



8 July 2019

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

cc. Mr Graeme Kent, Auditor

Dear Secretary

Re: – CEPU, Electrical, Energy and Services Division, Queensland and Northern Territory Divisional Branch - financial report for year ending 31 December 2018 (FR2018/298)

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 (**ROC**) on 29 May 2019.

The financial report has 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. Please note the report for year ending 31 December 2019 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. However I make the following comments to assist when preparing the next report.

Nil activity disclosures

Item 21 of the reporting guidelines states that if any activities identified within items 10-20 of the reporting guidelines have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in an officer's declaration statement.

The officer's declaration statement included the following nil activity disclosures for which there was already an equivalent form of disclosure in the body of the notes (as indicated):

- RG10 - agree to receive financial support from another reporting unit to continue as a going concern [Note 1.19]
- RG11 - agree to provide financial support to another reporting unit to ensure they continue as a going concern [Note 1.19]
- RG14(e)(i) - pay a grant that was \$1,000 or less [nil Grants balance Note 4E]
- RG14(e)(ii) - pay a grant that exceeded \$1,000 [nil Grants balance Note 4E]

Nil activity disclosures do not have to be included in the officer's declaration statement if they are already included in the notes.

I also note that the officer's declaration statement included a nil activity disclosure for

- RG16(b)(ii) – have a payable in respect to legal costs relating to other legal matters

which appears inconsistent with the payable disclosed at Note 7B.

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements. The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any questions about the above or the reporting requirements, please do not hesitate to contact me by email at stephen.kellett@roc.gov.au.

Yours faithfully

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Stephen Kellett
Financial Reporting
Registered Organisations Commission

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

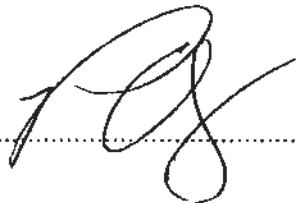
Certificate of Designated Officer S268 of Fair Work (Registered Organisation) Act 2009 ('RO Act')

Certificate for the year ended 31 December 2018

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 29th of May 2019 are copies of the full report for the CEPU, Electrical, Energy and Services Division Queensland and Northern Territory Divisional Branch
- that the full report was provided to members of the reporting unit on the 29th of April 2019 and
- that the full report was presented to a meeting of the committee of management of the reporting unit on the 20th of May 2019 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature:

A handwritten signature in black ink, appearing to be 'PO', is written over a horizontal dotted line.

Peter Ong
Branch Secretary

Dated:

29/5/2019

**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 2018

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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 2018

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 2018.

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 \$1,750,247. No provision for tax was necessary as the Branch is considered exempt.

The current year operating result was impacted by:

1. A campaign contribution of \$1,000,000 to the ACTU in relation to the Change the Rules Campaign.
2. Membership subscriptions fell by \$140,741 (or 1.96%) due to a reduction in overall financial members of the Branch.
3. Employee expenses increased by \$104,776 (or 2.26%) as the Branch invest in its organising staff to ensure members have the industrial representation they required.

Significant Changes in Financial Affairs

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

**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 2018

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.

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 22.74.

Number of Members

Total number of members at 31 December 2018: 15,129.

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

No officer or member of the Branch 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.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
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COMMITTEE OF MANAGEMENT'S OPERATING REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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 | 01/01/18 – 31/12/18 |
| Peter Simpson | Branch Secretary | 01/01/18 – 15/01/18 |
| Peter Ong | Branch Secretary | 19/02/18 – 31/12/18 |
| Joseph Fiteni | Branch Executive Member | 01/01/18 – 31/12/18 |
| Jeffrey Christoffel | Branch Executive Member | 01/01/18 – 31/12/18 |
| Gary Bloxsom | Branch Executive Member | 01/01/18 – 31/12/18 |
| John Taylor | Branch Executive Member | 01/01/18 – 31/12/18 |
| Ariah Goodluck | Branch Executive Member | 01/01/18 – 31/12/18 |
| Joshua Williams | Branch Executive Member | 01/01/18 – 31/12/18 |
| James Walmsley | Branch Executive Member | 01/01/18 – 31/12/18 |
| Hannah Watts | Branch Councillor | 01/01/18 – 31/12/18 |
| Joshua Jahnke | Branch Councillor | 01/01/18 – 31/12/18 |
| Kevin Ferguson | Branch Councillor | 01/01/18 – 31/12/18 |
| Paul Gambley | Branch Councillor | 01/01/18 – 31/12/18 |
| Stephen Bravo | Branch Councillor | 01/01/18 – 05/04/18 |
| Jorge Amaya | Branch Councillor | 01/01/18 – 10/07/18 |
| Allan Forrest | Branch Councillor | 01/01/18 – 30/07/18 |
| Gregory Smith | Branch Councillor | 01/01/18 – 31/12/18 |
| Clarke Stein | Branch Councillor | 01/01/18 – 31/12/18 |
| Robert Weschler | Branch Councillor | 01/01/18 – 31/12/18 |
| Aaron Self | Branch Councillor | 01/01/18 – 31/12/18 |
| Gary Baker | Branch Councillor | 01/01/18 – 08/03/18 |
| Daryl Keding | Branch Councillor | 01/01/18 – 31/12/18 |
| Mitchell Lord | Branch Councillor | 01/01/18 – 31/12/18 |
| Liam Keats | Branch Councillor | 01/01/18 – 31/12/18 |
| Gerard Peroni | Branch Councillor | 01/01/18 – 31/12/18 |
| Gregory Bloom | Branch Councillor | 01/01/18 – 31/12/18 |
| Mace Ngata | Branch Councillor | 01/01/18 – 31/12/18 |
| Cameron Humphreys | Branch Councillor | 01/01/18 – 31/12/18 |
| Daniel Kilpatrick | Branch Councillor | 01/01/18 – 31/12/18 |
| Timothy Rogers | Branch Councillor | 01/01/18 – 31/12/18 |
| Jason Sladden | Branch Councillor | 01/01/18 – 31/12/18 |
| Scott Sologinkin | Branch Councillor | 01/01/18 – 31/12/18 |
| Michael Coxon | Branch Councillor | 01/01/18 – 31/12/18 |
| Wayne Williams | Branch Councillor | 01/01/18 – 31/12/18 |
| Daniel Burns | Branch Councillor | 01/01/18 – 31/12/18 |
| Jamie Houldsworth | Branch Councillor | 01/01/18 – 19/02/18 |

**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 2018

Members of the Committee of Management (Continued)

Amendments to the names of each person who has been a member of the Committee of Management of the Branch at any time during the reporting period ended 31 December 2017, and the period for which he or she held such position is as follows:

| Corrections to the list of Committee of Management members and period positions held during the year ended 31 December 2017 | | |
|--|-------------------------|-------------------------|
| Name | Position | Period of Office |
| Benjamin King | Branch Executive Member | 01/01/17 – 28/08/17 |
| Ariah Goodluck | Branch Executive Member | 27/11/17 – 31/12/17 |
| Hannah Watts | Branch Councillor | 27/11/17 – 31/12/17 |
| Joshua Jahnke | Branch Councillor | 20/02/17 – 31/12/17 |
| Craig Thomas | Branch Councillor | 01/01/17 – 20/02/17 |
| Aaron Self | Branch Councillor | 20/02/17 – 31/12/17 |
| Mace Ngata | Branch Councillor | 27/11/17 – 31/12/17 |
| Michael Maniaty | Branch Councillor | 01/01/17 – 17/03/17 |

Indemnifying Officers or Auditors

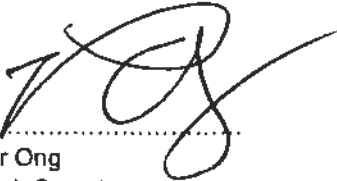
The Branch has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor:

- 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

29 April 2019


South Brisbane

**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 2018; 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.C.F

MGI Audit Pty Ltd



G I Kent

Director – Audit & Assurance

South Brisbane

29 April 2019

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 2018**

On 29 April 2019, 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 2018.

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

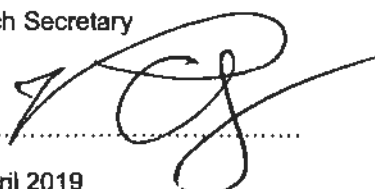
- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009 (the RO Act)*;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the 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. where any order for inspection of financial records made by the Fair Work Commission under section 273 of the *RO Act* during the year, there has been compliance.
- (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: 29 April 2019

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 2018, 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, the subsection 255(2A) report and the Officers Declaration 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 2018, and its financial performance and its cash flows for the year ended on that date in accordance with:

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

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.

M.C.F

MGI Audit Pty Ltd



G I Kent

Director – Audit & Assurance

South Brisbane

29 April 2019

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 2018**

| | Notes | 2018 \$ | 2017 \$ |
|---|-------|--------------------|--------------------|
| Revenue | | | |
| Membership subscription | | 7,012,931 | 7,153,672 |
| Fines | | 11,087 | 24,137 |
| Gain on sale of property, plant and equipment | | 4,397 | 11,465 |
| Interest | 3A | 89,985 | 101,007 |
| Organising income | 3B | 357,602 | 273,447 |
| Conference income | 3C | - | 208,356 |
| Sponsorship income | 3D | 439,627 | 521,558 |
| Other revenue | 3E | 199,405 | 307,548 |
| Total revenue | | 8,115,034 | 8,601,190 |
| Expenses | | | |
| Employee expenses | 4A | (4,741,039) | (4,636,263) |
| Sustentation fees | 4B | (947,665) | (965,895) |
| Affiliation fees | 4C | (191,185) | (206,193) |
| Audit and accounting fees | 13 | (73,837) | (77,045) |
| Legal costs and fines | 4D | (265,838) | (286,784) |
| Grants or donations | 4E | (59,549) | (98,246) |
| Depreciation and amortisation | 4F | (244,857) | (216,209) |
| Campaign expenses | 4G | (996,007) | (85,221) |
| Finance costs | 4H | (68,383) | (74,447) |
| Conference and meetings | 4I | (105,102) | (280,286) |
| Administration expense | 4J | (376,167) | (343,898) |
| Delegate expense | 4K | (57,205) | (92,134) |
| Maintenance expenses | 4L | (144,202) | (88,730) |
| Motor vehicle expense | 4M | (226,318) | (178,605) |
| National office expense | 4N | (43,582) | (59,785) |
| Printing, postage and merchandise expense | 4O | (380,470) | (374,831) |
| Organising expense | 4P | (710,544) | (772,847) |
| Rental and occupancy expense | 4Q | (80,341) | (93,930) |
| Other operating expense | 4R | (150,990) | (178,150) |
| Total expenses | | (9,865,281) | (9,109,479) |
| Deficit for the year | | (1,750,247) | (508,289) |
| Other comprehensive income | | | |
| Revaluation of land and buildings (net of income tax) | | - | - |
| Total comprehensive income for the year | | (1,750,247) | (508,289) |

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 2018**

| | Notes | 2018 \$ | 2017 \$ |
|--|-------|------------------|------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | 5A | 1,801,912 | 2,803,038 |
| Trade and other receivables | 5B | 608,818 | 515,047 |
| Other current assets | 5C | 85,052 | 89,020 |
| Total current assets | | 2,495,782 | 3,407,105 |
| Non-Current Assets | | | |
| Financial assets | 6A | 2,486,267 | 3,027,045 |
| Furniture, fittings and office equipment | 6B | 257,596 | 122,529 |
| Motor vehicles | 6C | 427,454 | 415,176 |
| Total non-current assets | | 3,171,317 | 3,564,750 |
| Total assets | | 5,667,099 | 6,971,855 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade payables | 7A | 193,123 | 198,134 |
| Other payables | 7B | 97,894 | 336,105 |
| Finance leases | 8A | 10,692 | 33,319 |
| Employee provisions | 9A | 1,300,409 | 1,191,815 |
| Total current liabilities | | 1,602,118 | 1,759,373 |
| Non-Current Liabilities | | | |
| Finance leases | 8A | 23,286 | 34,471 |
| Borrowings | 8B | 600,000 | - |
| Employee provisions | 9A | 32,418 | 18,467 |
| Total non-current liabilities | | 655,684 | 52,938 |
| Total liabilities | | 2,257,802 | 1,812,311 |
| Net assets | | 3,409,297 | 5,159,544 |
| EQUITY | | | |
| Retained earnings | | 3,409,297 | 5,159,544 |
| Total equity | | 3,409,297 | 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 CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

| | Notes | Retained earnings \$ | Total equity \$ |
|---|-------|----------------------------|--------------------|
| Balance as at 1 January 2017 | | 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 |
| Deficit for the year | | (1,750,247) | (1,750,247) |
| Other comprehensive income | | - | - |
| Closing balance as at 31 December 2018 | | 3,409,297 | 3,409,297 |

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

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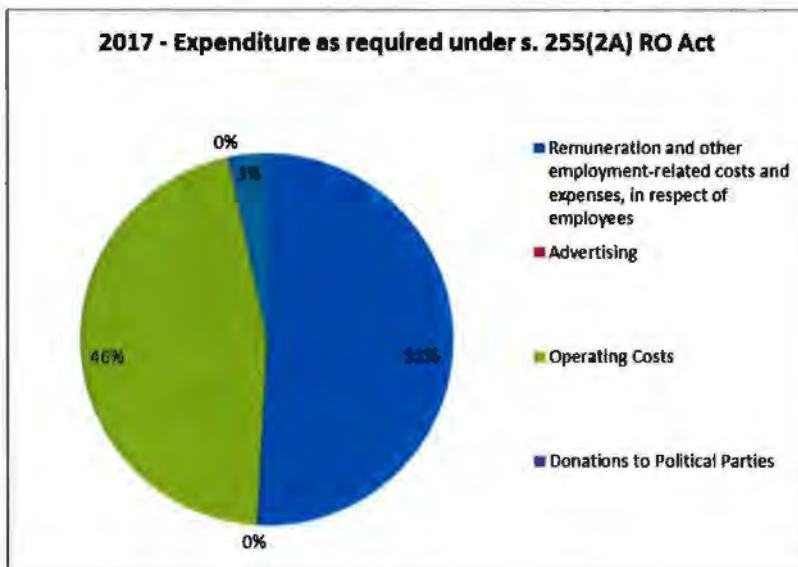
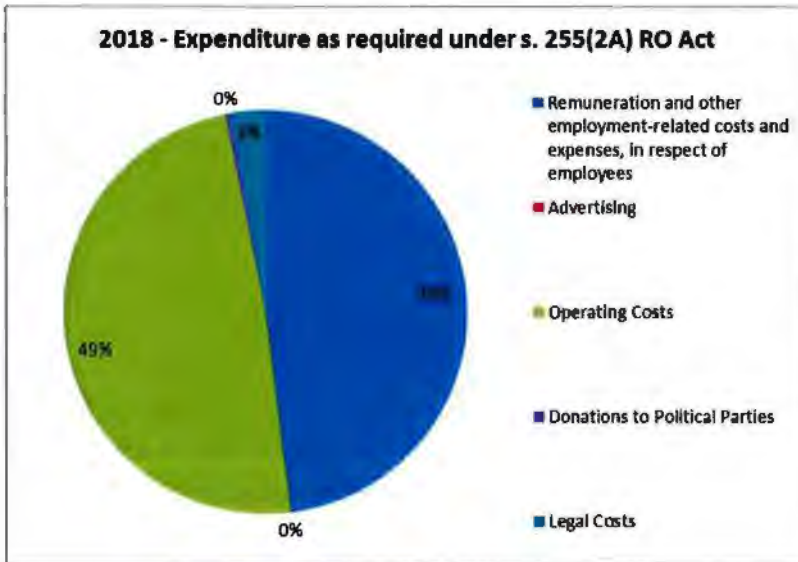
**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018**

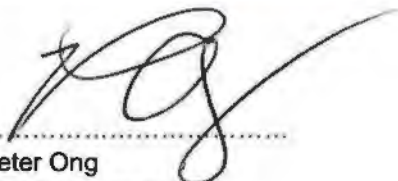
| | Notes | 2018 \$ | 2017 \$ |
|---|-------|--------------------|------------------|
| OPERATING ACTIVITIES | | | |
| Cash received | | | |
| Receipts from other reporting units | 10B | 2,364 | 92,035 |
| Receipts from other customers | | 8,620,257 | 9,363,824 |
| Interest received | | 50,225 | 61,087 |
| Cash used | | | |
| Finance Costs | | (68,383) | (74,447) |
| Payments to employees and suppliers | | (9,185,049) | (8,389,414) |
| Payments to other reporting units | 10B | (1,187,615) | (1,280,491) |
| Net cash used in operating activities | | (1,768,201) | (227,406) |
| INVESTING ACTIVITIES | | | |
| Proceeds from sale of property, plant and equipment | | 55,749 | 57,273 |
| Payments for property, plant and equipment | | (443,554) | (283,914) |
| Repayment of loans from related parties | | 588,712 | - |
| Net cash used in investing activities | | 200,907 | (226,641) |
| FINANCING ACTIVITIES | | | |
| Motor vehicle finance lease repayments (principal) | 10F | (33,832) | (29,319) |
| Proceeds on loans | 8B | 600,000 | - |
| Net cash used in financing activities | | 566,168 | (29,319) |
| Net decrease in cash held | | (1,001,126) | (483,366) |
| Cash & cash equivalents at the beginning of the reporting period | | 2,803,038 | 3,286,404 |
| Cash & cash equivalents at the end of the reporting period | 10A | 1,801,912 | 2,803,038 |

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

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**REPORT REQUIRED UNDER SUBSECTION 255(2A) OF THE FAIR WORK (REGISTERED
ORGANISATIONS) ACT 2009
FOR THE YEAR ENDED 31 DECEMBER 2018**




Peter Ong
Branch Secretary

29 April 2019

South Brisbane

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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

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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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

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 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.

The Committee of Management are yet to finalise their assessment on the impact on AASB 116, however it is acknowledge that given the number of property leases held by the Branch, that there will be an impact upon adoption of AASB 116.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 1 Summary of significant accounting policies (Continued)

1.4 New Australian Accounting Standards (Continued)

Future Australian Accounting Standards Requirements (continued)

- **AASB 1058 Income of Not-for-Profit Entities**

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-to-profit (NFP) entities, in conjunction with AASB 15 Revenue from Contracts with Customers. These Standards supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions.

Under AASB 1058, the timing of income recognition depends on whether a NFP transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity.

This standard applies when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. In the latter case, the entity will recognise and measure the asset at fair value in accordance with the applicable Australian Accounting Standard (e.g. AASB 116 Property, Plant and Equipment).

Upon initial recognition of the asset, AASB 1058 requires the entity to consider whether any other financial statement elements (called 'related amounts') should be recognised, such as:

- Contributions by owners;
- Revenue, or a contract liability arising from a contract with a customer;
- A lease liability;
- A financial instrument; or
- A provision.

These related amounts will be accounted for in accordance with the applicable Australian Accounting Standard.

The Branch is yet to undertake a detailed assessment of the impact of AASB 1058. However, based on the Branch's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 31 December 2019.

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FOR THE YEAR ENDED 31 DECEMBER 2018**

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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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

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)
FOR THE YEAR ENDED 31 DECEMBER 2018**

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)
FOR THE YEAR ENDED 31 DECEMBER 2018**

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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**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

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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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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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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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 2018, and/ or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Branch.

| | 2018 | 2017 |
|------------------------------------|----------------|----------------|
| | \$ | \$ |
| Note 3 Income | | |
| Note 3A: Interest | | |
| Deposits | 42,052 | 58,977 |
| Related entity (ETU-Q) | 47,933 | 42,030 |
| Total interest | <u>89,985</u> | <u>101,007</u> |
| Note 3B: Organising income | | |
| Organising income (ETU-Q) | 357,602 | 266,083 |
| Other | - | 7,364 |
| Total organising income | <u>357,602</u> | <u>273,447</u> |
| Note 3C: Conference income | | |
| Conference income (ETU-Q) | - | 208,356 |
| Total conference income | <u>-</u> | <u>208,356</u> |
| Note 3D: Sponsorship income | | |
| Sponsorship income - general | 378,127 | 414,975 |
| Sponsorship income - training | 61,500 | 106,583 |
| Total sponsorship income | <u>439,627</u> | <u>521,558</u> |

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| | 2018 | 2017 |
|---|------------------|------------------|
| | \$ | \$ |
| Note 3 Income (Continued) | | |
| Note 3E: Other revenue | | |
| Administration fees | 110,840 | 138,818 |
| Merchandise income | 12,452 | 11,962 |
| Board fee income | - | 55,677 |
| Campaign income | - | 28,261 |
| Other membership income | 47,798 | 9,510 |
| Other income | 28,315 | 63,320 |
| Total other revenue | 199,405 | 307,548 |
| Note 4 Expenses | | |
| Note 4A: Employee expenses | | |
| Holders of office: | | |
| Wages and salaries | 389,588 | 460,767 |
| Superannuation | 54,092 | 56,540 |
| Leave and other entitlements | 87,081 | 55,991 |
| Separation and redundancies | - | - |
| Other employee expenses | - | - |
| Subtotal employee expenses holders of office | 530,761 | 573,298 |
| Employees other than office holders: | | |
| Wages and salaries | 2,858,886 | 3,025,263 |
| Superannuation | 683,145 | 704,984 |
| Leave and other entitlements | 463,031 | 127,169 |
| Separation and redundancies | - | - |
| Other employee expenses | - | - |
| Subtotal employee expenses employees other than office holders | 4,005,062 | 3,857,416 |
| Add: Payroll tax expense | 205,216 | 205,549 |
| Total employee expenses | 4,741,039 | 4,636,263 |
| Note 4B: Sustentation fees | | |
| CEPU – Electrical, Energy and Services Division | 947,665 | 965,895 |
| Total Sustentation fees | 947,665 | 965,895 |

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| | 2018 | 2017 |
|--|----------------|----------------|
| | \$ | \$ |
| Note 4 Expenses (Continued) | | |
| Note 4C: Affiliation fees | | |
| Australian Labor Party (State of Queensland) | 57,756 | 71,478 |
| Australian Labor Party (Northern Territory) Branch | 7,080 | 4,415 |
| Queensland Council of Unions | 86,463 | 82,091 |
| Northern Territory Trades and Labour Council | 6,611 | 6,649 |
| Union Shopper | 32,375 | 38,860 |
| Brisbane Labour History Association | 100 | 100 |
| Asbestos Disease Support Society | 800 | 500 |
| Australia Asia Workers Links | - | 2,000 |
| Independent and Peaceful Australia Network | - | 100 |
| Total affiliation fees | <u>191,185</u> | <u>206,193</u> |
| Note 4D: Legal costs and fines | | |
| Litigation | 227,588 | 221,784 |
| Other legal matters | 38,250 | - |
| Total legal costs | <u>265,838</u> | <u>221,784</u> |
| Fines – Federal Court of Australia | - | 65,000 |
| Total legal costs and fines | <u>265,838</u> | <u>286,784</u> |
| The Branch was fined during the 2017 year by the Federal Court of Australia for industrial action conducted at a number of construction sites throughout Queensland. | | |
| Note 4E: Grants or donations | | |
| Grants | - | - |
| Donations: | | |
| Total paid that were \$1,000 or less | 4,849 | 2,892 |
| Total paid that exceeded \$1,000 | 54,700 | 95,354 |
| Total grants or donations | <u>59,549</u> | <u>98,246</u> |
| Note 4F: Depreciation and amortisation | | |
| Depreciation | | |
| Furniture, fittings and office equipment | 50,952 | 44,367 |
| Motor vehicles | 193,905 | 171,842 |
| Total depreciation | <u>244,857</u> | <u>216,209</u> |
| Amortisation expense | - | - |
| Total depreciation and amortisation | <u>244,857</u> | <u>216,209</u> |

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| | 2018 | 2017 |
|---|----------------|----------------|
| | \$ | \$ |
| Note 4 Expenses (Continued) | | |
| Note 4G: Campaign Expenses | | |
| Industrial campaigns | - | 2,727 |
| Community campaigns | - | 82,494 |
| ACTU Change the Rules campaign | 996,007 | - |
| Total campaign expenses | 996,007 | 85,221 |
| Note 4H: Finance costs | | |
| Interest expense | 2,822 | 5,917 |
| Bank fees and charges | 65,561 | 68,530 |
| Total finance costs | 68,383 | 74,447 |
| Note 4I: Conference and Meetings | | |
| Conference expenses | 57,478 | 208,356 |
| Meeting expenses | 47,624 | 71,910 |
| Total conference and meetings | 105,102 | 280,266 |
| Note 4J: Administration expense | | |
| Fringe benefits tax | 40,751 | 41,472 |
| Staff amenities | 26,882 | 43,894 |
| Telephone | 127,106 | 110,435 |
| Insurance | 83,897 | 59,860 |
| Debt collection fees | 183 | 19,279 |
| Subscriptions | 58,349 | 23,194 |
| Other administration expenses | 38,999 | 45,764 |
| Total administration expense | 376,167 | 343,898 |
| Note 4K: Delegate expense | | |
| Delegate expenses | 57,205 | 92,134 |
| Total delegate expense | 57,205 | 92,134 |
| Note 4L: Maintenance expense | | |
| Maintenance expense | 144,202 | 88,730 |
| Total maintenance expense | 144,202 | 88,730 |
| Note 4M: Motor vehicle expense | | |
| Fuel | 128,954 | 96,753 |
| Registrations | 18,508 | 18,837 |
| Service/ repairs | 34,501 | 22,594 |
| Other motor vehicle expenses | 46,355 | 40,421 |
| Total motor vehicle expense | 228,318 | 178,605 |

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| | 2018 | 2017 |
|---|----------------|----------------|
| | \$ | \$ |
| Note 4 Expenses (Continued) | | |
| Note 4N: National office expense | | |
| National office expenses | 43,582 | 59,785 |
| Total national office expenses | 43,582 | 59,785 |
| Note 4O: Printing, postage and merchandise expense | | |
| Journal expense | 98,959 | 130,350 |
| Merchandise | 62,021 | 107,683 |
| Printing | 76,369 | 47,136 |
| Stationery | 7,915 | 11,684 |
| Postage and freight | 135,206 | 77,978 |
| Total printing, postage and merchandise expenses | 380,470 | 374,831 |
| Note 4P: Organising expense | | |
| Labour Day expenses | 112,159 | 107,965 |
| Travelling costs | 323,357 | 225,451 |
| Direct organising costs | 34,788 | 152,562 |
| Other organising expenses | 240,240 | 286,869 |
| Total organising expense | 710,544 | 772,847 |
| Note 4Q: Rental and occupancy expense | | |
| Rent expense | 75,973 | 77,106 |
| Other occupancy costs | 4,368 | 16,824 |
| Total rental and occupancy expense | 80,341 | 93,930 |
| Note 4R: Other Operating Expenses | | |
| Levies – CEPU National Council | 17,351 | 16,480 |
| Sponsorship expense | 53,750 | 59,532 |
| Doubtful debt expense | - | 28,620 |
| Other operating expenses | 79,889 | 73,518 |
| Total other operating expenses | 150,990 | 178,150 |

Levies

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

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| | 2018 | 2017 |
|--|------------------|------------------|
| | \$ | \$ |
| Note 5 Current Assets | | |
| Note 5A: Cash and Cash Equivalents | | |
| Cash at bank | 580,344 | 634,184 |
| Cash on hand | 17,565 | 14,929 |
| Term deposits | 1,204,003 | 2,153,925 |
| Total cash and cash equivalents | <u>1,801,912</u> | <u>2,803,038</u> |
| Note 5B: Trade and Other Receivables | | |
| Receivables from other reporting units | - | - |
| Other receivables: | | |
| Other trade receivables | 5,742 | 68,802 |
| Less: Provision for doubtful debtors | - | - |
| Accrued interest | 3,349 | 11,523 |
| Accrued income | 65,629 | - |
| Related party receivable (ETU-Q) | 418,771 | 402,096 |
| Related party receivable (DMB Fund) | 115,327 | 32,626 |
| Total other receivables | <u>608,818</u> | <u>515,047</u> |
| Total trade and other receivables (net) | <u>608,818</u> | <u>515,047</u> |
| Note 5C: Other Current Assets | | |
| Prepayments | 85,052 | 89,020 |
| Total other current assets | <u>85,052</u> | <u>89,020</u> |

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| | 2018 | 2017 |
|--|------------------|------------------|
| | \$ | \$ |
| Note 6 Non-current Assets | | |
| Note 6A: Financial Assets | | |
| Related party loan receivable – ETU-Q | 2,486,267 | 2,438,333 |
| Related party loan receivable – DMB Fund | - | 588,712 |
| Total financial asset | <u>2,486,267</u> | <u>3,027,045</u> |

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 | 876,498 | 690,480 |
| accumulated depreciation | (618,902) | (567,951) |
| Total Furniture, Fittings and Office Equipment | <u>257,596</u> | <u>122,529</u> |

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

| | | |
|---|----------------|----------------|
| As at 1 January | | |
| Gross book value | 690,480 | 647,542 |
| Accumulated depreciation and impairment | (567,951) | (523,583) |
| Net book value 1 January | <u>122,529</u> | <u>123,959</u> |
| Additions: | | |
| By purchase | 230,969 | 42,937 |
| Depreciation expense | (50,952) | (44,367) |
| Disposals: | | |
| By sale | (44,950) | - |
| Net book value 31 December | <u>257,596</u> | <u>122,529</u> |
| Net book value as of 31 December represented by: | | |
| Gross book value | 876,498 | 690,480 |
| Accumulated depreciation and impairment | (618,902) | (567,951) |
| Net book value 31 December | <u>257,596</u> | <u>122,529</u> |

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| | 2018 | 2017 |
|---------------------------------|----------------|----------------|
| | \$ | \$ |
| Note 6C: Motor Vehicles | | |
| Office equipment and furniture: | | |
| at cost | 834,320 | 822,527 |
| accumulated depreciation | (406,866) | (407,351) |
| Total Motor Vehicles | 427,454 | 415,176 |

Reconciliation of Opening and Closing Balances of Motor Vehicles

| | | |
|---|----------------|----------------|
| As at 1 January | | |
| Gross book value | 822,527 | 731,933 |
| Accumulated depreciation and impairment | (407,351) | (340,084) |
| Net book value 1 January | 415,176 | 391,849 |
| Additions: | | |
| By purchase | 212,585 | 240,977 |
| Depreciation expense | (193,905) | (171,842) |
| Disposals: | | |
| By sale | (6,402) | (45,808) |
| Net book value 31 December | 427,454 | 415,176 |
| Net book value as of 31 December represented by: | | |
| Gross book value | 834,320 | 822,527 |
| Accumulated depreciation and impairment | (406,866) | (407,351) |
| Net book value 31 December | 427,454 | 415,176 |

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| | 2018 | 2017 |
|---|----------------|----------------|
| | \$ | \$ |
| Note 7 Current Liabilities | | |
| Note 7A: Trade payables | | |
| Trade creditors and accrued expenses | 145,183 | 153,499 |
| Subtotal trade payables | <u>145,183</u> | <u>153,499</u> |
| Payables to other reporting units | | |
| CEPU – Electrical, Energy and Services Division | 47,940 | 44,635 |
| Subtotal payables to other reporting units | <u>47,940</u> | <u>44,635</u> |
| Total trade payables | <u>193,123</u> | <u>198,134</u> |

Settlement is usually made within 30 days.

Note 7B: Other payables

| | | |
|---|---------------|----------------|
| Income received in advance | - | 29,000 |
| Legal costs | | |
| Litigation | 15,597 | 6,431 |
| Other legal matters | 5,246 | - |
| Credit card liabilities | 20,604 | 19,148 |
| Superannuation payable | 2,184 | 70,780 |
| PAYG payable | - | 145,602 |
| GST payable (net) | 38,119 | 44,900 |
| Other sundry payables | 16,144 | 20,244 |
| Total other payables | <u>97,894</u> | <u>336,105</u> |
| Total other payables are expected to be settled in: | | |
| No more than 12 months | 97,894 | 336,105 |
| More than 12 months | - | - |
| Total other payables | <u>97,894</u> | <u>336,105</u> |

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| | 2018 | 2017 |
|---|---------------|---------------|
| | \$ | \$ |
| Note 8 Financial Liabilities | | |
| Note 8A: Finance Lease | | |
| Current | 10,692 | 33,319 |
| Non-Current | 23,266 | 34,471 |
| Total finance lease | 33,958 | 67,790 |
| Lease Commitments | | |
| <i>Payable – Minimum lease payments</i> | | |
| not later than 12 months | 12,788 | 36,574 |
| Between 12 months and 5 years | 24,323 | 37,378 |
| Greater than 5 years | - | - |
| Minimum lease payments | 37,111 | 73,952 |
| Less: Future financing charges | (3,153) | (6,162) |
| Present value of minimum lease payments | 33,958 | 67,790 |

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

Note 8B: Borrowings

| | | |
|---------------------------|----------------|----------|
| Current | - | - |
| Non-Current | 600,000 | - |
| Total borrowings | 600,000 | - |
| | | |
| Borrowings | | |
| Unsecured Loan – DMB Fund | 600,000 | - |

Loan Terms and Conditions

The terms and conditions associated with the loan from the DMB Fund are:

1. The loan is interest free
2. The loan is unsecured
3. There are no formal repayment terms
4. The DMB Fund can demand repayment, only after providing 13 months written notice that it intends to do so.

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| | 2018 | 2017 |
|---|------------------|------------------|
| | \$ | \$ |
| Note 9 Provisions | | |
| Note 9A: Employee Provisions | | |
| Office Holders: | | |
| Annual leave | 62,286 | 43,009 |
| Long service leave | 134,469 | 97,111 |
| Separations and redundancies | - | - |
| Other | - | - |
| Subtotal employee provisions—office holders | <u>196,755</u> | <u>140,120</u> |
| Employees other than office holders: | | |
| Annual leave | 532,235 | 454,939 |
| Long service leave | 603,837 | 615,223 |
| Separations and redundancies | - | - |
| Other | - | - |
| Subtotal employee provisions—employees other than office holders | <u>1,136,072</u> | <u>1,070,162</u> |
| Total employee provisions | <u>1,332,827</u> | <u>1,210,282</u> |
| | | |
| Current | 1,300,409 | 1,191,815 |
| Non-Current | 32,418 | 18,467 |
| Total employee provisions | <u>1,332,827</u> | <u>1,210,282</u> |

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| | 2018 | 2017 |
|---|--------------------|--------------------|
| | \$ | \$ |
| 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 | 1,801,912 | 2,803,038 |
| Statement of financial position | 1,801,912 | 2,803,038 |
| Difference | <u>-</u> | <u>-</u> |
| Reconciliation of surplus to net cash from operating activities: | | |
| Deficit for the year | (1,750,247) | (508,289) |
| Adjustments for non-cash items | | |
| Depreciation/ amortisation | 244,857 | 216,209 |
| Interest income (ETU –Q) | (47,934) | (42,030) |
| Gain on disposal of property, plant and equipment | (4,397) | (11,465) |
| Changes in assets/liabilities | | |
| (Increase)/ decrease in net receivables | (93,771) | 51,330 |
| (Increase)/ decrease in other current assets | 3,968 | 20 |
| Increase/ (decrease) in trade and other payables | (243,222) | 143,337 |
| Increase/ (decrease) in provisions | 122,545 | (76,518) |
| Net cash used in operating activities | <u>(1,768,199)</u> | <u>(227,406)</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) | 2,364 | 90,585 |
| Total cash inflows | <u>2,364</u> | <u>92,035</u> |
| Cash outflows to other reporting units | | |
| CEPU – Electrical, Energy and Services Division | (1,156,955) | (1,172,377) |
| CEPU – National Council | (19,087) | (18,128) |
| CEPU – Communications Division (Qld Branch) | - | (2,200) |
| CEPU – Electrical, Energy and Services Division (NSW Branch)/ ETU NSW | (11,573) | (87,786) |
| Total cash outflows | <u>(1,187,615)</u> | <u>(1,280,491)</u> |

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

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| | 2018 | 2017 |
|--|------|------|
| | \$ | \$ |

Note 10 Cash Flow (Continued)

Note 10C: Credit standby arrangements and loan facilities

Finance Leases

| | | |
|-----------------|---------------|---------------|
| Used facility | 33,958 | 67,790 |
| Unused facility | - | - |
| Total facility | <u>33,958</u> | <u>67,790</u> |

The financing facility has been arranged with Esanda Chattel Mortgage facility. The lease is scheduled to expire in 2020 with security being held over the motor vehicle in which the facility relates to.

CBA Mastercard Facility

| | | |
|-----------------|---------------|---------------|
| Used facility | 1,051 | 20 |
| Unused facility | 38,949 | 39,980 |
| Total facility | <u>40,000</u> | <u>40,000</u> |

American Express Facility

| | | |
|-----------------|----------------|----------------|
| Used facility | 19,553 | 19,128 |
| Unused facility | 140,447 | 140,872 |
| Total facility | <u>160,000</u> | <u>160,000</u> |

Loan Facility – DMB Fund

| | | |
|-----------------|----------------|----------|
| Used facility | 600,000 | - |
| Unused facility | - | - |
| Total facility | <u>600,000</u> | <u>-</u> |

Note 10D: Non-cash transactions

There have been no non-cash financing or investing activities during the year (2017: Nil).

Note 10E: Net debt reconciliation

| | | |
|--|------------------|------------------|
| Cash and cash equivalents | 1,801,912 | 2,803,038 |
| Borrowings – repayable within one year | (10,892) | (33,319) |
| Borrowings – repayable after one year | (623,266) | (34,471) |
| Net debt | <u>1,167,954</u> | <u>2,735,248</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 | Borrowings – due after 1 year | |
| Net debt at 1 January 2017 | 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 |
| Cash flows | (1,001,126) | 22,627 | 11,205 | (600,000) | (1,567,294) |
| Net debt at 31 December 2018 | 1,801,912 | (10,692) | (23,266) | (600,000) | 1,167,954 |

Note 11 Contingent Liabilities, Assets and Commitments

Note 11A: Commitments and Contingencies

Capital commitments

At 31 December 2018 the Branch did not have any capital commitments (2017: 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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| | 2018 | 2017 |
|---|------|------|
| | \$ | \$ |
| 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 | 8,800 | 27,097 |
| between 12 months and 5 years | 5,883 | - |
| greater than 5 years | - | - |
| Minimum lease payments | <u>14,683</u> | <u>27,097</u> |

The leases relate to rent of regional office located at Gladstone. The lease expires on 31 August 2020.

Operating Leases (as a lessor)

The Branch does not have any operating leases as a lessor at 31 December 2018 (2017: Nil).

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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 – NSW Electrical Branch
CEPU – VIC Electrical Branch
CEPU – TAS Electrical Branch
CEPU – SA 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 – SA/ NT Communications Branch
CEPU – WA Communications Branch

Other Related Parties

Electrical Trades Union of Employees Queensland
Electrical Trades Union of Employees Queensland (ETU Division)
Electrical Trades Union of Employees Queensland (AFULE Division)

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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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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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)**

| | 2018 | 2017 |
|---|---------|---------|
| | \$ | \$ |
| 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 | 17,351 | 16,480 |
| 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 | 947,665 | 965,895 |
| Reimbursement of wage costs | - | 23,960 |
| Reimbursement of national journal costs | 43,582 | 94,345 |
| Reimbursement of travel expenses | 20,532 | 5,208 |
| Subscriptions/ research | 24,251 | 17,261 |
| Other operating costs | 18,752 | - |
| Amounts owed to CEPU – Electrical, Energy and Services Division includes the following: | | |
| Reimbursement of national journal costs | 47,940 | 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 |
| Reimbursement of travel expenses | 11,574 | - |
| Revenue received from CEPU – Plumbing Division – QLD Branch includes the following: | | |
| Reimbursement of legal fees | 1,929 | 17,350 |
| Reimbursement of fines | - | 65,000 |
| Other operating costs | 220 | - |

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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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)**

| | 2018 | 2017 |
|--|---------|---------|
| | \$ | \$ |
| Revenue received from Electrical Trades Union, Industrial Union of Employees (ETU Division) includes the following: | | |
| Interest income | 47,933 | 42,030 |
| Reimbursement of organising expenses | 357,802 | 266,083 |
| Reimbursement of conference expenses | 40,867 | 208,356 |
| Administration fees | 31,818 | 54,545 |
| Reimbursement of travel expenses | 47,588 | - |
| Other sundry income | 1,465 | 390 |

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

| | | |
|--------------------|-----------|-----------|
| Transfer of levies | 1,416,100 | 1,530,212 |
|--------------------|-----------|-----------|

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 | 2,486,266 | 2,438,333 |
| Trade receivable | 418,771 | 402,096 |

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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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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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)

| | 2018 | 2017 |
|--|----------------|-------------|
| | \$ | \$ |
| Revenue received from Distress, Mortality and Building Fund includes the following: | | |
| Honorary membership fees | 80,652 | 78,572 |
| Reimbursement of training expenses | 25,739 | 49,331 |
| Administration fees | 79,022 | 84,273 |
| Reimbursement of the purchase of capital assets | - | 39,000 |
| Reimbursement of other expenses | 1,868 | - |
| Expenses paid to Distress, Mortality and Building Fund includes the following: | | |
| Transfer of DMB Levy | 791,972 | 857,562 |
| Amounts owed by DMB Fund includes the following | | |
| Trade receivable | 115,327 | 32,626 |
| Loan receivable | - | 588,712 |
| Amounts owed to DMB Fund includes the following | | |
| Loan payable | 600,000 | - |

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.

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

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 2018, the Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2017: 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) – retired 15 January 2018
- Peter Ong (Assistant Branch Secretary) (1 January -2018 – 19 February 2019), Branch Secretary 19 February 2018 – 31 December 2018
- Keith McKenzie (Assistant Branch Secretary)
- All remaining members of the Committee of Management.

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

| 2018 | 2017 |
|------|------|
| \$ | \$ |

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

Short-term employee benefits

| | | |
|---------------------------------------|---------|---------|
| Salary (including annual leave taken) | 465,507 | 508,494 |
| Other | - | - |

| | | |
|---|----------------|----------------|
| Total short-term employee benefits | 465,507 | 508,494 |
|---|----------------|----------------|

Post-employment benefits:

| | | |
|----------------|--------|--------|
| Superannuation | 54,092 | 56,540 |
|----------------|--------|--------|

| | | |
|---------------------------------------|---------------|---------------|
| Total post-employment benefits | 54,092 | 56,540 |
|---------------------------------------|---------------|---------------|

Other long-term benefits:

| | | |
|--------------------|--------|-------|
| Long-service leave | 11,162 | 8,264 |
|--------------------|--------|-------|

| | | |
|---------------------------------------|---------------|--------------|
| Total other long-term benefits | 11,162 | 8,264 |
|---------------------------------------|---------------|--------------|

| | | |
|-----------------------------|--|---|
| Termination benefits | | - |
|-----------------------------|--|---|

| | | |
|--------------|----------------|----------------|
| Total | 530,761 | 573,298 |
|--------------|----------------|----------------|

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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| | 2018 | 2017 |
|---|---------------|---------------|
| | \$ | \$ |
| Note 13 Remuneration of Auditors and Consultants | | |
| Value of the services provided | | |
| Financial statement audit services | 47,500 | 46,000 |
| Other services | 26,337 | 31,045 |
| Total remuneration of auditors | <u>73,837</u> | <u>77,045</u> |

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 2018

| | Within trading terms/ 0 to 30 days | 31 to 60 days | 61 to 90 days | 90+ days | Total |
|--|------------------------------------|---------------|---------------|----------------|----------------|
| | \$ | \$ | \$ | \$ | \$ |
| Trade and other receivables | 190,047 | - | - | 418,771 | 608,818 |
| Receivables from other reporting units | - | - | - | - | - |
| Total | 190,047 | - | - | 418,771 | 618,818 |

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

| | Within trading terms/ 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 | 80,325 | - | - | 434,722 | 515,047 |

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 2018, 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 2018 (2017: Nil).

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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 | |
|--|----------------|----------------|---------------|---------------|----------------|----------|----------------|----------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Financial liabilities due for payment | | | | | | | | |
| Trade payables | 193,123 | 198,134 | - | - | - | - | 193,123 | 198,134 |
| Other payables | 97,894 | 336,105 | - | - | - | - | 97,894 | 336,105 |
| Finance leases | 10,692 | 33,319 | 23,266 | 34,471 | - | - | 33,958 | 67,790 |
| Loans | - | - | - | - | 600,000 | - | 600,000 | - |
| Total expected outflows | 301,709 | 567,558 | 23,266 | 34,471 | 600,000 | - | 924,975 | 602,029 |

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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 | |
|--|---------------|-----------|--------------|----------|--------------|-----------|-----------|-----------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Financial assets – cash flow receivable | | | | | | | | |
| Cash and cash equivalents | 1,801,912 | 2,803,038 | - | - | - | - | 1,801,912 | 2,803,038 |
| Trade and other receivables | 608,818 | 515,047 | - | - | - | - | 608,818 | 515,047 |
| Financial assets | - | - | - | - | 2,486,267 | 3,027,045 | 2,486,267 | 3,027,045 |
| Total anticipated inflows | 2,410,730 | 3,318,085 | - | - | 2,486,267 | 3,027,045 | 4,896,997 | 6,345,130 |
| Net inflow on financial instruments | 2,109,021 | 2,750,527 | (23,266) | (34,471) | 1,886,267 | 3,027,045 | 3,972,022 | 5,743,101 |

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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Note 14 Financial Instruments (Continued)

(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 | | | |
|----------------------------------|---|-------------|------------------|-------------|
| | 2018 | 2017 | 2018 | 2017 |
| | % | % | \$ | \$ |
| Floating rate instruments | | | | |
| Cash and cash equivalents | 1.48 | 1.92 | 1,801,912 | 2,803,038 |
| Financial assets | 2.02 | 1.43 | 2,486,267 | 3,027,045 |
| Financial liabilities | 6.71 | 7.11 | 33,958 | 67,790 |
| Loans | - | - | 600,000 | - |

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Note 14 Financial Instruments (Continued)

(c) Market Risk (Continued)

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 2018 | | |
| +1% in interest rates | 36,542 | 36,542 |
| -1% in interest rates | (42,622) | (42,622) |
| Year ended 31 December 2017 | | |
| +1% in interest rates | 58,829 | 58,829 |
| -1% in interest rates | (47,235) | (47,235) |

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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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

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 | 2018 | | 2017 | |
|---------------------------------------|----------|------------------|------------------|------------------|------------------|
| | | Carrying value | Fair value | Carrying value | Fair value |
| | | \$ | \$ | \$ | \$ |
| Financial assets | | | | | |
| Cash and cash equivalents | (i) | 1,801,912 | 1,801,912 | 2,803,038 | 2,803,038 |
| Accounts receivable and other debtors | (i) | 608,818 | 608,818 | 515,047 | 515,047 |
| Financial assets | (i) | 2,486,267 | 2,486,267 | 3,027,045 | 3,027,045 |
| Total financial assets | | 4,896,997 | 4,896,997 | 6,345,130 | 6,345,130 |
| Financial liabilities | | | | | |
| Trade payables | (i) | 193,123 | 193,123 | 198,134 | 198,134 |
| Other payables | (i) | 97,894 | 97,894 | 336,105 | 336,105 |
| Financial liabilities | (i) | 33,958 | 33,958 | 67,790 | 67,790 |
| Loans | (i) | 600,000 | 800,000 | - | - |
| Total financial liabilities | | 924,975 | 924,975 | 602,029 | 602,029 |

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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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

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 2018 and 31 December 2017.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

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.

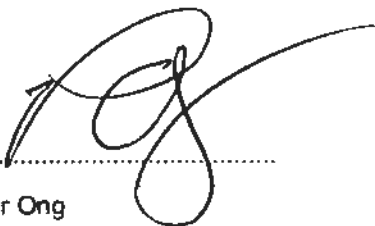
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OFFICER DECLARATION STATEMENT

I Peter Ong, being the Branch Secretary of the Communications, Electrical, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division – Queensland and Northern Territory Branch, declare that the following did not occur during the reporting period ended 31 December 2018:

The reporting unit did not:

- Agree to receive financial support from another reporting unit to continue as a going concern (refer to agreement regarding financial support not dollar amounts)
- Agree to provide financial support to another reporting unit to ensure they continued as a going concern (refer to agreement regarding financial support not dollar amounts)
- Acquired an asset or liability due to an amalgamation Under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination of revocation by the General Manager, Fair Work Commission
- Receive capitation fees from another reporting unit
- Receive revenue via compulsory levies
- Receive a donation or grants
- Receive revenue from undertaking recovery of wages activity
- Incur fees as consideration for employers making payroll deductions of membership subscriptions
- Pay a grant that was \$1,000 or less
- Pay a grant that exceeds \$1,000
- Pay a person fees or allowances to attend conferences or meetings as a representative of the reporting unit.
- Pay a penalty imposed under the RO Act or the *Fair Work Act 2009*
- Have a receivable with other reporting unit(s)
- Have a payable to an employer for that employer making payroll deductions of membership subscriptions
- Have a payable in respect of legal costs relating to other legal matters
- Have a fund of account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- Transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- Have another entity administer the financial affairs of the reporting unit
- Make a payment to a former related party of the reporting unit



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Peter Ong

Branch Secretary

29 April 2019