



22 June 2023

Troy Gray
Branch 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
CC: Nick.Ellery@etuvic.com.au; 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
Financial Report for the year ended 31 December 2022 – (FR2022/261)**

I acknowledge receipt of the financial report for the year ended 31 December 2022 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 Fair Work Commission (the Commission) on 25 May 2023.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

I make the following comments to assist you when you next prepare a financial report. The Fair Work Commission (the Commission) will confirm these concerns have been addressed prior to filing next year's report.

Timescale requirements

Auditor's statement must be signed before full report provided to members

The designated officer's certificate states that the full report was provided to members on 24 May 2023. However, the auditor's statement was signed on 25 May 2023. If the date on the auditor's statement is correct, it would appear that either the auditor's statement was not provided to members or that an unsigned report was provided. It is therefore necessary for the reporting unit to ensure that in future the full report is provided to members, including the signed version of the auditor's statement.

Auditor's statement must be signed before presentation to committee of management meeting

The designated officer's certificate states that the full report was presented to a committee of management meeting on 24 May 2023. However, the auditor's statement was not signed until 25 May 2023.

If the date on the designated officer's certificate is correct, it would appear that the financial report was presented to the committee of management meeting before it was audited. It is therefore necessary for the reporting unit to ensure that in future the financial report, including the signed version of the auditor's statement, is presented to a committee of management meeting.

Other

Disclosure relating to other reporting units

A comparison made between the disclosures of the reporting unit and the figures reported by other reporting units within the organisation identified discrepancies regarding cash flow amounts. It appears that there are differences between the figure reported by the reporting unit in regard to capitation fees paid to ETU Divisional Office, as well as difference reported for cash outflows to the CEPU Western Australia and CEPU South Australia. On 19 June 2023 Nick Ellery, the Finance Manager of the reporting unit, investigated the discrepancies and noted it appears the figures reported by the reporting unit appear correct.

The reporting unit must take such steps to ensure that in next year's report, balances for transactions with other reporting units within the organisation correspond with relevant balances disclosed in the financial reports of those other reporting units. The Commission will assess how this issue has been addressed prior to filing next year's report.

Reporting Requirements

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

The Commission recommends that reporting units use these model financial statements to assist in complying with the RO Act, the section 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 (03) 8650 0181 or by email at Madeleine.Hurrell@fwc.gov.au.

Yours sincerely



Madeleine Hurrell

Financial Reporting Officer

Fair Work Commission - Registered Organisations Governance & Advice Branch

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

**Consolidated Financial Statements
For the Year Ended 31 December 2022**

Table of Contents

CERTIFICATE BY STATE SECRETARY	1
EXPENDITURE REPORT	2
OPERATING REPORT.....	3
STATEMENT BY COMMITTEE OF MANAGEMENT.....	5
INDEPENDENT AUDITOR'S REPORT.....	6
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME.....	8
CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	9
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY.....	10
CONSOLIDATED STATEMENT OF CASH FLOWS.....	11
NOTES TO THE FINANCIAL STATEMENTS.....	12

CERTIFICATE BY STATE SECRETARY
For the year ended 31 December 2022

I, Troy Gray, being the State Secretary of the 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 2022, referred to in Section 268 of the *Fair Work (Registered Organisations) Act 2009*; and
- (b) the full report was provided to members of the ETU on 24 May 2023; and
- (c) the full report was presented to the Committee of Management of the ETU on 24 May 2023 in accordance with Section 266 of the *Fair Work (Registered Organisations) Act 2009*.



.....
Troy Gray
State Secretary


Dated: 24 May 2023

EXPENDITURE REPORT

For the year ended 31 December 2022

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 2022.

Categories of expenditures	2022 (\$)	2021 (\$)
Remuneration and other employment-related costs and expenses – employees	13,595,289	10,201,794
Advertising	633,056	881,523
Operating costs	11,783,715	8,330,637
Donations to political parties	129,489	100,000
Legal costs	138,337	98,621



.....
Troy Gray
State Secretary

Dated: 24 May 2023

OPERATING REPORT
For the year ended 31 December 2022

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 2022.

1. General information

a. Members

In accordance with Section 254 of the *Fair Work (Registered Organisations) Act 2009*, we advise the names of those who have been members of the Committee of Management and positions held at any time during the year:

Troy Gray	State Secretary
Ivan Balta	Assistant State Secretary
Arron Harris	Assistant State Secretary
Daniel Filazzola	President
Graeme Watson	Treasurer
Paul Swann	Vice President
Jim Theodosiou	Branch Executive (Resigned February 2022)
Ken Purdham	Branch Executive
Mark Baldi	Branch Executive
James Barnes	Branch Executive (Appointed February 2022. Resigned August 2022)
John Kus	Branch Executive (Appointed February 2022)
Jason O'Halloran	Branch Executive (Appointed August 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 ETU 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 18,686 (2021: 18,275).

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 (2021: 40).

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;

OPERATING REPORT (CONT.)

For the year ended 31 December 2022

- 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 were in progress during the financial year.

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

f. 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.

g. 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 deficit of the ETU for the financial year amounted to \$3,223,741 (2021: \$10,168,935 surplus).

The consolidated deficit is driven by the ETU's increased expense and share of net loss from the Protect Severance Scheme and Protect Severance Scheme No 2 of \$1,551,299 (2021: \$8,889,999 profit) as disclosed in note 12 of the financial statements. The ETU does not have the power to direct either Schemes, however, under the accounting standards it is considered to have significant influence, therefore resulting in the need to recognise the ETU's share of net profit/net loss of the profit/loss of both Schemes.

Importantly, it should be noted that the ETU's share of the net profit/loss 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

There have been no significant changes in the financial affairs of the consolidated entity in the 31 December 2022 financial year.

b. Events after the reporting date

No matters or circumstances have arisen since 31 December 2022 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:


.....
Troy Gray
State Secretary
Dated: 24 May 2023

STATEMENT BY COMMITTEE OF MANAGEMENT
For the year ended 31 December 2022

On 24 May 2023, 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 2022.

The Committee of Management declares that in its opinion:

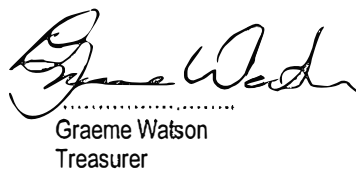
- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the "RO Act");
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the ETU for the financial year ended 31 December 2022;
- (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 2022 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 RO Act;
 - 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 by a member of the ETU or the Commissioner of the Registered Organisations Commission under section 272 of the RO Act; and
 - vi) where any order for inspection of financial records has been made by the Fair Work Commission under Section 273 of the RO Act, there has been compliance.

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



.....
Troy Gray
State Secretary

Dated: 24 May 2023



.....
Graeme Watson
Treasurer

RSM Australia Pty Ltd

Level 21, 55 Collins Street Melbourne VIC 3000

PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000

F +61 (0) 3 9286 8199

www.rsm.com.au

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Electrical Trades Union of Australia – Victorian Branch (Union) and its controlled entities (consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2022, 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 presents fairly, in all material aspects, the financial position of the consolidated entity as at 31 December 2022, and its financial performance and its cash flows for the year ended on that date in accordance with:

- (i) The Australian Accounting Standards; and
- (ii) Any other requirements imposed by the reporting guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the consolidated entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

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

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

6/35

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RSM Australia Pty Ltd ACN 009 321 377 atf Birdanco Practice Trust ABN 65 319 382 479 trading as RSM

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Information Other than the Financial Report and Auditor's Report Thereon (continued)

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 RO Act, and for such internal control as the committee of management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee of management 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 of management 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 objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes 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.

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

We declare that we are an auditor as registered under the RO Act.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 257(7) of the RO Act, we are required to describe any deficiency, failure or shortcoming in respect of the matters referred to section 252 and 257(2) of the RO Act. In relation to these matters, we have nothing to report.



RSM AUSTRALIA PTY LTD



M PARAMESWARAN

Director

Melbourne, Victoria

Dated: 25 May 2023

ROC Registration Number: AA2021/4

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2022

	Notes	Consolidated		Parent	
		2022	2021	2022	2021
		\$	\$	\$	\$
Revenue from contracts with customers					
Membership subscription		9,342,782	8,901,987	9,342,782	8,901,987
Capitation fees and other revenue from another reporting unit		-	-	-	-
Levies		-	-	-	-
Other sales of goods or services to members		58,423	43,535	58,423	43,535
Revenue from recovery of wages activity		-	-	-	-
Total revenue from contracts with customers		9,401,205	8,945,522	9,401,205	8,945,522
Income for furthering objectives					
Grants and/or donations		-	-	-	-
Income recognised from volunteer services		-	-	-	-
Total income for furthering objectives		-	-	-	-
Other income					
Net gains from sale of assets		75,363	49,254	71,596	37,174
Investment income	2(a)	3,447,187	3,184,989	1,024	721
Rental income	2(b)	609,647	635,882	-	-
Other income	2(c)	12,883,084	10,182,459	7,846,165	5,010,960
Share of net profit from associate	12	-	8,889,999	-	5,889,999
Total other income		17,015,281	22,942,583	7,918,785	10,938,854
Total income		26,416,486	31,888,105	17,319,990	19,884,376
Expenses					
Employee expenses	3(a)	(13,595,289)	(10,201,794)	(8,191,220)	(5,522,084)
Capitation fees and other expense to another reporting unit	3(b)	(2,436,627)	(1,666,695)	(2,017,954)	(1,324,295)
Affiliation fees	3(c)	(319,247)	(287,001)	(319,247)	(287,001)
Administration expenses	3(d)	(1,789,496)	(1,341,262)	(1,166,125)	(858,865)
Grants or donations	3(e)	(287,891)	(467,700)	(233,991)	(382,850)
Depreciation and amortisation expense	3(f)	(1,761,513)	(2,106,595)	(478,115)	(536,996)
Legal costs	3(g)	(138,337)	(98,621)	(138,047)	(98,345)
Other expenses	3(h)	(7,760,528)	(5,549,503)	(4,212,634)	(3,186,605)
Share of net loss from associate	12	(1,551,299)	-	(1,551,299)	-
Total expenses		(29,640,227)	(21,719,170)	(18,308,632)	(12,197,041)
Surplus / (deficit) for the year		(3,223,741)	10,168,935	(988,642)	7,687,335
Other comprehensive income					
Items that will be subsequently reclassified to profit or loss					
Gain/(loss) on debt instruments at fair value through other comprehensive income (FVTOCI)		(96,746)	1,340,734	-	-
Items that will not be subsequently reclassified to profit or loss					
Gain/(loss) on equity instruments designated at FVTOCI		(3,063,459)	2,582,393	-	-
Net gain on revaluation of land and buildings		-	-	-	-
Total comprehensive income for the year		(6,383,946)	14,092,062	(988,642)	7,687,335
Comprehensive income attributable to members of the parent entity		(6,509,970)	14,078,998	(988,642)	7,687,335
Comprehensive income attributable to outside equity interest		126,024	13,064	-	-

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 2022

	Notes	Consolidated		Parent	
		2022	2021	2022	2021
		\$	\$	\$	\$
ASSETS					
Current Assets					
Cash and cash equivalents	4	9,548,385	21,180,833	4,745,505	6,822,045
Trade and other receivables	5	17,431,382	4,226,794	13,584,699	4,081,240
Inventories	6	128,742	93,897	128,742	93,897
Other current assets	7	461,193	336,956	335,994	147,925
Total current assets		27,569,702	25,838,480	18,794,940	11,145,108
Non-Current Assets					
Trade and other receivables	5	59,188	534,732	59,188	534,732
Financial assets	8	50,755,507	55,960,928	31,962,101	31,962,101
Property, plant and equipment	10	38,128,291	34,888,750	2,564,518	2,563,114
Intangibles	11	112,763	112,763	2,963	2,963
Investments in associates	12	416,392	8,118,023	416,392	8,118,023
Total non-current assets		89,472,141	99,615,196	35,005,162	43,180,933
Total assets		117,041,843	125,453,676	53,800,102	54,326,041
LIABILITIES					
Current Liabilities					
Trade and other payables	13	2,628,444	3,182,296	1,285,878	767,956
Employee provisions	14	3,078,735	2,869,266	2,088,988	1,970,432
Contract liabilities	15	1,716,602	1,870,768	1,716,602	1,870,768
Lease liabilities	22	20,995	235,173	20,995	19,610
Total current liabilities		7,444,776	8,157,503	5,112,463	4,628,766
Non-Current Liabilities					
Employee provisions	14	195,928	220,451	79,380	79,380
Lease liabilities	22	1,845,402	2,521,216	14,818	35,813
Total non-current liabilities		2,041,330	2,741,667	94,198	115,193
Total liabilities		9,486,106	10,899,170	5,206,661	4,743,959
Net assets		107,555,737	114,554,507	48,593,441	49,582,083
EQUITY					
Reserves		15,374,738	18,970,166	-	-
Accumulated surplus		92,153,701	95,539,919	48,593,441	49,582,083
Equity attributable to members of the parent entity		107,528,439	114,510,085	48,593,441	49,582,083
Outside equity interests in controlled entities		27,298	44,422	-	-
Total equity		107,555,737	114,554,507	48,593,441	49,582,083

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 2022

2021 Consolidated	Asset			Total Equity
	Accumulated Surplus	Revaluation Reserve	Financial Assets Reserve	
	\$	\$	\$	\$
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	95,584,342	12,857,394	6,112,772	114,554,507

2022 Consolidated	Asset			Total Equity
	Accumulated Surplus	Revaluation Reserve	Financial Assets Reserve	
	\$	\$	\$	\$
Balance at 1 January 2022	95,584,342	12,857,394	6,112,772	114,554,507
Surplus/(deficit) for the year	(3,223,741)	-	-	(3,223,741)
Transfer	365,111	-	(365,111)	-
Other Comprehensive income	-	-	(3,160,205)	(3,160,205)
Distribution to beneficiaries	(515,948)	-	-	(515,948)
Realised (gain)/loss on disposal of debt instruments	-	-	(98,877)	(98,877)
Realised (gain)/loss on disposal of equity instruments	(28,765)	-	28,765	-
Balance at 31 December 2022	92,180,999	12,857,394	2,517,344	107,555,737

2021 Parent	Asset			Total Equity
	Accumulated Surplus	Revaluation Reserve	Financial Assets Reserve	
	\$	\$	\$	\$
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

2022 Parent	Asset			Total Equity
	Accumulated Surplus	Revaluation Reserve	Financial Assets Reserve	
	\$	\$	\$	\$
Balance at 1 January 2022	49,582,083	-	-	49,582,083
Surplus/(deficit) for the year	(988,642)	-	-	(988,642)
Other Comprehensive income	-	-	-	-
Balance at 31 December 2022	48,593,441	-	-	48,593,441

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 2022

	Notes	Consolidated		Parent	
		2022	2021	2022	2021
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from members, investments, rental and other income		21,030,519	20,214,727	10,565,373	10,705,617
Receipts from other reporting unit/controlled entity(s)		-	-	-	-
Payments to suppliers and employees		(22,793,626)	(19,540,155)	(12,967,930)	(12,447,687)
Payment to other reporting unit/controlled entity(s)		(2,683,790)	(2,122,523)	(2,228,568)	(1,749,647)
Dividends received		388,400	416,435	-	-
Receipt of interest and distributions on financial assets		2,792,441	2,634,162	1,024	721
Interest paid		(55,521)	(37,601)	(3,190)	(4,486)
Net cash provided by/(used in) operating activities	17	<u>(1,321,577)</u>	<u>1,565,045</u>	<u>(4,633,291)</u>	<u>(3,495,483)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property plant and equipment		-	311,484	-	278,887
Purchase of property, plant and equipment		(5,702,216)	(1,051,405)	(407,923)	(528,294)
Purchase of financial assets		(27,823,160)	(17,541,569)	-	-
Proceeds from maturity / sale of financial assets		29,868,376	14,733,537	-	-
Proceeds from investments in associates		3,000,000	2,151,751	-	2,151,751
Net proceeds / (payments) to related parties		475,544	-	2,984,282	3,347,139
Net cash provided by/(used in) investing activities		<u>(181,456)</u>	<u>(1,396,201)</u>	<u>2,576,359</u>	<u>5,249,483</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Beneficiary payments		(515,948)	(339,627)	-	-
Repayments of lease liabilities		(113,467)	(102,495)	(19,608)	(18,314)
Payment/receipt of borrowings		(9,500,000)	1,500,000	-	-
Net cash provided by/(used in) financing activities		<u>(10,129,415)</u>	<u>1,057,878</u>	<u>(19,608)</u>	<u>(18,314)</u>
Net increase/(decrease) in cash held		<u>(11,632,448)</u>	<u>1,226,721</u>	<u>(2,076,540)</u>	<u>1,735,687</u>
Cash and cash equivalents at beginning of the year		<u>21,180,833</u>	<u>19,954,112</u>	<u>6,822,045</u>	<u>5,086,359</u>
Cash and cash equivalents at end of the year	4	<u>9,548,385</u>	<u>21,180,833</u>	<u>4,745,505</u>	<u>6,822,045</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 2022

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* ("RO Act"). 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, except for the consolidated statement of cash flows, 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 has been 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 2022, no assets or liabilities were 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2022

1. Summary of significant accounting policies (Cont.)

d. Revenue and other income

ETU enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, grants, and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Revenue from contracts with customers

Where ETU has a contract with a customer, ETU recognises revenue when or as it transfers control of goods or services to the customer. ETU accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

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 are brought to account on a monthly and accruals basis.

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

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 (ATO); and
- For receivables and payables.

The net amount of GST recoverable from, or payable to, the ATO 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 ATO is classified within operating cash flows.

f. Cash and cash equivalents

Cash and cash equivalents comprise 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2022

1. Summary of significant accounting policies (Cont.)

g. Inventories

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

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 2022

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 lives. 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 intangible 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 (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the asset, as follows:

	2022	2021
Office equipment	5 years	5 years
Buildings	20 years	20 years

If ownership of the leased asset transfers to the reporting unit at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are subject to impairment.

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 2022

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.

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired; or
- ETU has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - (a) ETU has transferred substantially all the risks and rewards of the asset; or
 - (b) ETU has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When ETU has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, ETU continues to recognise the transferred asset to the extent of its continuing involvement together with the associated liability.

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include debt and 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.

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

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2022

1. Summary of significant accounting policies (Cont.)

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.

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 ETU 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 ETU 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 the RO Act.

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 2022

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 58.5% in Protect Severance Scheme and 60.4% in Protect Severance Scheme No 2 (being the Union's 75% distribution entitlement of the current year profit entitlement for the electrical division).

u. Current versus non-current classification

ETU presents assets and liabilities in the statement of financial position based on current / non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

ETU classified all other liabilities as non-current.

v. Contingent liabilities and contingent assets

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

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2022

w. Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before ETU transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when ETU performs under the contract (i.e. transfers control of the related goods or services to the customer).

x. Fair value measurement

ETU measures financial instruments, such as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16A *Financial assets and liabilities*.

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

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

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

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

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, ETU determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, ETU has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2022

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
2. OTHER INCOME				
(a) Investment income				
Interest and distributions on financial assets	3,051,901	2,768,460	1,024	721
Dividends	395,286	416,529	-	-
Total investment income	3,447,187	3,184,989	1,024	721
(b) Rental income				
Properties	609,647	635,882	-	-
Total rental income	609,647	635,882	-	-
(c) Other income				
Management fees	3,311,955	3,018,567	461,152	576,300
Administration income	6,578,649	6,099,617	-	-
Sundry income	1,658,621	846,715	1,233,699	168,657
Directors Fees	217,613	217,560	217,613	217,560
Trust distributions	-	-	4,817,455	4,048,443
Income from associate distribution over carrying amount	1,116,246	-	1,116,246	-
Total other income	12,883,084	10,182,459	7,846,165	5,010,960
3. EXPENSES				
(a) Employee expenses				
Holders of office:				
Wages and salaries	759,099	688,139	759,099	688,139
Superannuation	151,439	136,157	151,439	136,157
Leave and other entitlements	182,563	(457,522)	182,563	(457,522)
Separation and redundancies	-	-	-	-
Other employee expenses	81,618	87,329	81,618	87,329
Subtotal employee expenses holders of office	1,174,719	454,103	1,174,719	454,103
Employees other than office holders:				
Wages and salaries	8,707,211	7,491,558	4,337,786	3,952,574
Superannuation	1,260,753	1,149,957	739,796	705,196
Leave and other entitlements	649,054	36,864	474,535	(380,602)
Separation and redundancies	984,212	341,413	956,507	341,413
Other employee expenses	819,340	727,899	507,877	449,400
Subtotal employee expenses employees other than office holders	12,420,570	9,747,691	7,016,501	5,067,981
Total employee expenses	13,595,289	10,201,794	8,191,220	5,522,084
Disclosure of remuneration of Elected Officials				
State secretary	243,111	227,266	243,111	227,266
Assistant state secretaries (2 x people)	465,215	406,337	465,215	406,337
President	219,538	204,882	219,538	204,882
Organisers	3,603,488	2,911,148	3,603,488	2,911,148
	4,531,352	3,749,633	4,531,352	3,749,633

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2022

	Consolidated		Parent	
	2022 \$	2021 \$	2022 \$	2021 \$
3. EXPENSES (CONT.)				
(b) Capitation fees and other expense to another reporting unit				
Capitation fees				
Communications, Electrical and Plumbing Union (CEPU) National Office	1,191,353	1,206,269	1,191,353	1,206,269
Subtotal capitation fees	1,191,353	1,206,269	1,191,353	1,206,269
CEPU National Office				
Subscriptions expenses	8,302	20,755	8,302	20,755
Research projects & reports expenses	21,652	11,321	21,652	11,321
Publication expenses	49,853	45,963	49,853	45,963
Campaign expenses	721,075	-	721,075	-
Travelling & accommodation expenses	25,719	1,947	25,719	1,947
Legal fees	-	38,040	-	38,040
	826,601	118,026	826,601	118,026
Income protection expenses				
CEPU - South Australia	25,431	23,295	-	-
CEPU - Tasmania	193,528	159,911	-	-
CEPU - Western Australia	199,714	159,194	-	-
	418,673	342,400	-	-
Subtotal other expenses paid to another reporting unit	1,245,274	460,426	826,601	118,026
Total capitation fees and other expenses paid to another reporting unit	2,436,627	1,666,695	2,017,954	1,324,295
(c) Affiliation fees				
Ballarat Trades Hall	4,381	3,576	4,381	3,576
Bendigo Trades Hall Council	1,840	1,600	1,840	1,600
CEPU National - National Council Fund	29,240	27,240	29,240	27,240
Geelong Trades Hall Council	9,108	8,690	9,108	8,690
Gippsland Trades & Labour Council	3,075	2,627	3,075	2,627
Goulburn Valley Trade & Labour Council	1,152	1,152	1,152	1,152
Sunraysia TLC Affiliations	260	65	260	65
North East Trades & Labour Council	946	880	946	880
SW District Trades & Labour Council	2,438	1,418	2,438	1,418
Vic. Trades Hall Council	172,405	149,482	172,405	149,482
ALP Victorian Branch	94,402	90,271	94,402	90,271
Total affiliation fees	319,247	287,001	319,247	287,001
(d) Administration expenses				
Consideration to employers for payroll deductions	-	-	-	-
Compulsory levies	-	-	-	-
Fees / allowances - meeting and conferences	-	-	-	-
Conference and meeting expenses	271,875	143,455	225,245	116,994
Contractors/consultants	554,842	226,175	246,710	115,578
Audit and other services	21 223,608	261,734	167,200	188,049
Printing costs	158,061	166,637	145,637	150,885
Computer related costs	344,176	359,838	201,020	192,153
Publication costs	236,934	183,423	180,313	95,206
Total administration expenses	1,789,496	1,341,262	1,166,125	858,865

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2022

	Consolidated		Parent	
	2022 \$	2021 \$	2022 \$	2021 \$
3. EXPENSES (CONT.)				
(e) Grants or donations				
Grants:				
Total paid that were \$1,000 or less	58,900	48,850	5,000	4,000
Total paid that exceed \$1,000	-	-	-	-
Total grants	58,900	48,850	5,000	4,000
Donations:				
Total paid that were \$1,000 or less	2,502	700	2,502	700
Total paid that exceed \$1,000	226,489	418,150	226,489	378,150
Total donations	228,991	418,850	228,991	378,850
Total grants or donations	287,891	467,700	233,991	382,850
This amount excludes \$139,500 (2021: \$49,000) 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 \$427,391 (2021: \$516,700).				
(f) Depreciation and amortisation				
Depreciation				
Buildings	915,518	1,453,068	120,782	135,236
Furniture, fixtures and fittings	52,852	56,705	24,429	26,969
Improvements	99,338	-	-	-
Motor vehicles	281,665	278,775	225,965	225,199
Office equipment	70,449	121,411	27,075	31,208
Computer equipment	140,595	110,060	60,606	97,644
Right-of-use assets - Office equipment	19,258	19,258	19,258	19,258
Right-of-use assets - Buildings	181,838	65,836	-	-
Total depreciation	1,761,513	2,105,113	478,115	535,514
Amortisation				
Intangibles	-	1,482	-	1,482
Total amortisation	-	1,482	-	1,482
Total depreciation and amortisation	1,761,513	2,106,595	478,115	536,996
(g) Legal costs				
Litigation	81,426	51,086	81,426	51,086
Other legal matters	56,911	47,535	56,621	47,259
Total legal costs	138,337	98,621	138,047	98,345
(h) Other expenses				
Penalties - via RO Act or the <i>Fair work Act 2009</i>	-	-	-	-
Ambulance membership costs	454,561	547,298	-	-
Picket line expenses	4,616	16,252	4,616	16,252
Motor vehicle costs	376,425	287,889	314,312	241,004
Gift expense	-	-	50,000	800,000
Campaign expenses	1,488,083	548,445	1,488,083	548,445
Sundry expenses	4,803,787	3,268,096	1,922,466	846,784
Advertising and promotion	633,056	881,523	433,158	734,121
Total other expenses	7,760,528	5,549,503	4,212,635	3,186,605

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2022

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
4. CASH AND CASH EQUIVALENTS				
Cash on hand	4,507	4,574	4,496	4,500
Cash at bank	9,543,878	21,176,259	4,741,009	6,817,545
	<u>9,548,385</u>	<u>21,180,833</u>	<u>4,745,505</u>	<u>6,822,045</u>
5. TRADE AND OTHER RECEIVABLES				
Current				
Trade receivables	846,296	664,634	54,064	65,252
Allowance for expected credit losses	-	-	-	-
	<u>846,296</u>	<u>664,634</u>	<u>54,064</u>	<u>65,252</u>
Receivable from other reporting units	8,678,565	-	-	-
Allowance for expected credit losses	-	-	-	-
	<u>8,678,565</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other receivables	12,040	72,688	11,137	71,785
Controlled entity receivable	-	-	5,538,812	3,930,095
Unpaid distributions	7,280,686	3,014,108	7,980,686	14,108
Accrued income	613,795	475,364	-	-
	<u>17,431,382</u>	<u>4,226,794</u>	<u>13,584,699</u>	<u>4,081,240</u>
Non-current				
Unpaid trust distributions	59,188	534,732	59,188	534,732
	<u>59,188</u>	<u>534,732</u>	<u>59,188</u>	<u>534,732</u>
6. INVENTORIES				
Finished goods	128,742	93,897	128,742	93,897
	<u>128,742</u>	<u>93,897</u>	<u>128,742</u>	<u>93,897</u>
7. OTHER CURRENT ASSETS				
Prepayments	461,193	336,956	335,994	147,925
	<u>461,193</u>	<u>336,956</u>	<u>335,994</u>	<u>147,925</u>
8. FINANCIAL ASSETS				
Fair value through other comprehensive income (a)	37,237,201	47,480,028	3	3
Held at amortised cost (c)	13,518,306	8,480,900	-	-
Other investments (b)	-	-	31,962,098	31,962,098
	<u>50,755,507</u>	<u>55,960,928</u>	<u>31,962,101</u>	<u>31,962,101</u>
(a) Fair value through other comprehensive income				
Listed investments	8,828,676	12,852,258	-	-
Unlisted investments	28,408,525	34,627,770	-	-
Shares in related parties	-	-	3	3
	<u>37,237,201</u>	<u>47,480,028</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				
Application in transit	37,406	-	-	-
Fixed interest securities	13,480,900	8,480,900	-	-
	<u>13,518,306</u>	<u>8,480,900</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2022

	Country of Incorporation	Percentage Owned (%) 2022	Percentage Owned (%)
9. CONTROLLED ENTITIES			
ETU - Victorian Branch Trust	Australia	100	100
ETU - (Victorian Branch) Distress, Hardship, Welfare & Training Fund	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 2023.

	Consolidated		Parent	
	2022 \$	2021 \$	2022 \$	2021 \$
10. PROPERTY, PLANT AND EQUIPMENT				
LAND AND BUILDINGS - AT FAIR VALUE				
Land and buildings - at fair value ⁽ⁱ⁾	31,917,805	31,909,956	2,014,300	2,014,300
Accumulated depreciation	(3,018,703)	(2,103,184)	(1,004,971)	(884,188)
Total land and buildings	28,899,102	29,806,772	1,009,329	1,130,112

(i) An independent valuation was not conducted for the financial year ended 31 December 2022. 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

Improvements - at cost	4,270,912	-	-	-
Accumulated depreciation	(99,338)	-	-	-
	4,171,574	-	-	-
Furnitures, fixtures and fittings - at cost	1,187,236	1,171,959	929,296	917,719
Accumulated depreciation	(730,681)	(677,829)	(634,421)	(609,993)
	456,555	494,130	294,875	307,726
Motor vehicles - at cost	1,776,967	1,502,169	1,382,915	1,211,241
Accumulated depreciation	(567,797)	(562,889)	(425,336)	(449,140)
	1,209,170	939,280	957,579	762,101
Office equipment - at cost	713,623	650,469	529,425	505,558
Accumulated depreciation	(370,210)	(320,505)	(259,756)	(232,681)
	343,413	329,964	269,669	272,877
Computer equipment - at cost	1,250,098	1,041,668	744,971	720,490
Accumulated depreciation	(942,566)	(812,111)	(744,971)	(682,517)
	307,532	229,557	-	37,974
Right of use asset - office equipment - at cost	90,840	90,840	90,840	90,840
Accumulated depreciation	(57,774)	(38,516)	(57,774)	(38,516)
	33,066	52,324	33,066	52,324
Right of use asset - buildings - at cost	2,012,513	2,789,039	-	-
Accumulated depreciation	(251,564)	(69,726)	-	-
	1,760,949	2,719,313	-	-
Work in progress - at cost	946,930	317,410	-	-
Total Work in progress	946,930	317,410	-	-
Total plant and equipment	9,229,189	5,081,978	1,555,189	1,433,002
TOTAL PROPERTY, PLANT AND EQUIPMENT	38,128,291	34,888,750	2,564,518	2,563,114

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2022

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 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
Balance at 1 January 2022	29,806,772	494,130	-	317,410	939,280	329,965	229,557	52,324	2,719,313	34,888,750
Additions	7,848	15,277	3,953,502	946,930	834,163	83,897	218,570	-	-	6,060,188
Transfer from WIP	-	-	317,410	(317,410)	-	-	-	-	-	-
Disposals - written down value	-	-	-	-	(282,608)	-	-	-	(776,526)	(1,059,134)
Depreciation expense	(915,518)	(52,852)	(99,338)	-	(281,665)	(70,449)	(140,595)	(19,258)	(181,838)	(1,761,513)
Balance at 31 December 2022	28,899,102	456,555	4,171,574	946,930	1,209,170	343,413	307,532	33,066	1,760,949	38,128,291

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 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
Balance at 1 January 2022	1,130,112	307,726	-	-	762,101	272,877	37,974	52,324	-	2,563,114
Additions	-	11,578	-	-	690,612	23,867	22,632	-	-	748,689
Disposals - written down value	-	-	-	-	(269,169)	-	-	-	-	(269,169)
Depreciation expense	(120,783)	(24,429)	-	-	(225,965)	(27,075)	(60,606)	(19,258)	-	(478,116)
Balance at 31 December 2022	1,009,329	294,875	-	-	957,579	269,669	-	33,066	-	2,564,518

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2022

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
11. INTANGIBLES				
Computer software - at cost	453,390	453,390	343,590	343,590
Accumulated amortisation	(340,627)	(340,627)	(340,627)	(340,627)
Total intangible assets	<u>112,763</u>	<u>112,763</u>	<u>2,963</u>	<u>2,963</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		Computer software	
	\$	Total	\$	Total
	\$	\$	\$	\$
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>
Balance at 1 January 2022	112,763	112,763	2,963	2,963
Additions	-	-	-	-
Amortisation expense	-	-	-	-
Balance at 31 December 2022	<u>112,763</u>	<u>112,763</u>	<u>2,963</u>	<u>2,963</u>

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
12. INVESTMENTS IN ASSOCIATES				
ElectNet (Aust) Pty Ltd	2	2	2	2
Protect Severance Scheme	-	1,826,091	-	1,826,091
Protect Severance Scheme No.2 Pty Ltd	2	2	2	2
Protect Severance Scheme No.2	386,637	6,262,177	386,637	6,262,177
IPP Property Trust	225,751	225,751	225,751	225,751
Provision for impairment	(196,000)	(196,000)	(196,000)	(196,000)
	<u>416,392</u>	<u>8,118,023</u>	<u>416,392</u>	<u>8,118,023</u>

Details of investments in associates

Name of Associate	Principal place of activity	Ownership	
		2022	2021
		%	%
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 58.5% (2021: 55.6%).

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2022

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 60.4% (2021: 67.1%).

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

Protect Severance Scheme

	ETU Share 58.5% 2022 \$	Protect Severance Scheme 100% 2022 \$	ETU Share 55.6% 2021 \$	Protect Severance Scheme 100% 2021 \$
Statement of financial position:				
Assets	75,879,771	129,709,010	82,280,906	147,880,457
Liabilities	(73,397,700)	(125,466,154)	(76,886,200)	(138,184,751)
Net assets	2,482,071	4,242,856	5,394,705	9,695,706
Statement of comprehensive income:				
Income	4,594,619	7,173,036	7,135,242	12,823,909
Expenses	(3,907,062)	(7,211,239)	(2,736,479)	(4,918,174)
Income tax	-	-	-	-
Net surplus/(deficit)	<u>687,557</u>	<u>(38,203)</u>	<u>4,398,763</u>	<u>7,905,735</u>

	Consolidated		Parent	
	2022 \$	2021 \$	2022 \$	2021 \$
Reconciliation of the entity's carrying amount				
Opening carrying amount	1,826,091	2,579,079	1,826,091	2,579,079
Share of net profit from associate (i)	687,557	4,398,763	687,557	1,398,763
Distributions paid (j)	(3,629,894)	(5,151,751)	(3,629,894)	(2,151,751)
Income from distribution over carrying amount	1,116,246	-	1,116,246	-
Closing carrying amount	<u>-</u>	<u>1,826,091</u>	<u>-</u>	<u>1,826,091</u>

(i) Distributions received from associate was \$3,629,894 (2021: \$5,151,751). As at 31 December 2022, \$3,629,894 (2021: \$3,014,108) was unpaid.

Associate had contingent liabilities and capital commitments as at 31 December 2022 of \$nil (2021: \$nil) and \$nil (2021: \$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 2023. The facility has not been drawn upon by the Associate as at 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2022

12. INVESTMENTS IN ASSOCIATES (CONT.)

Protect Severance Scheme No.2

	Protect Severance Scheme No. 2		Protect Severance Scheme No. 2	
	ETU Share 60.4%	100%	ETU Share 67.1%	100%
	2022	2022	2021	2021
	\$	\$	\$	\$
Statement of financial position:				
Assets	135,900,235	225,187,329	134,166,032	200,060,336
Liabilities	(135,977,569)	(225,315,472)	(128,512,390)	(191,629,771)
Net assets	(77,334)	(128,142)	5,653,642	8,430,564
Statement of comprehensive income:				
Income	5,505,328	9,122,355	10,258,120	15,296,438
Expenses	(9,468,912)	(15,690,032)	(3,092,961)	(4,612,033)
Income tax	1,724,728	2,857,883	(2,673,923)	(3,987,190)
Net surplus/(deficit)	<u>(2,238,856)</u>	<u>(3,709,794)</u>	<u>4,491,236</u>	<u>6,697,215</u>

Consolidated		Parent	
2022	2021	2022	2021
\$	\$	\$	\$
Opening carrying amount	6,262,177	1,770,941	6,262,177
Share of net profit/(loss) from associate	(2,238,856)	4,491,236	(2,238,856)
Distributions paid (i)	(3,636,684)	-	(3,636,684)
Closing carrying amount	<u>386,637</u>	<u>6,262,177</u>	<u>386,637</u>

Reconciliation of the entity's carrying amount

Opening carrying amount	6,262,177	1,770,941	6,262,177	1,770,941
Share of net profit/(loss) from associate	(2,238,856)	4,491,236	(2,238,856)	4,491,236
Distributions paid (i)	(3,636,684)	-	(3,636,684)	-
Closing carrying amount	<u>386,637</u>	<u>6,262,177</u>	<u>386,637</u>	<u>6,262,177</u>

(i) Distributions received from associate was \$3,636,684 (2021: \$nil). As at 31 December 2022, \$3,636,684 (2021: \$nil) was unpaid.

Associate had contingent liabilities and capital commitments as at 31 December 2022 of \$nil (2021: \$nil) and \$nil (2021: \$nil), respectively.

13. TRADE AND OTHER PAYABLES

Unsecured liabilities				
Trade payables (i)	882,884	769,047	459,217	278,773
Other payables	445,275	368,409	194,880	72,775
Accrued expenses - general	746,505	538,590	631,781	416,408
Legal costs payable - litigation	-	-	-	-
Legal costs payable - other legal matters	-	-	-	-
Loan - ETU - Divisional Office (i)	553,780	1,506,250	-	-
Consideration to employers for payroll deductions	-	-	-	-
Deposit received in advance	-	-	-	-
	<u>2,628,444</u>	<u>3,182,296</u>	<u>1,285,878</u>	<u>767,956</u>

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

CEPU - Communications Division	45,621	21,837	45,621	21,837
CEPU - General Fund	72,844	50,312	72,844	50,312
CEPU - Electrical Division WA Branch	17,179	14,042	-	-
CEPU - Electrical Div S.A. Branch	2,346	2,086	-	-
CEPU - Tasmania Branch	18,028	17,250	-	-
ETU - Divisional Office	553,780	1,506,250	-	-
Total payables to other reporting units	<u>709,798</u>	<u>1,611,777</u>	<u>118,465</u>	<u>72,149</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2022

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
14. EMPLOYEE PROVISIONS				
Current - employee entitlements provision	3,078,735	2,869,266	2,088,988	1,970,432
Non-Current - employee entitlements provision	195,928	220,451	79,380	79,380
	<u>3,274,663</u>	<u>3,089,717</u>	<u>2,168,368</u>	<u>2,049,812</u>
The above current and non-current employee entitlements contain the following amounts:				
Office Holders				
Annual Leave	171,199	252,987	171,199	252,987
Long Service Leave	438,291	359,851	438,291	359,851
Retirement Benefit / Redundancy	-	-	-	-
	<u>609,490</u>	<u>612,838</u>	<u>609,490</u>	<u>612,838</u>
Non Office Holders				
Annual Leave	1,295,385	1,199,169	838,560	690,801
Long Service Leave	1,369,788	1,277,709	720,318	746,173
Retirement Benefit / Redundancy	-	-	-	-
	<u>2,665,173</u>	<u>2,476,878</u>	<u>1,558,878</u>	<u>1,436,974</u>
Total employee entitlements	<u>3,274,663</u>	<u>3,089,716</u>	<u>2,168,368</u>	<u>2,049,812</u>

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

15. CONTRACT LIABILITIES

ETU has recognised the following liabilities related to contracts with customers:

Members subscription in advance	<u>1,716,602</u>	<u>1,870,768</u>	<u>1,716,602</u>	<u>1,870,768</u>
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16. 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	-	-	-	-
Transferred to reserve	-	-	-	-
Transferred out of reserve	-	-	-	-
Balance as at end of year	-	-	-	-

17. CASH FLOW INFORMATION

Net surplus/(deficit) for the year	(3,223,741)	10,168,935	(988,642)	7,687,335
Non-cash flows in profit				
- surplus/deficit on investment in associate	435,053	(8,889,999)	435,053	(5,889,999)
- interest paid on leases	-	-	-	-
- depreciation and amortisation	1,761,513	2,106,595	478,115	536,996
- net (gain)/loss on disposal of PPE	(75,363)	(49,254)	(71,596)	(37,174)
- net (gain)/loss on disposal of debt instruments	(98,877)	(107,237)	-	-
Changes in operating assets and liabilities:				
- (increase)/decrease in trade and other receivables	(438,009)	(428,547)	(4,745,620)	(4,102,136)
- (increase)/decrease in inventories	(34,845)	(2,333)	(34,845)	(2,333)
- (increase)/decrease in other assets	(124,237)	(157,588)	(188,069)	(23,145)
- increase/(decrease) in trade and other payables	291,983	261,396	363,756	(157,420)
- increase/(decrease) in provisions	184,946	(1,336,922)	118,556	(1,507,605)
Net cashflow from operating activities	<u>(1,321,577)</u>	<u>1,565,045</u>	<u>(4,633,291)</u>	<u>(3,495,482)</u>

Cash outflows to other reporting units were as follows: CEPU - Communications Division \$330,744 (2021: \$312,183), CEPU - General Fund \$1,865,659 (2021: \$1,407,500), CEPU - South Australia \$26,569 (2021: \$25,062), CEPU Western Australia \$216,550 (2021: \$174,381) and CEPU Tasmania \$212,104 (2021: \$173,431). 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 2022

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
18. COMMITMENTS				
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	456,571	-	-
After one year but not more than five years	760,952	456,571	-	-
More than five years	-	-	-	-
	<u>1,217,523</u>	<u>913,142</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.

19. 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 (Resigned February 2022)
Jason O'Halloran	Branch Executive (Appointed August 2022)
James Barnes	Branch Executive (Appointed February 2022, Resigned August 2022)
John Kus	Branch Executive (Appointed February 2022)

Key management personnel remuneration included within employee expenses for both years is shown below:

Short-term employee benefits	955,773	913,600	955,773	913,600
Post-employee benefits	153,297	140,440	153,297	140,440
Other long term benefits	20,354	(579,266)	20,354	(579,266)
	<u>1,129,424</u>	<u>474,774</u>	<u>1,129,424</u>	<u>474,774</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2022

20. RELATED PARTIES

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

(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 19: 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	
	2022	2021	2022	2021
Director's fees received:				
Industrial Printing & Publishing Pty Ltd	-	3,000	-	3,000
CoINVEST Ltd	52,949	52,896	52,949	52,896
Protect Services Pty Ltd	164,664	164,664	164,664	164,664
Loans receivable:				
Industrial Printing & Publishing Pty Ltd	59,188	534,732	59,188	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.				
21. AUDITOR'S REMUNERATION				
Remuneration of RSM Australia as the auditor of the parent entity for:				
- audit of the financial statements	81,000	73,000	81,000	73,000
- other services	29,500	28,700	29,500	28,700
Remuneration of RSM Australia as the auditor of controlled entities for:				
- audit of the financial statements of controlled entities	32,000	36,800	-	-
- other services	6,000	9,200	-	-
Remuneration of KPMG & Pitcher Partners for:				
- review and audit of the financial statements of associates and subsidiary	41,800	60,281	41,800	60,281
- audit of subsidiary	18,408	27,685	-	-
- internal audit services	14,900	26,068	14,900	26,068
	223,608	261,734	167,200	188,049

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2022

22. 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 2022 (2021: 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.

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 \$5,075,551 (2021 \$5,596,093).

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 2022 \$	Fixed interest rate 2022 \$
Financial Assets			
Interest securities	10.05%	-	13,480,900
Bonds	4.64%	810,735	1,333,227
		<u>810,735</u>	<u>14,814,127</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 \$156,249.

	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.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2022

22. 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 2022	Between 1 and 4 years 2022	Over 5 years 2022	Remaining contractual maturities 2022
Non-derivative (Non-interest bearing)					
Trade payables	-	\$ 882,884	-	-	\$ 882,884
Other payables	-	445,275	-	-	445,275
Loan - ETU - Divisional Office	-	553,780	-	-	553,780
		<u>1,881,939</u>	<u>-</u>	<u>-</u>	<u>1,881,939</u>
Non-derivative (Interest bearing)					
Lease liability	3.1%	20,995	627,582	1,217,820	1,866,397
		<u>20,995</u>	<u>627,582</u>	<u>1,217,820</u>	<u>1,866,397</u>
	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>

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2022

23. 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
2022	\$	\$	\$	\$
Revenue	6,578,649	19,837,837	-	26,416,486
Intersegment revenue	-	731,623	(731,623)	-
Reportable segment profit before finance income and tax	504,096	(6,722,579)	(452,445)	(6,670,928)
Reportable segment assets	3,528,386	113,513,457	-	117,041,843
Reportable segment liabilities	3,419,194	6,066,912	-	9,486,106
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	4,688,521	120,765,155	-	125,453,676
Reportable segment liabilities	4,092,601	6,806,569	-	10,899,170
Reconciliation of reportable segment profit or loss	2022	2021		
	\$	\$		
Total profit or loss for reportable segments	(6,670,928)	6,983,946		
Finance income	3,447,187	3,184,989		
Profit/(loss) before tax from continuing operations	<u>(3,223,741)</u>	<u>10,168,935</u>		

24. 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 2022	\$	\$	\$	\$
Assets				
Listed investments - fair value	8,828,676	-	-	8,828,676
Unlisted investments - fair value	-	28,408,525	-	28,408,525
Land and buildings	-	-	28,899,102	28,899,102
Total assets	<u>8,828,676</u>	<u>28,408,525</u>	<u>28,899,102</u>	<u>66,136,303</u>
Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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	<u>12,852,258</u>	<u>34,627,770</u>	<u>29,806,772</u>	<u>77,286,800</u>
Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2022

24. 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.

25. CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 December 2022 (2021: \$nil).

26. EVENTS AFTER BALANCE DATE

No matters or circumstances have arisen since 31 December 2022 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.

27. 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.

28. UNION DETAILS

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

Level 1, 200 Arden Street
NORTH MELBOURNE, VIC 3051