Where an instruction has a black single arrow (▶), go to the next question. Where an instruction has a black single arrow pointing down (▼), fill in the field(s) directly below.
<b>Mandatory questions</b>	If all fields in a question are mandatory and must be completed, <b>(required)</b> is added to the end of the question label text. If a field in a question is mandatory only IF a condition is met, <b>(required if any)</b> is added to the end of the question label text.
▶	This symbol indicates an instruction on what to do next.
①	This symbol indicates additional useful guidance to filling in the adjacent field or section.



This symbol advises that additional documentation to support a claim may need to be attached to the application.

## Help filling in this form

The Guidance Notes: [Applying to become a registered auditor under section 255A of the Fair Work \(Registered Organisations\) Act 2009](#) have been designed to help you interpret the eligibility criteria set out in the Act. The guidelines also provide practical advice on how applicants should fill in various sections of this form.

Please note that the RA registration guidance notes do not constitute legal advice. Applicants are encouraged to seek independent advice on how the relevant legislation applies to their particular circumstances.

The terms used in this application form are further defined in the [Act](#) and the [Regulations](#). The legislation can be found at [www.legislation.gov.au](http://www.legislation.gov.au).

If you require assistance or have any questions regarding this application process, please contact the Registered Organisations Commission general enquiries line on **1300 341 665** or email [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au)

## Submitting this form

A signed copy of this form should be kept for your records.

Applications are to be submitted by email. Scan your completed and signed application form, certified true copies and any other relevant supporting documents, and email to:

[regorgs@roc.gov.au](mailto:regorgs@roc.gov.au)

# Part A: Personal details

It is a requirement that you provide the following personal information.

## 1. Have you previously applied to be registered as a registered auditor (RA)? (required)


No	<input type="checkbox"/>	Go to <b>next question</b> . ▶
Yes	<input type="checkbox"/>	Provide application number below. ▼

RA application number	
-----------------------	--

## 2. Name of applicant (required)

Title (e.g. Mr, Mrs, Dr)	
First name	
Middle name(s)	
Last name	

## 3. Have you been known by any other name(s)? (required)

 If 'Yes', you need to provide a certified copy of your name change document (e.g. marriage or name change certificate) or a statutory declaration and supporting documentation with your application.

No	<input type="checkbox"/>	Go to <b>next question</b> . ▶
Yes	<input type="checkbox"/>	Provide details below. ▼

Other name(s)	
---------------	--

## 4. Do you reside in Australia? (required)

No	<input type="checkbox"/>	Please note that the Commissioner may refuse to grant the application (s.255E(4) of the Act)
Yes	<input type="checkbox"/>	

## Part B: Capacity

### 5. In what capacity do you intend to practice? (required)

As an individual auditor	<input type="checkbox"/>	
As an employee of a firm	<input type="checkbox"/>	
As an employee of a company	<input type="checkbox"/>	
As a member of a firm	<input type="checkbox"/>	
As a director of a company	<input type="checkbox"/>	

### 6. Company, firm or employer details (required if any)

- ▶ Provide identification details for your company, firm or employer.

Company name or trading name of your firm or employer	
ABN	
ACN	

### 7. Business contact details (required)

- ▶ Provide your business contact phone number and alternative contact number. Include area code, where applicable.

Business contact number	
-------------------------	--

- ▶ Provide your business email address.

Email address	
---------------	--


- ▶ Provide your **business postal address**.

**i** If your application for registration is successful your business postal address will be published online on the Register of Registered Auditors.

Address line 1	
Address line 2	
Address line 3	
Suburb/city	
State/territory	
Postcode	
Country	

# Part C: Registered company auditor

## 8. Are you currently a registered company auditor (RCA)? (required)

 You need to provide a copy of your certificate of registration as an RCA.

No	<input type="checkbox"/>	This form is for individuals who are currently registered as an RCA. If you answered no to this question you must download and complete the form <i>Application for registration as a registered auditor by an individual who is not a registered company auditor</i> .
Yes	<input type="checkbox"/>	Provide number below. ▼

Registered company auditor number	<input type="text"/>	Go to <b>Declaration</b> . ▶
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# Part D: Declaration and signature

Under the Act, the Commissioner can only grant an application for registration as an RA when satisfied that the applicant has complied with all requirements.

In order to assist applicants to correctly complete this application form, and to understand their obligations under the *Fair Work (Registered Organisations) Act 2009* and the *Fair Work (Registered Organisations) Regulations 2009*, the ROC has developed a Guidance Note: [Applying to become a registered auditor under section 255A of the Fair Work \(Registered Organisations\) Act 2009](#). It should be noted that the Guidance Notes do not constitute legal advice. Applicants are encouraged to seek independent advice to find out how the relevant legislation applies to their circumstances.

## Declaration

In submitting this application for registration as a registered auditor, I declare:

- I have read and acknowledge the information provided above.
- The information that I have supplied in this application (including any attachments) is complete, correct and up to date in every detail and in accordance with the Act and the Regulations.
- I am aware that giving false or misleading information is a serious offence. A person who:
  - Knowingly or recklessly makes a false or misleading statement in an application for registration; or
  - Knowingly gives false or misleading information in an application for registration

Is guilty of an offence, the punishment for which is imprisonment for up to 12 months (if a statement is made or information is provided knowingly) or up to 6 months (if a statement is made recklessly) – see Part 7.4, section 136 and 137.1 of the *Criminal Code*.

- I will inform the Commissioner of any changes to my details or circumstances as provided in this form.

## Consent

I consent to the Registered Organisations Commission contacting third parties and releasing information contained in this form (including any attachments) for the purpose of verifying the authenticity of the information provided.

Printed name of applicant	<input type="text"/>
Signature	<input type="text"/>

	Day (dd)	Month (mm)	Year (yyyy)
Signature date	<input type="text"/>	<input type="text"/>	<input type="text"/>

# Additional information

## Publishing of information

The *Fair Work (Registered Organisations) Regulations 2009* require that certain information from the Register of Registered Auditors be published.

If your application for registration is successful, the following information will be published on the Registered Organisations Commission website so that potential users are able to access RAs:

- Name
- Registration number
- Date registration was granted
- Status
- Address of the principal place of practice including city or town, state or territory, postcode and country
- Employer's name, or, if self-employed through a company, the name of the company and its ACN

## Protection of information

The Registered Organisations Commissioner is bound by the *Privacy Act 1988*.

## Privacy statement

'Personal information', as defined in the *Privacy Act 1988*, means any information from which a person's identity is apparent or can be reasonably ascertained.

Personal information collected in relation to this application will be used for the purpose of assessing the application, auditing compliance, enforcement of relevant laws and regulations and for related purposes.

## Disclosure of information

The Commissioner and authorised staff are only able to disclose information relating to the affairs of a person (including personal information) collected in relation to this application in accordance with the *Fair Work (Registered Organisations) Act 2009*, the *Fair Work (Registered Organisations) Regulations 2009* or as otherwise required by law.

Those circumstances include:

- disclosure to the Minister;
- disclosure of summaries or statistics if those summaries or statistics are not likely to enable the identification of a person;
- disclosure to certain bodies where the Commissioner is satisfied that disclosure will assist those bodies in the performance of their functions or powers, including the Fair Work Commission, the Australian Securities and Investments Commission and the Australian Competition and Consumer Commission;
- disclosure for the purposes of enforcement of the criminal law, enforcement of a law imposing a pecuniary penalty or for protection of the public revenue, if the Commissioner is satisfied that disclosure is reasonably necessary for such purpose; and
- disclosure of information in accordance with an application made by a person to inspect a document lodged with the Commissioner, in accordance with Regulation 20 of the *Fair Work (Registered Organisations) Regulations 2009*.

Unless obliged by law to provide personal information, the ROC will take steps to redact (i.e. black out) personal information such as dates of birth, account details and home addresses.

Staff attached to the ROC are employees of the Fair Work Ombudsman (FWO). As such, some associated FWO staff (e.g. those providing information technology support may have access to personal information provided to the ROC.

## Accessibility disclaimer

The Commissioner has worked to ensure that this document is accessible but please contact us to obtain an alternative version if you are having difficulty or you have specific accessibility needs.

Please call **1300 341 665** or email [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au) with the name of the form and your needs.

## **svc-adlib5**

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**From:** ROC - Registered Org Commission  
**Sent:** Tuesday, 26 September 2017 11:27 AM  
**To:** 'info@accrubis.com.au'  
**Cc:** 'cbird@cwuqld.asn.au'; 'comms@cepuqld.asn.au'  
**Subject:** FR2017/13 CEPU CQLD Departmental Scan 22082017 [SEC=UNCLASSIFIED]  
**Attachments:** Departmental Scan 22082017\_1009703 christine.hibberd.pdf; af001-application-form-auditor-registration-rca\_19 June 2017.docx

**Importance:** High

### **UNCLASSIFIED**

Dear Mr Rake

On 22 August 2017, the Registered Organisations Commission (ROC) received lodgement of a copy of the full Financial Report from the Queensland Communications Division Branch of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia. Included in the Financial Report was the independent Auditor's Report which you signed on 18 July 2017 (I have attached a copy of the report for your assistance). I provide the following comments regarding the Auditor's Report.

- i. The Auditor's Report did not contain an opinion whether the general purpose financial report was presented fairly, in all material aspects, in accordance with Australian Accounting Standards;
- ii. The Auditor's Report did not include a declaration that management's use of the going concern basis of accounting in preparing the general purpose financial report was appropriate.

In relation to point (i) above, pursuant to section 257(5) of the *Fair Work (Registered Organisations) Act 2009* (the RO Act), an auditor must, in their report, state whether in the auditor's opinion the general purpose financial report is presented fairly in accordance with Australian Accounting Standards, or if not of that opinion, must state why. This requirement is also included in reporting guideline 37(a) of the Reporting Guidelines which are set out pursuant to section 255 of the RO Act. In relation to point (ii) above, reporting guideline 39 of the Reporting Guidelines requires an auditor's statement to include a declaration that as part of the audit of the financial statements, an auditor has concluded that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate.

Before this Financial Report is filed, I would appreciate your comments regarding the above two omissions, and how you intend on rectifying the above omissions.

Finally, I note from our records that you are currently not an auditor registered as a company auditor with the ROC. Please note that the period of transitional recognition for auditors of registered organisations who are not a registered company auditor ceased after 1 August 2017. Should you wish to become a registered company auditor to continue auditing the financial statements of reporting units of registered organisations, you will need to make an application pursuant to section 255A of the *Fair Work (Registered Organisations) Act 2009*. An application can be made using the AF 001 Form which can be downloaded from the ROC's website at <http://www.roc.gov.au/running-a-registered-organisation/registration-of-auditors>, and which also provides additional information for auditors. I have also attached a copy of the AF 001 form for your assistance.

Yours sincerely

**DAVID VALE**  
Principal Adviser

Financial Reporting  
**Registered Organisations Commission**

Tel: (02) 8293 4654  
[david.vale@roc.gov.au](mailto:david.vale@roc.gov.au)

GPO Box 2983, MELBOURNE VIC 3001 | Street address: Level 13, 175 Liverpool Street Sydney NSW 2000

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**Australian Government**  
**Registered Organisations Commission**

Please consider the environment before printing this message

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**From:** HIBBERD,Christine  
**Sent:** Tuesday, 22 August 2017 9:27 AM  
**To:** HIBBERD,Christine  
**Subject:** FR2017/13 CEPU CQLD Departmental Scan 22082017

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2017/08/29

15<sup>th</sup> August 2017



Registered Organisations Commission  
GPO Box 2983  
MELBOURNE VIC 3001

Dear Sir/Madam

**Re YEAR 2017 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 31<sup>st</sup> March 2017. This report was made available to members via our website on 18<sup>th</sup> July 2017.

Yours faithfully

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

Cameron Bird  
BRANCH SECRETARY

**Year 2017 REPORT ON FINANCIAL STATEMENTS & ACCOUNTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017**

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

"I Cameron Bird being the 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 18<sup>th</sup> July 2017 and
- that the full report was presented to a meeting of the Branch Committee of Management held on 17<sup>th</sup> July 2017. Due to the lack of a quorum for the Annual General Meeting 14<sup>th</sup> August 2017 the Branch Committee of Management endorsed the report ( at the BCOM held on 14<sup>th</sup> August 2017) as per the following motion:-

"That the Queensland Branch Communications Division BCOM accepts the Auditor's Report for the year ending 31<sup>st</sup> March 2017 as a true statement of the financial affairs of the Branch and in compliance with Fair Work Act 2009."



Cameron Bird  
Branch Secretary  
15<sup>h</sup> August 2017

**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATIONS  
DIVISION BRANCH**

**ABN 86 127 798 512**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 MARCH, 2017**

**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 EBA Negotiations – Postal;
- o National Delivery Modelling Tool Consultation – further implementation;
- o Numerous WFM's Retail – Postal;
- o Consolidated consultation through Local Working Groups – Postal;
- o Consultation on implementation of New Sorting Machines – (CFCP and FSM);
- o Redundancies – Telstra;
- o Broadcast Australia EBA;
- o Reclassification of Telstra CFW4's to CFW5's.

**Branch Members**

The number of members of the branch at the end of the financial year was 3,508.

**Branch Employees**

The number of employees of the Branch at the end of the financial year was 4.8

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



\_\_\_\_\_  
C Bird (Branch Secretary)

Dated this 17th day of July 2017.

**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	2017 \$	2016 \$
Revenue	2	1,326,701	1,375,231
Employee benefit expense	4	(613,293)	(668,547)
Depreciation and amortisation expense		(93,357)	(79,741)
Operating lease expense	3	(18,618)	(23,602)
Finance cost expense	3	-	-
Affiliation expenses	3	(14,746)	(14,838)
Bad and doubtful debt expenses	3	(22,102)	80,857
Insurance		(34,196)	(26,043)
Legal expenses	3	(24,381)	(6,120)
National Council Fund - Communications Electrical Plumbing Union		(8,302)	(7,336)
ACTU - Industrial Relations Levy Proportional Cost		-	16,054
Capitation fees - Communications Division - CEPU		(288,692)	(357,000)
Motor vehicle expenses		(25,107)	(35,067)
Office expenses		(79,583)	(59,455)
Organising and travelling expenses		(16,985)	(36,413)
Premises expenses		(77,564)	(71,191)
Telecommunications expenses		(12,098)	(12,910)
Other expenses from ordinary activities		<u>(57,306)</u>	<u>(33,683)</u>
<b>Profit/(loss) before income tax</b>		(59,629)	40,196
Income tax expense		<u>-</u>	<u>-</u>
<b>Profit/(loss) attributable to members</b>		<u><u>(59,629)</u></u>	<u><u>40,196</u></u>
<b>Other comprehensive income</b>			
Donations to Disaster Relief Reserve		2,500	2,860
Interest received on Disaster Relief Reserve		1	-
Expenditure from Disaster Relief Reserve		(200)	-
Net gain on revaluation of non-current assets		<u>-</u>	<u>-</u>
<b>Total other comprehensive income for the year</b>		<u><u>2,301</u></u>	<u><u>2,860</u></u>
<b>Total comprehensive income for the year</b>		<u><u>(57,329)</u></u>	<u><u>43,056</u></u>
<b>Total comprehensive income attributable to members</b>		<u><u>(57,329)</u></u>	<u><u>43,056</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 2017**

	Note	2017 \$	2016 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash on hand	6	419,844	503,113
Accounts receivable and other debtors	7	24,776	38,324
Other current assets	8	<u>37,477</u>	<u>52,365</u>
Total Current Assets		<u>482,097</u>	<u>593,802</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	<u>3,213,251</u>	<u>3,214,229</u>
Total Non-Current Assets		<u>3,213,251</u>	<u>3,214,229</u>
<b>TOTAL ASSETS</b>		<u>3,695,348</u>	<u>3,808,031</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and other payables	10	65,576	71,442
Employee provisions	11	<u>164,722</u>	<u>210,746</u>
Total Current Liabilities		<u>230,298</u>	<u>282,188</u>
<b>NON-CURRENT LIABILITIES</b>			
Employee provisions	11	<u>19,433</u>	<u>20,397</u>
Total Non-Current Liabilities		<u>19,433</u>	<u>20,397</u>
<b>TOTAL LIABILITIES</b>		<u>249,731</u>	<u>302,585</u>
<b>NET ASSETS</b>		<u>3,445,617</u>	<u>3,505,446</u>
<b>EQUITY</b>			
Reserves	12	2,382,316	2,379,326
Retained profits		<u>1,063,301</u>	<u>1,126,120</u>
<b>TOTAL EQUITY</b>		<u>3,445,617</u>	<u>3,505,446</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 2017**

	<b>Retained Profits</b>	<b>Asset Revaluation Reserve</b>	<b>Disaster Relief Reserve</b>	<b>Total</b>
	\$	\$	\$	\$
Balance at 1 April 2015	1,087,584	2,375,604	2,061	3,465,249
<b>Comprehensive income</b>				
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>
<b>Comprehensive income</b>				
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>

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 2017**

	Note	2017 \$	2016 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from members		1,287,705	1,336,534
Receipts from Communications Division - CEPU		1,471	6,327
Receipts from Electrical Trades Union (Qld & NT)		4,727	5,136
Other receipts		6,091	13,036
Payments to suppliers and employees		(983,402)	(1,051,072)
Payments to Communications Division - CEPU		(289,779)	(300,564)
Payments to CEPU National Council		(13,626)	(3,936)
Interest received		8,773	11,319
Interest paid		-	-
Net cash flows provided/(used) by operating activities	18(a)	<u>21,961</u>	<u>16,780</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		3,455	1,909
Purchases of property, plant and equipment		<u>(108,685)</u>	<u>(2,903)</u>
Net cash flows provided/(used) by investing activities		<u>(105,230)</u>	<u>(994)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
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		(83,269)	15,787
Cash on hand at beginning of financial year		<u>503,113</u>	<u>487,326</u>
Cash on hand at end of financial year	6	<u><u>419,843</u></u>	<u><u>503,113</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 2017**

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 17 July 2017 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 2017**

**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 2017**

**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 2017**

**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 2017**

**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  
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**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 deter 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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**NOTES TO THE FINANCIAL STATEMENTS  
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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.

	2017	2016
	\$	\$
<b>2. REVENUE AND OTHER INCOME</b>		
<b>Operating activities</b>		
Members' contributions	1,305,638	1,339,413
Expense reimbursements - Communications Division - CEPU	1,471	6,327
Interest received	8,773	11,319
Rent received - Electrical Trades Union (Qld and NT)	4,727	5,136
Rent received - other	4,727	11,502
Other revenue	1,364	1,534
Profit on disposal of property, plant and equipment	-	-
Total Revenue	1,326,701	1,375,231

**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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	2017	2016
	\$	\$
<b>3. SURPLUS FOR THE YEAR</b>		
<b>(a) Expenses</b>		
Interest expense - external	-	-
Bad and doubtful debts:		
- member contributions receivable	12,141	550
- expense reimbursements - Communications Division - CEPU	9,961	(81,406)
	22,102	(80,857)
Rental expense on operating leases:		
- minimum lease payments on office equipment	18,618	23,602
Loss on disposal of property, plant and equipment	12,851	7,248
Commission for employers making payroll deductions	6,645	7,284
Affiliation expenses:		
- Australian Labour Party Queensland	734	700
- Queensland Council of Unions	5,100	5,100
- The Union Shopper Inc	8,912	9,039
	14,746	14,838
Donations expenses:		
- National Breast Cancer Foundation - donation	100	-
- ALP donation (the donation was recognised as an expense at 31 March 2014 and was reversed as at 31 March 2016 at the direction of the Branch Secretary)	-	(17,000)
	100	(17,000)
Grants:		
- Member assistance (paid from Disaster Relief Fund)	200	-
State Executive attendance fees	1,800	1,660
State Executive other expenses	3,012	2,858
Legal expenses:		
- litigation	-	-
- other legal matters	24,381	6,120
	24,381	6,120
Penalties under Fair Work (Registered Organisations) Act 2009	-	-
<b>(b) Significant Revenue and Expenses</b>		
The following significant revenue and expense items are relevant in explaining the financial performance:		
Members' contributions	1,305,638	1,339,413

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QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

	2017	2016
	\$	\$
<b>4. SALARIES AND RELATED EXPENSES</b>		
Holders of office:		
- wages and salaries	224,245	226,916
- superannuation	28,534	37,491
- leave and other entitlements	(35,261)	(8,959)
- separation and redundancies	-	-
- other employee expenses	-	-
Employees other than holders of office:		
- wages and salaries	317,037	325,963
- superannuation	51,393	53,932
- leave and other entitlements	(11,728)	(8,644)
- separation and redundancies	-	-
- other employee expenses	-	-
Other staff costs	39,071	41,848
	613,293	668,547
Other staff costs primarily comprise employee insurance, fringe benefits tax, payroll tax and workers compensation.		
<b>5. AUDITOR'S REMUNERATION</b>		
Remuneration of the auditor of the Branch for:		
Auditing or reviewing the financial report	12,400	12,400
Other services	17,250	9,235
	29,650	21,635
<b>6. CASH ON HAND</b>		
Petty cash	550	550
General account	20,450	23,241
Members Equity accounts	392,131	475,601
Disaster relief fund	6,712	3,721
	419,844	503,113

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

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**NOTES TO THE FINANCIAL STATEMENTS  
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	2017	2016
	\$	\$
<b>7. ACCOUNTS RECEIVABLE AND OTHER DEBTORS</b>		
Current		
Member contributions in arrears	30,657	12,724
Less: Provision for impairment of receivables	(16,165)	(4,025)
	14,492	8,699
Receivable - Communications Division - CEPU	9,534	26,925
Less: Provision for impairment of receivables	-	-
	9,534	26,925
Other debtors	750	2,700
	24,776	38,324

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	
	\$	\$	\$	\$	\$	\$	
<b>2016</b>							
Contributions in arrears	12,724	4,025	-	-	8,699	-	-
Other receivables	29,625	-	-	-	-	-	29,625
Total	42,349	4,025	-	-	8,699	-	29,625
<b>2017</b>							
Contributions in arrears	30,657	16,165	-	-	14,492	-	-
Other receivables	10,284	-	-	-	-	-	10,284
Total	40,941	16,165	-	-	14,492	-	10,284

	2017	2016
	\$	\$
<b>8. OTHER CURRENT ASSETS</b>		
Prepayments	37,477	52,365

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**NOTES TO THE FINANCIAL STATEMENTS  
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	2017	2016
	\$	\$
<b>9. PROPERTY PLANT AND EQUIPMENT</b>		
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>(466,612)</u>	<u>(407,450)</u>
	<u>1,771,220</u>	<u>1,830,382</u>
Plant and equipment, at cost	123,723	132,379
Less: accumulated depreciation	<u>(94,272)</u>	<u>(95,602)</u>
	<u>29,451</u>	<u>36,777</u>
Motor vehicles, at cost	136,140	95,051
Less: accumulated depreciation	<u>(35,424)</u>	<u>(59,845)</u>
	<u>100,715</u>	<u>35,205</u>
	<u><u>3,213,251</u></u>	<u><u>3,214,230</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.

	Land	Buildings	Equipment	Vehicles	Total
	\$	\$	\$	\$	\$
<b>2016</b>					
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>
<b>2017</b>					
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>

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	2017	2016
	\$	\$
<b>10. ACCOUNTS PAYABLE AND OTHER PAYABLES</b>		
Current		
Unsecured liabilities:		
General accounts payable and accruals	21,677	22,323
Amount payable to Communications Division - CEPU	20,303	21,390
Accrual for CEPU National Council	2,476	7,800
Amount payable for legal costs (non-litigation) and other expenses	-	600
Contributions received in advance	5,192	4,567
Payroll liabilities	9,894	11,603
GST liabilities	6,033	3,159
	<u>65,576</u>	<u>71,442</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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	2017	2016
	\$	\$
<b>11. EMPLOYEE PROVISIONS</b>		
Opening balance at 1 April	231,143	248,746
Additional provisions raised during year	65,244	22,642
Amounts used	<u>(112,232)</u>	<u>(40,244)</u>
Balance at 31 March	<u><u>184,155</u></u>	<u><u>231,143</u></u>
 <i>Analysis of Employee Provisions</i>		
Current	164,722	210,746
Non-current	19,433	20,397
	<u><u>184,155</u></u>	<u><u>231,143</u></u>
 <i>Holdings of Office</i>		
Annual Leave	44,640	51,131
Long service leave	49,837	75,682
Separation and redundancies	-	-
Other employee provisions	-	2,925
	<u><u>94,477</u></u>	<u><u>129,737</u></u>
 <i>Employees other than Holdings of Office</i>		
Annual Leave	22,695	24,668
Long service leave	59,005	71,446
Separation and redundancies	-	-
Other employee provisions	7,978	5,292
	<u><u>89,678</u></u>	<u><u>101,406</u></u>
	<u><u>184,155</u></u>	<u><u>231,143</u></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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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

	2017	2016
	\$	\$
<b>12. RESERVES</b>		
<b>Asset Revaluation Reserve</b>		
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
<b>Disaster Relief Reserve</b>		
The Disaster Relief Reserve records funds set aside for disaster relief for members.	7,322	5,021
<b>13. CAPITAL AND LEASING COMMITMENTS</b>		
<b>(a) Finance Lease Commitments</b>		
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>(b) Operating Lease Commitments</b>		
Payable - minimum lease payments:		
- not later than 12 months	16,723	23,160
- between 12 months and 5 years	66,459	36,670
- greater than 5 years	-	-
	-	-
	83,182	59,830

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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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**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.

	2017	2016
	\$	\$

**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	224,245	226,794
Post employment benefits	28,534	36,964
Termination benefits	-	-
Total compensation	252,779	263,758

**(b) Other Related Parties**

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

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	84,577
Post employment benefits	6,841	13,278
Termination benefits	-	-
Total compensation	54,561	97,855

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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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**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).”

	2017	2016
	\$	\$
<b>18. CASH FLOW INFORMATION</b>		
<b>(a) Reconciliation of net cash from operations with profit (loss) after income tax</b>		
Profit (loss) after income tax	(59,629)	40,196
Cash flows excluded from profit attributable to reserves		
Movement in disaster relief fund	(199)	-
Non-cash flows in profit (loss)		
Depreciation	93,357	79,741
Doubtful debts	12,141	(85,010)
Net loss (gain) on disposal of plant and equipment	12,851	7,248
Changes in assets and liabilities during the financial year		
(Increase)/decrease in accounts rec. and other receivables	19,341	55,934
(Increase)/decrease in other current assets	(3,046)	(2,742)
(Decrease)/increase in accounts payable and other payables	(5,866)	(60,985)
(Decrease)/increase in provision for employee benefits	(46,988)	(17,603)
	<u>21,961</u>	<u>16,780</u>

**(b) Credit Standby Arrangements**

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

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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>		
<b>2017</b>						
<b>Financial Assets</b>						
Cash and cash equivalents	1.6%	419,294	-	-	550	419,844
Accounts and other receivables	0.0%	-	-	-	24,776	24,776
<b>Total Financial Assets</b>		<b>419,294</b>	<b>-</b>	<b>-</b>	<b>25,326</b>	<b>444,619</b>
<b>Financial Liabilities</b>						
Accounts and other payables	0.0%	-	-	-	65,576	65,576
Borrowings	0.0%	-	-	-	-	-
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>65,576</b>	<b>65,576</b>
<b>2016</b>						
<b>Financial Assets</b>						
Cash and cash equivalents	2.4%	502,563	-	-	550	503,113
Accounts and other receivables	0.0%	-	-	-	38,324	38,324
<b>Total Financial Assets</b>		<b>502,563</b>	<b>-</b>	<b>-</b>	<b>38,874</b>	<b>541,437</b>
<b>Financial Liabilities</b>						
Accounts and other payables	0.0%	-	-	-	71,442	71,442
Borrowings	0.0%	-	-	-	-	-
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>71,442</b>	<b>71,442</b>

**CEPU COMMUNICATIONS DIVISION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**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  
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**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

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**COMMITTEE OF MANAGEMENT STATEMENT**

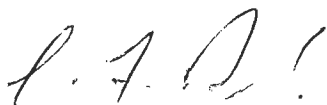
The members of the Branch Committee of Management declare that in their opinion:

- (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 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 2017;
- (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

17th July

2017



C Bird (Branch Secretary)

Dated this 17th day of July 2017.

**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 2017, 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 of the Entity is prepared, in all material respects, in accordance with the Fair Work (Registered Organisations) Act 2009.

**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 2017, 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.

**Responsibilities of Branch 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.

**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

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

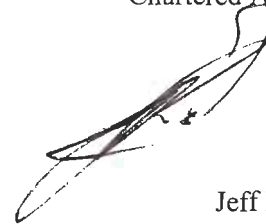
Those charged with governance are responsible for overseeing the Entity's financial reporting process.

**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, 18<sup>th</sup> July 2017



# Application for registration as a registered auditor by a registered company auditor

under Subdivision A of Division 4 of Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*

## Purpose of this form

This form is for use by individuals who are applying for registration as a registered auditor (**RA**) under the *Fair Work (Registered Organisations) Act 2009 (the Act)* and who are currently a registered company auditor (**RCA**) under Part 9.2 of the *Corporations Act 2001 (the Corporations Act)*.

Your answers to the following questions will enable the Registered Organisation Commissioner to make an informed decision on whether or not you satisfy the requirements for registration as an RA.

The Guidance Notes, [Applying to become a registered auditor under section 255A of the Fair Work \(Registered Organisations\) Act 2009](#), further assist in setting out how an applicant may meet the requirements for registration as an RA.

### Eligibility

This form is to be completed by an individual who:

- wishes to apply to be an RA; and
- is currently an RCA under the Corporations Act.

Eligibility requirements are set out in the Act and the *Fair Work (Registered Organisations) Regulations 2009 (the Regulations)*.

## Instructions for completing this form

Please read each part of the application carefully, fully answer all the questions, sign where indicated and attach the required documentation.

You must complete and submit:

- Part A: Personal details
- Part B: Capacity
- Part C: Registered company auditor
- Part D: Declaration and signature

<b>Check boxes</b>	Mark boxes like this <input type="checkbox"/> with a ✓ or ✗. When an instruction asks you to 'tick' the box, you can still use either ✓ or ✗.
<b>Go to</b>	Where an instruction has a black single arrow (▶), go to the next question. Where an instruction has a black single arrow pointing down (▼), fill in the field(s) directly below.
<b>Mandatory questions</b>	If all fields in a question are mandatory and must be completed, <b>(required)</b> is added to the end of the question label text. If a field in a question is mandatory only IF a condition is met, <b>(required if any)</b> is added to the end of the question label text.
▶	This symbol indicates an instruction on what to do next.
①	This symbol indicates additional useful guidance to filling in the adjacent field or section.





This symbol advises that additional documentation to support a claim may need to be attached to the application.

## Help filling in this form

The Guidance Notes: [Applying to become a registered auditor under section 255A of the Fair Work \(Registered Organisations\) Act 2009](#) have been designed to help you interpret the eligibility criteria set out in the Act. The guidelines also provide practical advice on how applicants should fill in various sections of this form.

Please note that the RA registration guidance notes do not constitute legal advice. Applicants are encouraged to seek independent advice on how the relevant legislation applies to their particular circumstances.

The terms used in this application form are further defined in the [Act](#) and the [Regulations](#). The legislation can be found at [www.legislation.gov.au](http://www.legislation.gov.au).

If you require assistance or have any questions regarding this application process, please contact the Registered Organisations Commission general enquiries line on **1300 341 665** or email [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au)

## Submitting this form

A signed copy of this form should be kept for your records.

Applications are to be submitted by email. Scan your completed and signed application form, certified true copies and any other relevant supporting documents, and email to:

[regorgs@roc.gov.au](mailto:regorgs@roc.gov.au)

# Part A: Personal details

It is a requirement that you provide the following personal information.

## 1. Have you previously applied to be registered as a registered auditor (RA)? (required)


No	<input type="checkbox"/>	Go to <b>next question</b> . ▶
Yes	<input type="checkbox"/>	Provide application number below. ▼

RA application number	
-----------------------	--

## 2. Name of applicant (required)

Title (e.g. Mr, Mrs, Dr)	
First name	
Middle name(s)	
Last name	

## 3. Have you been known by any other name(s)? (required)

 If 'Yes', you need to provide a certified copy of your name change document (e.g. marriage or name change certificate) or a statutory declaration and supporting documentation with your application.

No	<input type="checkbox"/>	Go to <b>next question</b> . ▶
Yes	<input type="checkbox"/>	Provide details below. ▼

Other name(s)	
---------------	--

## 4. Do you reside in Australia? (required)

No	<input type="checkbox"/>	Please note that the Commissioner may refuse to grant the application (s.255E(4) of the Act)
Yes	<input type="checkbox"/>	

## Part B: Capacity

### 5. In what capacity do you intend to practice? (required)

As an individual auditor	<input type="checkbox"/>	
As an employee of a firm	<input type="checkbox"/>	
As an employee of a company	<input type="checkbox"/>	
As a member of a firm	<input type="checkbox"/>	
As a director of a company	<input type="checkbox"/>	

### 6. Company, firm or employer details (required if any)

- ▶ Provide identification details for your company, firm or employer.

Company name or trading name of your firm or employer	
ABN	
ACN	

### 7. Business contact details (required)

- ▶ Provide your business contact phone number and alternative contact number. Include area code, where applicable.

Business contact number	
-------------------------	--

- ▶ Provide your business email address.

Email address	
---------------	--


- ▶ Provide your **business postal address**.

**i** If your application for registration is successful your business postal address will be published online on the Register of Registered Auditors.

Address line 1	
Address line 2	
Address line 3	
Suburb/city	
State/territory	
Postcode	
Country	

# Part C: Registered company auditor

## 8. Are you currently a registered company auditor (RCA)? (required)

 You need to provide a copy of your certificate of registration as an RCA.

No	<input type="checkbox"/>	This form is for individuals who are currently registered as an RCA. If you answered no to this question you must download and complete the form <i>Application for registration as a registered auditor by an individual who is not a registered company auditor</i> .
Yes	<input type="checkbox"/>	Provide number below. ▼

Registered company auditor number	<input type="text"/>	Go to <b>Declaration</b> . ▶
-----------------------------------	----------------------	------------------------------

# Part D: Declaration and signature

Under the Act, the Commissioner can only grant an application for registration as an RA when satisfied that the applicant has complied with all requirements.

In order to assist applicants to correctly complete this application form, and to understand their obligations under the *Fair Work (Registered Organisations) Act 2009* and the *Fair Work (Registered Organisations) Regulations 2009*, the ROC has developed a Guidance Note: [Applying to become a registered auditor under section 255A of the Fair Work \(Registered Organisations\) Act 2009](#). It should be noted that the Guidance Notes do not constitute legal advice. Applicants are encouraged to seek independent advice to find out how the relevant legislation applies to their circumstances.

## Declaration

In submitting this application for registration as a registered auditor, I declare:

- I have read and acknowledge the information provided above.
- The information that I have supplied in this application (including any attachments) is complete, correct and up to date in every detail and in accordance with the Act and the Regulations.
- I am aware that giving false or misleading information is a serious offence. A person who:
  - Knowingly or recklessly makes a false or misleading statement in an application for registration; or
  - Knowingly gives false or misleading information in an application for registration

Is guilty of an offence, the punishment for which is imprisonment for up to 12 months (if a statement is made or information is provided knowingly) or up to 6 months (if a statement is made recklessly) – see Part 7.4, section 136 and 137.1 of the *Criminal Code*.

- I will inform the Commissioner of any changes to my details or circumstances as provided in this form.

## Consent

I consent to the Registered Organisations Commission contacting third parties and releasing information contained in this form (including any attachments) for the purpose of verifying the authenticity of the information provided.

Printed name of applicant	<input type="text"/>
Signature	<input type="text"/>

	Day (dd)	Month (mm)	Year (yyyy)
Signature date	<input type="text"/>	<input type="text"/>	<input type="text"/>

# Additional information

## Publishing of information

The *Fair Work (Registered Organisations) Regulations 2009* require that certain information from the Register of Registered Auditors be published.

If your application for registration is successful, the following information will be published on the Registered Organisations Commission website so that potential users are able to access RAs:

- Name
- Registration number
- Date registration was granted
- Status
- Address of the principal place of practice including city or town, state or territory, postcode and country
- Employer's name, or, if self-employed through a company, the name of the company and its ACN

## Protection of information

The Registered Organisations Commissioner is bound by the *Privacy Act 1988*.

## Privacy statement

'Personal information', as defined in the *Privacy Act 1988*, means any information from which a person's identity is apparent or can be reasonably ascertained.

Personal information collected in relation to this application will be used for the purpose of assessing the application, auditing compliance, enforcement of relevant laws and regulations and for related purposes.

## Disclosure of information

The Commissioner and authorised staff are only able to disclose information relating to the affairs of a person (including personal information) collected in relation to this application in accordance with the *Fair Work (Registered Organisations) Act 2009*, the *Fair Work (Registered Organisations) Regulations 2009* or as otherwise required by law.

Those circumstances include:

- disclosure to the Minister;
- disclosure of summaries or statistics if those summaries or statistics are not likely to enable the identification of a person;
- disclosure to certain bodies where the Commissioner is satisfied that disclosure will assist those bodies in the performance of their functions or powers, including the Fair Work Commission, the Australian Securities and Investments Commission and the Australian Competition and Consumer Commission;
- disclosure for the purposes of enforcement of the criminal law, enforcement of a law imposing a pecuniary penalty or for protection of the public revenue, if the Commissioner is satisfied that disclosure is reasonably necessary for such purpose; and
- disclosure of information in accordance with an application made by a person to inspect a document lodged with the Commissioner, in accordance with Regulation 20 of the *Fair Work (Registered Organisations) Regulations 2009*.

Unless obliged by law to provide personal information, the ROC will take steps to redact (i.e. black out) personal information such as dates of birth, account details and home addresses.

Staff attached to the ROC are employees of the Fair Work Ombudsman (FWO). As such, some associated FWO staff (e.g. those providing information technology support may have access to personal information provided to the ROC.

## Accessibility disclaimer

The Commissioner has worked to ensure that this document is accessible but please contact us to obtain an alternative version if you are having difficulty or you have specific accessibility needs.

Please call **1300 341 665** or email [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au) with the name of the form and your needs.

2017/08/29

15<sup>th</sup> August 2017



Registered Organisations Commission  
GPO Box 2983  
MELBOURNE VIC 3001

Dear Sir/Madam

**Re YEAR 2017 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 31<sup>st</sup> March 2017. This report was made available to members via our website on 18<sup>th</sup> July 2017.

Yours faithfully

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

Cameron Bird  
BRANCH SECRETARY

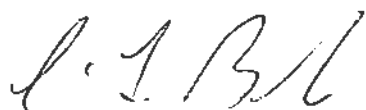
**Year 2017 REPORT ON FINANCIAL STATEMENTS & ACCOUNTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017**

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

"I Cameron Bird being the 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 18<sup>th</sup> July 2017 and
- that the full report was presented to a meeting of the Branch Committee of Management held on 17<sup>th</sup> July 2017. Due to the lack of a quorum for the Annual General Meeting 14<sup>th</sup> August 2017 the Branch Committee of Management endorsed the report ( at the BCOM held on 14<sup>th</sup> August 2017) as per the following motion:-

"That the Queensland Branch Communications Division BCOM accepts the Auditor's Report for the year ending 31<sup>st</sup> March 2017 as a true statement of the financial affairs of the Branch and in compliance with Fair Work Act 2009."



Cameron Bird  
Branch Secretary  
15<sup>h</sup> August 2017

**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATIONS  
DIVISION BRANCH**

**ABN 86 127 798 512**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 MARCH, 2017**



**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 EBA Negotiations – Postal;
- o National Delivery Modelling Tool Consultation – further implementation;
- o Numerous WFM's Retail – Postal;
- o Consolidated consultation through Local Working Groups – Postal;
- o Consultation on implementation of New Sorting Machines – (CFCP and FSM);
- o Redundancies – Telstra;
- o Broadcast Australia EBA;
- o Reclassification of Telstra CFW4's to CFW5's.

**Branch Members**

The number of members of the branch at the end of the financial year was 3,508.

**Branch Employees**

The number of employees of the Branch at the end of the financial year was 4.8

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



\_\_\_\_\_  
C Bird (Branch Secretary)

Dated this 17th day of July 2017.

**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	2017 \$	2016 \$
Revenue	2	1,326,701	1,375,231
Employee benefit expense	4	(613,293)	(668,547)
Depreciation and amortisation expense		(93,357)	(79,741)
Operating lease expense	3	(18,618)	(23,602)
Finance cost expense	3	-	-
Affiliation expenses	3	(14,746)	(14,838)
Bad and doubtful debt expenses	3	(22,102)	80,857
Insurance		(34,196)	(26,043)
Legal expenses	3	(24,381)	(6,120)
National Council Fund - Communications Electrical Plumbing Union		(8,302)	(7,336)
ACTU - Industrial Relations Levy Proportional Cost		-	16,054
Capitation fees - Communications Division - CEPU		(288,692)	(357,000)
Motor vehicle expenses		(25,107)	(35,067)
Office expenses		(79,583)	(59,455)
Organising and travelling expenses		(16,985)	(36,413)
Premises expenses		(77,564)	(71,191)
Telecommunications expenses		(12,098)	(12,910)
Other expenses from ordinary activities		<u>(57,306)</u>	<u>(33,683)</u>
<b>Profit/(loss) before income tax</b>		<b>(59,629)</b>	<b>40,196</b>
Income tax expense		<u>-</u>	<u>-</u>
<b>Profit/(loss) attributable to members</b>		<b><u>(59,629)</u></b>	<b><u>40,196</u></b>
<b>Other comprehensive income</b>			
Donations to Disaster Relief Reserve		2,500	2,860
Interest received on Disaster Relief Reserve		1	-
Expenditure from Disaster Relief Reserve		(200)	-
Net gain on revaluation of non-current assets		<u>-</u>	<u>-</u>
<b>Total other comprehensive income for the year</b>		<b><u>2,301</u></b>	<b><u>2,860</u></b>
<b>Total comprehensive income for the year</b>		<b><u>(57,329)</u></b>	<b><u>43,056</u></b>
<b>Total comprehensive income attributable to members</b>		<b><u>(57,329)</u></b>	<b><u>43,056</u></b>

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 2017**

	Note	2017 \$	2016 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash on hand	6	419,844	503,113
Accounts receivable and other debtors	7	24,776	38,324
Other current assets	8	<u>37,477</u>	<u>52,365</u>
Total Current Assets		<u>482,097</u>	<u>593,802</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	<u>3,213,251</u>	<u>3,214,229</u>
Total Non-Current Assets		<u>3,213,251</u>	<u>3,214,229</u>
<b>TOTAL ASSETS</b>		<u>3,695,348</u>	<u>3,808,031</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and other payables	10	65,576	71,442
Employee provisions	11	<u>164,722</u>	<u>210,746</u>
Total Current Liabilities		<u>230,298</u>	<u>282,188</u>
<b>NON-CURRENT LIABILITIES</b>			
Employee provisions	11	<u>19,433</u>	<u>20,397</u>
Total Non-Current Liabilities		<u>19,433</u>	<u>20,397</u>
<b>TOTAL LIABILITIES</b>		<u>249,731</u>	<u>302,585</u>
<b>NET ASSETS</b>		<u>3,445,617</u>	<u>3,505,446</u>
<b>EQUITY</b>			
Reserves	12	2,382,316	2,379,326
Retained profits		<u>1,063,301</u>	<u>1,126,120</u>
<b>TOTAL EQUITY</b>		<u>3,445,617</u>	<u>3,505,446</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 2017**

	Retained Profits \$	Asset Revaluation Reserve \$	Disaster Relief Reserve \$	Total \$
Balance at 1 April 2015	1,087,584	2,375,604	2,061	3,465,249
<b>Comprehensive income</b>				
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>
<b>Comprehensive income</b>				
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>

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 2017**

	Note	2017 \$	2016 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from members		1,287,705	1,336,534
Receipts from Communications Division - CEPU		1,471	6,327
Receipts from Electrical Trades Union (Qld & NT)		4,727	5,136
Other receipts		6,091	13,036
Payments to suppliers and employees		(983,402)	(1,051,072)
Payments to Communications Division - CEPU		(289,779)	(300,564)
Payments to CEPU National Council		(13,626)	(3,936)
Interest received		8,773	11,319
Interest paid		-	-
Net cash flows provided/(used) by operating activities	18(a)	<u>21,961</u>	<u>16,780</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		3,455	1,909
Purchases of property, plant and equipment		<u>(108,685)</u>	<u>(2,903)</u>
Net cash flows provided/(used) by investing activities		<u>(105,230)</u>	<u>(994)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		-	-
Net cash flows provided/(used) by financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held		(83,269)	15,787
Cash on hand at beginning of financial year		<u>503,113</u>	<u>487,326</u>
Cash on hand at end of financial year	6	<u><u>419,843</u></u>	<u><u>503,113</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 2017**

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 17 July 2017 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.

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**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.

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**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



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**I. 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

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**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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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 deter 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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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.

	2017	2016
	\$	\$
<b>2. REVENUE AND OTHER INCOME</b>		
<b>Operating activities</b>		
Members' contributions	1,305,638	1,339,413
Expense reimbursements - Communications Division - CEPU	1,471	6,327
Interest received	8,773	11,319
Rent received - Electrical Trades Union (Qld and NT)	4,727	5,136
Rent received - other	4,727	11,502
Other revenue	1,364	1,534
Profit on disposal of property, plant and equipment	-	-
Total Revenue	1,326,701	1,375,231

**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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	2017 \$	2016 \$
<b>3. SURPLUS FOR THE YEAR</b>		
<b>(a) Expenses</b>		
Interest expense - external	-	-
Bad and doubtful debts:		
- member contributions receivable	12,141	550
- expense reimbursements - Communications Division - CEPU	9,961	(81,406)
	22,102	(80,857)
Rental expense on operating leases:		
- minimum lease payments on office equipment	18,618	23,602
Loss on disposal of property, plant and equipment	12,851	7,248
Commission for employers making payroll deductions	6,645	7,284
Affiliation expenses:		
- Australian Labour Party Queensland	734	700
- Queensland Council of Unions	5,100	5,100
- The Union Shopper Inc	8,912	9,039
	14,746	14,838
Donations expenses:		
- National Breast Cancer Foundation - donation	100	-
- ALP donation (the donation was recognised as an expense at 31 March 2014 and was reversed as at 31 March 2016 at the direction of the Branch Secretary)	-	(17,000)
	100	(17,000)
Grants:		
- Member assistance (paid from Disaster Relief Fund)	200	-
State Executive attendance fees	1,800	1,660
State Executive other expenses	3,012	2,858
Legal expenses:		
- litigation	-	-
- other legal matters	24,381	6,120
	24,381	6,120
Penalties under Fair Work (Registered Organisations) Act 2009	-	-
<b>(b) Significant Revenue and Expenses</b>		
The following significant revenue and expense items are relevant in explaining the financial performance:		
Members' contributions	1,305,638	1,339,413

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	2017	2016
	\$	\$
<b>4. SALARIES AND RELATED EXPENSES</b>		
Holders of office:		
- wages and salaries	224,245	226,916
- superannuation	28,534	37,491
- leave and other entitlements	(35,261)	(8,959)
- separation and redundancies	-	-
- other employee expenses	-	-
Employees other than holders of office:		
- wages and salaries	317,037	325,963
- superannuation	51,393	53,932
- leave and other entitlements	(11,728)	(8,644)
- separation and redundancies	-	-
- other employee expenses	-	-
Other staff costs	<u>39,071</u>	<u>41,848</u>
	<u>613,293</u>	<u>668,547</u>
<p>Other staff costs primarily comprise employee insurance, fringe benefits tax, payroll tax and workers compensation.</p>		
<b>5. AUDITOR'S REMUNERATION</b>		
Remuneration of the auditor of the Branch for:		
Auditing or reviewing the financial report	12,400	12,400
Other services	<u>17,250</u>	<u>9,235</u>
	<u>29,650</u>	<u>21,635</u>
<b>6. CASH ON HAND</b>		
Petty cash	550	550
General account	20,450	23,241
Members Equity accounts	392,131	475,601
Disaster relief fund	<u>6,712</u>	<u>3,721</u>
	<u>419,844</u>	<u>503,113</u>

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

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	2017	2016
	\$	\$
<b>7. ACCOUNTS RECEIVABLE AND OTHER DEBTORS</b>		
Current		
Member contributions in arrears	30,657	12,724
Less: Provision for impairment of receivables	<u>(16,165)</u>	<u>(4,025)</u>
	14,492	8,699
Receivable - Communications Division - CEPU	9,534	26,925
Less: Provision for impairment of receivables	<u>-</u>	<u>-</u>
	9,534	26,925
Other debtors	<u>750</u>	<u>2,700</u>
	<u>24,776</u>	<u>38,324</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	
	\$	\$	\$	\$	\$	\$	
<b>2016</b>							
Contributions in arrears	12,724	4,025	-	-	8,699	-	
Other receivables	29,625	-	-	-	-	29,625	
Total	<u>42,349</u>	<u>4,025</u>	<u>-</u>	<u>-</u>	<u>8,699</u>	<u>-</u>	
<b>2017</b>							
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>10,284</u>	

	2017	2016
	\$	\$
<b>8. OTHER CURRENT ASSETS</b>		
Prepayments	<u>37,477</u>	<u>52,365</u>



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	2017 \$	2016 \$
<b>9. PROPERTY PLANT AND EQUIPMENT</b>		
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>(466,612)</u>	<u>(407,450)</u>
	<u>1,771,220</u>	<u>1,830,382</u>
Plant and equipment, at cost	123,723	132,379
Less: accumulated depreciation	<u>(94,272)</u>	<u>(95,602)</u>
	<u>29,451</u>	<u>36,777</u>
Motor vehicles, at cost	136,140	95,051
Less: accumulated depreciation	<u>(35,424)</u>	<u>(59,845)</u>
	<u>100,715</u>	<u>35,205</u>
	<u><u>3,213,251</u></u>	<u><u>3,214,230</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.

	Land \$	Buildings \$	Equipment \$	Vehicles \$	Total \$
<b>2016</b>					
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>
<b>2017</b>					
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>

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	2017	2016
	\$	\$
<b>10. ACCOUNTS PAYABLE AND OTHER PAYABLES</b>		
Current		
Unsecured liabilities:		
General accounts payable and accruals	21,677	22,323
Amount payable to Communications Division - CEPU	20,303	21,390
Accrual for CEPU National Council	2,476	7,800
Amount payable for legal costs (non-litigation) and other expenses	-	600
Contributions received in advance	5,192	4,567
Payroll liabilities	9,894	11,603
GST liabilities	6,033	3,159
	<u>65,576</u>	<u>71,442</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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	2017	2016
	\$	\$
<b>11. EMPLOYEE PROVISIONS</b>		
Opening balance at 1 April	231,143	248,746
Additional provisions raised during year	65,244	22,642
Amounts used	<u>(112,232)</u>	<u>(40,244)</u>
Balance at 31 March	<u>184,155</u>	<u>231,143</u>
 <i>Analysis of Employee Provisions</i>		
Current	164,722	210,746
Non-current	<u>19,433</u>	<u>20,397</u>
	<u>184,155</u>	<u>231,143</u>
 <i>Holdings of Office</i>		
Annual Leave	44,640	51,131
Long service leave	49,837	75,682
Separation and redundancies	-	-
Other employee provisions	<u>-</u>	<u>2,925</u>
	<u>94,477</u>	<u>129,737</u>
 <i>Employees other than Holdings of Office</i>		
Annual Leave	22,695	24,668
Long service leave	59,005	71,446
Separation and redundancies	-	-
Other employee provisions	<u>7,978</u>	<u>5,292</u>
	<u>89,678</u>	<u>101,406</u>
	<u>184,155</u>	<u>231,143</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 2017**

	2017	2016
	\$	\$
<b>12. RESERVES</b>		
<b>Asset Revaluation Reserve</b>		
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
<b>Disaster Relief Reserve</b>		
The Disaster Relief Reserve records funds set aside for disaster relief for members.	7,322	5,021
<b>13. CAPITAL AND LEASING COMMITMENTS</b>		
<b>(a) Finance Lease Commitments</b>		
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>(b) Operating Lease Commitments</b>		
Payable - minimum lease payments:		
- not later than 12 months	16,723	23,160
- between 12 months and 5 years	66,459	36,670
- greater than 5 years	-	-
	-	-
	83,182	59,830

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 2017**

**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.

2017	2016
\$	\$

**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	224,245	226,794
Post employment benefits	28,534	36,964
Termination benefits	-	-
	252,779	263,758
Total compensation	252,779	263,758

**(b) Other Related Parties**

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

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	84,577
Post employment benefits	6,841	13,278
Termination benefits	-	-
	54,561	97,855
Total compensation	54,561	97,855

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 2017**

**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).”

	2017	2016
	\$	\$
<b>18. CASH FLOW INFORMATION</b>		
<b>(a) Reconciliation of net cash from operations with profit (loss) after income tax</b>		
Profit (loss) after income tax	(59,629)	40,196
Cash flows excluded from profit attributable to reserves		
Movement in disaster relief fund	(199)	-
Non-cash flows in profit (loss)		
Depreciation	93,357	79,741
Doubtful debts	12,141	(85,010)
Net loss (gain) on disposal of plant and equipment	12,851	7,248
Changes in assets and liabilities during the financial year		
(Increase)/decrease in accounts rec. and other receivables	19,341	55,934
(Increase)/decrease in other current assets	(3,046)	(2,742)
(Decrease)/increase in accounts payable and other payables	(5,866)	(60,985)
(Decrease)/increase in provision for employee benefits	(46,988)	(17,603)
	<u>21,961</u>	<u>16,780</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 2017**

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>		
<b>2017</b>						
<b>Financial Assets</b>						
Cash and cash equivalents	1.6%	419,294	-	-	550	419,844
Accounts and other receivables	0.0%	-	-	-	24,776	24,776
<b>Total Financial Assets</b>		<b>419,294</b>	<b>-</b>	<b>-</b>	<b>25,326</b>	<b>444,619</b>
<b>Financial Liabilities</b>						
Accounts and other payables	0.0%	-	-	-	65,576	65,576
Borrowings	0.0%	-	-	-	-	-
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>65,576</b>	<b>65,576</b>
<b>2016</b>						
<b>Financial Assets</b>						
Cash and cash equivalents	2.4%	502,563	-	-	550	503,113
Accounts and other receivables	0.0%	-	-	-	38,324	38,324
<b>Total Financial Assets</b>		<b>502,563</b>	<b>-</b>	<b>-</b>	<b>38,874</b>	<b>541,437</b>
<b>Financial Liabilities</b>						
Accounts and other payables	0.0%	-	-	-	71,442	71,442
Borrowings	0.0%	-	-	-	-	-
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>71,442</b>	<b>71,442</b>

**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**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.



**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**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**

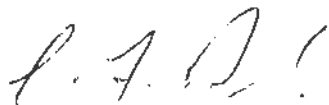
The members of the Branch Committee of Management declare that in their opinion:

- (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 2017;
- (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

17th July

2017



C Bird (Branch Secretary)

Dated this 17th day of July 2017.

**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 2017, 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 of the Entity is prepared, in all material respects, in accordance with the Fair Work (Registered Organisations) Act 2009.

**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 2017, 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.

**Responsibilities of Branch 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.

**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

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

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, 18<sup>th</sup> July 2017



13 April 2017

Mr Cameron Bird  
Branch Secretary

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

By Email: [cbird@cwuqld.asn.au](mailto:cbird@cwuqld.asn.au)

Dear Mr Bird,

**Re: Lodgement of Financial Report - [FR2017/13]  
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 2017.

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.

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 2017.

### **The new Registered Organisations Commission**

The Registered Organisations Commission (the ROC) will be established in 2017.

Statements of loans, grants and donation and financial reports must be lodged with the Fair Work Commission until the ROC is established. Once the ROC is established, they must be lodged with the ROC.

It is not yet known when in 2017 the ROC will be established. The Fair Work Commission will be providing information on the transition to the ROC through its subscription service and its website. For details about the subscription service, go to [Subscriptions](#) and subscribe to the Registered organisations information service.

### **Where to lodge Statements of Loans Grants and Donations and Financial Reports**

	<b>Before the ROC is established</b>	<b>From establishment of the ROC</b>
<b>Where to lodge</b>	Lodge your statement of loans grants donations and your financial report with the Fair Work Commission	Lodge your statement of loans grants donations and your financial report with the ROC
<b>How to lodge</b>	The easiest way to lodge is via email: <a href="mailto:orgs@fwc.gov.au">orgs@fwc.gov.au</a>	Lodgement methods are not yet known

11 Exhibition Street  
Melbourne VIC 3000  
GPO Box 1994  
Melbourne VIC 3001

Telephone : (03) 8661 7777  
Email : [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au)  
Internet : [www.fwc.gov.au](http://www.fwc.gov.au)

## Our focus this year: timelines and disclosure of loans, grants and donations

Over the past year we have noted issues in organisations' financial reports relating to timelines and how loans, grants and donations are reported. We will be focusing closely on these areas this year. Please find attached below fact sheets relating to these requirements or alternatively visit our website for information regarding [financial reporting timelines](#) and [loans, grants and donations](#).

### Timelines

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.

As stated above, section 237 requires the loans, grants and donations 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 2017. A sample statement of loans, grants or donations is available at [sample documents](#).

### Fact sheets, guidance notes and model statements

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission (FWC) 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 statements, Reporting Guidelines and other resources can be accessed through our website under [Financial Reporting](#) in the Running a Registered Organisation section.

### Civil penalties may apply

**It should be noted that s.268 and s.237 are civil penalty provisions.** If a loan, grant or donation over \$1000 has been made, failure to lodge a statement of loans, grants and donations 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.

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.

### Contact

Should you wish to seek any clarification in relation to the above, email [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au).

Yours sincerely,

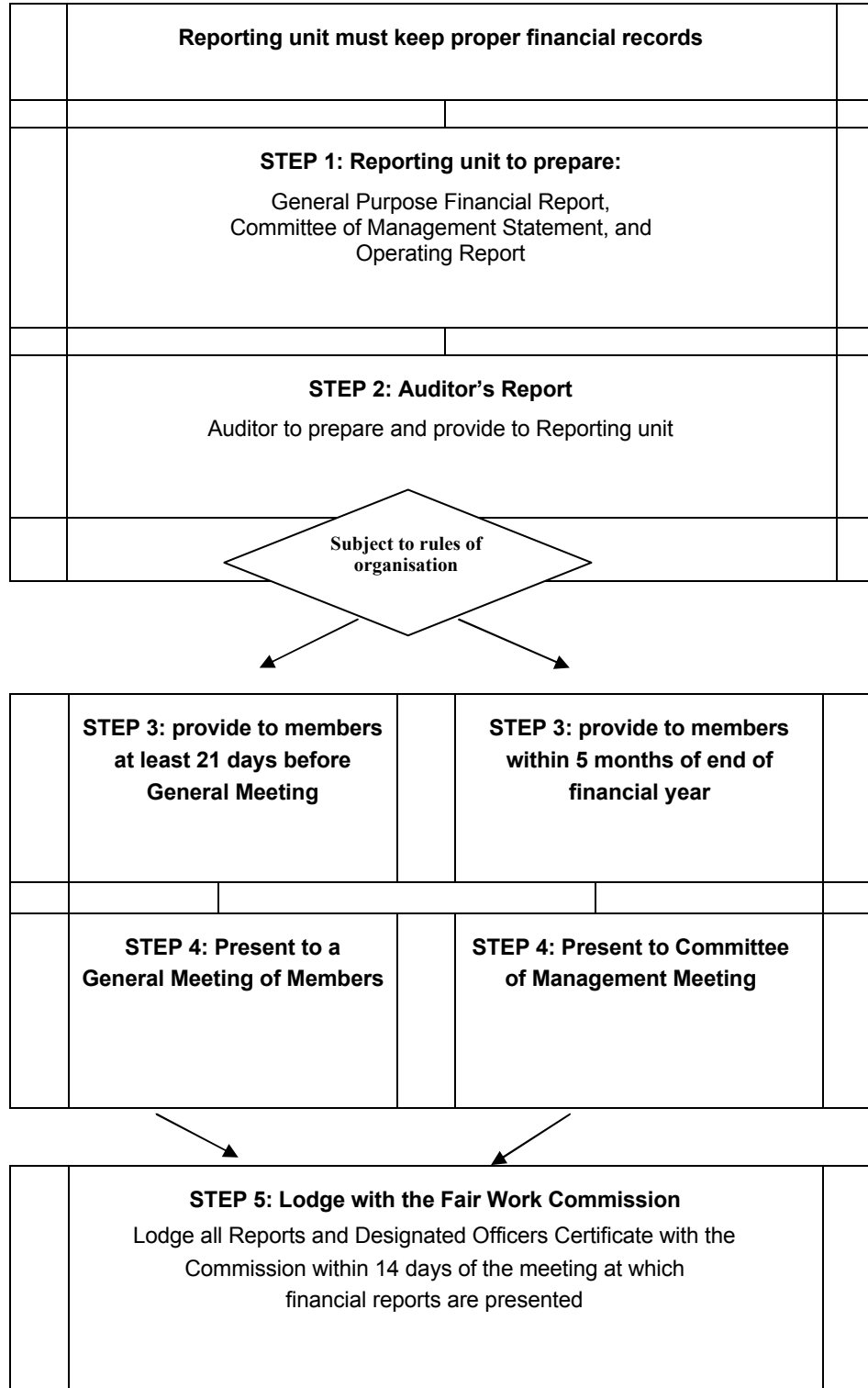


Sam Gallichio  
Adviser  
Regulatory Compliance Branch

# 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.



# Fact Sheet - Loans, Grants & Donations

## The Loans, Grants & Donations Requirements

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the General Manager's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

## The Loans, Grants & Donations Statement

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceed \$1000. The following information must be supplied to the Commission for each relevant loan, grant or donation:

the amount,

the purpose,

the security (if it is a loan),

the name and address of the person to whom it was made,\* and







the arrangements for repaying the loan.\*

\*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the Commission has a [Template Loans, Grants and Donations Statement](#) on its website. The Commission encourages branches and organisations to lodge the statement even if all of the figures are NIL.

## Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
 Only reporting units must lodge the Statement.	 All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
 Employees can sign the Statement.	 The statement must be signed by an elected officer of the relevant branch.
 Statements can be lodged with the financial report.	 The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.



## Grants & Donations within the Financial Report

Item 16(e) of the [General Manager's Reporting Guidelines](#) requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines.

In the [Commission's Model Statements](#) the note appears as follows:

### Note 4E: Grants or donations\*

Grants:	2016	2015
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
<b>Total grants or donations</b>	<b>-</b>	<b>-</b>

Item 17 of the General Manager's Reporting Guidelines requires that these line items appear in the financial report even if the figures are NIL.

### Implications for filing the Financial Report

During their review of the 2016 financial report staff of the Commission will confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their 2015 financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the [Commission's website](#).

### Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the Regulatory Compliance Branch on [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au)