



13 June 2018

Mr Peter Ong
Secretary, Queensland and Northern Territory Divisional Branch
Electrical, Energy and Services Division, CEPU

Sent via email:

Dear Mr Ong

Re: – CEPU, Electrical, Energy and Services Division, Queensland and Northern Territory Divisional Branch - financial report for year ending 31 December 2017 (FR2017/292)

I refer to the financial report of the Queensland and Northern Territory Divisional Branch of the Electrical, Energy and Services Division. The documents were lodged with the Registered Organisations Commission ('the ROC') on 29 May 2018.

The financial report has now been filed. The financial report was filed based on a primary review. This involved confirming whether 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.

You are not required to take any action in respect of the report lodged. Please note that the financial report for the year ending 31 December 2018 may be subject to an advanced compliance review.

Reporting Requirements

On the ROC website are 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](#).

Please note that 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](#).

Yours faithfully

Stephen Kellett
Financial Reporting
Registered Organisations Commission

**CEPU, Electrical, Energy and Services Division
Queensland and Northern Territory Divisional Branch**

**Certificate of Designated Officer
S268 of Fair Work (Registered Organisations) Act 2009 ('RO Act')**

I, Peter Ong being the Branch Secretary of the Queensland and Northern Territory Divisional Branch of the CEPU, Electrical, Energy and Services Division certify:

- That the documents lodged with the Registered Organisations Commission on the 28th of May 2018 are copies of the full report that was provided to members and presented to a meeting in accordance with s266 of the RO Act; and
- The full report was provided to the members of the Branch on the 28th of May 2018.
- The full report was presented in accordance with s266 of the RO Act to a second meeting of the committee of management on the 21st of May 2018.

(Signature)  _____

(Name) Peter Ong

(Date) 28/5/18

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

ABN 80 450 640 455

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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

COMMITTEE OF MANAGEMENT'S OPERATING REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

Operating Report

The Committee of Management presents its report on the operations of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division – Queensland and Northern Territory Branch (the Branch) for the financial year ended 31 December 2017.

Principal Activities

The principal activities of the Branch during the year fell in the following categories:

- Organising existing members and new members
- Bargaining, negotiating and arbitrating for improvements in wages and conditions of employment for members of the Branch.
- Representing members in work related grievances or other matters
- Undertaking training and development for delegates of the Branch.

Over the year the Branch negotiated many Collective Agreements delivering improvements in wages and conditions to CEPU – Electrical, Energy and Services Division – Queensland and Northern Territory Branch members.

There have been no changes in the principal activities of the Branch during the year.

Operating Result

The deficit for the financial year amounted to \$508,289 (2016: \$376,630). No provision for tax was necessary as the Branch is considered exempt.

Significant Changes in Financial Affairs

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

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Branch, the results of those operations or the state of affairs of the Branch in future financial years.

Future Developments

Likely developments in the operations of the Branch or the expected result of those operations in future financial years have not been included in this report as such information is likely to result in unreasonable prejudice to the Branch.

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

COMMITTEE OF MANAGEMENT’S OPERATING REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

Environmental Issues

The Branch’s operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Members Right to Resign

The right of members to resign from the Branch is set out in the Rules of the CEPU – Electrical Division. A member may resign membership by written notice addressed and delivered to the Branch Secretary.

Number of Employees

The number of persons who were, at the end of the period to which the report relates, employees of the Branch, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis is 23.20 (2016: 26.0).

Number of Members

Total number of members at 31 December 2017: 15,774 (2016: 16,480)

Officer or Members who are superannuation Fund Trustees/ Directors of a Company that is a Superannuation fund Trustee

Those who hold a position of trustee or director of an entity, scheme or company as described in s.254 (2)(d) of the *Fair Work (Registered Organisations) Act 2009*, where a criterion of such entity is that the holder of such position must be a member or official of a registered organisation are as follows:

Name	Position	Superannuation Fund
Neisha Traill	Industrial Officer	Energy Super (Member Director)
Scott Wilson	Branch Member	Energy Super (Member Director)
Glenn Hall	Organiser	Mine Wealth and Wellbeing Superannuation Fund (Chairperson)

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
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SERVICES DIVISION – QUEENSLAND AND NORTHERN TERRITORY BRANCH**

COMMITTEE OF MANAGEMENT’S OPERATING REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

Members of the Committee of Management

The name of each person who has been a member of the Committee of Management of the Branch at any time during the reporting period, and the period for which he or she held such as position is as follows:

Name	Position	Period of Office
Christopher McGaw	Branch President	1/1/17 – 31/12/17
Peter Simpson	Branch Secretary	1/1/17 – 31/12/17
Joseph Fiteni	Branch Executive Member	1/1/17 – 31/12/17
Jeffrey Christoffel	Branch Executive Member	1/1/17 – 31/12/17
Gary Bloxsom	Branch Executive Member	1/1/17 – 31/12/17
John Taylor	Branch Executive Member	1/1/17 – 31/12/17
Benjamin King	Branch Executive Member	1/1/17 – 23/8/17
Ariah Goodluck	Branch Executive Member	26/11/17 – 31/12/17
Joshua Williams	Branch Executive Member	1/1/17 – 31/12/17
Jamie Walmsley	Branch Executive Member	1/1/17 – 31/12/17
Domenic McCann	Branch Councillor	1/1/17 – 26/10/2017
Hannah Watts	Branch Councillor	26/11/17 – 31/12/17
Joshua Jahnke	Branch Councillor	22/2/17 – 31/12/17
Alan Forrest	Branch Councillor	1/1/17 – 31/12/17
Gregory Smith	Branch Councillor	1/1/17 – 31/12/17
Clark Stein	Branch Councillor	1/1/17 – 31/12/17
Craig Thomas	Branch Councillor	1/1/17 – 13/02/17
Robert Wechsler	Branch Councillor	20/2/17 – 31/12/17
Aaron Self	Branch Councillor	1/1/17 – 31/12/17
Stephen Bravo	Branch Councillor	1/1/17 – 31/12/17
Jorge Amaya	Branch Councillor	1/1/17 – 31/12/17
Gary Baker	Branch Councillor	1/1/17 – 31/12/17
Daryl Keding	Branch Councillor	1/1/17 – 31/12/17
Gerard Peroni	Branch Councillor	1/1/17 – 31/12/17
Mitchell Lord	Branch Councillor	1/1/17 – 31/12/17
Liam Keats	Branch Councillor	28/8/17 -31/12/17
Kevin Ferguson	Branch Councillor	1/1/17 – 31/12/17
Paul Gambley	Branch Councillor	1/1/17 – 31/12/17
Gregory Bloom	Branch Councillor	1/1/17 – 31/12/17
Jason Sladden	Branch Councillor	1/1/17 – 31/12/17
Robert Hill	Branch Councillor	1/1/17 -26/10/17
Mace Ngata	Branch Councillor	26/11/17 -31/12/17
Scott Sologinkin	Branch Councillor	1/1/17 – 31/12/17
Cameron Humhreys	Branch Councillor	1/1/17 – 31/12/17
Timothy Rogers	Branch Councillor	1/1/17 – 31/12/17
Daniel Kilpatrick	Branch Councillor	1/1/17 – 31/12/17
Michael Coxon	Branch Councillor	1/1/17 – 31/12/17
Wayne Williams	Branch Councillor	1/1/17 – 31/12/17
Daniel Burns	Branch Councillor	1/1/17 – 31/12/17
Jamie Houldsworth	Branch Councillor	1/1/17 – 31/12/17

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND
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COMMITTEE OF MANAGEMENT'S OPERATING REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

Indemnifying Officers or Auditors

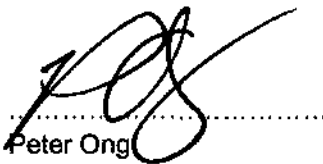
The Branch has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor:

- indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against liability for the costs or expenses to defend legal proceedings.

Auditor's Independence Declaration

A copy of the auditor's independence declaration is set out on page 7.

This report is made in accordance with a resolution of the Committee of Management and is signed for and on behalf of the Committee of Management by:



Peter Ong
Branch Secretary

23 April 2018

South Brisbane



accountants + auditors

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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE COMMITTEE OF MANAGEMENT OF THE
COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA –
ELECTRICAL, ENERGY AND SERVICES DIVISION – QUEENSLAND AND NORTHERN TERRITORY
BRANCH**

As lead auditor for the audit of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division – Queensland and Northern Territory Branch for the year ended 31 December 2017; I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

M. G. I

MGI Audit Pty Ltd

G I Kent

Director – Audit & Assurance

South Brisbane

23 April 2018

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/2

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

COMMITTEE OF MANAGEMENT STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

On 23 April 2018, the Committee of Management of the Branch passed the following resolution to the General Purpose Financial statements (GPFR) of the reporting unit for the financial year ended 31 December 2017.

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Commissioner;
- (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 reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - i. meetings of the Committee of Management were held in accordance with the rules of the organisation and
 - ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation;
 - iii. the financial records of the reporting unit have been kept and maintained in accordance with the *RO Act*;
 - 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 consistent manner to each of the other reporting units of the organisation;
 - v. where information has been sought in any request of a member of the reporting unit 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. there have been no orders for inspection of financial records made by the Fair Work Commission under section 273 of the *RO Act* during the year.
- (f) No revenue has been derived from undertaking recovery of wages activity during the reporting period.

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

Name of Designated Officer: Peter Ong

Title of Designated Officer: Branch Secretary

Signature:

Date:

23 April 2018

**Independent Audit Report to the Members of Communications,
Electrical, Electronic, Energy, Information, Postal, Plumbing and
Allied Services Union of Australia – Electrical, Energy and
Services Division – Queensland and Northern Territory Branch**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division – Queensland and Northern Territory Branch (the Branch), which comprises the statement of financial position as at 31 December 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division – Queensland and Northern Territory Branch as at 31 December 2017, 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).

We declare that management's use of the going concern basis in the preparation of the financial statements of the Branch is appropriate.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Branch 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 ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my 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 Committee of Management for the Financial Report

The Committee of Management of the Branch is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Branch'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 Committee of Management either intend to liquidate the Branch or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our 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, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for 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 Branch'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 Branch's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Branch to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Branch to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Branch's audit. We remain solely responsible for our audit opinion.

We 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 we identify during our audit.

Declaration

I declare that I am an approved auditor, a member of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

Opinion on the recovery of wages activity financial report

The scope of my work extended to the recovery of wages activity and we have audited the recovery of wages activity financial report for the year ended 31 December 2017.

In our opinion, the financial statements and notes and recovery of wages activity financial report properly and fairly report all information required by the reporting guidelines of the Commissioner, including:

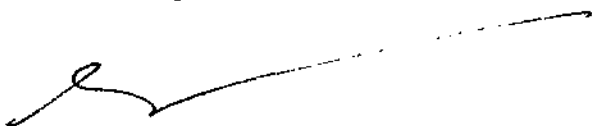
- a) any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
- b) any donations or other contributions deducted from recovered money.

Responsibilities

The Committee of Management is responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with the reporting guidelines of the Commission. Our responsibility is to express an opinion on the recovery of wages activity financial report, based on our audit conducted in accordance with Australian Auditing Standards.

M.G.I

MGI Audit Pty Ltd



G I Kent

Director – Audit & Assurance

South Brisbane

24 April 2018

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/2

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 \$	2016 \$
Revenue			
Membership subscription		7,153,672	7,303,127
Fines		24,137	61,751
Gain on sale of property, plant and equipment		11,465	24,842
Sustentation fees	3A	-	-
Levies	3B	-	-
Interest	3C	101,007	120,983
Organising income	3D	273,447	442,810
Conference income	3E	208,356	116,485
Sponsorship income	3F	521,558	390,145
Grants or donations		-	-
Other revenue	3G	307,548	301,484
Total revenue		8,601,190	8,761,627
Expenses			
Employee expenses	4A	(4,636,263)	(4,551,546)
Sustentation fees	4B	(965,895)	(1,000,785)
Affiliation fees	4C	(206,193)	(193,030)
Audit and accounting fees	13	(77,045)	(70,860)
Legal costs and fines	4D	(286,784)	(322,403)
Grants or donations	4E	(98,246)	(118,340)
Depreciation and amortisation	4F	(216,209)	(225,801)
Campaign expenses	4G	(85,221)	(90,763)
Finance costs	4H	(74,447)	(89,215)
Conference and meetings	4I	(280,266)	(211,640)
Administration expense	4J	(343,898)	(428,184)
Delegate expense	4K	(92,134)	(104,878)
Maintenance expenses	4L	(88,730)	(88,998)
Motor vehicle expense	4M	(178,605)	(168,638)
National office expense	4N	(59,785)	(79,747)
Printing, postage and merchandise expense	4O	(374,831)	(402,613)
Organising expense	4P	(772,847)	(713,321)
Rental and occupancy expense	4Q	(93,930)	(89,052)
Other operating expense	4R	(178,150)	(188,443)
Total expenses		(9,109,479)	(9,138,257)
Deficit for the year		(508,289)	(376,630)
Other comprehensive income			
Revaluation of land and buildings (net of income tax)		-	-
Total comprehensive income for the year		(508,289)	(376,630)

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

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

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017**

	Notes	2017 \$	2016 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	2,803,038	3,286,404
Trade and other receivables	5B	515,047	566,377
Other current assets	5C	89,020	89,040
Total current assets		3,407,105	3,941,821
Non-Current Assets			
Financial assets	6A	3,027,045	2,985,015
Furniture, fittings and office equipment	6B	122,529	123,959
Motor vehicles	6C	415,176	391,849
Total non-current assets		3,564,750	3,500,823
Total assets		6,971,855	7,442,644
LIABILITIES			
Current Liabilities			
Trade payables	7A	198,134	164,400
Other payables	7B	336,105	226,502
Financial liabilities	8A	33,319	35,535
Employee provisions	9A	1,191,815	1,277,533
Total current liabilities		1,759,373	1,703,970
Non-Current Liabilities			
Financial liabilities	8A	34,471	61,574
Employee provisions	9A	18,467	9,267
Total non-current liabilities		52,938	70,841
Total liabilities		1,812,311	1,774,811
Net assets		5,159,544	5,667,833
EQUITY			
Retained earnings		5,159,544	5,667,833
Total equity		5,159,544	5,667,833

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

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	Retained earnings \$	Total equity \$
Balance as at 1 January 2016		6,044,463	6,044,463
Deficit for the year		-	-
Other comprehensive income		(376,630)	(376,630)
Closing balance as at 31 December 2016		5,667,833	5,667,833
Deficit for the year		(508,289)	(508,289)
Other comprehensive income		-	-
Closing balance as at 31 December 2017		5,159,544	5,159,544

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

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 \$	2016 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units	10B	92,035	-
Receipts from other customers		9,363,824	9,562,646
Interest received		61,087	73,871
Cash used			
Finance Costs		(74,447)	(89,215)
Payments to employees and suppliers		(8,389,414)	(8,469,902)
Payments to other reporting units	10B	(1,280,491)	(1,269,712)
Net cash used in operating activities		(227,406)	(192,312)
INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		57,273	40,000
Payments for property, plant and equipment		(283,914)	(234,015)
Net cash used in investing activities		(226,641)	(194,015)
FINANCING ACTIVITIES			
Motor vehicle finance lease repayments (principal)	10F	(29,319)	(28,971)
Net cash used in financing activities		(29,319)	(28,971)
Net decrease in cash held		(483,366)	(415,298)
Cash & cash equivalents at the beginning of the reporting period		3,286,404	3,701,702
Cash & cash equivalents at the end of the reporting period	10A	2,803,038	3,286,404

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

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**RECOVERY OF WAGES ACTIVITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017	2016
	\$	\$
Cash assets in respect of recovered money at beginning of year	-	-
Receipts		
Amounts recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
Total receipts	-	-
Payments		
Deductions of amounts due in respect of membership for:		
12 months or less	-	-
Greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:		
The reporting unit:		
name of account	-	-
name of fund	-	-
Name of other reporting unit of the organisation:		
name of account	-	-
name of fund	-	-
Name of other entity:		
name of account	-	-
name of fund	-	-
Deductions of fees or reimbursement of expenses	-	-
Payments to workers in respect of recovered money	-	-
Total payments	-	-
Cash assets in respect of recovered money at end of year	-	-
Number of workers to which the monies recovered relates	-	-
Aggregate payables to workers attributable to recovered monies but not yet distributed		
Payable balance	-	-
Number of workers the payable relates to	-	-
Fund or account operated for recovery of wages	-	-

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

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**NOTES TO THE FINANCIAL STATEMENTS
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**NOTES TO THE FINANCIAL STATEMENTS
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Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division – Queensland and Northern Territory Branch (the Branch) is a not-for-profit entity.

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 are in Australian dollars and have been rounded to the nearest dollar.

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

The following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Key Estimates

Impairment – general

The Branch assesses impairment at each reporting period by evaluation of conditions and events specific to the Branch that may be indicative of impairment triggers. Recoverable amounts of relevant assets are assessed using value-in-use calculations which incorporate various key assumptions.

No impairment has been recognised in respect of the current year.

Key Judgements

Useful lives of plant and equipment

Plant and equipment are depreciated over the useful life of the asset and the depreciation rates are assessed when the asset are acquired or when there is a significant change that affects the remaining useful life of the asset.

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Note 1 Summary of significant accounting policies (Continued)

1.3 Significant accounting judgements and estimates (Continued)

Key Judgements (Continued)

Provision for impairment of receivables

The value of the provision for impairment of receivables is estimated by considering the ageing of receivables, communication with the debtors and prior history.

On-cost for employee entitlement provision

The Branch revised its estimate for on-costs for employee provision during the year to include superannuation, workers compensation and payroll tax.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date stated in the standard.

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 the future reporting period that are expected to have a future financial impact on the Branch include:

- **AASB 9: Financial Instruments and associated Amending Standards** (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting.

- The key changes that may affect the Branch on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of this Standard, the application of such accounting would be largely prospective.

The Committee of Management does not believe the effects of AASB 9 will significantly affect the Branch.

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Note 1 Summary of significant accounting policies (Continued)

1.4 New Australian Accounting Standards (Continued)

Future Australian Accounting Standards Requirements (continued)

- **AASB 15: Revenue from Contracts with Customers** (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: Amendments to Australian Accounting Standards – Effective Date of AASB 15).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

The Committee of Management does not believe the effects of AASB 15 will significant affect the Branch.

- **AASB 16: Leases** (applicable to annual reporting periods beginning on or after 1 January 2019)

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases. The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the Committee of Management anticipate that the adoption of AASB 16 will impact the Branch's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

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Note 1 Summary of significant accounting policies (Continued)

1.5 Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

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

1.6 Gains

Sale of assets

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

1.7 Capitation fees and levies

Capitation fees and levies are recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

1.8 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

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

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

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Note 1 Summary of significant accounting policies (Continued)

1.8 Employee benefits (Continued)

Under the rules of the Union, those employees who have undertaken 3 or more years of continuous service are entitled to have their Long Service Leave balance paid upon termination (on a pro-rata basis). The Branch does not have an unconditional right to deferred settlement (for those employees with greater than 3 or more consecutive years of service), resulting in Long Service Leave entitlements to be reported at reporting date as current liabilities.

1.9 Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, that are transferred to the Branch are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased asset 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 straight-line basis over their estimated useful lives where it is likely that the Branch will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

1.10 Cash

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

1.11 Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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Note 1 Summary of significant accounting policies (Continued)

1.12 Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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Note 1 Summary of significant accounting policies (Continued)

1.12 Financial assets (Continued)

Available-for-sale

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

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Note 1 Summary of significant accounting policies (Continued)

1.12 Financial assets (Continued)

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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Note 1 Summary of significant accounting policies (Continued)

1.12 Financial assets (Continued)

Impairment of financial assets (Continued)

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Derecognition of financial assets

The Branch derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

1.13 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

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Note 1 Summary of significant accounting policies (Continued)

1.13 Financial Liabilities (Continued)

Fair value through profit or loss

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The Branch derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

1.14 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

1.15 Plant and Equipment

Asset Recognition Threshold

Purchases plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

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Note 1 Summary of significant accounting policies (Continued)

1.15 Plant and Equipment (Continued)

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Branch Executive to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with that item will flow to the Branch and the costs of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

Depreciable plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

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

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Plant and equipment	10% - 20%
Motor Vehicles	20% - 25%

Derecognition

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

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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Note 1 Summary of significant accounting policies (Continued)

1.16 Impairment of non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Branch were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.17 Taxation

The Branch is exempt from income tax under section 50.1 of the *Income Tax Assessment Act 1997* however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

1.18 Fair value measurement

The Branch measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 15.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

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Note 1 Summary of significant accounting policies (Continued)

1.18 Fair value measurement (continued)

The principal or the most advantageous market must be accessible by the Branch. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Branch uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Branch determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Branch has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

1.19 Going concern

The Branch is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

The Branch has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

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Note 2 Events after the reporting period

There were no events that occurred after 31 December 2017, and/ or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Branch.

	2017	2016
	\$	\$
Note 3 Income		
Note 3A: Sustentation fees	-	-
Total sustentation fees	<u>-</u>	<u>-</u>
Note 3B: Levies	-	-
Total levies	<u>-</u>	<u>-</u>
Note 3C: Interest		
Deposits	58,977	73,871
Related entity (ETU-Q)	42,030	47,112
Total interest	<u>101,007</u>	<u>120,983</u>
Note 3D: Organising income		
Organising income (ETU-Q)	266,083	442,810
Other	7,364	-
Total organising income	<u>273,447</u>	<u>442,810</u>
Note 3E: Conference income		
Conference income (ETU-Q)	208,356	116,485
Total conference income	<u>208,356</u>	<u>116,485</u>
Note 3F: Sponsorship income		
Sponsorship income - general	414,975	365,599
Sponsorship income - training	106,583	24,546
Total sponsorship income	<u>521,558</u>	<u>390,145</u>

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	2017	2016
	\$	\$
Note 3 Income (Continued)		
Note 3G: Other revenue		
Administration fees	138,818	154,748
Merchandise income	11,962	9,501
Board fee income	55,677	60,050
Campaign income	28,261	-
Other membership income	9,510	18,872
Other income	63,320	58,313
Total other revenue	<u>307,548</u>	<u>301,484</u>
Note 4 Expenses		
Note 4A: Employee expenses		
Holders of office:		
Wages and salaries	460,767	552,863
Superannuation	56,540	64,811
Leave and other entitlements	55,991	70,184
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses holders of office	<u>573,298</u>	<u>687,858</u>
Employees other than office holders:		
Wages and salaries	3,025,263	2,744,077
Superannuation	704,984	547,163
Leave and other entitlements	127,169	370,492
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses employees other than office holders	<u>3,857,416</u>	<u>3,661,732</u>
Add: Payroll tax expense	205,549	201,956
Total employee expenses	<u>4,636,263</u>	<u>4,551,546</u>
Note 4B: Sustainment fees		
CEPU – Electrical, Energy and Services Division	965,895	1,000,785
Total Sustainment fees	<u>965,895</u>	<u>1,000,785</u>

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Note 4 Expenses (Continued)		
Note 4C: Affiliation fees		
Australian Labor Party (State of Queensland)	71,478	73,013
Australian Labor Party (Northern Territory) Branch	4,415	3,039
Queensland Council of Unions	82,091	75,548
Northern Territory Trades and Labour Council	6,649	5,437
Union Shopper	38,860	35,893
Brisbane Labour History Association	100	100
Asbestos Disease Support Society	500	-
Australia Asia Workers Links	2,000	-
Independent and Peaceful Australia Network	100	-
Total affiliation fees	<u>206,193</u>	<u>193,030</u>
Note 4D: Legal costs and fines		
Litigation	221,784	319,230
Other legal matters	-	3,173
Total legal costs	<u>221,784</u>	<u>322,403</u>
Fines – Federal Court of Australia	65,000	-
Total legal costs and fines	<u>286,784</u>	<u>322,403</u>
The Branch was fined by the Federal Court of Australia for industrial action conducted at a number of construction sites throughout Queensland.		
Note 4E: Grants or donations		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	2,892	4,140
Total paid that exceeded \$1,000	95,354	114,200
Total grants or donations	<u>98,246</u>	<u>118,340</u>
Note 4F: Depreciation and amortisation		
Depreciation		
Furniture, fittings and office equipment	44,367	60,708
Motor vehicles	171,842	165,093
Total depreciation	<u>216,209</u>	<u>225,801</u>
Amortisation expense	-	-
Total depreciation and amortisation	<u>216,209</u>	<u>225,801</u>

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	2017	2016
	\$	\$
Note 4 Expenses (Continued)		
Note 4G: Campaign Expenses		
Industrial campaigns	2,727	56,485
Community campaigns	82,494	16,284
General campaigns	-	17,994
Total campaign expenses	85,221	90,763
Note 4H: Finance costs		
Interest expense	5,917	8,364
Bank fees and charges	68,530	80,851
Total finance costs	74,447	89,215
Note 4I: Conference and Meetings		
Conference expenses	208,356	114,696
Meeting expenses	71,910	96,944
Total conference and meetings	280,266	211,640
Note 4J: Administration expense		
Fringe benefits tax	41,472	58,238
Staff amenities	43,894	32,470
Telephone	110,435	116,816
Insurance	59,860	78,340
Debt collection fees	19,279	56,455
Subscriptions	23,194	53,244
Other administration expenses	45,764	32,621
Total administration expense	343,898	428,184
Note 4K: Delegate expense		
Delegate expenses	92,134	104,878
Total delegate expense	92,134	104,878
Note 4L: Maintenance expense		
Maintenance expense	88,730	88,998
Total maintenance expense	88,730	88,998
Note 4M: Motor vehicle expense		
Fuel	96,753	101,955
Registrations	18,837	18,576
Service/ repairs	22,594	19,826
Other motor vehicle expenses	40,421	28,281
Total motor vehicle expense	178,605	168,638

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	2017	2016
	\$	\$
Note 4 Expenses (Continued)		
Note 4N: National office expense		
National office expenses	59,785	79,747
Total national office expenses	59,785	79,747
Note 4O: Printing, postage and merchandise expense		
Journal expense	130,350	95,073
Merchandise	107,683	52,210
Printing	47,136	128,964
Stationery	11,684	11,728
Postage and freight	77,978	114,638
Total printing, postage and merchandise expenses	374,831	402,613
Note 4P: Organising expense		
Labour Day	107,965	97,237
Travel	225,451	262,330
Direct organising costs	152,562	161,672
Other organising expenses	286,869	192,082
Total organising expense	772,847	713,321
Note 4Q: Rental and occupancy expense		
Rent expense	77,106	77,484
Other occupancy costs	16,824	11,568
Total rental and occupancy expense	93,930	89,052
Note 4R: Other Operating Expenses		
Penalties - via RO Act or RO Regulations	-	-
Levies – CEPU National Council	16,480	13,061
Consideration to employers for payroll deductions	-	-
Fees/allowances – meeting and conferences	-	-
Sponsorship expense	59,532	32,290
Doubtful debt expense	28,620	27,183
Other operating expenses	73,518	115,909
Total other operating expenses	178,150	188,443

Levies

The CEPU National Council issued a levy during the year to assist in funding its day to day operations.

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	2017	2016
	\$	\$
Note 5 Current Assets		
Note 5A: Cash and Cash Equivalents		
Cash at bank	634,184	1,085,958
Cash on hand	14,929	10,300
Term deposits	2,153,925	2,190,146
Total cash and cash equivalents	<u>2,803,038</u>	<u>3,286,404</u>
Note 5B: Trade and Other Receivables		
Receivables from other reporting units		
CEPU – National Council	-	14,367
Receivables from other reporting units (net)	<u>-</u>	<u>14,367</u>
Other receivables:		
Other trade receivables	68,802	153,707
Less: Provision for doubtful debtors	-	(27,183)
Accrued interest	11,523	13,633
Related party receivable (ETU-Q)	402,096	411,853
Related party receivable (DMB Fund)	32,626	-
Total other receivables	<u>515,047</u>	<u>552,010</u>
Total trade and other receivables (net)	<u>515,047</u>	<u>566,377</u>
Note 5C: Other Current Assets		
Prepayments	89,020	89,040
Total other current assets	<u>89,020</u>	<u>89,040</u>

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	2017	2016
	\$	\$
Note 6 Non-current Assets		
Note 6A: Financial Assets		
Related party loan receivable – ETU-Q	2,438,333	2,396,303
Related party loan receivable – DMB Fund	588,712	588,712
Total financial asset	3,027,045	2,985,105

Loan Terms and Conditions

ETU – Q Loan

The following terms and conditions are applicable on the related party loan:

1. The CEPU – Electrical, Energy and Services Division – Qld/ NT Branch has secured the loan over the properties located at 37 Peel Street, South Brisbane and 63 Ross River Street, Mundingburra.
2. Interest is charged based on the variable rate published by the Commonwealth Bank of Australia for Bank Bills.
3. There is no set repayment date on the loan and the Division must pay the lender back upon a written demand being provided by the lender.

DMB Fund Loan

There loan is not secured against any assets of the DMB Fund nor is any interest paid by the Fund to the Branch.

Note 6B: Furniture, Fittings and Office Equipment

Furniture, fittings and office equipment:

at cost	690,480	647,542
accumulated depreciation	(567,951)	(523,583)
Total Furniture, Fittings and Office Equipment	122,529	123,959

Reconciliation of Opening and Closing Balances of Furniture, Fittings and Office Equipment

As at 1 January		
Gross book value	647,542	624,292
Accumulated depreciation and impairment	(523,583)	(462,867)
Net book value 1 January	123,959	161,416
Additions:		
By purchase	42,937	23,251
Depreciation expense	(44,367)	(60,708)
Disposals:		
By sale	-	-
Net book value 31 December	122,529	123,959
Net book value as of 31 December represented by:		
Gross book value	690,480	647,542
Accumulated depreciation and impairment	(567,951)	(523,583)
Net book value 31 December	122,529	123,959

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	2017	2016
	\$	\$
Note 6C: Motor Vehicles		
Office equipment and furniture:		
at cost	822,527	731,933
accumulated depreciation	(407,351)	(340,084)
Total Motor Vehicles	415,176	391,849

Reconciliation of Opening and Closing Balances of Motor Vehicles

As at 1 January		
Gross book value	731,933	764,421
Accumulated depreciation and impairment	(340,084)	(388,188)
Net book value 1 January	391,849	376,233
Additions:		
By purchase	240,977	234,332
Depreciation expense	(171,842)	(165,093)
Disposals:		
By sale	(45,808)	(53,623)
Net book value 31 December	415,176	391,849
Net book value as of 31 December represented by:		
Gross book value	822,527	731,933
Accumulated depreciation and impairment	(407,351)	(340,084)
Net book value 31 December	415,176	391,849

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	2017	2016
	\$	\$
Note 7 Current Liabilities		
Note 7A: Trade payables		
Trade creditors and accrued expenses	153,499	164,400
Subtotal trade payables	<u>153,499</u>	<u>164,400</u>
Payables to other reporting units		
CEPU – Electrical, Energy and Services Division	44,635	-
Subtotal payables to other reporting units	<u>44,635</u>	<u>-</u>
Total trade payables	<u>198,134</u>	<u>164,400</u>

Settlement is usually made within 30 days.

Note 7B: Other payables

Consideration to employers for payroll deductions	-	-
Income received in advance	29,000	-
Legal costs		
Litigation	6,431	21,106
Other legal matters	-	-
Credit card liabilities	19,148	27,674
Superannuation payable	70,780	55,140
PAYG payable	145,602	85,837
GST payable (net)	44,900	15,640
Related party creditor (DMB Fund)	-	10,548
Other sundry payables	20,244	10,557
Total other payables	<u>336,105</u>	<u>226,502</u>
Total other payables are expected to be settled in:		
No more than 12 months	336,105	226,502
More than 12 months	-	-
Total other payables	<u>336,105</u>	<u>226,502</u>

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	2017	2016
	\$	\$
Note 8		
Financial Liabilities		
Note 8A: Finance Lease		
Current	33,319	35,535
Non-Current	34,471	61,574
Total finance lease	<u>67,790</u>	<u>97,109</u>
Lease Commitments		
<i>Payable – Minimum lease payments</i>		
not later than 12 months	36,574	35,535
Between 12 months and 5 years	37,378	73,906
Greater than 5 years	-	-
Minimum lease payments	<u>73,952</u>	<u>109,441</u>
Less: Future financing charges	<u>(6,162)</u>	<u>(12,332)</u>
Present value of minimum lease payments	<u>67,790</u>	<u>97,109</u>

Finance leases relate to two motor vehicles which commenced in 2014 and 2015 that will expire in 2018 and 2020 respectively. Interest is charged at 7.28% and secured over the motor vehicles.

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	2017	2016
	\$	\$
Note 9 Provisions		
Note 9A: Employee Provisions		
Office Holders:		
Annual leave	43,009	99,265
Long service leave	97,111	141,878
Separations and redundancies	-	-
Other	-	-
<i>Subtotal employee provisions—office holders</i>	140,120	241,143
Employees other than office holders:		
Annual leave	454,939	460,080
Long service leave	615,223	585,577
Separations and redundancies	-	-
Other	-	-
<i>Subtotal employee provisions—employees other than office holders</i>	1,070,162	1,045,657
Total employee provisions	1,210,282	1,286,800
Current	1,191,815	1,277,533
Non-Current	18,467	9,267
<i>Total employee provisions</i>	1,210,282	1,286,800

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	\$	\$
Note 10 Cash Flow		
Note 10A: Cash Flow Reconciliation		
Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement:		
Cash and cash equivalents as per:		
Cash flow statement	2,803,038	3,286,404
Statement of financial position	2,803,038	3,286,404
Difference	<u>-</u>	<u>-</u>
Reconciliation of surplus to net cash from operating activities:		
Deficit for the year	(508,289)	(376,630)
Adjustments for non-cash items		
Depreciation/ amortisation	216,209	225,801
Interest income (ETU –Q)	(42,030)	(47,112)
Gain on disposal of property, plant and equipment	(11,465)	(24,843)
Changes in assets/liabilities		
(Increase)/ decrease in net receivables	51,330	37,371
(Increase)/ decrease in other current assets	20	(25,804)
Increase/ (decrease) in trade and other payables	143,337	(73,787)
Increase/ (decrease) in provisions	(76,518)	92,692
Net cash (used in)/ provided by operating activities	<u>(227,406)</u>	<u>(192,312)</u>
Note 10B: Cash flow information		
Cash inflows from other reporting units		
CEPU – Electrical, Energy and Services Division	1,450	-
CEPU – Plumbing Division (Qld Branch)	90,585	-
Total cash inflows	<u>92,035</u>	<u>-</u>
Cash outflows to other reporting units		
CEPU – Electrical, Energy and Services Division	1,172,377	1,255,345
CEPU – National Council	18,128	14,367
CEPU – Communications Division (Qld Branch)	2,200	-
CEPU – Electrical, Energy and Services Division (NSW Branch)/ ETU NSW	67,786	-
Total cash outflows	<u>1,280,491</u>	<u>1,269,712</u>

Note: Cash flow information to/ from other reporting units disclosed include 10% GST on applicable transactions.

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	2017	2016
	\$	\$

Note 10 Cash Flow (Continued)

Note 10C: Credit standby arrangements and loan facilities

Finance Leases

Used facility	67,790	97,109
Unused facility	-	-
Total facility	<u>67,790</u>	<u>97,109</u>

The financing facility has been arranged with Toyota Finance Australia Limited and with Esanda Chattel Mortgage facility. These leases are scheduled to expire in 2018 and 2020 respectively with security being held over the motor vehicles in which the facility relates to.

CBA Mastercard Facility

Used facility	20	5,597
Unused facility	39,980	34,403
Total facility	<u>40,000</u>	<u>40,000</u>

American Express Facility

Used facility	19,128	22,077
Unused facility	140,872	137,923
Total facility	<u>160,000</u>	<u>160,000</u>

Note 10D: Non-cash transactions

There have been no non-cash financing or investing activities during the year (2016: Nil).

Note 10E: Net debt reconciliation

Cash and cash equivalents	2,803,038	3,286,404
Borrowings – repayable within one year	(33,319)	(35,535)
Borrowings – repayable after one year	(34,471)	(61,574)
Net debt	<u>2,735,248</u>	<u>3,189,295</u>

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Note 10 Cash Flow (Continued)

**Note 10F: Reconciliation of movements of liabilities to cash
flows arising from financing activities**

	Other Assets	Liabilities from financing activities		Total
	Cash assets	Finance lease – due within 1 year	Finance lease – due after 1 year	
Net debt at 1 January 2016	3,701,702	(35,535)	(90,545)	3,575,622
Cash flows	(415,298)	-	28,971	(386,327)
Net debt at 31 December 2016	3,286,404	(35,535)	(61,574)	3,189,295
Cash flows	(483,366)	2,216	27,103	(454,047)
Net debt at 31 December 2017	2,803,038	(33,319)	(34,471)	2,735,248

Note 11 Contingent Liabilities, Assets and Commitments

Note 11A: Commitments and Contingencies

Capital commitments

At 31 December 2017 the Branch did not have any capital commitments (2016: Nil).

Other contingent assets or liabilities (i.e. legal claims)

The Committee of Management is not aware of any contingent assets or liabilities that are likely to have a material effect on the results of the Branch.

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	\$	\$
Note 11		
Contingent Liabilities, Assets and Commitments (Continued)		

Note 11B: Leasing Commitments

Operating Leases (as a lessee)

Non-cancellable operating leases contracted for but not capitalised in the financial statements.

Payable – Minimum lease payments

not later than 12 months	27,097	30,266
between 12 months and 5 years	-	31,308
greater than 5 years	-	-
Minimum lease payments	<u>27,097</u>	<u>61,574</u>

The leases relate to rent of regional offices located at the Gold Coast and Gladstone. Both leases expire in 2018.

Operating Leases (as a lessor)

The Branch does not have any operating leases as a lessor at 31 December 2017 (2016: Nil).

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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Note 12 Related Party Disclosures

**Note 12A: Related Party Transactions for the Reporting Period
Holders of office and related reporting units**

For financial reporting purposes, under the *Fair Work (Registered Organisations) Act 2009*, the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia is divided into the following separate reporting units (and deemed related parties):

CEPU National Council

Electrical Division

CEPU – Electrical, Energy and Services Division
CEPU – QLD Electrical Branch
CEPU – NSW Electrical Branch
CEPU – VIC Electrical Branch
CEPU – TAS Electrical Branch
CEPU – WA Electrical Branch

Plumbing Division

CEPU – Plumbing Division
CEPU – QLD Plumbing Branch
CEPU – NSW Plumbing Branch
CEPU – VIC Plumbing Branch
CEPU – WA Plumbing Branch

Communications Division

CEPU – Communications Division
CEPU – QLD Communications Branch
CEPU – NSW Communications T&S Branch
CEPU – NSW Communications P&T Branch
CEPU – VIC Communications T&S Branch
CEPU – VIC Communications P&T Branch
CEPU – TAS Communications Branch (until 11 August 2016)
CEPU – SA/ NT Communications Branch
CEPU – WA Communications Branch

Other Related Parties

Electrical Trades Union of Employees Queensland (from 1 May 2017)
Electrical Trades Union of Employees Queensland (ETU Division)
Electrical Trades Union of Employees Queensland (AFULE Division) (from 1 May 2017)

The Electrical Trades Union of Employees Queensland (being a state registered trade union) has members on its Committee of Management that are consistent with that of the Branch. Further, all members of the Branch are joint members with the state registered union.

Distress, Mortality and Building Fund
The Branch is the trustee of the DMB Fund.

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Note 12 Related Party Disclosures (Continued)

**Note 12A: Related Party Transactions for the Reporting Period
Holders of office and related reporting units (Continued)**

	2017	2016
	\$	\$
The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.		
Expenses paid to CEPU – National Council includes the following:		
Levies	16,480	13,061
Amounts owed by CEPU – National Council includes the following:		
Overpayment of levies	-	14,367
Revenue received from CEPU –Electrical, Energy and Services Division includes the following:		
Reimbursement of travel expenses	1,318	-
Expenses paid to CEPU – Electrical, Energy and Services Division includes the following:		
Sustentation fees	965,895	1,000,785
Reimbursement of wage costs	23,960	8,746
Reimbursement of national journal costs	94,345	82,736
Reimbursement of travel expenses	5,208	22,319
Subscriptions/ research	17,261	13,129
Campaign contribution	-	8,594
Other operating costs	-	4,911
Amounts owed to CEPU – Electrical, Energy and Services Division includes the following:		
Reimbursement of national journal costs	44,635	-
Expense paid to CEPU – Communication Division – Qld Branch includes the following:		
Rent	2,002	-
Expenses paid to CEPU – Electrical Division – NSW Branch/ ETU NSW Includes the following:		
Reimbursement of wage costs	85,392	-
Revenue received from CEPU – Plumbing Division – QLD Branch includes the following:		
Reimbursement of legal fees	17,350	-
Reimbursement of fines	65,000	-

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Note 12 Related Party Disclosures (Continued)

**Note 12A: Related Party Transactions for the Reporting Period
Holders of office and related reporting units (Continued)**

	2017	2016
	\$	\$
Revenue received from Electrical Trades Union, Industrial Union of Employees (ETU Division) includes the following:		
Interest income	42,030	47,112
Reimbursement of organising expenses	266,083	442,810
Reimbursement of conference expenses	208,356	116,485
Administration fees	54,545	54,545
Other sundry income	390	1,927

Expenses paid to Electrical Trades Union, Industrial Union of Employees Queensland (ETU Division) includes the following:

Transfer of levies	1,530,212	1,614,972
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The Branch collects levies from members on behalf of the Electrical Trades Union, Industrial Union of Employees Queensland (ETU Division). Levies are collected for the following:

1. Campaign levy
2. Coal levy
3. Lift industry levy
4. Electrical contracting levy
5. Supplier industry levy
6. Apprentice levy
7. OH&S levy
8. Supply TND and Supply TNDC levy
9. Support levy

All levies are paid to the Electrical Trades Union, Industrial Union of Employees (ETU Division) each month with the Branch not controlling any levies/ funds on behalf of the state registered union.

Amounts owed by Electrical Trades Union, Industrial Union of Employees Queensland (ETU Division) includes the following

Loan receivable	2,438,333	2,396,303
Trade receivable	402,096	411,853

The Loan between the Branch and the state registered union is secured over the real property of the state union and interest is charged at the variable interest rate as published by the Commonwealth Bank of Australia of Bank Bills.

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Note 12 Related Party Disclosures (Continued)

**Note 12A: Related Party Transactions for the Reporting Period
Holders of office and related reporting units (Continued)**

	2017	2016
	\$	\$
Revenue received from Distress, Mortality and Building Fund includes the following:		
Honorary membership fees	78,572	67,222
Reimbursement of training expenses	49,331	13,661
Administration fees	84,273	100,203
Reimbursement of the purchase of capital assets	39,000	-
Reimbursement of other expenses	-	3,999

Expenses paid to Distress, Mortality and Building Fund includes the following:

Transfer of DMB Levy	857,562	890,392
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The Branch collects from members a DMB levy on behalf of the DMB Fund. All levies collected each month by the Branch are paid across to the DMB Fund and no monies are controlled by the Branch.

Amounts owed by DMB Fund includes the following

Trade receivable	32,626	-
Loan receivable	588,712	588,712

The Loan between the Branch and the DMB Fund is unsecured with no interest charged between the entities.

Amounts owed to DMB Fund includes the following

Trade payables	-	10,548
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Amounts owed by Key Management Personal includes the following

Loans to officeholders	-	721
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Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2017, the Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2016: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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Note 12 Related Party Disclosures (Continued)

**Note 12A: Related Party Transactions for the Reporting Period
Holders of office and related reporting units (Continued)**

Key Management Personnel

Key management personnel comprise those individuals who have the authority and responsibility for planning, directing and controlling the activities of the Branch. The Branch has determined key management personnel comprise of:

- Peter Simpson (Branch Secretary)
- Peter Ong (Branch Assistant Secretary)
- Keith McKenzie (Branch Assistant Secretary)
- All remaining members of the Committee of Management.

During the year, key management personnel of the Branch were remunerated as follows:

2017	2016
\$	\$

Note 12B: Key Management Personnel Remuneration for the Reporting Period

Short-term employee benefits

Salary (including annual leave taken)	508,494	611,655
Other	-	-
Total short-term employee benefits	508,494	611,655

Post-employment benefits:

Superannuation	56,540	64,811
Total post-employment benefits	56,540	64,811

Other long-term benefits:

Long-service leave	8,264	11,392
Total other long-term benefits	8,264	11,392

Termination benefits

Total	573,298	687,858
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No other transactions occurred during the year with elected officers, close family members or other related parties than those related to their membership or employment and on terms no more favourable than those applicable to any other member of employee.

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FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
Note 13 Remuneration of Auditors and Consultants		
Value of the services provided		
Financial statement audit services	46,000	45,000
Other services	31,045	25,860
Total remuneration of auditors	77,045	70,860

Other services relate to taxation services, accounting and non-financial statement audit services provided by MGI Audit Pty Ltd and related entities.

Note 14 Financial Instruments

Financial Risk Management Policy

The Committee of Management monitors the Branch's financial risk management policies and exposure and approves financial transactions entered into. It also reviews the effectiveness of internal controls relating to the counterparty credit risk, liquidity risk, market risk and interest rate risk. The Branch Committee of Management meets on a regular basis to review the financial exposure of the Branch.

(a) Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss of the Branch. The Branch does not have any material credit risk exposures as its major source of revenue is the receipt of sustentation fees from state branches.

The maximum exposures to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of provisions) as presented in the statement of financial position.

The Branch has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Branch.

On a geographical basis, the Branch's trade and other receivables are all based in Australia.

The following table details the Branch's trade and other receivables exposed to credit risk. Amounts are considered 'past due' when the debt has not been settled, within the terms and conditions agreed between the Branch and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors 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 trade terms (as detailed in the table) are considered to be of high credit quality.

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Note 14 Financial Instruments (Continued)

Ageing of financial assets that were past due but not impaired for 2017

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade and other receivables	80,325	-	-	434,722	515,047
Receivables from other reporting units	-	-	-	-	-
Total	-	-	-	434,722	515,047

Ageing of financial assets that were past due but not impaired for 2016

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade and other receivables	30,874	-	-	521,136	552,010
Receivables from other reporting units	-	-	-	14,367	14,367
Total	30,874	-	-	535,503	566,377

The Branch has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties.

Credit risk related to balances with banks and other financial institutions is managed by the Committee of Management in accordance with approved policy. Such policy requires that surplus funds are only invested with counterparties with a strong reputation and backed by the Commonwealth Government's bank guarantee. At 31 December 2017, all funds were held by financial institutions backed by the Commonwealth Government's bank guarantee.

Collateral held as security

The Branch does not hold collateral with respect to its receivables at 31 December 2017 (2016: Nil).

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FOR THE YEAR ENDED 31 DECEMBER 2017**

Note 14 Financial Instruments (Continued)

(b) Liquidity Risk

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

- preparing forward looking cash flow estimates;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

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

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

Financial Instrument Composition and Maturity Analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade payables	198,134	164,400	-	-	-	-	198,134	164,400
Other payables	336,105	226,502	-	-	-	-	336,105	226,502
Finance leases	33,319	35,535	34,471	61,574	-	-	67,790	97,109
Total expected outflows	567,558	426,437	34,471	61,574	-	-	602,029	488,011

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Note 14 Financial Instruments (Continued)

Financial Instrument Composition and Maturity Analysis (Continued)

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets – cash flow receivable								
Cash and cash equivalents	2,803,038	3,286,404	-	-	-	-	2,803,038	3,286,404
Trade and other receivables	515,047	566,377	-	-	-	-	515,047	566,377
Financial assets	-	-	-	-	3,027,045	2,985,015	3,027,045	2,985,015
Total anticipated inflows	3,318,085	3,852,781	-	-	3,027,045	2,985,015	6,345,130	6,837,796
Net inflow on financial instruments	2,750,527	3,426,344	34,471	61,574	3,027,045	2,985,015	5,743,101	6,349,785

(c) Market Risk

i. 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 also exposed to earnings volatility on floating rate instruments.

Interest rate risk is managed using a mix of fixed and floating financial instruments. The effective interest rate expenditure to interest rate financial instruments are as follows:

	Weighted Average Effective Interest Rate			
	2017	2016	2017	2016
	%	%	\$	\$
Floating rate instruments				
Cash and cash equivalents	1.82	2.00	2,803,038	3,701,702
Financial assets	1.43	1.60	3,027,045	2,985,015
Financial liabilities	7.11	7.23	67,790	97,109

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Note 14 Financial Instruments (Continued)

(d) Market Risk

i. Interest rate risk (Continued)

The Branch has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk.

Sensitivity Analysis

The following table illustrates sensitivities to the Branch's exposures to changes in interest rates and equity prices. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit	Equity
	\$	\$
Year ended 31 December 2017		
+1% in interest rates	58,829	58,829
-1% in interest rates	47,235	47,235
Year ended 31 December 2016		
+1% in interest rates	57,695	57,695
-1% in interest rates	47,921	47,921

No sensitivity analysis has been performed on foreign exchange risk as the Branch has no material direct exposures to currency risk. There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year

ii. Foreign exchange risk

The Branch is not exposed to direct fluctuations in foreign currencies.

iii. Price risk

The Branch is not exposed to any material commodity price risk.

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Note 15 Fair Value Measurements

Fair Values

Fair value estimation

The fair values of financial assets and liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties at an arm's length transaction.

Fair value may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair values is extracted from the market, with more reliable information available from markets that are actively traded.

In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Branch. Most of these instruments, which are carried at amortised cost (i.e. accounts receivable), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the Branch.

The following table contains the carrying amounts and related fair values for the Branch's financial assets and liabilities:

	Footnote	2017		2016	
		Carrying value	Fair value	Carrying value	Fair value
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	(i)	2,803,038	2,803,038	3,286,404	3,286,404
Accounts receivable and other debtors	(i)	515,047	515,047	566,377	566,377
Financial assets	(i)	3,027,045	3,027,045	2,985,015	2,985,015
Total financial assets		6,345,130	6,345,130	6,837,796	6,837,796
Financial liabilities					
Trade payables	(i)	198,134	198,134	164,400	164,400
Other payables	(i)	336,105	336,105	226,502	226,502
Financial liabilities	(i)	67,790	67,790	97,109	97,109
Total financial liabilities		602,029	602,029	488,011	488,011

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, accounts receivable and other debtors and accounts payable and other payables and leases are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is outside the scope of AASB 139.

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Note 15 Fair Value Measurements (Continued)

Fair Value Hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categories fair value measurement into one of the three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that 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 observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Branch did not have any assets or liabilities that were recorded using the above fair value hierarchy at 31 December 2017 and 31 December 2016.

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Note 16 Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or Commission:

- (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).

Note 17 Branch Details

The registered office of the Branch is:

CEPU – Electrical Division – Queensland and Northern Territory Branch
41 Peel Street
SOUTH BRISBANE QLD 4101

Note 18 Segment Information

The Branch operates solely in one reporting business segment being the provision of trade union services.

The Branch operates from one reportable geographical segment being Queensland and the Northern Territory.

Note 19 Other Acquisitions of Assets or Liabilities

During the financial year the Branch has not acquired an asset or liability as a result of:

- (a) An amalgamation under Part 2 of Chapter 3 of the *Fair Work (Registered Organisations) Act 2009*.
- (b) A restructure of Branches or Divisions of the organisation.
- (c) A determination by the Commission under subsection 245(1) of the *Fair Work (Registered Organisations) Act 2009* of an alternative reporting structure for the organisation.
- (d) A revocation by the Commission under subsection 249(1) of the *Fair Work (Registered Organisations) Act 2009* of a certificate issued to the organisation under subsection 241(1).
- (e) A business combination.