



Australian Government
Registered Organisations Commission

1 June 2022

Troy Gray

State Secretary

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services
Union of Australia - Electrical, Energy and Services Division - Victorian Divisional Branch

Sent via email: Troy.Gray@etuvic.com.au

Nick.Ellery@etuvic.com.au

CC: mathavan.parameswaran@rsm.com.au

Dear Troy Gray,

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services
Union of Australia - Electrical, Energy and Services Division - Victorian Divisional Branch
(FR2021/306)

I acknowledge receipt of the financial report for the year ended 31 December 2021 for the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia - Electrical, Energy and Services Division - Victorian Divisional Branch. The documents were lodged with the Registered Organisations Commission (**the ROC**) on 25 May 2022.

The financial report has now been filed. The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009 (RO Act)* have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

You are not required to take any further action in respect of the report lodged. Please note that the financial report for the year ending 31 December 2022 may be subject to an advanced compliance review.

Difference in figure reporting in LGD statement and financial report

A loans, grants and donations statement for the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia - Electrical, Energy and Services Division - Victorian Divisional Branch was lodged with the ROC under subsection 237(1) of the RO Act on 18 March 2022. A figure for donations that exceeded \$1,000 was also disclosed in the financial report, however this figure for donations is different to the total of the figures disclosed in the loans, grants and donations statement.

Per correspondence received on the 30 May 2022, this difference was due to a classification issue whereby a sponsorship payment was incorrectly included in the 'Donations paid that exceed \$1,000' amount in the financial report. Please ensure in future that the financial report matches the loans, grants and donations statement.

Reporting Requirements

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

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

If you have any queries regarding this letter, please contact me on (02) 6240 9999 or by email at Madeleine.Hurrell@roc.gov.au.

Yours sincerely

Madeleine Hurrell

Madeleine Hurrell
Registered Organisations Commission

**Electrical Trades Union of Australia -
Victorian Branch**

**Consolidated Financial Statements
For the Year Ended 31 December 2021**

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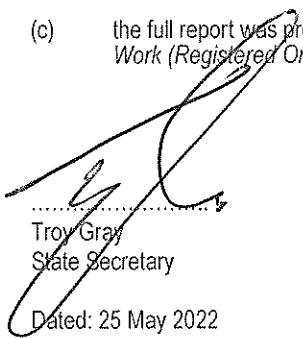
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CERTIFICATE BY STATE SECRETARY
For the year ended 31 December 2021

I, Troy Gray, being the State Secretary of Electrical Trades Union of Australia —Victorian Branch certify that:

- (a) the documents lodged herewith are copies of the full report for the Electrical Trades Union of Australia — Victorian Branch ("ETU") for the period ended 31 December 2021, referred to in Section 268 of the *Fair Work (Registered Organisations) Act 2009*; and
- (b) the full report was provided to members of the Union on 25 May 2022; and
- (c) the full report was presented to the Committee of Management of the ETU on 25 May 2022 in accordance with Section 266 of the *Fair Work (Registered Organisations) Act 2009*.



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Troy Gray
State Secretary

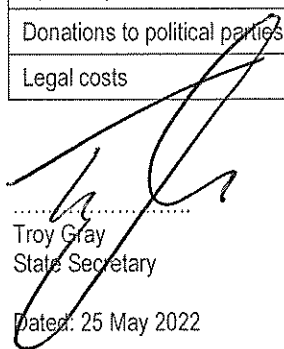
Dated: 25 May 2022

EXPENDITURE REPORT

For the year ended 31 December 2021

The Committee of Management presents the expenditure report as required under subsection 255(2A) of the *Fair Work (Registered Organisations) Act 2009* on the Electrical Trades Union of Australia — Victorian Branch for the year ended 31 December 2021.

Categories of expenditures	2021 (\$)	2020 (\$)
Remuneration and other employment-related costs and expenses – employees	10,201,794	11,924,071
Advertising	881,523	520,855
Operating costs	8,330,637	6,983,814
Donations to political parties	100,000	30,000
Legal costs	98,621	149,943



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Troy Gray
State Secretary

Dated: 25 May 2022

OPERATING REPORT

For the year ended 31 December 2021

The Committee of Management presents its report on the Electrical Trades Union of Australia – Victorian Branch ("ETU") and its controlled entities for the financial year ended 31 December 2021.

1. General information

a. Members

In accordance with section 254 of the *Fair Work (Registered Organisations) Act 2009*, we advise that the names of those who have been members of the Committee of Management at any time during, or since the end of, the year are:

Troy Gray	State Secretary
Ivan Balta	Assistant State Secretary
Arron Harris	Assistant State Secretary
Daniel Filazzoia	President
Graeme Watson	Treasurer
Paul Swann	Vice President
Jim Theodosiou	Branch Executive (Resigned February 2022)
Laura Birch	Branch Executive (Resigned June 2021)
Ken Purdham	Branch Executive
Mark Baldi	Branch Executive
James Barnes	Branch Executive (Appointed February 2022)
John Kus	Branch Executive (Appointed February 2022)

All members of the Committee of Management held office since the start of the financial year to the date of this report unless otherwise stated.

b. Union Secretary

Troy Gray held the position of State Secretary of the Union at the end of the financial year.

c. Number of members

The number of persons who were members at the end of the financial year was 18,275 (2020: 18,160).

d. Number of employees

The number of persons, who were, at the end of the financial year to which the report relates, full time equivalent employees of the reporting unit was 40 (2020: 39).

e. Principal activities and significant changes in nature of activities

The principal activities of the entity during the financial year were:

- Implementation of the decisions of the Committee of Management and Branch Council;
- Implementation of the Union's organising agenda, including direct assistance and strategic advice on particular industry or site organising projects, the training and development of officials;
- Industrial support including representation of individual member grievances, advice on legal and legislative matters, pursuing relevant changes to the conditions of eligibility rules of the Union, and responding to other Union's rules applications where they have an impact on membership of the ETU;
- The administration of federal awards, the variation of awards following major test cases (such as living wage) and making applications to vary federal awards;
- Management of information technology and strategic membership systems designed to support organising;

OPERATING REPORT (CONT.)

For the year ended 31 December 2021

- Communicating to members and to the broader community via media releases in support of campaigns, video and film development, and targeted publications, including the magazine ETU News;
- National bargaining in key industries and assistance to other branches on bargaining by request; and
- Providing training and support services for ETU members, their families, the broader Union movement, the community and the wider electrical industry.

The above activities were successfully achieved or in progress during the financial year.

There were no significant changes in the nature of the entity's principal activities during the financial year.

e. Right of Members to Resign

All members of the Union have the right to resign from the Union in accordance with the rules of the Union and section 174 of the *Fair Work (Registered Organisations) Act 2009*; by providing written notice addressed and delivered to the State Secretary, including via email.

f. Trustee or director of trustee company of a superannuation entity or exempt public sector superannuation scheme s254(2)(d)

No officers of the branch held the position of trustee or as a director of a trustee company of a superannuation entity or exempt public sector superannuation scheme.

2. Business review – Review of operations

The consolidated surplus of the Union for the financial year amounted to \$10,168,935 (2020: \$955,194).

The consolidated surplus is driven by the ETU's share of net profit from the Protect Severance Scheme and Protect Severance Scheme No 2 of \$8,889,999 (2020: \$481,102) as disclosed in note 12 of the financial statements. The ETU does not have the power to direct either Schemes, however under the current accounting standards it is considered to have significant influence, therefore resulting in the need to recognise the ETU's share of net profit of the current year profit entitlement of both Schemes.

Importantly, it should be noted that the ETU's share of the net profit resides within the workers redundancy scheme unless a distribution is received. Any distributions received by the ETU from the Schemes are strictly allocated to the Union's training and welfare centre, which provides for a wide range of free professional development courses, mental health and wellbeing support services, as well as community assistance programs for members and their families.

3. Other items

a. Significant changes in the financial affairs

No significant changes in the financial affairs have arisen to the consolidated entity in the 31 December 2021 financial year.

b. Events after the reporting date

No matters or circumstances have arisen since 31 December 2021 that have significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Signed in accordance with a resolution of the Committee of Management:



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Troy Gray
State Secretary

Dated: 25 May 2022

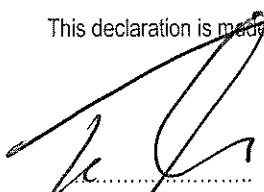
STATEMENT BY COMMITTEE OF MANAGEMENT
For the year ended 31 December 2021

On 25 May 2022, the Committee of Management of the Electrical Trades Union of Australia – Victorian Branch ("ETU") passed the following resolution in relation to the general purpose financial report ("GPFR") for the year ended 31 December 2021.

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the ETU for the financial year ended 31 December 2021;
- (d) there are reasonable grounds to believe that the ETU will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year ended 31 December 2021 and since the end of the financial year:
 - i) meetings of the Committee of Management were held in accordance with the rules of the ETU;
 - ii) the financial affairs of the ETU have been managed in accordance with the rules of the ETU;
 - iii) the financial records of the ETU have been kept and maintained in accordance with the *Fair Work (Registered Organisations) Act 2009*;
 - iv) the financial records of the ETU have been kept, as far as practicable, in a consistent manner to each of the other branches of the national organisation;
 - v) no information has been sought in any request of a member of the ETU or the Commissioner of the Registered Organisations Commission under section 272 of the *Fair Work (Registered Organisations) Act 2009*; and
 - vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the *Fair Work (Registered Organisations) Act 2009*, there has been compliance.

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



Troy Gray
State Secretary

Dated: 25 May 2022



Graeme Watson
Treasurer

RSM Australia Pty Ltd

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INDEPENDENT AUDITOR'S REPORT

To The Members of Electrical Trades Union of Australia – Victorian Branch

Opinion

We have audited the financial report of Electrical Trades Union of Australia – Victorian Branch (Union) and its subsidiaries (consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, the statement by committee of management and the expenditure report as required under subsection 255(2A) of the *Fair Work (Registered Organisations) Act 2009*.

In our opinion, the accompanying financial report of the consolidated entity is in accordance with the *Fair Work (Registered Organisations) Act 2009*, including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009*.

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 consolidated entity in accordance with the auditor independence requirements of the *Fair Work (Registered Organisations) Act 2009* and 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.

Other Information

The committee of management are responsible for the other information. The other information comprises the information included in the Operating Report for the year ended 31 December 2021, but does not include the financial report and the auditor's report thereon.

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 our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of Committee of Management for the Financial Report

The committee of management of the union are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009* and for such internal control as the committee determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee of management are responsible for assessing the ability of the consolidated entity 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 either intend to liquidate the consolidated entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.

Going Concern

The auditor declares that as part of the audit of the financial statements, it was concluded that management's use of the going concern basis of accounting in the preparation of the consolidated entity's financial statements is appropriate.

Approved Auditor

The auditor declares that he is an approved auditor who is a member of The Institute of Chartered Accountants in Australia and New Zealand and holds a current Public Practice Certificate as well as a registered auditor under the *Fair Work (Registered Organisations) Act 2009*.

A handwritten signature in blue ink that reads 'RSM'.

RSM AUSTRALIA PTY LTD

A handwritten signature in blue ink that appears to read 'M Parameswaran'.

M PARAMESWARAN
Director

Melbourne, VIC
Dated: 25 May 2022
ROC Registration Number: AA2021/4

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2021

	Notes	Consolidated		Parent	
		2021	2020	2021	2020
		\$	\$	\$	\$
Revenue					
Membership subscription		8,901,987	8,610,302	8,901,987	8,610,302
Capitation fees and other revenue from another reporting unit		-	-	-	-
Levies		-	-	-	-
Investment income	2(a)	3,184,989	2,388,632	721	812
Rental revenue	2(b)	635,882	578,770	-	-
Other revenue	2(c)	10,225,994	10,356,819	5,054,495	5,456,575
Total revenue		22,948,852	21,934,523	13,957,202	14,067,689
Other income					
Grants and/or donations		-	-	-	-
Share of net profit from associate	12	8,889,999	481,102	5,889,999	481,102
Net gains from sale of assets		49,254	18,532	37,174	15,104
Revenue from recovery of wages		-	-	-	-
Total other income		8,939,253	499,634	5,927,173	496,206
Total income		31,888,105	22,434,157	19,884,376	14,563,895
Expenses					
Employee expenses	3(a)	(10,201,794)	(11,924,071)	(5,522,084)	(7,428,966)
Capitation fees and other expense to another reporting unit	3(b)	(1,666,695)	(1,806,937)	(1,324,295)	(1,474,406)
Affiliation fees	3(c)	(287,001)	(221,735)	(287,001)	(221,735)
Administration expenses	3(d)	(1,341,262)	(1,063,891)	(858,865)	(612,128)
Grants or donations	3(e)	(592,700)	(218,550)	(382,850)	(119,550)
Depreciation and amortisation expense	3(f)	(2,106,595)	(1,870,279)	(536,996)	(573,909)
Legal costs	3(g)	(98,621)	(149,943)	(98,345)	(149,943)
Other expenses	3(h)	(5,424,503)	(4,223,556)	(3,186,605)	(2,398,728)
Total expenses		(21,719,170)	(21,478,962)	(12,197,041)	(12,979,365)
Surplus / (deficit) for the year		10,168,935	955,194	7,687,335	1,584,528
Other comprehensive income					
Items that will be subsequently reclassified to profit or loss					
Gain on debt instruments at fair value through other comprehensive income (FVTOCI)		1,340,734	304,721	-	-
Items that will not be subsequently reclassified to profit or loss					
Gain on equity instruments designated at FVTOCI		2,582,393	-	-	-
Net gain on revaluation of land and buildings		-	9,385,975	-	-
Total comprehensive income for the year		14,092,062	10,645,890	7,687,335	1,584,528
Comprehensive income attributable to members of the parent entity		14,078,998	10,447,778	7,687,335	1,584,528
Comprehensive income attributable to outside equity interest		13,064	198,112	-	-

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2021

	Notes	Consolidated		Parent	
		2021	2020	2021	2020
		\$	\$	\$	\$
ASSETS					
Current Assets					
Cash and cash equivalents	4	21,180,833	19,954,112	6,822,045	5,086,359
Trade and other receivables	5	4,226,794	792,488	4,081,240	3,326,243
Inventories	6	93,897	91,564	93,897	91,564
Other current assets	7	336,956	179,368	147,925	124,780
Total current assets		25,838,480	21,017,532	11,145,108	8,628,946
Non-Current Assets					
Trade and other receivables	5	534,732	540,491	534,732	534,732
Financial assets	8	55,960,928	49,229,771	31,962,101	31,962,101
Property, plant and equipment	10	34,888,750	33,419,541	2,563,114	2,812,046
Intangibles	11	112,763	114,245	2,963	4,445
Investments in associates	12	8,118,023	4,379,775	8,118,023	4,379,775
Total non-current assets		99,615,196	87,683,823	43,180,933	39,693,099
Total assets		125,453,676	108,701,355	54,326,041	48,322,045
LIABILITIES					
Current Liabilities					
Trade and other payables	13	5,053,064	3,291,668	2,638,724	2,796,144
Employee provisions	14	2,869,266	4,266,285	1,970,432	3,478,037
Lease liabilities	21	235,173	18,314	19,610	18,314
Total current liabilities		8,157,503	7,576,267	4,628,766	6,292,495
Non-Current Liabilities					
Employee provisions	14	220,451	160,354	79,380	79,380
Lease liabilities	21	2,521,216	55,422	35,813	55,422
Total non-current liabilities		2,741,667	215,776	115,193	134,802
Total liabilities		10,899,170	7,792,044	4,743,959	6,427,297
Net assets		114,554,507	100,909,312	49,582,083	41,894,748
EQUITY					
Reserves		18,970,166	16,114,687	-	-
Accumulated surplus		95,539,919	84,723,602	49,582,083	41,894,748
Equity attributable to members of the parent entity		114,510,085	100,838,289	49,582,083	41,894,748
Outside equity interests in controlled entities		44,422	71,023	-	-
Total equity		114,554,507	100,909,312	49,582,083	41,894,748

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2021

2020 Consolidated	Accumulated Surplus \$	Asset Revaluation Reserve \$	Financial Assets Reserve \$	Total Equity \$
Balance at 1 January 2020	84,330,076	3,471,419	2,952,572	90,754,067
Surplus/(deficit) for the year	955,194	-	-	955,194
Other Comprehensive income	-	9,385,975	304,721	9,690,696
Distribution to beneficiaries	(490,645)	-	-	(490,645)
Balance at 31 December 2020	84,794,625	12,857,394	3,257,293	100,909,312

2021 Consolidated	Accumulated Surplus \$	Asset Revaluation Reserve \$	Financial Assets Reserve \$	Total Equity \$
Balance at 1 January 2021	84,794,625	12,857,394	3,257,293	100,909,312
Surplus/(deficit) for the year	10,168,935	-	-	10,168,935
Other Comprehensive income	-	-	3,923,125	3,923,125
Distribution to beneficiaries	(339,627)	-	-	(339,627)
Realised (gain)/loss on disposal of debt instruments	-	-	(107,237)	(107,237)
Realised (gain)/loss on disposal of equity instruments	960,409	-	(960,409)	-
Balance at 31 December 2021	95,584,341	12,857,394	6,112,772	114,554,507

2020 Parent	Accumulated Surplus \$	Asset Revaluation Reserve \$	Financial Assets Reserve \$	Total Equity \$
Balance at 1 January 2020	40,310,220	-	-	40,310,220
Surplus/(deficit) for the year	1,584,528	-	-	1,584,528
Other Comprehensive income	-	-	-	-
Balance at 31 December 2020	41,894,748	-	-	41,894,748

2021 Parent	Accumulated Surplus \$	Asset Revaluation Reserve \$	Financial Assets Reserve \$	Total Equity \$
Balance at 1 January 2021	41,894,748	-	-	41,894,748
Surplus/(deficit) for the year	7,687,335	-	-	7,687,335
Other Comprehensive income	-	-	-	-
Balance at 31 December 2021	49,582,083	-	-	49,582,083

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2021

Notes	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
income	20,214,727	19,555,783	10,705,617	10,885,776
Payments to suppliers and employees	(21,662,678)	(19,223,683)	(14,197,333)	(11,644,146)
Dividends received	416,435	167,624	-	-
Receipt of interest and distributions on financial assets	2,634,162	2,747,068	721	812
Interest paid	(37,601)	(5,696)	(4,486)	(5,696)
Net cash provided by/(used in) operating activities	16	<u>1,565,045</u>	<u>3,241,096</u>	<u>(763,254)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of property plant and equipment	311,484	181,607	278,887	160,729
Purchase of property, plant and equipment	(1,051,405)	(1,318,107)	(528,294)	(419,111)
Purchase of intangibles	-	(54,900)	-	-
Purchase of financial assets	(17,541,569)	(20,515,663)	-	-
Proceeds from maturity / sale of financial assets	14,733,537	25,413,805	-	-
Proceeds from investments in associates	2,151,751	-	2,151,751	-
Net proceeds / (payments) of loans	-	-	-	-
Net proceeds / (payments) to related parties	1,500,000	-	3,347,139	3,498,498
Net cash provided by/(used in) investing activities		<u>103,799</u>	<u>5,249,483</u>	<u>3,240,116</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Beneficiary payments	(339,627)	(490,645)	-	-
Repayments of lease liabilities	(102,495)	(17,104)	(18,314)	(17,104)
Net cash provided by/(used in) financing activities		<u>(442,122)</u>	<u>(18,314)</u>	<u>(17,104)</u>
Net increase/(decrease) in cash held		1,226,721	1,735,688	2,459,758
Cash and cash equivalents at beginning of the year		19,954,112	5,086,359	2,626,601
Cash and cash equivalents at end of the year	4	<u>21,180,833</u>	<u>6,822,046</u>	<u>5,086,359</u>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

1. Summary of significant accounting policies

Electrical Trades Union of Australia - Victorian Branch ("ETU") is a registered trade union domiciled in Australia.

a. Basis of preparation

The financial statements are general purpose financial statements that 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 Organisations) Act 2009*. For the purpose of preparing the general purpose financial statements, the ETU is a not for profit entity.

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The financial statements have been prepared on an accruals basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

b. Comparative amounts

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

c. Principles of consolidation

The consolidated financial statements comprise the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost. A controlled entity is any entity over which the ETU has power to govern the financial and operating policies so as to obtain benefits from its activities.

Controlled entities

Where controlled entities have entered or left the economic entity during the year, the financial performance of those entities is included only for the period that they were controlled. A list of controlled entities is contained in Note 9 to the financial statements.

During the year ended 31 December 2021, there were no assets or liabilities acquired through any business combination.

Inter-entity balances

In preparing the consolidated financial statements, all inter-entity balances and transactions between entities in the economic entity have been eliminated in full for the purpose of these consolidated financial statements. Appropriate adjustments have been made to a controlled entity's financial statements where the accounting policies used by those entities were different from those adopted in the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2021

1. Summary of significant accounting policies (Cont.)

d. Revenue and other income

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the entity, identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services performed.

Revenue from the provision of membership subscriptions is recognised on a straight-line basis over the financial year and is only recognised for financial members.

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time when the goods are delivered.

Management fee and administration income is brought to account on a monthly and accruals basis.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Dividend revenue is recognised when the right to receive a dividend has been established.

Donation income is recognised when it is received.

e. Taxation

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

Revenue, 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 cash flow statement 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.

f. Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

g. Inventories

Inventories are measured at the lower of cost and net realisable value.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2021

1. Summary of significant accounting policies (Cont.)

h. Property, plant and equipment

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

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. It is the policy of the economic entity to have an independent valuation every three years, with annual appraisals being made by the Committee of Management. In the periods when the freehold land and buildings are not subject to an independent valuation, the Committee conducts valuations to ensure the land and buildings carrying amount is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the consolidated statement of profit or loss and other comprehensive income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset.

The carrying amount of plant and equipment is reviewed annually by the Committee of Management to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of buildings is depreciated on a straight-line basis over their useful lives to the economic entity commencing from the time the building is held ready for use. All other fixed assets excluding freehold land, are depreciated on a diminishing value basis over the asset's useful life to the economic entity commencing from the time the asset is held ready for use. Land is not depreciated.

Depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation rate
Buildings and improvements	2.50%
Furniture, Fixtures and Fittings	11.25% – 15.04%
Motor Vehicles	25%
Office Equipment	13.3% - 20%
Computer Equipment	37.50 – 50%

Assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2021

1. Summary of significant accounting policies (Cont.)

i. Intangibles

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Amortisation rates used for each class of amortisable assets are:

Class of Intangibles	Amortisation rate
Computer Software	33.33%

Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit and loss when the asset is derecognised.

j. Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

k. Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2021

1. Summary of significant accounting policies (Cont.)

l. Financial instruments

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity holds for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

m. Impairment of assets

At the end of each reporting period, the economic entity assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information and dividends received from controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Value in use is calculated by discounting the estimated future cash flows of the asset or cash-generating unit (CGU) at a pre-tax discount rate reflecting the specific risks in the asset / CGU. Any excess of the asset's carrying value over its recoverable amount is expensed to the consolidated statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the economic entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

n. Employee benefits

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

o. Provisions

Provisions are recognised when the economic entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of Management's best estimate of the outflow required to settle the obligation at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2021

1. Summary of significant accounting policies (Cont.)

p. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated statement of financial position are shown inclusive of GST.

Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

q. Investments in associate using the equity method of accounting

An associate is an entity over which the Electrical Trades Union – Victorian Branch has significant influence and is neither a subsidiary nor a joint venture interest. Significant influence is determined as the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Under the equity method, an investment in an associate is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the share of the profit or loss and other comprehensive income of the associate.

When the share of losses of an associate exceeds the interest in that associate, the Electrical Trades Union – Victorian Branch discontinues recognising its share of further losses. Additional losses are recognised only to the extent that legal or constructive obligations or payments on behalf of the associate have been incurred.

Any excess of the cost of acquisition over the share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

r. New and amended standards adopted by the consolidated entity

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

s. Going concern

The entity is not reliant on financial support from another reporting entity to enable the entity to operate as a going concern or any other financial support.

There were no assets or liabilities acquired as a result of amalgamation, restructure, the granting or revocation of a certificate under section 245 or section 249 of *Fair Work (Registered Organisations) Act 2009*.

The entity did not provide any financial support to another reporting entity to enable that reporting entity to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2021

1. Summary of significant accounting policies (Cont.)

t. Significant accounting estimates and judgements

The preparation of the financial statements requires Management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events. Management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. Management have identified one judgement, estimate and assumption that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is discussed below.

Investment in Associate – Equity Accounting for Protect Severance Scheme and Protect Severance Scheme No. 2

The Union's associates, Protect Severance Scheme and Protect Severance Scheme No. 2, are made up of four divisions, which includes an electrical division. The Union is part of the electrical division. The trustees of the respective scheme may exercise their rights to distribute capital surplus to the four divisions of the schemes. The Union is entitled to 75% of the distribution that is provided to the electrical division. For the purposes of equity accounting, management estimated the proportion of the capital surplus that the electrical division may have entitlement to based on the current year profit entitlement for the division. The proportion will be reviewed annually. Consequently, the Union's share of the associate's profits and net assets is 55.6% in Protect Severance Scheme and 67.1% in Protect Severance Scheme No 2 (being the Union's 75% distribution entitlement of the current year profit entitlement for the electrical division).

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2021

	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$
2. REVENUE				
(a) Investment income				
Interest and distributions on financial assets	2,768,460	2,221,008	721	812
Dividends	416,529	167,624	-	-
Total investment income	3,184,989	2,388,632	721	812
(b) Rental revenue				
Properties	635,882	578,770	-	-
Total rental revenue	635,882	578,770	-	-
(c) Other revenue				
Sale of goods	43,535	46,035	43,535	46,035
Management fees	3,018,567	3,146,186	576,300	834,469
Administration income	6,099,617	5,718,135	-	-
Sundry income	846,715	1,235,659	168,657	458,212
Directors Fees	217,560	210,804	217,560	210,804
Trust distributions	-	-	4,048,443	3,907,055
Total other revenue	10,225,994	10,356,819	5,054,495	5,456,575
3. EXPENSES				
(a) Employee expenses				
Holders of office:				
Wages and salaries (i)	688,139	710,035	688,139	710,035
Superannuation (i)	136,157	132,176	136,157	132,176
Leave and other entitlements (i)	(457,522)	177,325	(457,522)	177,325
Other employee expenses (i)	87,329	81,265	87,329	81,265
Subtotal employee expenses holders of office	454,103	1,100,801	454,103	1,100,801
Employees other than office holders:				
Wages and salaries (ii)	7,832,971	7,526,283	4,293,987	4,112,270
Superannuation (ii)	1,149,957	1,103,261	705,196	698,077
Leave and other entitlements (ii)	36,864	1,249,485	(380,602)	962,824
Other employee expenses (ii)	727,899	944,241	449,400	554,994
Subtotal employee expenses employees other than office holders	9,747,691	10,823,270	5,067,981	6,328,165
Total employee expenses	10,201,794	11,924,071	5,522,084	7,428,966
(i) For the year ended 31 December 2021, there were no separation / redundancy expenses paid in respect of office holders (FY 2020: \$0) in the consolidated entity.				
(ii) For the year ended 31 December 2021, there were redundancy payments of \$341,413 (FY 2020: \$245,424) of which \$Nil (2020: \$287,197) was previously provided for in the redundancy provision.				
Disclosure of remuneration of Elected Officials				
State secretary	227,266	209,885	227,266	209,885
Assistant state secretaries (2 x people)	406,337	378,554	406,337	378,554
President	204,882	189,865	204,882	189,865
Organisers	2,911,148	2,420,526	2,911,148	2,420,526
	3,749,633	3,198,830	3,749,633	3,198,830

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2021

	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$
3. EXPENSES (CONT.)				
(b) Capitation fees and other expense to another reporting unit				
Capitation fees				
Communications, Electrical and Plumbing Union (CEPU) National Office	1,206,269	1,245,144	1,206,269	1,245,144
Subtotal capitation fees	1,206,269	1,245,144	1,206,269	1,245,144
CEPU National Office				
Subscriptions expenses	20,755	15,385	20,755	15,385
Research projects & reports expenses	11,321	10,990	11,321	10,990
Publication expenses	45,963	105,028	45,963	105,028
Campaign expenses	-	20,000	-	20,000
Travelling & accommodation expenses	1,947	-	1,947	-
Legal fees	38,040	77,859	38,040	77,859
	118,026	229,262	118,026	229,262
Income protection expenses				
CEPU - South Australia	23,295	24,387	-	-
CEPU - Tasmania	159,911	157,927	-	-
CEPU - Western Australia	159,194	150,217	-	-
	342,400	332,531	-	-
Subtotal other expenses paid to another reporting unit	460,426	561,793	118,026	229,262
Total capitation fees and other expense paid to another reporting unit	1,666,695	1,806,937	1,324,295	1,474,406
(c) Affiliation fees				
Ballarat Trades Hall	3,576	3,576	3,576	3,576
Bendigo Trades Hall Council	1,600	1,600	1,600	1,600
CEPU National - National Council Fund	27,240	27,124	27,240	27,124
Geelong Trades Hall Council	8,690	8,536	8,690	8,536
Gippsland Trades & Labour Council	2,627	2,627	2,627	2,627
Goulburn Valley Trade & Labour Council	1,152	864	1,152	864
Sunraysia TLC Affiliations	65	130	65	130
North East Trades & Labour Council	880	880	880	880
SW District Trades & Labour Council	1,418	1,950	1,418	1,950
Vic.Trades Hall Council	149,482	86,736	149,482	86,736
ALP Victorian Branch	90,271	87,710	90,271	87,710
Total affiliation fees	287,001	221,735	287,001	221,735
(d) Administration expenses				
Consideration to employers for payroll deductions	-	-	-	-
Compulsory levies	-	-	-	-
Fees / allowances - meeting and conferences	-	-	-	-
Conference and meeting expenses	143,455	81,166	116,994	52,603
Contractors/consultants	226,175	56,498	115,578	20,916
Audit and other services	261,734	226,421	188,049	150,466
Printing costs	166,637	167,451	150,885	94,800
Computer related costs	359,838	261,239	192,153	182,261
Publication costs	183,423	271,116	95,206	111,082
Total administration expenses	1,341,262	1,063,891	858,865	612,128

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2021

	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$
3. EXPENSES (CONT.)				
(e) Grants or donations				
Grants:				
Total paid that were \$1,000 or less	48,850	21,000	4,000	2,000
Total paid that exceed \$1,000	-	-	-	-
Total grants	48,850	21,000	4,000	2,000
Donations:				
Total paid that were \$1,000 or less	700	4,200	700	4,200
Total paid that exceed \$1,000	543,150	193,350	378,150	113,350
Total donations	543,850	197,550	378,850	117,550
Total grants or donations	592,700	218,550	382,850	119,550
This amount excludes \$49,000 (FY 2020: \$65,400) of beneficiary payments made directly from a subsidiary trust to members of the union in relation to member hardship. The total donations including member hardship for the year was \$592,850 (FY 2020: \$262,950).				
(f) Depreciation and amortisation				
Depreciation				
Buildings	1,453,068	254,310	135,236	-
Furniture, fixtures and fittings	56,705	3,534	26,969	28,628
Improvements	-	1,109,787	-	151,386
Motor vehicles	278,775	299,886	225,199	249,413
Office equipment	121,411	70,056	31,208	35,082
Computer equipment	110,060	111,225	97,644	87,919
Right-of-use assets - Office equipment	19,258	19,258	19,258	19,258
Right-of-use assets - Buildings	65,836	-	-	-
Total depreciation	2,105,113	1,868,056	535,514	571,686
Amortisation				
Intangibles	1,482	2,223	1,482	2,223
Total amortisation	1,482	2,223	1,482	2,223
Total depreciation and amortisation	2,106,595	1,870,279	536,996	573,909
(g) Legal costs				
Litigation	51,086	148,371	51,086	148,371
Other legal matters	47,535	1,572	47,259	1,572
Total legal costs	98,621	149,943	98,345	149,943
(h) Other expenses				
Penalties - via the Fair work Act 2009	-	-	-	-
Ambulance membership costs	547,298	404,404	-	-
Picket line expenses	16,252	-	16,252	-
Motor vehicle costs	287,889	272,160	241,004	236,035
Gift expense	-	-	800,000	550,000
Campaign expenses	548,445	145,455	548,445	145,455
Sundry expenses	3,143,096	2,830,682	346,784	1,081,468
Advertising and promotion	881,523	520,855	734,121	385,770
Total other expenses	5,424,503	4,223,556	3,186,605	2,398,728

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2021

		Consolidated		Parent	
		2021	2020	2021	2020
		\$	\$	\$	\$
4. CASH AND CASH EQUIVALENTS					
Cash on hand		4,574	4,707	4,500	4,500
Cash at bank		21,176,259	19,949,405	6,817,545	5,081,859
		<u>21,180,833</u>	<u>19,954,112</u>	<u>6,822,045</u>	<u>5,086,359</u>
5. TRADE AND OTHER RECEIVABLES					
Current					
Trade receivables		664,634	575,050	65,252	12,653
Allowance for expected credit losses		-	-	-	-
		<u>664,634</u>	<u>575,050</u>	<u>65,252</u>	<u>12,653</u>
Receivable from other reporting units		-	-	-	-
Allowance for expected credit losses		-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other receivables		72,688	112,515	71,785	70,691
Controlled entity receivable		-	-	3,930,095	3,228,791
Unpaid distributions	12	3,014,108	14,108	14,108	14,108
Accrued income		475,364	90,815	-	-
		<u>4,226,794</u>	<u>792,488</u>	<u>4,081,240</u>	<u>3,326,243</u>
Non-current					
Unpaid trust distributions		534,732	534,732	534,732	534,732
Other receivables		-	5,759	-	-
		<u>534,732</u>	<u>540,491</u>	<u>534,732</u>	<u>534,732</u>
6. INVENTORIES					
Finished goods		93,897	91,564	93,897	91,564
		<u>93,897</u>	<u>91,564</u>	<u>93,897</u>	<u>91,564</u>
7. OTHER CURRENT ASSETS					
Prepayments		336,956	179,366	147,925	124,780
		<u>336,956</u>	<u>179,366</u>	<u>147,925</u>	<u>124,780</u>
8. FINANCIAL ASSETS					
Fair value through other comprehensive income (a)		47,480,028	43,636,058	3	3
Held at amortised cost (c)		8,480,900	5,593,713	-	-
Other investments (b)		-	-	31,962,098	31,962,098
		<u>55,960,928</u>	<u>49,229,771</u>	<u>31,962,101</u>	<u>31,962,101</u>
(a) Fair value through other comprehensive income					
Listed investments		12,852,258	10,606,993	-	-
Unlisted investments		34,627,770	33,029,065	-	-
Shares in related parties		-	-	3	3
		<u>47,480,028</u>	<u>43,636,058</u>	<u>3</u>	<u>3</u>
(b) Other investments comprises					
Investment in subsidiaries		-	-	31,962,098	31,962,098
		<u>-</u>	<u>-</u>	<u>31,962,098</u>	<u>31,962,098</u>
(c) Held at amortised cost					
Term deposits		-	-	-	-
Fixed interest securities		8,480,900	5,593,713	-	-
		<u>8,480,900</u>	<u>5,593,713</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2021

9. CONTROLLED ENTITIES	Country of Incorporation	Percentage Owned (%) 2021	Percentage Owned (%) 2020
ETU - Victorian Branch Trust	Australia	100	100
ETU - (Victorian Branch) Distress, Hardship, Welfare & Training Fund	Australia	100	100
ETU (Distress, Mortality & Trading) Pty Ltd	Australia	100	100
ETU Arden Trust	Australia	100	100
ETU Swanston Trust ⁽ⁱ⁾	Australia	100	100
ETU Morwell Trust	Australia	100	100
ETU Comrades Trust ⁽ⁱ⁾	Australia	100	100
ETU (Victorian Branch) Pty Ltd	Australia	100	100
ETU (National) Pty Ltd	Australia	100	100
ETU Pty Ltd	Australia	100	100
Electrical Electronic Industry Training Ltd	Australia	100	100
Protect Services Pty Ltd	Australia	75	75

(i) Both ETU Swanston Trust and ETU Comrades Trust will be wound-up during financial year 2022.

	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$
10. PROPERTY, PLANT AND EQUIPMENT				
LAND AND BUILDINGS - AT FAIR VALUE				
Land and buildings - at fair value ⁽ⁱ⁾	31,909,956	31,250,000	2,014,300	2,014,300
Accumulated depreciation	(2,103,184)	-	(884,188)	(748,952)
Total land and buildings	<u>29,806,772</u>	<u>31,250,000</u>	<u>1,130,112</u>	<u>1,265,348</u>

(i) An independent valuation was not conducted for the financial year ended 31 December 2021. A valuation was conducted for financial year 2020 and the fair values of the properties were determined by using the Income Capitalisation Method. The valuations were performed by Peter Stewart and Patrick J Brady who are accredited independent valuers from WBP Group Pty Ltd. The valuation included two key assumptions; annual rental per square meter which ranged from \$151 to \$442; and a capitalisation rate which ranged from 5.0% to 7.5%.

PLANT AND EQUIPMENT - AT COST				
Furnitures, fixtures and fittings - at cost	1,171,959	1,134,936	917,719	908,819
Accumulated depreciation	(677,829)	(621,124)	(609,993)	(583,024)
	<u>494,130</u>	<u>513,812</u>	<u>307,726</u>	<u>325,795</u>
Motor vehicles - at cost	1,502,169	1,478,974	1,211,241	1,190,211
Accumulated depreciation	(562,889)	(502,943)	(449,140)	(389,919)
	<u>939,280</u>	<u>976,031</u>	<u>762,101</u>	<u>800,292</u>
Office equipment - at cost	650,469	989,072	505,558	725,391
Accumulated depreciation	(320,505)	(591,139)	(232,681)	(430,824)
	<u>329,964</u>	<u>397,933</u>	<u>272,877</u>	<u>294,567</u>
Computer equipment - at cost	1,041,668	1,299,416	720,491	1,063,568
Accumulated depreciation	(812,111)	(1,089,233)	(682,517)	(1,009,106)
	<u>229,557</u>	<u>210,183</u>	<u>37,974</u>	<u>54,462</u>
Right of use asset - office equipment - at cost	90,840	90,840	90,840	90,840
Accumulated depreciation	(38,516)	(19,258)	(38,516)	(19,258)
	<u>52,324</u>	<u>71,582</u>	<u>52,324</u>	<u>71,582</u>
Right of use asset - buildings - at cost	2,789,039	-	-	-
Accumulated depreciation	(69,726)	-	-	-
	<u>2,719,313</u>	<u>-</u>	<u>-</u>	<u>-</u>
Work in progress - at cost	317,410	-	-	-
Total Work in progress	<u>317,410</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total plant and equipment	<u>5,081,978</u>	<u>2,169,541</u>	<u>1,433,002</u>	<u>1,546,698</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>34,888,750</u>	<u>33,419,541</u>	<u>2,563,114</u>	<u>2,812,046</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2021

10. PROPERTY, PLANT AND EQUIPMENT (Cont.)

Movements in Carrying Amounts

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

Consolidated	Buildings \$	Furniture, fixtures and fittings \$	Improvements \$	Works in progress \$	Motor vehicles \$	Office equipment \$	Computer equipment \$	Right-of-use assets: Office equipment \$	Right-of-use assets: Buildings \$	Total \$
Balance at 1 January 2020	12,791,815	393,822	6,136,047	3,810,995	1,129,244	399,697	174,969	-	-	24,746,590
Additions	342,771	123,524	234,591	1,905	309,744	68,292	146,439	90,840	-	1,318,107
Disposals - written down value	-	-	-	-	(163,072)	-	-	-	-	(163,072)
Depreciation expense	(254,310)	(3,534)	(1,109,787)	-	(299,806)	(70,056)	(111,225)	(19,258)	-	(1,868,056)
Transfers	9,073,749	-	(5,260,850)	(3,812,900)	-	-	-	-	-	-
Revaluation	9,385,975	-	-	-	-	-	-	-	-	9,385,975
Balance at 31 December 2020	31,250,000	513,812	-	-	976,031	397,933	210,183	71,582	-	33,419,541
Balance at 1 January 2021	31,250,000	513,812	-	-	976,031	397,933	210,183	71,582	-	33,419,541
Additions	10,755	37,023	-	317,410	471,547	80,913	133,757	-	2,785,149	3,836,555
Disposals - written down value	(915)	-	-	-	(229,523)	(27,469)	(4,323)	-	-	(262,230)
Depreciation expense	(1,453,068)	(56,705)	-	-	(278,775)	(121,411)	(110,060)	(19,258)	(65,836)	(2,105,114)
Balance at 31 December 2021	29,806,772	494,130	-	317,410	939,280	329,965	229,557	52,324	2,719,313	34,888,750

The consolidated entity leases a building for one of its offices under an agreement of five years with an option to extend for a further five years. The lease has various escalation clauses. On renewal, the terms of the leases are renegotiated.

Parent	Buildings \$	Furniture, fixtures and fittings \$	Improvements \$	Works in progress \$	Motor vehicles \$	Office equipment \$	Computer equipment \$	Right-of-use assets: Office equipment \$	Right-of-use assets: Buildings \$	Total \$
Balance at 1 January 2020	-	334,356	1,416,734	-	929,848	327,518	101,790	-	-	3,110,246
Additions	-	20,067	-	-	265,482	2,131	40,591	90,840	-	419,111
Disposals - written down value	-	-	-	-	(145,625)	-	-	-	-	(145,625)
Transfers	1,265,348	-	(1,265,346)	-	-	-	-	-	-	-
Depreciation expense	-	(28,628)	(151,396)	-	(249,413)	(35,082)	(87,919)	(19,258)	-	(571,686)
Balance at 31 December 2020	1,265,348	325,795	-	-	800,292	294,567	54,462	71,582	-	2,812,046
Balance at 1 January 2021	1,265,348	325,795	-	-	800,292	294,567	54,462	71,582	-	2,812,046
Additions	-	8,900	-	-	386,170	38,498	94,726	-	-	528,294
Disposals - written down value	-	-	-	-	(199,163)	(28,980)	(13,570)	-	-	(241,713)
Depreciation expense	(135,236)	(26,969)	-	-	(225,199)	(31,208)	(97,644)	(19,258)	-	(535,514)
Balance at 31 December 2021	1,130,112	307,726	-	-	762,101	272,877	37,974	52,324	-	2,563,114

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2021

	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$
11. INTANGIBLES				
Computer software - at cost	453,390	453,390	343,590	343,590
Accumulated amortisation	(340,627)	(339,145)	(340,627)	(339,145)
Total intangible assets	<u>112,763</u>	<u>114,245</u>	<u>2,963</u>	<u>4,445</u>

Movements in Carrying Amounts

Movement in carrying amounts for each class of intangibles between the beginning and the end of the current financial year:

	Computer software	Total	Computer software	Total
	\$	\$	\$	\$
Balance at 1 January 2020	61,568	61,568	6,668	6,668
Additions	54,900	54,900	-	-
Amortisation expense	(2,223)	(2,223)	(2,223)	(2,223)
Balance at 31 December 2020	<u>114,245</u>	<u>114,245</u>	<u>4,445</u>	<u>4,445</u>
Balance at 1 January 2021	114,245	114,245	4,445	4,445
Additions	-	-	-	-
Amortisation expense	(1,482)	(1,482)	(1,482)	(1,482)
Balance at 31 December 2021	<u>112,763</u>	<u>112,763</u>	<u>2,963</u>	<u>2,963</u>

12. INVESTMENTS IN ASSOCIATES

ElectNet (Aust) Pty Ltd	2	2	2	2
Protect Severance Scheme	1,826,091	2,579,079	1,826,091	2,579,079
Protect Severance Scheme No.2 Pty Ltd	2	2	2	2
Protect Severance Scheme No.2	6,262,177	1,770,941	6,262,177	1,770,941
IPP Property Trust	225,751	225,751	225,751	225,751
Provision for impairment	(196,000)	(196,000)	(196,000)	(196,000)
	<u>8,118,023</u>	<u>4,379,775</u>	<u>8,118,023</u>	<u>4,379,775</u>

Details of investments in associates

Name of Associate	Principal place of activity	Ownership	
		2021 %	2020 %
ElectNet (Aust) Pty Ltd ⁽ⁱ⁾	Australia	50%	50%
Protect Severance Scheme	Australia	~ ⁽ⁱ⁾	~ ⁽ⁱ⁾
Protect Severance Scheme No.2 Pty Ltd ⁽ⁱⁱ⁾	Australia	50%	50%
Protect Severance Scheme No.2	Australia	~ ⁽ⁱⁱ⁾	~ ⁽ⁱⁱ⁾
IPP Property Trust	Australia	9% ⁽ⁱⁱⁱ⁾	9% ⁽ⁱⁱⁱ⁾

(i) ElectNet (Aust) Pty Ltd is the trustee for Protect Severance Scheme. The entity acts solely as a trustee company and has no material assets and liabilities.

The Protect Severance Scheme was established to support employers, workers and their families in the electrical, manufacturing, maritime, rail and construction industries during any period of unemployment, illness, injury, personal difficulty, career transition or skill development. The Protect Severance Scheme is able to distribute excess funds at the discretion of the trustee.

The Electrical Trades Union – Victorian Branch has three representatives on the board of Protect Severance Scheme and thus is considered under AASB 128 Investment in Associates and Joint Venture to have significant influence over financial and operating decisions. Whilst the Electrical Trades Union – Victorian Branch has assessed that it does not have the power to direct the Protect Severance Scheme, the application of the requirements of AASB 128 result in the accounting for this interest in the Protect Severance Scheme as an interest in associate.

The Scheme is made up of four divisions of which the Electrical Trades Union - Victorian Branch is entitled to a distribution of 55.6% (FY 2020: 60.2%).

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2021

12. INVESTMENTS IN ASSOCIATES (CONT.)

(ii) Protect Severance Scheme No.2 Pty Ltd is the trustee for Protect Severance Scheme No.2. The entity acts solely as a trustee company and has no material assets and liabilities.

The Protect Severance Scheme No.2 was established to support employers, workers and their families in the electrical, manufacturing, maritime, rail and construction industries during any period of unemployment, illness, injury, personal difficulty, career transition or skill development. The Protect Severance Scheme No. 2 is able to distribute excess funds at the discretion of the trustee.

The Electrical Trades Union – Victorian Branch has three representatives on the board of Protect Severance Scheme No.2 and thus is considered under AASB 128 Investment in Associates and Joint Venture to have significant influence over financial and operating decisions. Whilst the Electrical Trades Union – Victorian Branch has assessed that it does not have the power to direct the Protect Severance Scheme No. 2, the application of the requirements of AASB 128 result in the accounting for this interest in the Protect Severance Scheme No.2 as an interest in associate.

The Scheme is made up of four divisions of which the Electrical Trades Union - Victorian Branch is entitled to a distribution of 67.1% (FY 2020: 56.8%).

(iii) ETU's investment in IPP Property Trust is not material for further disclosure for these financial statements.

Protect Severance Scheme

	ETU Share 55.6% 2021 \$	Protect Severance Scheme 100% 2021 \$	ETU Share 60.2% 2020 \$	Protect Severance Scheme 100% 2020 \$
Statement of financial position:				
Assets	82,280,906	147,880,457	97,844,870	162,464,809
Liabilities	(76,886,200)	(138,184,751)	(92,385,630)	(153,400,109)
Net assets	5,394,705	9,695,706	5,459,240	9,064,700
Statement of comprehensive income:				
Income	7,135,242	12,823,909	4,550,804	7,556,303
Expenses	(2,736,479)	(4,918,174)	(1,971,725)	(3,273,917)
Income tax	-	-	-	-
Net surplus/(deficit)	<u>4,398,763</u>	<u>7,905,735</u>	<u>2,579,079</u>	<u>4,282,386</u>
	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$
Reconciliation of the entity's carrying amount				
Opening carrying amount	2,579,079	-	2,579,079	-
Share of net profit from associate (i)	4,398,763	2,579,079	1,398,763	2,579,079
Distributions paid (i)	(5,151,751)	-	(2,151,751)	-
Closing carrying amount	<u>1,826,091</u>	<u>2,579,079</u>	<u>1,826,091</u>	<u>2,579,079.00</u>

(i) ETU Parent's share of net profit from associate has been reduced by an amount of \$3,000,000 (2020: \$Nil) due to ElectNet (Aust) Pty Ltd as the trustee for Protect Severance Scheme distributing this amount directly to Electrical Electronic Industry Training Ltd.

Distributions received from associate was \$5,151,751 (2020: \$Nil). As at 31 December 2021, \$3,014,108 (FY 2020: \$14,108) was unpaid.

Associate had contingent liabilities and capital commitments as at 31 December 2021 of \$Nil (2020: \$Nil) and \$Nil (2020: \$Nil), respectively.

The Union has provided a three year facility agreement to the Associate. The available facility limit is up to \$15M initially with the limit decreasing by \$2.5M every six months, to October 2022. The facility has not been drawn upon by the Associate as at 31 December 2021.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2021

12. INVESTMENTS IN ASSOCIATES (CONT.)

Protect Severance Scheme No.2

	ETU Share 67.1% 2021 \$	Protect Severance Scheme No. 2 100% 2021 \$	ETU Share 56.8% 2020 \$	Protect Severance Scheme No. 2 100% 2020 \$
Statement of financial position:				
Assets	134,166,032	200,060,336	89,885,997	158,181,115
Liabilities	(128,512,390)	(191,629,771)	(88,901,026)	156,447,766
Net assets	5,653,642	8,430,564	984,971	1,733,349
Statement of comprehensive income:				
Income	10,256,120	15,296,438	3,398,874	5,981,328
Expenses	(3,092,961)	(4,612,033)	(3,244,269)	(5,709,256)
Income tax	(2,673,923)	(3,987,190)	(2,252,582)	(3,964,087)
Net surplus/(deficit)	4,491,236	6,697,215	(2,097,977)	(3,692,015)

	Consolidated		Parent	
	2021 \$	2020 \$	2021 \$	2020 \$
Reconciliation of the entity's carrying amount				
Opening carrying amount	1,770,941	3,868,918	1,770,941	3,868,918
Share of net profit/(loss) from associate	4,491,236	(2,097,977)	4,491,236	(2,097,977)
Closing carrying amount	6,262,177	1,770,941	6,262,177	1,770,941

Distributions received from associate was \$Nil (2020: \$nil).

Associate had contingent liabilities and capital commitments as at 31 December 2021 of \$nil (2020: \$nil) and \$nil (2020: \$nil), respectively.

13. TRADE AND OTHER PAYABLES

Unsecured liabilities				
Trade payables (i)	769,047	527,509	278,773	402,231
Other payables	368,409	351,732	72,774	77,515
Accrued expenses - general	538,590	510,058	416,408	414,029
Legal costs payable - litigation	-	-	-	-
Legal costs payable - other legal matters	-	-	-	-
Members subscription in advance	1,870,768	1,902,369	1,870,768	1,902,369
Loan - ETU - Divisional Office (i)	1,506,250	-	-	-
Consideration to employers for payroll deductions	-	-	-	-
Deposit received in advance	-	-	-	-
	<u>5,053,064</u>	<u>3,291,668</u>	<u>2,638,724</u>	<u>2,796,144</u>

(i) Trade and other payables includes the following payables to other reporting units

CEPU - Communications Division	21,837	21,853	21,837	21,853
CEPU - General Fund	50,312	46,301	50,312	46,301
CEPU - Electrical Division WA Branch	14,042	13,311	-	-
CEPU - Electrical Div S.A. Branch	2,086	1,524	-	-
CEPU - Tasmania Branch	17,250	14,780	-	-
ETU - Divisional Office	1,506,250	-	-	-
Total payables to other reporting units	<u>1,611,777</u>	<u>97,769</u>	<u>72,149</u>	<u>68,154</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2021

	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$
14. EMPLOYEE PROVISIONS				
Current - employee entitlements provision	2,869,266	4,266,285	1,970,432	3,478,037
Non-Current - employee entitlements provision	220,451	160,354	79,380	79,380
	<u>3,089,717</u>	<u>4,426,639</u>	<u>2,049,812</u>	<u>3,557,417</u>
The above current and non-current employee entitlements contain the following amounts:				
Office Holders				
Annual Leave	252,987	158,813	252,987	158,813
Long Service Leave	359,851	325,702	359,851	325,702
Retirement Benefit / Redundancy	-	586,415	-	586,415
	<u>612,838</u>	<u>1,070,930</u>	<u>612,838</u>	<u>1,070,930</u>
Non Office Holders				
Annual Leave	1,199,169	1,097,885	690,801	661,950
Long Service Leave	1,277,709	1,183,166	746,173	749,880
Retirement Benefit / Redundancy	-	1,074,658	-	1,074,657
	<u>2,476,878</u>	<u>3,355,709</u>	<u>1,436,974</u>	<u>2,486,487</u>
Total employee entitlements	<u>3,089,716</u>	<u>4,426,639</u>	<u>2,049,812</u>	<u>3,557,417</u>

Other than the above kinds of employee benefits liabilities, there were no other employee benefits liabilities to either of office holders or non office holders.

15. EQUITY - OTHER SPECIFIC DISCLOSURE FUNDS

Compulsory levy/voluntary contribution fund-if invested in assets	-	-	-	-
Other fund(s) required by rules	-	-	-	-
Balance as at start of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transferred to reserve	-	-	-	-
Transferred out of reserve	-	-	-	-
Balance as at end of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

16. CASH FLOW INFORMATION

Net surplus/(deficit) for the year	10,168,935	955,194	7,687,335	1,584,528
Non-cash flows in profit				
- surplus on investment in associate	(8,889,999)	(481,102)	(5,889,999)	(481,102)
- interest paid on leases	-	(5,696)	-	(5,696)
- depreciation and amortisation	2,106,595	1,870,279	536,996	573,909
- net (gain)/loss on disposal of PPE	(49,254)	(18,532)	(37,174)	(15,104)
- net (gain)/loss on disposal of debt instruments	(107,237)	(107,284)	-	-
Changes in operating assets and liabilities:				
- (increase)/decrease in trade and other receivables	(428,547)	603,491	(4,102,136)	(3,086,218)
- (increase)/decrease in inventories	(2,333)	(8,546)	(2,333)	(8,546)
- (increase)/decrease in other assets	(157,588)	59,434	(23,145)	11,625
- increase/(decrease) in trade and other payables	261,396	(215,009)	(157,420)	312,000
- increase/(decrease) in provisions	(1,336,922)	588,867	(1,507,605)	351,350
Net cashflow from operating activities	<u>1,565,044</u>	<u>3,241,096</u>	<u>(3,495,482)</u>	<u>(763,254)</u>

Cash outflows to other reporting units were as follows: CEPU - Communications Division \$312,183 (2020: \$315,736), CEPU - General Fund \$1,407,500 (2020: \$1,494,191), CEPU - South Australia \$25,032 (2020: \$27,847), CEPU Western Australia \$174,381 (2020: \$166,963) and CEPU Tasmania \$173,431 (2020: \$174,461). No cash inflows were received from other reporting units in the current year

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2021

	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$
17. COMMITMENTS				
Operating lease commitments - as lessee				
Future minimum rentals payable under non-cancellable operating leases as at 31 December are as follows:				
Within one year	-	-	-	-
After one year but not more than five years	-	-	-	-
More than five years	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Operating lease commitments includes contracted amounts for office equipment and mobile phones under non-cancellable operating leases expiring within one to five years.

Operating lease commitments - as lessor

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

Within one year	456,571	456,572	-	-
After one year but not more than five years	456,571	913,144	-	-
More than five years	-	-	-	-
	<u>913,142</u>	<u>1,369,716</u>	<u>-</u>	<u>-</u>

Operating lease commitments are for the contracted rental of property under non-cancellable operating leases expiring within one to five years. In some instances, the leases have an option to be extended for a further five years or two further the three year periods, and a market review and CPI review may apply.

18. KEY MANAGEMENT PERSONNEL COMPENSATION

(a) Compensation Practices

The committee's policy for determining the nature and amount of compensation for key management for the economic entity is as follows: The compensation structure for key management personnel is governed by registered rules of the Electrical Division of Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia. This information is publicly available from other sources. For details of remuneration disclosures, refer to Note 3(a): Disclosure of remuneration of Elected Officials.

(b) Key Management Personnel

Names and positions held of key management personnel in office at any time during the financial year's are:

Key Management Person	Position
Daniel Filazzola	Branch President
Paul Swann	Branch Vice President
Troy Gray	State Secretary
Ivan Balta	Assistant State Secretary
Arron Harris	Assistant State Secretary
Graeme Watson	Treasurer
Kenneth Purdham	Branch Executive
Mark Baldi	Branch Executive
Jim Theodosiou	Branch Executive
Laura Birch	Branch Executive (resigned June 2021)

Key management personnel remuneration included within employee expenses for both year's is shown below:

Short-term employee benefits	913,600	799,410	913,600	799,410
Post-employee benefits	140,440	136,405	140,440	136,405
Other long term benefits	(579,266)	100,287	(579,266)	100,287
	<u>474,774</u>	<u>1,036,102</u>	<u>474,774</u>	<u>1,036,102</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2021

19. RELATED PARTIES

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(a) Parent entity

The parent entity of the Electrical Trades Union of Australia — Victorian Branch is the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia.

(b) Subsidiaries

Interests in subsidiaries are set out in Note 9: Controlled entities.

(c) Associates

Interests in subsidiaries are set out in Note 12: Investments in associates.

(d) Key management personnel

Disclosures relating to key management personnel are set out in Note 18: Key management personnel compensation.

There have been no transactions with parties where immediate family members of key management personnel hold control or significant influence over that party.

(e) Transactions and balances with related parties

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year and balances outstanding at year end.

	Consolidated		Parent	
	2021	2020	2021	2020
Director's fees received:				
Industrial Printing & Publishing Pty Ltd	3,000	2,000	3,000	2,000
CoINVEST Ltd	52,896	44,140	52,896	44,140
Protect Services Pty Ltd	164,664	164,664	164,664	164,664
Loans receivable:				
Industrial Printing & Publishing Pty Ltd	534,732	534,732	534,732	534,732
There are no expected credit losses provided for any of the above related party transactions.				
The consolidated entity did not make any payments to former related parties in the current year.				
No part of the consolidated entity's financial affairs were administered by another entity in the current year.				
20. AUDITOR'S REMUNERATION				
Remuneration of RSM Australia as the auditor of the parent entity for:				
- audit of the financial statements	73,000	68,000	73,000	68,000
- other services	28,700	26,800	28,700	26,800
Remuneration of RSM Australia as the auditor of controlled entities for:				
- audit of the financial statements of controlled entities	36,800	29,800	-	-
- other services	9,200	7,400	-	-
Remuneration of KPMG & Pitcher Partners for:				
- review and audit of the financial statements of associates and subsidiary	60,281	55,666	60,281	55,666
- audit of subsidiary	27,685	38,755	-	-
- internal audit services	26,068	-	26,068	-
	<u>261,734</u>	<u>226,421</u>	<u>188,049</u>	<u>150,466</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 31 December 2021

21. FINANCIAL RISK MANAGEMENT

The main risks the consolidated entity is exposed to through its financial instruments are credit risk, market risk and liquidity risk. The consolidated entity's financial instruments consist mainly of deposits with banks, long term and short-term investments, accounts receivable and payable.

The consolidated entity does not have any derivative instruments as at 31 December 2021 (FY 2020: nil).

Financial risk management policies

The Committee of Management has overall responsibility for the establishment of the consolidated entity's financial risk management framework. This includes the development of policies covering specific areas such as market risk (including price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall financial risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity.

Credit Risk

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the consolidated statement of financial position.

The consolidated entity has no significant concentration of credit risk with any single counterparty or group of counterparties.

Market Risk

Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Such factors may include changes in the performance of the economies, markets and securities in which the entity invests.

The consolidated entity is exposed to price risk through its investments in listed and unlisted shares and managed investment schemes. The entity manages price risk through diversification and careful selection of securities within the strategic asset allocation for each class of asset.

At reporting date, if the value of the entity's investment had been 10% higher or lower and all other variable held constant year end, the consolidated entity's net result and equity would change by \$5,596,093 (2020: \$4,922,977).

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 economic entity is also exposed to earnings volatility on floating rate instruments. The impact on profit or loss of a 1% increase or decrease in interest rates, assuming all other variables remain constant, is set out below.

	Weighted average interest rate	Floating interest rate 2021 \$	Fixed interest rate 2021 \$
Financial Assets			
Interest securities	9.94%	-	8,480,900
Bonds	3.50%	3,113,258	1,262,273
		<u>3,113,258</u>	<u>9,743,173</u>

At the reporting date, if interest rates had moved 1% up or down and all other variables were held constant, the consolidated entity's net result and equity would change by \$128,564.

	Weighted average interest rate	Floating interest rate 2020 \$	Fixed interest rate 2020 \$
Financial Assets			
Interest securities	10.50%	-	5,593,713
Bonds	3.55%	-	4,581,277
		<u>-</u>	<u>10,174,990</u>

At the reporting date, if interest rates had moved 1% up or down and all other variables were held constant, the consolidated entity's net result and equity would change by \$101,750.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2021

21. FINANCIAL RISK MANAGEMENT (CONT.)

Liquidity risk

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

- preparing forward-looking cash flow analysis in relation to its operational, investing and financial activities which are monitored on a monthly basis;
- managing credit risk related to financial assets; and
- only investing surplus cash with major financial institutions.

Typically, the consolidated entity ensures that it has sufficient cash on demand to meet expected operational expenses.

Remaining contractual maturities

The following tables detail the economic entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Interest rate	1 year or less 2021	Between 1 and 4 years 2021	Over 5 years 2021	Remaining contractual maturities 2021
Non-derivative (Non-interest bearing)		\$	\$	\$	\$
Trade payables	-	769,047	-	-	769,047
Other payables	-	368,409	-	-	368,409
Loan - ETU - Divisional Office	-	1,506,250	-	-	1,506,250
		<u>2,643,706</u>	<u>-</u>	<u>-</u>	<u>2,643,706</u>
Non-derivative (Interest bearing)					
Lease liability	3.1%	235,173	1,014,318	1,506,898	2,756,389
		<u>235,173</u>	<u>1,014,318</u>	<u>1,506,898</u>	<u>2,756,389</u>
	Interest rate	1 year or less 2020	Between 1 and 4 years 2020	Over 5 years 2020	Remaining contractual maturities 2020
Non-derivative (Non-interest bearing)		\$	\$	\$	\$
Trade payables	-	527,509	-	-	527,509
Other payables	-	351,732	-	-	351,732
		<u>879,241</u>	<u>-</u>	<u>-</u>	<u>879,241</u>
Non-derivative (Interest bearing)					
Lease liability	7.5%	18,314	55,423	-	73,737
		<u>18,314</u>	<u>55,423</u>	<u>-</u>	<u>73,737</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2021

22. SEGMENT REPORTING

The consolidated entity is organised into two operating segments: conducting of union activities and provision of administration services. These operating segments are based on the internal reports that are reviewed and used by the Committee in assessing performance and determining the allocation of resources. The operating segment analysis presented in these financial statements reflects operations analysis by business. It best describes the way the economic entity is managed and provides a meaningful insight into the business activities of the economic entity.

The following tables present details of revenue and operating profit by business segment as well as a reconciliation between the information disclosed for reportable segments and the aggregated information in the financial statements.

	Administration services	Union services	Intersegment eliminations	Total
	\$	\$	\$	\$
2021				
Revenue	6,099,617	25,788,488		31,888,105
Intersegment revenue	-	397,526	(397,526)	-
Reportable segment profit before finance income and tax	52,256	7,050,038	(118,348)	6,983,946
Reportable segment assets	1,395,974	124,057,702	-	125,453,676
Reportable segment liabilities	1,364,880	9,534,290	-	10,899,170
2020				
Revenue	5,718,135	16,716,021	-	22,434,156
Intersegment revenue	-	(88,943)	88,943	-
Reportable segment profit before finance income and tax	792,448	3,973,160	(6,199,045)	(1,433,437)
Reportable segment assets	1,612,325	107,089,030	-	108,701,355
Reportable segment liabilities	1,320,800	6,471,243	-	7,792,043
Reconciliation of reportable segment profit or loss	2021	2020		
	\$	\$		
Total profit or loss for reportable segments	6,983,946	(1,433,438)		
Finance income	3,184,989	2,388,632		
Profit/(loss) before tax from continuing operations	10,168,935	955,194		

23. FAIR VALUE

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

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
At 31 December 2021				
Assets				
Listed investments - fair value	12,852,258	-	-	12,852,258
Unlisted investments - fair value	-	34,627,770	-	34,627,770
Land and buildings	-	-	29,806,772	29,806,772
Total assets	12,852,258	34,627,770	29,806,772	77,286,800
Liabilities	-	-	-	-
At 31 December 2020				
Assets				
Listed investments - fair value	10,606,993	-	-	10,606,993
Unlisted investments - fair value	-	33,029,065	-	33,029,065
Land and buildings	-	-	31,250,000	31,250,000
Total assets	10,606,993	33,029,065	31,250,000	74,886,058
Liabilities	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 31 December 2021

23. FAIR VALUE (CONT.)

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities. The basis of the valuation of land and buildings is fair value. The land and buildings were revalued on 31 December 2020 based on independent assessments by a member of the Australian Property Institute having recent experience in the location and category of land and buildings being valued. The Committee of Management does not believe that there has been a material movement in fair value since the revaluation date. Valuations are based on current prices for similar properties in the same location and condition.

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the year.

24. CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 December 2021 (FY 2020: Nil).

25. EVENTS AFTER BALANCE DATE

No matters or circumstances have arisen since 31 December 2021 that have significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

26. 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), (2) and (3) of section 272 of the *Fair Work (Registered Organisations) Act 2009*, which reads as follows:

Information to be provided to members or Commissioner:

(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).

27. UNION DETAILS

The registered office of and principal place of business of the Union is:

Level 1, 200 Arden Street
NORTH MELBOURNE, VIC 3051