



17 September 2020

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

Sent via email: cbird@cwuqld.asn.au
CC: kerrit@cwuqld.asn.au
mburnett@accruhob.com.au

Dear Cameron 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 2020 – (FR2020/19)**

I acknowledge receipt of the financial report for the year ended 31 March 2020 for the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia - Queensland Communications Division Branch. The documents were lodged with the Registered Organisations Commission (**the ROC**) on 19 August 2020.

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 2021 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. 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.

General purpose financial report (GPFR)

Partial disclosure – accounting policies note

Note 1(q) *Adoption of New and Revised Accounting Standards* to the GPFR states that Australian Accounting Standard AASB 15 Revenue from Contracts with Customers has been adopted. However, the accounting policies disclosed in note 1(j) *Revenue and Other Income* in the GPFR do not appear to have been updated to reflect these new standards, nor does it appear that the disclosures required by this standard have been included in the GPFR.

Please note that in future years the reporting unit's GPFR must include all relevant and required financial disclosures in accordance with AASB 15.

Recovery of wages disclosure

Please note that the 5th edition of the RGs made under section 255 of the RO Act issued 4 May 2018 no longer require a statement in regard to recovery of wages activity in the committee of management statement. I note that the committee of management statement in the GPFR still includes such statement.

In place of the former requirements, item 13(e) of the 5th edition RGs requires the disclosure of any revenue derived from undertaking recovery of wages activity in either the statement of comprehensive income or the notes to the financial statements. If there is no revenue from recovery of wages activities in the reporting period, a statement to this effect must be included in the financial statements, the notes or in an officer's declaration statement.

Reporting Requirements

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

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

If you have any queries regarding this letter, please contact me on (03) 9603 0764 or via email at kylie.ngo@roc.gov.au.

Yours sincerely,



Kylie Ngo
Registered Organisations Commission

Year 2020 REPORT ON FINANCIAL STATEMENTS & ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2020

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

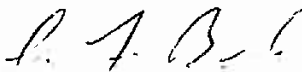
s.268 Fair Work (Registered Organisations) Act 2009

Certificate for the year ended 31st March 2020

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

- that the documents lodged herewith are copies of the full report for the Communications Electrical Plumbing Union, Communications Division Queensland Branch for the period ended 31/3/2020 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 20th July 2020 and
- that the full report was presented to a meeting of the Branch Committee of Management of the reporting unit on 13th July 2020. Due to a lack of a quorum for the Annual General Meeting on the 10th August 2020 the Branch Committee of Management endorsed the report (at the BCOM held on 10th August 2020) in accordance with s.266(3) of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:



Name of prescribed designated officer:

Cameron Bird
Branch Secretary

Dated..... 19/08/2020

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION**
ABN 86 127 798 512

FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2020

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

OPERATING REPORT

The Branch Committee of Management present their operating report for the financial year ended 31 March 2020.

Committee Members

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

Cameron Bird (<i>Secretary</i>)	Fraser Dawson
Kevin Hogan (<i>President</i>)	Noah Harris
Mark Templeman (<i>Assistant Secretary</i>)	Martin Wagner (<i>ceased 31.07.2019</i>)
Brett O'Neill (<i>Vice Presidents Postal</i>)	Kevin Joinbee
Catherine O'Brien (<i>Vice President Affirmative Action</i>)	Marguerite O'Shea (<i>appointed 01.08.2019</i>)
Brian Kershaw (<i>Vice President</i>) (<i>ceased 31.07.2019</i>)	Michael Dunning (<i>appointed 01.08.2019</i>)
Kevin Hogan (<i>Vice President</i>)	Stephen Campbell (<i>appointed 01.08.2019</i>)
Chris Gleeson	

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

Principal Activities

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

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

Results of those Activities

The operating result of the Branch for the financial year was a loss of \$159,317.

Financial Affairs

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

Resignation from Membership

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

A notice of resignation from membership takes effect:

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

CEPU COMMUNICATIONS DIVISION QUEENSLAND COMMUNICATIONS DIVISION BRANCH

OPERATING REPORT

Superannuation Fund Trustees

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

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

Directorships of Companies or Members of a Board

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

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

Other Information

The activities of the Branch during the financial year produced many positive outcomes. Some of the significant matters at hand are:

- Managing the operational impacts and OH&S risks associated with the COVID 19 pandemic
- Recruitment remains as a very important activity undertaken by the Branch. All Officials and AUR's make a huge effort in maintaining our numbers. With the 100% commitment of all we are confident that recruitment will remain a good news story for the Branch moving forward.
- Daily Industrial representations and advocacy implementing and enforcing industrial instruments. This remains a core activity and takes up the bulk of our resources- Postal and Telco.
- Postal One Network Trials – New sites such as Bundall, Stafford, Burleigh and Arundel now participating. Number one goal is to achieve penalty rate equality for PDO's.
- NDMT – National Delivery Modelling Tool. Workplace visits and implementations of Business Cases as agreed to by local members and local committees.
- Postal Local Working Groups at numerous locations to implement appropriate processes and measures to reduce impact of proposals regarding workplace changes.
- Organising Trips – Postal/Telco. Member engagement in regional areas. Organising Trips this financial year have been- Central Qld, Far North Queensland, West Queensland, South West Qld, Wide Bay and Telco
- Postal State and National Consultative Committees and meetings
- Multiple Disciplinary Inquires, Boards of Reference and Unfair Dismissal cases.
- Post EBA – Working on 12-month extension to protect entitlements and job security in an uncertain economic environment
- Telstra EBA secured
- Postal visits daily until COVID 19
- Telco visits to workplaces and Phone Shops until COVID 19

Branch Members

The number of members of the branch at the end of the financial year was 3,301.

Branch Employees

The number of employees of the Branch at the end of the financial year was 5.22 full-time equivalent.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

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



C Bird (Branch Secretary)

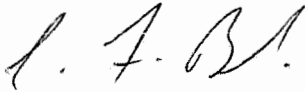
Dated this 13th day of July. 2020.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 31 MARCH 2020**

The committee of management presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 31 March 2020.

Categories of expenditure	2020 \$	2019 \$
Remuneration and other employment-related costs and expenses – employees	753,977	694,860
Advertising	0	0
Operating costs	307,449	300,980
Donations to political parties	0	340
Legal costs	3,938	216



C Bird (Branch Secretary)

Dated this 13th day of July, 2020.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020 \$	2019 \$
Revenue	2	1,247,703	1,315,654
Employee benefit expense	4	(753,977)	(694,860)
Depreciation and amortisation expense		(43,696)	(39,314)
Donation	3	(200)	(340)
Operating lease expense	3	(18,044)	(16,260)
Finance cost expense		-	-
Affiliation expenses	3	(35,727)	(2,583)
Bad and doubtful debt expenses	3	(4,558)	4,998
Insurance		(36,031)	(35,578)
Legal expenses	3	(3,938)	(216)
National Council Fund - Communications Electrical Plumbing Union		(20,888)	-
ACTU - Industrial Relations Levy Proportional Cost		-	-
Capitation fees - Communications Division - CEPU		(238,547)	(239,829)
Motor vehicle expenses		(26,774)	(31,449)
Office expenses		(64,863)	(67,385)
Organising and travelling expenses		(39,568)	(26,744)
Premises expenses		(71,318)	(72,771)
Telecommunications expenses		(10,400)	(11,340)
Conference and meeting expense	3	(5,498)	(4,777)
Other expenses from ordinary activities		<u>(32,994)</u>	<u>(34,676)</u>
Profit/(loss) before income tax		(159,317)	42,530
Income tax expense		<u>-</u>	<u>-</u>
Profit/(loss) attributable to members		<u>(159,317)</u>	<u>42,530</u>
Other comprehensive income			
Donations to Disaster Relief Reserve		1,960	1,460
Interest received on Disaster Relief Reserve		1	1
Expenditure from Disaster Relief Reserve		-	(1,500)
Net gain on revaluation of non-current assets		<u>-</u>	<u>-</u>
Total other comprehensive income for the year		<u>1,961</u>	<u>(39)</u>
Total comprehensive income for the year		<u>(157,356)</u>	<u>42,491</u>
Total comprehensive income attributable to members		<u>(157,356)</u>	<u>42,491</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 9 to 31.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020**

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash on hand	6	418,666	457,406
Accounts receivable and other debtors	7	26,668	16,224
Other assets	8	<u>60,043</u>	<u>31,080</u>
Total Current Assets		<u>505,377</u>	<u>504,710</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	3,743,835	3,766,844
Other assets	8	<u>17,711</u>	<u>-</u>
		<u>3,761,546</u>	<u>3,766,844</u>
Total Non-Current Assets		<u>3,761,546</u>	<u>3,766,844</u>
TOTAL ASSETS		<u>4,266,923</u>	<u>4,271,554</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	10	162,501	65,259
Employee provisions	11	<u>238,812</u>	<u>210,996</u>
Total Current Liabilities		<u>401,313</u>	<u>276,255</u>
NON-CURRENT LIABILITIES			
Non-current payable	10	17,711	-
Employee provisions	11	<u>50,299</u>	<u>38,383</u>
Total Non-Current Liabilities		<u>68,010</u>	<u>38,383</u>
TOTAL LIABILITIES		<u>469,323</u>	<u>314,638</u>
NET ASSETS		<u>3,797,600</u>	<u>3,956,916</u>
EQUITY			
Reserves	12	3,029,001	3,027,040
Retained profits		<u>768,599</u>	<u>929,876</u>
TOTAL EQUITY		<u>3,797,600</u>	<u>3,956,916</u>

The statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 9 to 31.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Retained Profits \$	Asset Revaluation Reserve \$	Disaster Relief Reserve \$	Total \$
Balance at 31 March 2018	888,806	3,020,456	6,622	3,915,885
Comprehensive income				
Profit/(loss) attributable to members	42,530	-		42,530
Other comprehensive income for the year	-	-	(39)	(39)
Total comprehensive income	<u>42,530</u>	<u>-</u>	<u>(39)</u>	<u>42,491</u>
Amount due from general account to disaster relief reserve				-
Transfers	<u>(1,400)</u>		<u>(60)</u>	<u>(1,460)</u>
Balance at 31 March 2019	<u>929,936</u>	<u>3,020,456</u>	<u>6,523</u>	<u>3,956,916</u>
Comprehensive income				
Profit/(loss) attributable to members	(159,317)	-	-	(159,317)
Other comprehensive income for the year	-	-	1,961	1,961
Total comprehensive income	<u>(159,317)</u>	<u>-</u>	<u>1,961</u>	<u>(157,356)</u>
Amount due from general account to disaster relief reserve				
Transfers	<u>(2,020)</u>		<u>60</u>	<u>(1,960)</u>
Balance at 31 March 2020	<u><u>768,599</u></u>	<u><u>3,020,456</u></u>	<u><u>8,544</u></u>	<u><u>3,797,600</u></u>

The statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 9 to 31.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

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

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members		1,150,031	1,253,528
Receipts from Communciations Division - CEPU		-	40
Receipts from Electrical Trades Union (Qld & NT)		-	-
Receipts from AFULE		22,769	22,769
Other receipts		6,373	23,875
Payments to suppliers and employees		(950,394)	(1,015,889)
Payments to Communications Division - CEPU		(238,547)	(239,829)
Payments to CEPU National Council		(20,888)	-
Interest received		5,021	7,093
Interest paid		-	-
Net cash flows provided/(used) by operating activities	19(a)	<u>(25,635)</u>	<u>51,587</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		23,409	49,546
Purchases of property, plant and equipment		<u>(36,514)</u>	<u>(72,955)</u>
Net cash flows provided/(used) by investing activities		<u>(13,105)</u>	<u>(23,409)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		-	-
Net cash flows provided/(used) by financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held		(38,740)	28,178
Cash on hand at beginning of financial year		<u>457,406</u>	<u>429,228</u>
Cash on hand at end of financial year	6	<u><u>418,666</u></u>	<u><u>457,406</u></u>

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 9 to 31.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

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

The financial statements were authorised for issue on 13th July 2020 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 2020**

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 2020**

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 2020**

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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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

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 recognised 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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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.

AASB 15 Revenue from Contracts with Customers (AASB 15) and AASB 1058 Income of Not-for-Profit Entities (AASB 1058)

AASB 15 Revenue from Contracts with Customers supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers.

AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. AASB 15 also includes implementation guidance to assist not-for-profit entities to determine whether particular transactions, or components thereof, are contracts with customers. If a transaction is outside the scope of AASB 15, the recognition and measurement of income arising from the transaction may instead be specified by another Standard, for example AASB 1058 Income of Not-for-Profit Entities.

AASB 1058 replaces the income recognition requirements in AASB 1004 Contributions that had previously applied to the branch. AASB 1058 provides a more comprehensive model for accounting for income of not-for-profit entities and specifies that:

- the timing of revenue or income recognition will depend on whether a performance obligation is identified or a liability is recognised;
- not-for-profit lessees can elect to recognise assets, including leases provided at significantly less than fair value, at their fair value; and
- all not-for-profit entities can elect to recognise volunteer services at fair value if the fair value of those services can be reliably measured.

The adoption of AASB 115 and AASB 1058 did not have a material impact on the Branch's financial statements.

AASB 16 Leases (AASB 16)

AASB 16 Leases supersedes AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases—Incentives and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognize most leases on the balance sheet.

Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in AASB 117. Therefore, AASB 16 does not have an impact for leases where the branch is the lessor.

The branch has adopted AASB 16 using the modified retrospective method of transition, with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The branch elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at 1 April 2019.

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

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Instead, the branch applied the standard only to contracts that were previously identified as leases applying AASB 117 and Interpretation 4 at the date of initial application.

The branch has lease contracts for office equipment. Before the adoption of AASB 16, the branch classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

Upon adoption of AASB 16, the branch applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 1.9 Leases for the accounting policy beginning 1 April 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the branch.

Leases previously classified as finance leases

The branch did not have leases previously classified as finance leases.

Leases previously accounted for as operating leases

The branch recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The branch also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

Based on the above, as at 1 April 2019:

- Right-of-use assets of \$62,385 were recognised and presented separately in the statement of financial position. This includes the lease assets recognised previously under finance leases of Nil that were reclassified from property, plant and equipment.
- Additional lease liabilities of \$62,385 (included in lease liabilities) were recognised.
- The net effect of these adjustments had been adjusted to retained earnings \$0.

**CEPU COMMUNICATIONS DIVISION
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1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

The lease liabilities as at 1 April 2019 can be reconciled to the operating lease commitments as of 31 March 2019, as follows:

Operating lease commitments disclosed as at 31 March 2019	\$62,385
Discounted using the Branch weighted average incremental borrowing rate	\$0
Add: Finance lease liabilities recognised as at 31 March 2019	\$0
(Less): Short-term leases recognised on a straight-line basis as an expense	\$0
(Less): Low-value leases recognised on a straight-line basis as an expense	\$0
Add/(less): Adjustments as a result of a different treatment of extension and termination options	\$0
Add/(less): Adjustments relating to changes in the index or rate	\$0
Lease liability recognised as at 1 April 2019	\$62,385

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods that are expected to have a future financial impact on the branch include:

AASB 2020-1 – Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted.

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	2020	2019
	\$	\$
2. REVENUE AND OTHER INCOME		
Operating activities		
Members' contributions	1,205,958	1,249,101
Expense reimbursements - Communications Division - CEPU	-	40
Interest received	5,021	7,093
Rent received - Australian Federated Union of Locomotive Employees	22,769	22,769
Rent received - other	4,779	4,636
Other revenue	1,594	19,238
Profit on disposal of property, plant and equipment	7,582	12,776
	<u>1,247,703</u>	<u>1,315,654</u>
Total Revenue	<u>1,247,703</u>	<u>1,315,654</u>

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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QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
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	2020 \$	2019 \$
3. SURPLUS FOR THE YEAR		
(a) Expenses		
Interest expense - external	-	-
Bad and doubtful debts:		
- member contributions receivable	4,558	(4,998)
- expense reimbursements - Communications Division - CEPU	-	-
	<u>4,558</u>	<u>(4,998)</u>
Rental expense on operating leases:		
- minimum lease payments on office equipment	18,044	16,260
Loss on disposal of property, plant and equipment	-	-
Commission for employers making payroll deductions	6,051	6,048
Affiliation expenses:		
- Australian Labour Party Queensland	651	650
- Queensland Council of Unions	26,606	(6,976)
- The Union Shopper Inc	8,470	8,909
	<u>35,727</u>	<u>2,583</u>
Donations expenses that were \$1,000 or less	200	1,340
Donations expenses that exceeded \$1,000	-	-
	<u>200</u>	<u>1,340</u>
Grants that were \$1,000 or less:		
- Member assistance (paid from Disaster Relief Fund)	-	1,500
Grants that exceeded \$1,000:		
- Member assistance (paid from Disaster Relief Fund)	-	-
State Executive attendance fees	1,520	1,774
State Executive other expenses	3,978	3,003
Legal expenses:		
- litigation	-	-
- other legal matters	3,938	216
	<u>3,938</u>	<u>216</u>
Penalties under Fair Work (Registered Organisations) Act 2009	-	-
Total paid to employers for payroll deductions of membership subscriptions	-	-
Compulsory levies	-	-
Conference and meeting expenses	5,498	4,777
(b) Significant Revenue and Expenses		
The following significant revenue and expense items are relevant in explaining the financial performance:		
Members' contributions	<u>1,205,958</u>	<u>1,249,101</u>

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	2020	2019
	\$	\$
4. SALARIES AND RELATED EXPENSES		
Holders of office:		
- wages and salaries	250,875	239,186
- superannuation	45,460	40,177
- leave and other entitlements	23,903	8,602
- separation and redundancies	-	-
- other employee expenses	-	-
Employees other than holders of office:		
- wages and salaries	323,706	314,644
- superannuation	58,120	50,567
- leave and other entitlements	15,830	(1,482)
- separation and redundancies	-	-
- other employee expenses	-	-
Other staff costs	<u>36,083</u>	<u>43,165</u>
	<u><u>753,977</u></u>	<u><u>694,860</u></u>
Other staff costs primarily comprise employee insurance, fringe benefits tax, payroll tax and workers compensation.		
5. AUDITOR'S REMUNERATION		
Remuneration of the auditor of the Branch for:		
Auditing or reviewing the financial report	12,400	12,400
Other services	<u>10,500</u>	<u>10,500</u>
	<u><u>22,900</u></u>	<u><u>22,900</u></u>
6. CASH ON HAND		
Petty cash	550	550
General account	19,539	15,422
Members Equity accounts	388,238	432,643
Prepaid VISA cards	1,795	2,267
Disaster relief fund	<u>8,544</u>	<u>6,523</u>
	<u><u>418,666</u></u>	<u><u>457,406</u></u>

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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	2020 \$	2019 \$
7. ACCOUNTS RECEIVABLE AND OTHER DEBTORS		
Current		
Member contributions in arrears	30,531	16,092
Less: Provision for impairment of receivables	<u>(5,183)</u>	<u>(701)</u>
	25,348	15,391
Other debtors	<u>1,320</u>	<u>833</u>
	<u><u>26,668</u></u>	<u><u>16,224</u></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	
2019							
Contributions in arrears	16,092	701			15,391		
Other receivables	833	-	833	-	-	-	-
Total	<u>16,925</u>	<u>701</u>	<u>833</u>	<u>-</u>	<u>15,391</u>	<u>-</u>	<u>-</u>
2020							
Contributions in arrears	30,531	5,183			25,348		
Other receivables	1,320	-	570	-	-	750	-
Total	<u>31,851</u>	<u>5,183</u>	<u>570</u>	<u>-</u>	<u>25,348</u>	<u>750</u>	<u>-</u>

8. OTHER ASSETS

Current

Prepayments	36,753	31,080
Right-of-use assets	<u>23,290</u>	<u>-</u>
	<u><u>60,043</u></u>	<u><u>31,080</u></u>

Non-current

Right-of-use assets	<u><u>17,711</u></u>	<u><u>-</u></u>
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	2020	2019
	\$	\$
9. PROPERTY PLANT AND EQUIPMENT		
Freehold land, at:		
- independent valuation	<u>3,335,250</u>	<u>3,335,250</u>
Buildings, at:		
- independent valuation	333,525	333,525
- at cost	-	-
Less: accumulated depreciation	<u>(26,672)</u>	<u>(13,318)</u>
	<u>306,853</u>	<u>320,207</u>
Plant and equipment, at cost	125,155	125,155
Less: accumulated depreciation	<u>(107,315)</u>	<u>(103,910)</u>
	<u>17,840</u>	<u>21,246</u>
Motor vehicles, at cost	136,925	136,639
Less: accumulated depreciation	<u>(53,033)</u>	<u>(46,497)</u>
	<u>83,892</u>	<u>90,141</u>
	<u><u>3,743,835</u></u>	<u><u>3,766,844</u></u>

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

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

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

	<i>Freehold Land</i>	<i>Buildings</i>	<i>Plant and Equipment</i>	<i>Motor Vehicles</i>	<i>Total</i>
	\$	\$	\$	\$	\$
2019					
Balance at 1 April	3,335,250	333,525	25,661	75,536	3,769,972
Additions	-	-	-	72,955	72,955
Disposals	-	-	-	(36,769)	(36,769)
Depreciation expense	-	(13,318)	(4,415)	(21,581)	(39,314)
Revaluation	-	-	-	-	-
Balance at 31 March	<u>3,335,250</u>	<u>320,207</u>	<u>21,246</u>	<u>90,141</u>	<u>3,766,844</u>
2020					
Balance at 1 April	3,335,250	320,207	21,246	90,141	3,766,844
Additions	-	-	-	36,514	36,514
Disposals	-	-	-	(36,228)	(36,228)
Depreciation expense	-	(13,354)	(3,406)	(6,535)	(23,295)
Revaluation	-	-	-	-	-
Balance at 31 March	<u>3,335,250</u>	<u>306,853</u>	<u>17,840</u>	<u>83,892</u>	<u>3,743,835</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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	2020	2019
	\$	\$
10. ACCOUNTS PAYABLE AND OTHER PAYABLES		
Current		
Unsecured liabilities:		
General accounts payable and accruals	45,253	23,824
Amount payable to Communications Division - CEPU	34,455	17,494
Accrual for CEPU National Council	10,817	-
Accrual for Queensland Council of Unions	-	-
Amount payable for legal costs (litigation)	-	-
Amount payable for legal costs (other legal matters)	-	-
Contributions received in advance	15,168	7,202
Payroll liabilities	25,232	9,760
GST liabilities	8,286	6,979
Lease liabilities	23,290	-
	162,501	65,259
Non-current		
Lease Liabilities	17,711	-
	17,711	-

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

There reporting unit does not have a payable to an employer as consideration for that employer making payroll deductions for membership subscriptions.

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	2020	2019
	\$	\$
11. EMPLOYEE PROVISIONS		
Opening balance at 1 April	249,378	242,258
Additional provisions raised during year	78,333	65,036
Amounts used	<u>(38,600)</u>	<u>(57,916)</u>
Balance at 31 March	<u><u>289,111</u></u>	<u><u>249,378</u></u>
 <i>Analysis of Employee Provisions</i>		
Current	238,812	210,996
Non-current	<u>50,299</u>	<u>38,383</u>
	<u><u>289,111</u></u>	<u><u>249,378</u></u>
 <i>Holdings of Office</i>		
Annual Leave	74,061	58,993
Long service leave	74,448	65,613
Separation and redundancies	-	-
Other employee provisions	<u>-</u>	<u>-</u>
	<u><u>148,509</u></u>	<u><u>124,606</u></u>
 <i>Employees other than Holdings of Office</i>		
Annual Leave	72,387	48,478
Long service leave	68,215	76,294
Separation and redundancies	-	-
Other employee provisions	<u>-</u>	<u>-</u>
	<u><u>140,602</u></u>	<u><u>124,772</u></u>
	<u><u>289,111</u></u>	<u><u>249,378</u></u>

Employee Provisions

Employee provisions represent amounts accrued for annual leave and long service leave. The current portion for this provision includes the total amount accrued for annual leaves 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 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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	2020	2019
	\$	\$
12. RESERVES		
Asset Revaluation Reserve		
The Asset Revaluation Reserve represents the cumulative amount of fair value gains/losses recognised in other comprehensive income in revaluations of non-current assets.	3,020,457	3,020,457
Disaster Relief Reserve		
The Disaster Relief Reserve records funds set aside for disaster relief for members.	8,544	6,583
13. CAPITAL AND LEASING COMMITMENTS		
(a) Finance Lease Commitments		
Payable - minimum lease payments:		
- not later than 12 months	-	-
- between 12 months and 5 years	-	-
- greater than 5 years	-	-
	-	-
Minimum lease payments	-	-
Less future finance charges	-	-
	-	-
Present value of minimum lease payments	-	-
(b) Operating Lease Commitments		
Payable - minimum lease payments:		
- not later than 12 months	23,290	21,384
- between 12 months and 5 years	17,711	41,001
- greater than 5 years	-	-
	-	-
	41,001	62,385

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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14. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

15. EVENTS AFTER THE REPORTING PERIOD

The Branch Committee of Management is not aware of any significant events since the end of the reporting period.

	2020	2019
	\$	\$
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	250,875	239,186
Post employment benefits	45,460	40,177
Termination benefits	<u>-</u>	<u>-</u>
Total compensation	<u><u>296,335</u></u>	<u><u>279,363</u></u>

(b) Other Related Parties

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

No employees were deemed 'Other Related Parties' during the period 1 April 2019 - 31 March 2020.

Short term employee benefits	-	-
Post employment benefits	-	-
Termination benefits	<u>-</u>	<u>-</u>
Total compensation	<u><u>-</u></u>	<u><u>-</u></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
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**NOTES TO THE FINANCIAL STATEMENTS
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17. INFORMATION TO BE PROVIDED TO MEMBERS OR COMMISSIONER

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads 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).”

18. FAIR VALUE MEASUREMENT

NOTE 18A: FINANCIAL ASSETS AND LIABILITIES

Management of the reporting unit assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- Fair values of the reporting unit’s interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer’s borrowing rate as at the end of the reporting period. The own performance risk as at 31 March 2020 was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the reporting unit based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 31 March 2020 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values

The following tables contain the carrying amounts and related fair values for the reporting unit’s financial assets and liabilities:

	Carrying amount 2020	Fair value 2020	Carrying amount 2019	Fair value 2019
Financial Assets				
Cash on hand	\$418,666	\$418,666	\$457,406	\$457,406
Accounts receivable and other debtors	\$26,668	\$26,668	\$16,224	\$16,224
Other current assets	\$60,043	\$60,043	\$31,080	\$31,080
Total	\$505,377	\$505,377	\$504,710	\$504,710

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	Carrying amount 2020	Fair value 2020	Carrying amount 2019	Fair value 2019
Financial Liabilities				
Accounts payable and other payables	\$162,501	\$162,501	\$65,259	\$65,259
Total	\$162,501	\$162,501	\$65,259	\$65,259

NOTE 18B: FINANCIAL AND NON-FINANCIAL ASSETS AND LIABILITIES FAIR VALUE HIERARCHY

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

Fair value hierarchy – 31 March 2020

Assets measured at fair values	Date of valuation	Level 1	Level 2	Level 3
Land and buildings	31/03/2018	\$3,668,775	\$0	\$0
Total		\$3,668,775	\$0	\$0

Fair value hierarchy – 31 March 2019

Assets measured at fair values	Date of valuation	Level 1	Level 2	Level 3
Land and buildings	31/03/2018	\$3,668,775	\$0	\$0
Total		\$3,668,775	\$0	\$0

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	2020	2019
	\$	\$
19. CASH FLOW INFORMATION		
(a) Reconciliation of net cash from operations with profit (loss) after income tax		
Profit (loss) after income tax	(159,317)	42,530
Cash flows excluded from profit attributable to reserves		
Movement in disaster relief fund	1	(1,499)
Non-cash flows in profit (loss)		
Depreciation	43,696	39,314
Doubtful debts	4,482	(6,133)
Net loss (gain) on disposal of plant and equipment	(7,582)	(12,776)
Changes in assets and liabilities during the financial year		
(Increase)/decrease in accounts rec. and other receivables	(55,928)	(1,583)
(Increase)/decrease in other current assets	(5,673)	5,739
(Decrease)/increase in accounts payable and other payables	114,953	(21,125)
(Decrease)/increase in provision for employee benefits	39,733	7,120
	<u>(25,635)</u>	<u>51,587</u>

(b) Credit Standby Arrangements

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

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**NOTES TO THE FINANCIAL STATEMENTS
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20. FINANCIAL RISK MANAGEMENT

The Branch's financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable and loans. The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	<i>Effective Weighted Average Interest Rate %</i>	<i>Floating Interest Rate \$</i>	<i>Fixed Interest Rate Maturing</i>		<i>Non-Interest Bearing \$</i>	<i>Total \$</i>
			<i>1 year or less \$</i>	<i>1 to 5 years \$</i>		
2020						
Financial Assets						
Cash and cash equivalents	1.6%	418,116			550	418,666
Accounts and other receivables	0.0%				25,348	25,348
Total Financial Assets		418,116	-	-	25,898	444,014
Financial Liabilities						
Accounts and other payables	0.0%	-	-	-	139,211	139,211
Borrowings	0.0%	-	-	-	-	-
Total Financial Liabilities		-	-	-	139,211	139,211
2019						
Financial Assets						
Cash and cash equivalents	1.7%	456,856	-	-	550	457,406
Accounts and other receivables	0.0%	-	-	-	15,391	15,391
Total Financial Assets		456,856	-	-	15,941	472,797
Financial Liabilities						
Accounts and other payables	0.0%	-	-	-	65,259	65,259
Borrowings	0.0%	-	-	-	-	-
Total Financial Liabilities		-	-	-	65,259	65,259

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

20. 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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20. 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.

21. 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 RO Act;
- 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 or 249(1) of the RO Act;
- 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.

(f) Receivables and payables with another reporting unit

The reporting unit did not have a receivable or payable with another reporting unit.

(g) Administration of financial affairs

The reporting unit did not have another entity administer its financial affairs.

(h) Payments to former related parties

The reporting unit did not make a payment to a former related party.

(i) Compulsory Levy/voluntary contribution fund

The reporting unit did not have a fund or account for compulsory levies and voluntary contributions.

22. BRANCH DETAILS

The principal place of business of the Branch is:

1st Floor
41 Peel Street
South Brisbane Qld 4101

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23. COVID-19

Within Australia and globally, unprecedented measures have been introduced to control the spread of the COVID-19 outbreak, including travel and trade restrictions, restrictions on public gatherings and temporary business closures. These significant measures have had a sudden and substantial negative impact on economic activity, with certain industry sectors experiencing unforeseen financial difficulties.

The expected duration and magnitude of the COVID-19 global pandemic and its potential implications on the economy remains unclear. Should these circumstances become severe or prolonged, it is expected to have a material adverse impact on the global and Australian economies, which in turn may have a material adverse impact on the entity's financial performance and position and may put doubt on the entities ability to continue as a going concern.

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 any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the **RO Act**);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
- (e) during the financial 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 RO Act; 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 duly made under section 272 of the RO Act , that information has been provided to the member or the Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, 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

13th July

2020



C Bird (Branch Secretary)

Dated this 13th day of July 2020.

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QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
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Report on the Audit of the Financial Report

Opinion

I have audited the financial report of the Communications Electrical Plumbing Union of Australia, Communications Division, Queensland Communications Division Branch (the Entity), which comprises the statement of financial position as at 31 March 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 March 2020, notes to the financial statements, including a summary of significant accounting policies, the committee of management statement and the subsection 255(2A) report.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Entity as at 31 March 2020, and its financial performance and its cash flows for the year ended on that date in accordance with:

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

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

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. I am 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 my audit of the financial report in Australia. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the Entity's operating report for the year ended 31 March 2020, but does not include the financial report and our auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
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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 RO Act and for such internal control as the Branch Committee of Management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, Branch Committee is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Branch Committee of Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Report

My objective is 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the reporting unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee of management.
- Conclude on the appropriateness of the committee of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the reporting unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the reporting unit to cease to

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
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continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the reporting unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the reporting unit audit. I remain solely responsible for my audit opinion.

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

I declare that I am an auditor registered under the RO Act.



.....
Michael J Burnett, Registered Auditor

Hobart

Date *17 July 2020*

Registration Number (AA2020/1)