

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS
DIVISION BRANCH**

ABN 86 127 798 512

FINANCIAL REPORT

FOR THE YEAR ENDED 31 MARCH, 2019

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH
OPERATING REPORT**

The Branch Committee of Management present their operating report for the financial year ended 31 March 2019.

Committee Members

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

Cameron Bird (<i>Secretary</i>)	Brett O'Neill
Mark Templeman (<i>President</i>)	Fraser Dawson
Catherine O'Brien (<i>Vice President Affirmative Action</i>)	Noah Harris
Brian Kershaw (<i>Vice President</i>)	Martin Wagner
Kevin Hogan (<i>Vice President</i>)	Kevin Joinbee
Chris Gleeson	

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

Principal Activities

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

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

Results of those Activities

The operating result of the Branch for the financial year was a profit of \$42,530.

Financial Affairs

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

Resignation from Membership

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

A notice of resignation from membership takes effect:

- (a) where the member ceases to be eligible to become a member of the Branch:
 - (i) on the day on which the notice is received by the organisation; or
 - (ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;whichever is later;

- (b) in any other case:
 - (i) at the end of two weeks, or such shorter period as is specified in the rules of the organisation, after the notice is received by the organisation; or
 - (ii) on the day specified in the notice;whichever is later.

CEPU COMMUNICATIONS DIVISION QUEENSLAND COMMUNICATIONS DIVISION BRANCH

OPERATING REPORT

Superannuation Fund Trustees

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

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

Directorships of Companies or Members of a Board

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

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

Other Information

The activities of the Branch during the financial year produced many positive outcomes. Some of the main highlights are:

- o Recruitment remains the most important activity undertaken by the Branch. All Officials make a huge effort in maintaining our numbers. The impact of Redundancies in the Comms industry is an ongoing challenge that the Branch faces daily but with the 100% commitment of all Officials we are confident that recruitment will remain a good news story for the Branch moving forward.
- o Daily Industrial representations and advocacy implementing and enforcing industrial instruments. This remains a core activity and takes up the bulk of our resources- Postal and Telco.
- o Postal One Network Trials - 13 Sites have been selected nationally with two in Queensland, Heathwood DF and Rockhampton DC have committees working on positive change in their workplaces. Number one goal is to achieve penalty rate equality for PDO's.
- o NDMT – National Delivery Modelling Tool. Workplace visits and implementations of Business Cases as agreed to by local members and local committees.
- o Postal Local Working Groups at numerous locations to implement appropriate processes and measures to reduce impact of proposals regarding workplace changes. Examples being UPF/Transport and PUD LWG's dealing with issues relating to the Redbank site coming online around October and the associated move soon thereafter.
- o Organising Trips – Postal/Telco. Member engagement in regional areas. Organising Trips this financial year have been- Central Qld, Far North Queensland, West Queensland, South West Qld, Wide Bay and Telco.
- o Daily workplace visits Metro – Postal/Telco.
- o Quarterly Union Summit meetings with the Post Executive Team.
- o Postal State and National Consultative Committees and meetings.
- o Multiple Disciplinary Inquires, Boards of Reference and Unfair Dismissal cases.
- o Telstra EBA – Campaign in full swing. Protected Action Ballot and subsequent actions including strike action.
- o Telco visits to workplaces and Phone Shops.

Branch Members

The number of members of the branch at the end of the financial year was 3,334.

Branch Employees

The number of employees of the Branch at the end of the financial year was 6.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

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

C. F. Bird

C Bird (Branch Secretary)

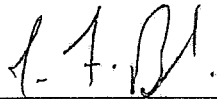
Dated this *10th* day of *October* 2019.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 31 MARCH 2019**

The committee of management presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 31 March 2019.

Categories of expenditure	2019 \$	2018 \$
Remuneration and other employment-related costs and expenses – employees	\$694,860	\$737,637
Advertising	\$0	\$0
Operating costs	\$300,980	\$344,451
Donations to political parties	\$340	\$0
Legal costs	\$216	\$2,184



C Bird (Branch Secretary)

Dated this

14th

day of

October

2019.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019**

	Nte	2019 \$	2018 \$
Revenue	2	1,315,654	1,293,498
Employee benefit expense	4	(694,860)	(737,637)
Depreciation and amortisation expense		(39,314)	(89,564)
Donation	3	(340)	-
Operating lease expense	3	(16,260)	(17,654)
Finance cost expense		-	-
Affiliation expenses	3	(2,583)	(18,090)
Bad and doubtful debt expenses	3	4,998	5,240
Insurance		(35,578)	(35,384)
Legal expenses	3	(216)	(2,184)
National Council Fund - Communications Electrical Plumbing Union		-	(9,973)
ACTU - Industrial Relations Levy Proportional Cost		-	-
Capitation fees - Communications Division - CEPU		(239,829)	(279,910)
Motor vehicle expenses		(31,449)	(25,685)
Office expenses		(67,385)	(102,717)
Organising and travelling expenses		(26,744)	(27,415)
Premises expenses		(72,771)	(72,271)
Telecommunications expenses		(11,340)	(11,636)
Conference and meeting expense	3	(4,777)	(5,493)
Other expenses from ordinary activities		<u>(34,676)</u>	<u>(46,196)</u>
Profit/(loss) before income tax		42,530	(172,085)
Income tax expense		<u> </u>	<u> </u>
Profit/(loss) attributable to members		<u>42,530</u>	<u>(172,085)</u>
Other comprehensive income			
Donations to Disaster Relief Reserve		1,460	1,800
Interest received on Disaster Relief Reserve		1	1
Expenditure from Disaster Relief Reserve		(1,500)	(2,500)
Net gain on revaluation of non-current assets		<u>-</u>	<u>644,852</u>
Total other comprehensive income for the year		<u>(39)</u>	<u>644,153</u>
Total comprehensive income for the year		<u>42,491</u>	<u>472,068</u>
Total comprehensive income attributable to members		<u>42,491</u>	<u>472,068</u>

The statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements set out on pages 9 to 31.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019**

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash on hand	6	457,406	429,229
Accounts receivable and other debtors	7	16,224	15,266
Other current assets	8	<u>31,080</u>	<u>30,810</u>
Total Current Assets		<u>504,710</u>	<u>475,305</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	<u>3,766,844</u>	<u>3,769,972</u>
Total Non-Current Assets		<u>3,766,844</u>	<u>3,769,972</u>
TOTAL ASSETS		<u>4,271,554</u>	<u>4,245,277</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	10	65,259	87,134
Employee provisions	11	<u>210,996</u>	<u>208,482</u>
Total Current Liabilities		<u>276,255</u>	<u>295,616</u>
NON-CURRENT LIABILITIES			
Employee provisions	11	<u>38,383</u>	<u>33,776</u>
Total Non-Current Liabilities		<u>38,383</u>	<u>33,776</u>
TOTAL LIABILITIES		<u>314,638</u>	<u>329,392</u>
NET ASSETS		<u>3,956,916</u>	<u>3,915,885</u>
EQUITY			
Reserves	12	3,027,040	3,027,080
Retained profits		<u>929,876</u>	<u>888,806</u>
TOTAL EQUITY		<u>3,956,916</u>	<u>3,915,885</u>

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

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Retained Profits \$	Asset Revaluation Reserve \$	Disaster Relief Reserve \$	Total \$
Balance at 31 March 2017	1,063,301	2,375,604	6,712	3,445,617
Comprehensive income				
Profit/(loss) attributable to members	(172,085)	-	-	(172,085)
Other comprehensive income for the year	-	644,852	(699)	644,153
Total comprehensive income	<u>(172,085)</u>	<u>644,852</u>	<u>(699)</u>	<u>472,068</u>
Amount due from general account to disaster relief reserve		-	-	-
Transfers	<u>(2,410)</u>	<u>-</u>	<u>610</u>	<u>(1,800)</u>
Balance at 31 March 2018	<u>888,806</u>	<u>3,020,456</u>	<u>6,622</u>	<u>3,915,885</u>
Comprehensive income				
Profit/(loss) attributable to members	42,530	-		42,530
Other comprehensive income for the year	-	-	(39)	(39)
Total comprehensive income	<u>42,530</u>	<u>-</u>	<u>(39)</u>	<u>42,491</u>
Amount due from general account to disaster relief reserve				-
Transfers	<u>(1,400)</u>		<u>(60)</u>	<u>(1,460)</u>
Balance at 31 March 2019	<u>929,936</u>	<u>3,020,456</u>	<u>6,523</u>	<u>3,956,916</u>

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

**CEPU COMMUNICATIONS DIVISION
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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members		1,253,528	1,265,120
Receipts from Communications Division - CEPU		40	2,863
Receipts from Electrical Trades Union (Qld & NT)		-	818
Receipts from AFULE		22,769	20,871
Other receipts		23,875	6,000
Payments to suppliers and employees		(1,015,889)	(1,008,955)
Payments to Communications Division - CEPU		(239,829)	(282,813)
Payments to CEPU National Council		-	-
Interest received		7,093	6,912
Interest paid		-	-
Net cash flows provided/(used) by operating activities	19(a)	<u>51,587</u>	<u>10,818</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		49,546	-
Purchases of property, plant and equipment		<u>(72,955)</u>	<u>(1,433)</u>
Net cash flows provided/(used) by investing activities		<u>(23,409)</u>	<u>(1,433)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		<u>-</u>	<u>-</u>
Net cash flows provided/(used) by financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held		28,178	9,385
Cash on hand at beginning of financial year		<u>429,228</u>	<u>419,844</u>
Cash on hand at end of financial year	6	<u><u>457,406</u></u>	<u><u>429,228</u></u>

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

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

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

The financial statements were authorised for issue on *14th October* 2019 by the members of the Branch Committee of Management.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Interpretations of the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009. For the purpose of preparing the general purpose financial statements, the CEPU Communications Division, Queensland Communications Division Branch is a not-for-profit entity.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

(a) Income Tax

No provision for income tax has been raised as the Branch is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(b) Fair value of Assets and Liabilities

The Branch measures some of its assets and liabilities at fair value on either recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Branch would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific assets or liability. The fair values of assets and liabilities are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible the use of the observable market data.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

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

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at cost or fair value, based on periodic valuations by external independent valuers, less accumulated depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Revaluation decreases that offset previous increases of the same asset are recognised against the revaluation surplus directly in equity. All other decreases are recognised in profit or loss. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amounts is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, is depreciated on a straight line basis over the asset's useful life commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate and Basis</i>
Buildings	2.50% to 4.00% straight line
Motor Vehicles	25.00% diminishing value
Leased Motor Vehicles	25.00% diminishing value
Plant and equipment	10.00% to 40.00% diminishing value

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period.

Gains and losses on disposals are determined by comparing net proceeds with the carrying amount. These gains and losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained surplus.

**CEPU COMMUNICATIONS DIVISION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

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

(d) Leases

Leases of property, plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the Branch, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amount equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a diminishing value basis over their estimated useful lives where it is likely that the Branch will obtain ownership of the asset over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight line basis over the term of the lease.

(e) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Branch becomes party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Branch commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of income or expense in profit or loss.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

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

management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in fair value (ie gains or losses) being recognised in the profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Branch's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Impairment

A financial asset (or group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a 'loss event') having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately.

Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors, or a group of debtors, are experiencing significant financial difficulty, default or delinquency in interest or principal payments, indications that they will enter into bankruptcy or other financial reorganisation; and changes in arrears