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

ABN 80 450 640 455

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

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

COMMITTEE OF MANAGEMENT'S OPERATING REPORT

FOR THE YEAR ENDED 31 MARCH 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 – Plumbing Division – Queensland Branch (the Branch) for the financial year ended 31 March 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 – Plumbing Division – Queensland 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 $78,618 (2017:- surplus $8,780). No provision for tax was necessary as the Branch is considered exempt.

Significant Changes in Financial Affairs

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

After Balance Date Events

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

Future Developments

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

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

COMMITTEE OF MANAGEMENT'S OPERATING REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

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 – Plumbing 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 14.0 (2017: 14.0).

Number of Members

Total number of members at 31 March 2018: 3,971 (2017: 3,939).

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

Currently the Branch does not have any officers or members who hold a position of trustee or director of an entity, scheme or company as described in s.254 (2)(d) of the *Fair Work (Registered Organisations) Act 2009*, where a criterion of such entity is that the holder of such position must be a member or official of a registered organisation (2017: Nil)

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
Gary O'Halloran	Branch Secretary	1/4/17 – 31/3/18
Michael Wiech	Assistant Branch Secretary	1/4/17 – 31/3/18
David White	Branch President/ Trustee	1/4/17 – 31/3/18
Damian O'Sullivan	Branch Vice President	1/4/17 – 31/3/18
Sean Trainor	Trustee	1/4/17 – 31/3/18
Daniel Gillett	Committee Member	1/4/17 – 31/3/18
Travis Korneha	Committee Member	1/4/17 – 31/3/18
Andrew Burn	Committee Member	1/4/17 – 31/3/18
Kenny Murdoch	Committee Member	10/10/17 – 31/3/18
Andrew Blakeley	Committee Member	1/4/17 – 10/10/17
Stewart Fingleton	Committee Member	1/4/17 – 31/3/18

Auditor's Independence Declaration

A copy of the auditor's independence declaration is set out on page 6.

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:

G O'Halloran

.....

Gary O'Halloran
Branch Secretary

3 July 2018

South Brisbane

accountants + auditors

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AUDITOR'S INDEPENDENCE DECLARATION
TO THE COMMITTEE OF MANAGEMENT OF THE

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

As lead auditor for the audit of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Plumbing Division – Queensland Branch for the year ended 31 March 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.

MGI Audit Pty Ltd

G I Kent

Director – Audit & Assurance

South Brisbane
3 July 2018

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

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

COMMITTEE OF MANAGEMENT STATEMENT

FOR THE YEAR ENDED 31 MARCH 2018

On 3 July 2018, the Committee of Management of the Branch passed the following resolution to the General Purpose Financial statements (GPFR) of the reporting unit for the financial year ended 31 March 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 the reporting guidelines of the Commissioner;

(c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;

(d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and

(e) during the financial year to which the GPFR relates and since the end of that year:

i. meetings of the Committee of Management were held in accordance with the rules of the organisation and

ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation;

iii. the financial records of the reporting unit have been kept and maintained in accordance with the *RO Act;*

iv. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation;

v. where information has been sought in any request of a member of the reporting unit or the Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and

vi. there have been no orders for inspection of financial records made by the Fair Work Commission under section 273 of the RO Act during the year.

(f) No revenue has been derived from undertaking recovery of wages activity during the reporting period.

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

Name of Designated Officer: Gary O'Halloran

Title of Designated Officer: Branch Secretary

Signature: G O'Halloran ……

Date: 3 July 2018

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Independent Audit Report to the Members of Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Plumbing Division – Queensland 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 – Plumbing Division – Queensland Branch (the Branch), which comprises the statement of financial position as at 31 March 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.

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 – Plumbing Division – Queensland Branch as at 31 March 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.

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Responsibilities of Committee of Management for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Branch's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.

- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Branch's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Branch to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Branch to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Branch's audit. We remain solely responsible for our audit opinion.

We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Opinion on the recovery of wages activity financial report

The scope of my work extended to the recovery of wages activity and we have audited the recovery of wages activity financial report for the year ended 31 March 2018.

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

a) any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and

b) any donations or other contributions deducted from recovered money.

Responsibilities

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

MGI Audit Pty Ltd

G I Kent

Director – Audit & Assurance

South Brisbane
3 July 2018

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

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	**2018**	2017
		$	$
Revenue			
Membership subscriptions		**1,780,267**	**1,694,855**
Gain on sale of property, plant and equipment		**18,639**	**15,149**
Sustentation/ capitation fees	4A	**-**	**-**
Levies	4B	**-**	**-**
Interest	4C	**23,912**	**24,733**
Sponsorship income	4D	**257,069**	**268,413**
Grants or donations	4E	**1,144,801**	**857,036**
Compliance income	4F	**323,713**	**260,573**
Other income	4G	**115,868**	**198,871**
Total revenue		**3,664,269**	**3,319,630**
Expenses			
Employee expenses	5A	**(2,125,552)**	**(2,023,625)**
Sustentation/ capitation fees	5B	**(165,539)**	**(146,685)**
Affiliation fees	5C	**(43,744)**	**(42,127)**
Audit fees	15	**(16,225)**	**(13,538)**
Legal costs and fines	5D	**(95,661)**	**(33,759)**
Grants or donations	5E	**(87,228)**	**(45,998)**
Depreciation and amortisation	5F	**(152,794)**	**(152,837)**
Finance costs	5G	**(1,404)**	**(3,823)**
Administration expense	5H	**(1,054,740)**	**(837,919)**
Other expense	5I	**-**	**(10,539)**
Total expenses		**(3,742,887)**	**(3,310,850)**
(Deficit)/ surplus for the year		**(78,618)**	**8,780**
Other comprehensive income			
Revaluation of land and buildings (net of income tax)		**318,773**	**-**
Total comprehensive income for the year		**240,155**	**8,780**

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

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

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Notes	2018 $	Revised 2017 $	Revised 2016 $
ASSETS				
Current Assets				
Cash and cash equivalents	6A	**2,843,794**	2,439,476	1,877,787
Trade and other receivables	6B	**30,055**	41,154	153,385
Other current assets	6C	**43,137**	16,944	18,487
Total current assets		**2,916,989**	2,497,574	2,049,659
Non-Current Assets				
Land and buildings	7A	**1,804,851**	1,528,123	1,067,956
Furniture, fittings and office equipment	7B	**75,441**	42,932	54,400
Motor vehicles	7C	**171,953**	214,550	262,587
Total non-current assets		**2,052,245**	1,785,605	1,384,943
Total assets		**4,969,231**	4,283,179	3,434,602
LIABILITIES				
Current Liabilities				
Trade payables	8A	**223,000**	298,885	217,301
Other payables	8B	**1,479,171**	1,305,110	603,663
Finance lease	9A	**-**	33,644	69,005
Borrowings	9B	**250,000**	-	-
Employee provisions	10A	**614,397**	492,030	382,810
Total current liabilities		**2,566,568**	2,129,669	1,272,779
Non-Current Liabilities				
Finance lease	9A	**-**	-	28,661
Employee provisions	10A	**75,974**	66,976	55,408
Total non-current liabilities		**75,974**	66,976	84,069
Total liabilities		**2,642,542**	2,196,645	1,356,848
Net assets		**2,326,689**	2,086,534	2,077,754
EQUITY				
Retained earnings		**799,715**	878,333	869,553
Reserves	11A	**1,526,974**	1,208,201	1,208,201
Total equity		**2,326,689**	2,086,534	2,077,754

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

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

	Asset Revaluation Reserve	General Reserve	Retained earnings	Total equity
	$	$	$	$
Balance as at 1 April 2016	933,319	274,882	869,553	2,077,754
Surplus for the year (restated)	-	-	8,780	8,790
Other comprehensive income	-	-	-	-
Closing balance as at 31 March 2017	933,319	274,882	878,333	2,086,534
Deficit for the year	**-**	**-**	**(78,618)**	**(78,618)**
Other comprehensive income	**318,773**	**-**	**-**	**318,773**
Closing balance as at 31 March 2018	**1,252,092**	**274,882**	**799,715**	**2,326,689**

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

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	**2018**	2017
		$	$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units	12B	**1,587**	-
Receipts from other customers		**4,243,745**	4,310,036
Interest received		**17,677**	24,733
Cash used			
Finance Costs		**(1,404)**	(3,822)
Payments to employees and suppliers		**(3,745,311)**	(3,011,972)
Payments to other reporting units	12B	**(246,310)**	(173,147)
Net cash provided by operating activities		**269,984**	1,145,828
INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		**56,364**	-
Payments for property, plant and equipment		**(138,386)**	(538,349)
Net cash used in investing activities		**(82,022)**	(538,349)
FINANCING ACTIVITIES			
Motor vehicle finance lease repayments (principal)	12F	**(33,644)**	(45,790)
Proceeds from borrowings		**250,000**	-
Net cash provided by/ used in financing activities		**216,356**	(45,790)
Net increase/ (decrease) in cash held		**404,318**	561,689
Cash & cash equivalents at the beginning of the reporting period		**2,439,476**	1,877,787
Cash & cash equivalents at the end of the reporting period	12A	**2,843,794**	2,439,476

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

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

RECOVERY OF WAGES ACTIVITY
FOR THE YEAR ENDED 31 MARCH 2018

	2018	2017
	$	$
Cash assets in respect of recovered money at beginning of year	**-**	-
Receipts		
Amounts recovered from employers in respect of wages etc.	**-**	-
Interest received on recovered money	**-**	-
Total receipts	**-**	-
Payments		
Deductions of amounts due in respect of membership for:		
12 months or less	**-**	-
Greater than 12 months	**-**	-
Deductions of donations or other contributions to accounts or funds of:		
The reporting unit:		
name of account	**-**	-
name of fund	**-**	-
Name of other reporting unit of the organisation:		
name of account	**-**	-
name of fund	**-**	-
Name of other entity:		
name of account	**-**	-
name of fund	**-**	-
Deductions of fees or reimbursement of expenses	**-**	-
Payments to workers in respect of recovered money	**-**	-
Total payments	**-**	-
Cash assets in respect of recovered money at end of year	**-**	-
Number of workers to which the monies recovered relates	**-**	-
Aggregate payables to workers attributable to recovered monies but not yet distributed		
Payable balance	**-**	-
Number of workers the payable relates to	**-**	-
Fund or account operated for recovery of wages	**-**	-

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

Index to the Notes of the Financial Statements

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 – Plumbing Division – Queensland 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.

<u>Key Estimates</u>

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.

<u>Key Judgements</u>

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.

Note 1 Summary of significant accounting policies (Continued)

1.3 Significant accounting judgements and estimates (Continued)

Key Judgements (Continued)

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

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

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

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

Future Australian Accounting Standards Requirements

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

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

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

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

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

Note 1 Summary of significant accounting policies (Continued)

1.4 New Australian Accounting Standards (Continued)

Future Australian Accounting Standards Requirements (continued)

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

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

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

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

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

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.

Note 1 Summary of significant accounting policies (Continued)

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.

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.

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.

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.

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.

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.

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.

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:

Class of Fixed Asset	*Depreciation Rate*
Buildings	*2.5%*
Plant and equipment	10% - 33%
Motor Vehicles	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.

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 17.

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

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.

1.20 Grants

grants are not recognised until there is reasonable assurance that the Branch will comply with the conditions attaching to them and that the grants will be received.

Grants are recognised in profit or loss on a systematic basis over the periods in which the Branch recognises as expenses the related costs for which the grants are intended to compensate. Specifically, grants whose primary condition is that the Branch should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Branch with no future related costs are recognised in profit or loss in the period in which they become receivable.

Note 2 Changes in Accounting Policy

The Branch has elected to adopt AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of Not-for-Profit Entities and AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities early. This note discloses the impact of adopting the new accounting policy from 1 April 2017 and where they are different to that which was applied in prior periods.

A summary of the impact is as follows:

Statement of Financial Position	Note	As originally presented (31 March 2017)	Impact of AASB 15	Restated (31 March 2017)	As originally presented (31 March 2016)	Impact of AASB 15	Restated (31 March 2016)
ASSETS							
Current Assets							
Cash and cash equivalents		2,439,476	-	2,439,476	1,877,787	-	1,877,787
Trade and other receivables		41,154	-	41,154	153,385	-	153,385
Other current assets		16,944	-	16,944	18,487	-	18,487
Total current assets		2,497,574	-	2,497,574	2,049,659	-	2,049,659
Non-Current Assets							
Land and buildings		1,528,123	-	1,528,123	1,067,956	-	1,067,956
Furniture, fittings and office equipment		42,932	-	42,932	54,400	-	54,400
Motor vehicles		214,550	-	214,550	262,587	-	262,587
Total Non-current assets		1,785,605	-	1,785,605	1,384,943	-	1,384,943
Total assets		4,283,179	-	4,283,179	3,434,602	-	3,434,602
LIABILITIES							
Current Liabilities							
Trade Payables		298,885	-	298,885	217,301	-	217,301
Other Payables		1,100,437	204,673	1,305,110	603,663	-	603,663
Financial liabilities		33,644	-	33,644	69,005	-	69,005
Employee Provisions		492,030	-	492,030	382,810	-	382,810
Total current liabilities		1,924,996	204,673	2,129,669	1,272,779	-	1,272,779
Non-Current Liabilities							
Financial liabilities		-	-	-	28,661	-	28,661
Employee Provisions		66,976	-	66,976	55,408	-	55,408
Total non-current liabilities		66,976	-	66,976	84,069	-	84,069
Total liabilities		1,991,972	204,673	2,196,645	1,356,848	-	1,356,848
Net Assets		2,291,207	(204,673)	2,086,534	2,077,754	-	2,077,754
EQUITY							
Retained earnings		1,083,006	(204,673)	878,333	869,553	-	869,553
Reserves		1,208,201	-	1,208,201	1,208,201	-	1,208,201
Total equity		2,291,207	(204,673)	2,086,534	2,077,754	-	2,077,754

Note 2 Changes in Accounting Policy (continued)

Statement of Comprehensive Income	Note	Previous Policy	Impact of AASB 15	Restated (31 March 2017)
Revenue				
Membership subscription		1,694,855	-	1,694,855
Gain on sale of property, plant and equipment		15,149		15,149
Sustentation/ capitation fees		-	-	-
Levies		-	-	-
Interest		24,733	-	24,733
Sponsorship income		268,413	-	268,413
Grants or donations	i	1,061,709	(204,673)	857,036
Complaince income		260,573	-	260,573
Other revenue		198,871	-	198,871
Total Revenue		3,524,303	(204,673)	3,319,630
Expenses				
Employee expenses		(2,023,625)	-	(2,023,625)
Sustentation/ capitation fees		(146,685)	-	(146,685)
Affiliation fees		(42,127)	-	(42,127)
Audit and accounting fees		(13,538)		(13,538)
Legal costs and fines		(33,759)		(33,759)
Grants or donations		(45,998)	-	(45,998)
Depreciation and amortisation		(152,837)	-	(152,837)
Finance costs		(3,823)	-	(3,823)
Conference and meetings		-	-	-
Administration expense		(837,919)	-	(837,919)
Other operating expenses		(10,539)	-	(10,539)
Total expenses		(3,310,850)	-	(3,310,850)
Surplus for the year		213,453	(204,673)	8,780
Other comprehensive income		-	-	-
Total comprehensive income for the year		213,453	(204,673)	8,780

Notes

i. The Branch previously recognised grant income on based on accruals basis (amortised over the life of the grant), however, upon adoption of AASB 15, revenue is now only recognised once each of the 5 criteria is met, as detailed by AASB 15. Generally revenue will be recognsied upon the deliverable to the grant being achieved.

Statement of cash flows

The above change in accounting policy did not impact the statement of cash flows.

Note 3 Events after the reporting period

There were no events that occurred after 31 March 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 4 Income		
Note 4A: Sustentation/ capitation fees	**-**	-
Total sustentation/ capitation fees	**-**	-
Note 4B: Levies	**-**	-
Total levies	**-**	-
Note 4C: Interest		
Deposits	**23,912**	24,733
Total interest	**23,912**	24,733
Note 4D: Sponsorship income		
Sponsorship income - general	**257,069**	268,413
Total organising income	**257,069**	268,413
Note 4E: Grants or donations		
Training grants	**1,144,801**	857,036
Total conference income	**1,144,801**	857,036
Note 4F: Compliance income		
Compliance fees	**206,631**	260,573
Collection/ administration fee for service	**117,082**	-
Total sponsorship income	**323,713**	260,573
Note 4G: Other income		
Board fees	**80,541**	79,719
Website advertising	**4,500**	3,375
Reimbursements	**-**	6,686
Other income	**30,827**	109,091
Total other income	**115,868**	198,871

	2018	2017
	$	$
Note 5 Expenses		
Note 5A: Employee expenses		
Holders of office:		
Wages and salaries	**236,282**	677,994
Superannuation	**45,616**	99,077
Leave and other entitlements	**125,464**	82,995
Separation and redundancies	**-**	-
Other employee expenses	**-**	51,486
Subtotal employee expenses holders of office	**407,362**	911,552
Employees other than office holders:		
Wages and salaries	**957,326**	805,312
Superannuation	**175,863**	113,940
Leave and other entitlements	**434,867**	37,792
Separation and redundancies	**-**	-
Other employee expenses	**28,911**	58,870
Subtotal employee expenses employees other than office holders	**1,596,967**	1,015,914
Add: Payroll tax expense	**51,271**	39,922
Add: BERT, BEWT, CIPQ contributions	**50,902**	26,553
Add: Fringe benefits tax	**19,050**	29,684
	121,223	96,159
Total employee expenses	**2,125,552**	2,023,625
Note 5B: Sustentation fees		
CEPU – Plumbing Division	**165,539**	146,685
Total Sustentation fees	**165,539**	146,685

	2018	2017
	$	$
Note 5 Expenses (Continued)		
Note 5C: Affiliation fees		
Australian Labor Party (State of Queensland)	**16,665**	16,104
Queensland Council of Unions	**19,734**	17,694
Union Shopper	**7,345**	8,329
Total affiliation fees	**43,744**	42,127
Note 5D: Legal costs and fines		
Litigation	**30,661**	33,759
Other legal matters	**-**	-
Total legal costs	**30,661**	33,759
Fines – Federal Court of Australia	**65,000**	-
Total legal costs and fines	**95,661**	33,759

The Branch was fined by the Federal Court of Australia for industrial action conducted at a number of construction sites throughout Queensland.

Note 5E: Grants or donations		
Grants:		
Total paid that were $1,000 or less	**-**	
Total paid that exceeded $1,000	**-**	
Donations:		
Total paid that were $1,000 or less	**12,228**	7,398
Total paid that exceeded $1,000	**75,000**	38,600
Total grants or donations	**87,228**	45,998
Note 5F: Depreciation and amortisation		
Depreciation		
Furniture, fittings and office equipment	**11,400**	12,468
Buildings	**55,796**	46,627
Motor vehicles	**85,598**	93,742
Total depreciation	**152,794**	152,837
Amortisation expense	**-**	-
Total depreciation and amortisation	**152,794**	152,837

	2018	2017
	$	$
Note 5 Expenses (Continued)		
Note 5G: Finance costs		
Interest expense	**1,404**	3,823
Total finance costs	**1,404**	3,823
Note 5H: Administration expenses		
Fees/ allowances – meeting and conferences	**7,360**	8,320
Conference and meeting expenses	**36,885**	36,003
Contractor/ consultant expenses	**27,104**	24,880
Property expenses	**52,446**	30,438
Information technology costs	**71,488**	76,495
Motor vehicle costs	**60,010**	58,324
Travel expenses	**67,138**	61,315
Labour day expenses	**40,231**	54,400
Printing, postage and stationery	**97,644**	102,315
Grant delivery costs	**406,928**	112,872
Delegate expenses	**6,502**	32,151
Operating lease costs	**28,995**	17,434
Other administration expenses	**152,009**	222,972
Total administration expenses	**1,054,740**	837,919
Note 5I: Other expenses		
Penalties - via RO Act or RO Regulations	**-**	-
Levies – CEPU National Council	**-**	10,539
Consideration to employers for payroll deductions	**-**	-
Total other expenses	**-**	10,539

Levies

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

	2018	2017
	$	$
Note 6 Current Assets		
Note 6A: Cash and Cash Equivalents		
Cash at bank	**2,241,955**	1,844,013
Cash on hand	**2,263**	1,500
Term deposits	**599,576**	593,963
Total cash and cash equivalents	**2,843,794**	2,439,476
Note 6B: Trade and Other Receivables		
Receivables from other reporting units		
CEPU – Plumbing Division	**280**	-
Receivables from other reporting units (net)	**280**	-
Other receivables:		
Other trade receivables	**29,540**	41,154
Less: Provision for doubtful debtors	**(6,000)**	-
Accrued interest	**6,235**	-
Total other receivables	**29,775**	41,154
Total trade and other receivables (net)	**30,055**	41,154
Note 6C: Other Current Assets		
Prepayments	**43,137**	16,944
Total other current assets	**43,137**	16,944

	2018	2017
	$	$
Note 7: Non-Current Assets		
Note 7A: Land and Buildings		
Land and buildings:		
at valuation	**1,918,051**	1,855,528
accumulated depreciation	**(113,200)**	(327,405)
Total Land and Buildings	**1,804,851**	1,528,123

Reconciliation of Opening and Closing Balances of Land and Buildings

As at 1 April		
Gross book value	**1,855,528**	1,110,217
Accumulated depreciation and impairment	**(327,405)**	(42,261)
Net book value 1 April	**1,528,123**	1,067,956
Additions:		
By purchase	**13,751**	506,794
By revaluation	**318,773**	
Depreciation expense	**(55,796)**	(46,627)
Disposals:		
By sale	**-**	-
Net book value 31 March	**1,804,851**	1,528,123
Net book value as of 31 March represented by:		
Gross book value	**1,918,051**	1,855,528
Accumulated depreciation and impairment	**(113,200)**	(327,405)
Net book value 31 March	**1,804,851**	1,528,123

Valuation Details

(a) In March 2018, the land and buildings at 41 Peel Street, South Brisbane were valued by Mr Mal Missingham (Registered Valuers Number: 1273) and Mr John Purcell – AAPI (Registered Valulers Number: 1341 of Asia Pacific Geoservices & Valuations Pty Ltd. The amount presented in the financial statements represents half of the valuation value for the land and buildings as provided in this valuation, in accordance with the Branch's ownership in these assets.

The valuation was based on a highest and best use, which was deemed to be a development site and not that of an administration office (which the Branch currently uses the land and buildings for)

(b) On 28 November 2016, the Branch (along with other vested industry partners) purchased the land and buildings at 4-6 Quindus Street, Beenleigh. It was determined by the Branch Committee of Management that the value of the land and buildings continues to remain at its fair value, given the purchase of the building was only 16 months ago.

	2018	2017
	$	$
Note 7B: Furniture, Fittings and Office Equipment		
Furniture, fittings and office equipment:		
at cost	**271,173**	227,264
accumulated depreciation	**(195,732)**	(184,332)
Total Furniture, Fittings and Office Equipment	**75,441**	42,932

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

As at 1 April		
Gross book value	**227,264**	230,502
Accumulated depreciation and impairment	**(184,332)**	(176,102)
Net book value 1 April	**42,932**	54,400
Additions:		
By purchase	**43,909**	1,000
Depreciation expense	**(11,400)**	(12,468)
Disposals:		
By sale	**-**	-
Net book value 31 March	**75,441**	42,932
Net book value as of 31 March represented by:		
Gross book value	**271,173**	227,264
Accumulated depreciation and impairment	**(195,732)**	(184,332)
Net book value 31 March	**75,441**	42,932

	2018	2017
	$	$
Note 7C: Motor Vehicles		
Office equipment and furniture:		
at cost	**341,817**	371,065
accumulated depreciation	**(169,864)**	(156,515)
Total Motor Vehicles	**171,953**	214,550

Reconciliation of Opening and Closing Balances of Motor Vehicles

As at 1 April		
Gross book value	**371,065**	375,242
Accumulated depreciation and impairment	**(156,515)**	(112,655)
Net book value 1 April	**214,550**	262,587
Additions:		
By purchase	**80,726**	82,647
Depreciation expense	**(85,598)**	(93,742)
Disposals:		
By sale	**(37,725)**	(36,942)
Net book value 31 March	**171,953**	214,550
Net book value as of 31 March represented by:		
Gross book value	**341,817**	371,065
Accumulated depreciation and impairment	**(169,864)**	(156,515)
Net book value 31 March	**171,953**	214,550

	2018	2017
	$	$
Note 8 Current Liabilities		
Note 8A: Trade payables		
Trade creditors	**44,461**	29,226
Accrued expenses	**13,000**	108,487
Subtotal trade payables	**57,461**	137,713
Payables to other reporting units		
CEPU – Plumbing Division	**165,539**	161,172
Subtotal payables to other reporting units	**165,539**	161,172
Total trade payables	**223,000**	298,885

Settlement is usually made within 30 days.

Note 8B: Other payables		
Consideration to employers for payroll deductions	**-**	5,657
Income received in advance	**615,984**	633,252
Legal costs		
Litigation	**3,033**	-
Other legal matters	**-**	-
Superannuation payable		
PAYG payable	**33,354**	27,373
GST payable (net)	**41,182**	50,472
FBT liability	**5,776**	-
Related party creditor (PGUE commercial construction levy)	**770,910**	588,356
Other sundry payables	**8,932**	-
Total other payables	**1,479,171**	1,305,110
Total other payables are expected to be settled in:		
No more than 12 months	**1,479,171**	1,305,110
More than 12 months	**-**	-
Total other payables	**1,479,171**	1,305,110

	2018	2017
	$	$

Note 9 Financial Liabilities

Note 9A: Finance lease

Current	**-**	33,644
Non-Current	**-**	-
Total finance lease	**-**	33,644

Lease Commitments

Payable – Minimum lease payments		
not later than 12 months	**-**	35,048
Between 12 months and 5 years	**-**	-
Greater than 5 years	**-**	-
Minimum lease payments	**-**	35,048
Less: Future financing charges	**-**	(1,404)
Present value of minimum lease payments	**-**	33,644

Finance leases relate to one motor vehicle that was leased between November 2014 and November 2017. Interest was charged at 8.23%, with the lease being secured over the motor vehicle.

Note 9B: Borrowings

Current		
Related party borrowings - Plumbers & Gasfitters Employees' Union Queensland, Union of Employees	**250,000**	-
Non-Current	**-**	-
Total borrowings	**250,000**	-

	2018	2017
	$	$
Note 10 Provisions		
Note 10A: Employee provisions		
Office Holders:		
Annual leave	**34,765**	57,430
RDO	**4,204**	18,942
Long service leave	**132,410**	155,783
Separations and redundancies	**170,541**	175,716
Other	**-**	-
Subtotal employee provisions—office holders	**341,920**	407,871
Employees other than office holders:		
Annual leave	**100,724**	64,427
RDO	**41,211**	19,759
Long service leave	**146,991**	66,949
Separations and redundancies	**59,525**	-
Other (retirement allowance)	**-**	-
Subtotal employee provisions—employees other than office holders	**348,451**	151,135
Total employee provisions	**690,371**	559,006
Current	**614,397**	492,030
Non-Current	**75,974**	66,976
Total employee provisions	**690,371**	559,006

Note 11 Reserves

Note 11A: General reserve

Opening balance – 1 April	**274,882**	274,882
Movement to/ from reserve	**-**	-
Closing balance – 31 March	**274,882**	274,882

The general reserve records funds set assist for future expansion of the Branch.

	2018	2017
	$	$

Note 11 Reserves (continued)

Note 11B: Asset revaluation reserve

Opening balance – 1 April	**933,319**	933,319
Revaluations	**318,773**	-
Transfers from reserve	**-**	-
Closing balance – 31 March	**1,252,092**	933,319

The asset revaluation reserve records revaluation of financial assets.

Note 12 Cash Flow

Note 12A: Cash Flow Reconciliation
Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement:

Cash and cash equivalents as per:		
Cash flow statement	**2,843,794**	2,439,476
Statement of financial position	**2,843,794**	2,439,476
Difference	**-**	-

Reconciliation of surplus to net cash from operating activities:		
(Deficit)/ surplus for the year	**(78,618)**	8,780
Adjustments for non-cash items		
Depreciation/ amortisation	**152,794**	152,837
Gain on disposal of property, plant and equipment	**(18,639)**	(15,149)
Changes in assets/ liabilities		
(Increase)/ decrease in net receivables	**11,099**	112,308
(Increase)/ decrease in other current assets	**(26,193)**	1,543
Increase/ (decrease) in trade and other payables	**98,176**	764,722
Increase/ (decrease) in provisions	**131,365**	120,787
Net cash (used in)/ provided by operating activities	**269,984**	1,145,828

	2018	2017
	$	$
Note 12 Cash Flow (Continued)		
Note 12B: Cash flow information		
Cash inflows from other reporting units		
CEPU – Plumbing Division	**1,587**	-
Total cash inflows	**1,587**	-
Cash outflows to other reporting units		
CEPU – Plumbing Division	**161,172**	161,554
CEPU – National Council	**-**	11,593
CEPU – Electrical Division (Qld/ NT Branch)	**85,138**	-
Total cash outflows	**246,310**	173,147

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

Note 12C: Credit standby arrangements and loan facilities

Finance Leases		
Used facility	**-**	33,644
Unused facility	**-**	-
Total facility	**-**	33,644

The motor vehicle financing facility was arranged with St George Bank. This leases expired in November 2017 with security being held over the motor vehicle in which the facility relates to.

Note 12D: Non-cash transactions
There have been no non-cash financing or investing activities during the year (2017: Nil).

	2018	2017
	$	$

Note 12 Cash Flow (Continued)

Note 12E: Net debt reconciliation

Cash and cash equivalents	**2,843,794**	2,439,476
Borrowings – repayable within one year	**(250,000)**	(33,644)
Borrowings – repayable after one year	**-**	-
Net debt	**2,593,794**	2,405,832

Note 12F: Reconciliation of movements of liabilities to cash flows arising from financing activities

	Other Assets	**Liabilities from financing activities**			
	Cash assets	**Related Party Loans – due within 1 year**	**Finance lease – due within 1 year**	**Finance lease – due after 1 year**	**Total**
Net debt at 1 April 2016	1,877,787	-	(69,005)	(28,660)	1,780,233
Cash flows	561,689	-	35,361	28,660	625,710
Net debt at 31 March 2017	2,439,476	-	(33,644)	-	2,405,832
Cash flows	**404,318**	**(250,000)**	**33,644**	**-**	**187,962**
Net debt at 31 March 2018	**2,843,794**	**(250,000)**	**-**	**-**	**2,593,794**

Note 13 Contingent Liabilities, Assets and Commitments

Note 13A: Commitments and Contingencies

Capital commitments

At 31 March 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.

	2018	2017
	$	$

Note 13 Contingent Liabilities, Assets and Commitments (Continued)

Note 13B: 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	**-**	6,129
between 12 months and 5 years	**-**	-
greater than 5 years	**-**	-
Minimum lease payments	**-**	6,129

The lease relates to office equipment at the Branch's office.

Operating Leases (as a lessor)

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

Note 14 Related Party Disclosures

Note 14A: 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 Division
CEPU – QLD/ NT Electrical Branch
CEPU – NSW Electrical Branch
CEPU – VIC Electrical Branch
CEPU – SA Electrical Branch
CEPU – TAS Electrical Branch
CEPU – WA Electrical Branch

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

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

Other Related Parties

Plumbers & Gasfitters Employees' Union Queensland, Union of Employees
The Plumbers & Gasfitters Employees' Union Queensland, Union of Employees (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.

Services Trade College Australia
The Services Trade College Australia is a Registered Training Organisation (RTO) that provides high-quality trade and post-training in the Fire, Mechanical and Plumbing industries. Branch Secretary Gary O'Halloran and Assistant Branch Secretary Mick Wiech are members of the Services Trade College Australia Board.

Note 14 Related Party Disclosures (Continued)

Note 14A: Related Party Transactions for the Reporting Period
Holders of office and related reporting units (Continued)

	2018	2017
	$	$

Services Trades Queensland (STQ)

STQ provides extensive post trade training, workplace health and safety advice, KWH&S systems, apprenticeship mentoring services within the Fire, Mechanical and Plumbing industries. Branch Secretary Gary O'Halloran and Assistant Branch Secretary Mick Wiech are members of the STQ Board.

Construction Income Protected Limited (CIP)

CIP provides income protection and portability of sick leave benefits for workers in the building and construction industry within Queensland. Branch Secretary Gary O'Halloran is a member of the CIP Board.

Building Employees Redundancy Trust (BERT)/ BERT Fund No. 2

BERT provides redundancy payments and benefits to members and training grants for employees in the building and construction industry within Queensland. Branch Secretary Gary O'Halloran is a member of the BERT Board.

Building Employees Welfare Trust (BEWT) Limited

BEWT provides welfare funding for employees in the building and construction industry within Queensland. Branch Secretary Gary O'Halloran is a member of the BEWT Board.

BERT Training Fund

BERT Training Fund provides the Queensland construction industry with a source of funds to train construction workers and to provide the development of skills, training and education of works within the industry. Branch Secretary Gary O'Halloran is a member of the BERT Training Fund Board.

CEPUTEC

CEPUTEC is a RTO that provides dedicated training supporting the CEPU – Plumbing Division members. Branch Secretary Gary O'Halloran is a member of the CEPUTEC Board.

Plumbers Industry Climate Action Centre (PICAC)

PICAC is unique industry led training facility in Brunswick, Melbourne. The centre is a 5 Star Green rated building and is a working example of innovative design and sustainable plumbing. Through providing access to a training resource without peer, the industry is taking up the challenge of new technology, new risk and new approaches. Branch Secretary Garry O'Halloran is a member of the PICAC Board.

Fire Industry Training (FIT)

FIT is a Registered Training Organisation (RTO) providing training to the Fire Industry. Branch Secretary Garry O'Halloran is a member of the FIT Board.

Note 14 Related Party Disclosures (Continued)

Note 14A: Related Party Transactions for the Reporting Period
Holders of office and related reporting units (Continued)

	2018	2017
	$	$

Plumbing Industry Training (PIT)
PIT is a RTO providing training services for the plumbing industry. Branch Secretary Gary O'Halloran is a member of the PIT Board.

Mates In Construction (MIC)
MIC is a charity established in 2008 to reduce the high level of suicide among Australian construction workers. It is owned and controlled by the Australian Building and Construction Industry. Branch Secretary Gary O'Halloran is a member of the MIC Board.

Services Trades Council (STC)
STC is established under the *Plumbing and Drainage Act 2002* to provide a voice for the services trade and to protect the public's health and safety as well as the environment. The STC operates under the Queensland Building and Construction Commission (QBCC) framework and provides recommendations to the QBCC Commission regarding licencing functions within the plumbing and drainage industry.

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	**-**	10,539
Revenue received from CEPU –Plumbing Division includes the following:		
Reimbursement of travel expenses	**1,697**	-
Expenses paid to CEPU – Plumbing Division includes the following:		
Sustentation/ capitation fees	**165,539**	146,685
Amounts owed to CEPU – Plumbing Division includes the following:		
Sustentation/ capitation fees	**165,539**	161,172
Amounts owed by CEPU – Plumbing Division includes the following:		
Reimbursement of travel expenses	**280**	-

Note 14 Related Party Disclosures (Continued)

Note 14A: Related Party Transactions for the Reporting Period
Holders of office and related reporting units (Continued)

	2018	2017
	$	$
Expense paid to CEPU – Electrical Division – Qld/ NT Branch includes the following:		
Reimbursement of Legal fees	**18,308**	-
Reimbursement of industrial fines	**65,000**	-
Revenue received from CIP Limited includes the following:		
Board fees	**31,670**	39,278
Sponsorship income	**12,000**	-
Compliance income	**55,000**	45,000
Expense paid to CIP Limited includes the following:		
Income protection contributions	**19,847**	27,632
Amounts owed by CIP Limited includes the following:		
Board Fees	**8,235**	8,709
Revenue received from CEPUTEC includes the following:		
Reimbursement of travel costs	**2,816**	-
Administration fees	**20,941**	-
Expense paid to CEPUTEC includes the following:		
Training services (grant expenditure)	**172,362**	-
Revenue received from BERT/ BERT Fund No 2 includes the following:		
Board fees	**39,650**	45,825
Sponsorship	**11,818**	-
Compliance income	**55,000**	45,000
Expenses paid to BERT/ BERT Fund No 2 includes the following:		
Redundancy contributions	**14,580**	22,855
Amounts owed by BERT/ BERT Fund No 2 includes the following:		
Board fees	**9,607**	10,161

Note 14 Related Party Disclosures (Continued)

Note 14A: Related Party Transactions for the Reporting Period
Holders of office and related reporting units (Continued)

	2018	2017
	$	$
Revenue received from BERT Training Fund includes the following:		
Board fees	**12,934**	14,362
Grants	**887,740**	831,708
Sponsorship	**9,091**	1,000
Expense paid to BERT Training Fund includes the following:		
Unexpended grants	**78,593**	-
Amounts owed by BERT Training Fund includes the following:		
Board fees	**1,198**	3,187
Sponsorship	**-**	1,000
Revenue received from BERT Welfare Ltd includes the following:		
Grants	**181,500**	131,250
Revenue received from BEWT includes the following:		
Grants	**11,000**	-
Expense paid to BEWT includes the following		
BEWT contributions	**1,877**	2,594
Revenue received from STQ includes the following:		
Compliance income/ grants	**172,764**	360,828
Sponsorship	**67,000**	-
Travel reimbursement	**2,822**	-
Expenses paid to STQ includes the following:		
Sponsorship	**-**	6,820
Amounts owed by STQ includes the following:		
Prepaid sponsorship	**-**	13,200
Amounts owed to PGUE includes the following:		
Commercial construction levy	**770,910**	588,356
Borrowings	**250,000**	-

Note 14 Related Party Disclosures (Continued)

Note 14A: Related Party Transactions for the Reporting Period
Holders of office and related reporting units (Continued)

	2018	2017
	$	$
Revenue received from FIT includes the following:		
Wage reimbursement	**1,781**	-
Revenue received from PICAC includes the following		
Travel reimbursement	**911**	-
Expense paid to MIC includes the following		
Sponsorship	**8,500**	4,043

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 March 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.

Note 14 Related Party Disclosures (Continued)

Note 14A: 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:

- Gary O'Halloran (Branch Secretary)
- Michael Wiech (Branch Assistant 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 14B: Key Management Personnel Remuneration for the Reporting Period

Short-term employee benefits		
Salary (including annual leave taken)	**334,257**	173,809
Other	**-**	27,189
Total short-term employee benefits	**334,257**	200,998
Post-employment benefits:		
Superannuation	**45,616**	24,801
Total post-employment benefits	**45,616**	24,801
Other long-term benefits:		
Long-service leave	**11,738**	71,181
Retirement provision	**15,651**	103,624
Total other long-term benefits	**27,389**	174,805
Termination benefits	**-**	-
Total	**407,262**	400,604

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.

	2018	2017
	$	$
Note 15 Remuneration of Auditors and Consultants		
Value of the services provided		
Financial statement audit services	**16,225**	13,538
Other services	**27,104**	-
Total remuneration of auditors	**43,329**	15,538

Other services relate to taxation services, accounting and non-financial statement audit services provided by MGI Audit Pty Ltd and related entities. The auditor of the Branch changed from Hanrick Curran Audit Pty Ltd to MGI Audit Pty Ltd during the year.

Note 16 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.

Note 16 Financial Instruments (Continued)

Ageing of financial assets that were past due but not impaired for 2018

	0 to 30 days	**31 to 60 days**	**61 to 90 days**	**90+ days**	**Total**
	$	**$**	**$**	**$**	**$**
Trade and other receivables	**29,775**	**-**	**-**	**-**	**29,775**
Receivables from other reporting units	**280**	**-**	**-**	**-**	**280**
Total	**30,055**	**-**	**-**	**-**	**30,055**

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

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	$	$	$	$	$
Trade and other receivables	14,102	2,500	-	24,552	41,154
Receivables from other reporting units	-	-	-	-	-
Total	14,102	2,500	-	24,552	41,154

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 March 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 March 2018 (2017: Nil).

Note 16 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	**223,000**	298,885	**-**	-	**-**	-	**223,000**	298,885
Other payables	**1,479,171**	1,305,110	**-**	-	**-**	-	**1,479,171**	1,305,110
Financial liabilities	**250,000**	33,644	**-**	-	**-**	-	**250,000**	33,644
Total expected outflows	**1,952,171**	1,637,639	**-**	-	**-**	-	**1,952,171**	1,637,639

Note 16 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	**2,843,794**	2,439,476	**-**	-	**-**	-	**2,843,794**	2,439,476
Trade and other receivables	**30,055**	41,154	**-**	-	**-**	-	**30,055**	41,154
Total anticipated inflows	**2,873,849**	2,480,630	**-**	-	**-**	-	**2,873,849**	2,480,630
Net inflow on financial instruments	**921,678**	842,991	**-**	-	**-**	-	**921,678**	842,991

(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	**1.46**	1.53	**2,843,794**	2,439,476
Financial liabilities	**-**	8.23	**-**	33,644

Note 16 Financial Instruments (Continued)

(d) Market Risk

i. Interest rate risk (Continued)

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

Sensitivity Analysis

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

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

	Profit	**Equity**
	$	**$**
Year ended 31 March 2018		
+1% in interest rates	**25,915**	**25,915**
-1% in interest rates	**(6,220)**	**(6,220)**
Year ended 31 March 2017		
+1% in interest rates	24,043	24,043
-1% in interest rates	(5,788)	(5,788)

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

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

ii. Foreign exchange risk
The Branch is not exposed to direct fluctuations in foreign currencies.

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

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Note 17 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:

		2018		2017	
	Footnote	Carrying value	Fair value	Carrying value	Fair value
		$	$	$	$
Financial assets					
Cash and cash equivalents	(i)	**2,843,794**	**2,843,794**	2,439,476	2,439,476
Accounts receivable and other debtors	(i)	**30,055**	**30,055**	41,154	41,154
Total financial assets		**2,873,849**	**2,873,849**	2,480,630	2,480,630
Financial liabilities					
Trade payables	(i)	**223,000**	**223,000**	298,885	298,885
Other payables	(i)	**1,479,171**	**1,479,171**	1,305,110	1,305,110
Financial liabilities	(i)	**250,000**	**250,000**	33,644	33,644
Total financial liabilities		**1,952,171**	**1,952,171**	1,637,639	1,637,639

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.

Note 17 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 of 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 date. 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 following tables provide an analysis of financial and non-financial assets and liabilities that are measured at fair value, by fair value hierarchy.

Fair value hierarchy – 31 March 2018

	Note	Date of Valuation $	Level 1 $	Level 2 $	Level 3 $
Assets measured at fair value					
Land and buildings – 41 Peel Street, South Brisbane	**7A**	**31 March 2018**	**-**	**-**	**1,300,000**
Land and buildings – 4-6 Quindus Street, Beenleigh	**7A**	**28 November 2016**	**-**	**-**	**484,851**
Total			**-**	**-**	**1,804,851**

The Branch does not have any other assets or liabilities that are recorded using a fair value technique.

Note 17 Fair Value Measurements (Continued)

Fair Value Hierarchy

Fair value hierarchy – 31 March 2017

	Note	Date of Valuation $	Level 1 $	Level 2 $	Level 3 $
Assets measured at fair value					
Land and buildings – 41 Peel Street, South Brisbane	7A	31 March 2015	-	-	1,200,000
Land and buildings – 4-6 Quindus Street, Beenleigh	7A	28 November 2016	-	-	484,851
Total			-	-	1,684,851

The Branch does not have any other assets or liabilities that are recorded using a fair value technique.

Note 18 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 19 Branch Details

The registered office of the Branch is:

CEPU – Plumbing Division – Queensland Branch
41 Peel Street
SOUTH BRISBANE QLD 4101

Note 20 Segment Information

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

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

Note 21 Other Acquisitions of Assets or Liabilities

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

(a) An amalgamation under Part 2 of Chapter 3 of the *Fair Work (Registered Organisations) Act 2009*.

(b) A restructure of Branches or Divisions of the organisation.

(c) A determination by the Commission under subsection 245(1) of the *Fair Work (Registered Organisations) Act 2009* of an alternative reporting structure for the organisation.

(d) A revocation by the Commission under subsection 249(1) of the *Fair Work (Registered Organisations) Act 2009* of a certificate issued to the organisation under subsection 241(1).

(e) A business combination.