



14 December 2017

Mr Troy Gray
Branch Secretary
CEPU, Electrical, Energy and Services Division, Vic Divisional Branch

By e-mail: etu@etu.asn.au

Dear Mr Gray

**CEPU, Electrical, Energy and Services Division, Vic Divisional Branch
Financial Report for the year ended 31 December 2016 - FR2016/375**

I acknowledge receipt of the amended financial report for the year ended 31 December 2016 for the CEPU, Electrical, Energy and Services Division, Vic Divisional Branch (CEPU-EVIC). The financial report was lodged with the Registered Organisations Commission on 12 December 2017.

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

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 9603 0707 or by email at ken.morgan@roc.gov.au

Yours sincerely

A handwritten signature in black ink, appearing to read 'K. Morgan'.

KEN MORGAN
Financial Reporting Advisor
Registered Organisations Commission

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

**Consolidated Financial Statements
For the Year Ended 31 December 2016**

Table of Contents

OPERATING REPORT 1

STATEMENT BY COMMITTEE OF MANAGEMENT 3

CERTIFICATE BY BRANCH SECRETARY 4

INDEPENDENT AUDITOR'S REPORT 5

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 7

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 8

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 9

CONSOLIDATED STATEMENT OF CASH FLOWS 10

NOTES TO THE FINANCIAL STATEMENTS..... 11

OPERATING REPORT

For the year ended 31 December 2016

Your committee presents its report on the Union and its controlled entities for the financial year ended 31 December 2016.

1. General information

a. Members

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

Troy Gray	– State Secretary
Wesley Hayes	– Assistant State Secretary
Ivan Balta	– Assistant State Secretary
Gary Carruthers	– President
Graeme Watson	– Treasurer
Paul Swann	– Vic President
Jim Theodosiou	– Branch Executive
Jeremy Barnard	– Branch Executive
Stephen O'Brien	– Branch Executive
Daniel Filazzola (Resigned 01/01/2016)	– Branch Executive
Patrick Tutton (Resigned 01/01/2016)	– Branch Executive
Ken Purdham	– Branch Executive

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

b. Union Secretary

The following person held the position of State Secretary of the Union at the end of the financial year:

Troy Gray

c. Number of members

The number of persons who were members at the end of the financial year was 17,485 (2015: 18,151).

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 43 (2015: 42).

e. Principal activities and significant changes in nature of activities

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

- Implementation of the decisions of the Branch Executive 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;

OPERATING REPORT (CONT.)
For the year ended 31 December 2016

- Industrial support including representation of individual member grievances, advice on legal and legislative matters, pursuing relevant changes to the conditions of eligibility rules of the union, and responding to other union's rules applications where they have an impact on membership of the ETU;
- The administration of federal awards, the variation of awards following major test cases (such as living wage) and making applications to vary federal awards;
- Management of information technology and strategic membership systems designed to support organizing;
- 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; and
- National bargaining in key industries and assistance to other branches on bargaining by request.

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

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

e. Right of Members to Resign

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

f. Trustee or director of trustee company of 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 profit / (loss) of the Union for the financial year amounted to (\$3,179,866) loss (2015: \$2,594,373 profit).

3. Other items

a. Significant changes in the financial affairs

There have been no significant changes in the financial affairs of entities in the economic entity during the year.

b. Events after the reporting date

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

Signed in accordance with a resolution of the committee of management:


.....
Troy Gray
Branch Secretary

Dated this.....11..... day of ~~December~~ 2017

STATEMENT BY COMMITTEE OF MANAGEMENT
For the year ended 31 December 2016

On the / / 2017 the Executive Committee of the Electrical Trades Union Of Australia – Victorian Branch, passed the following resolution in relation to the general purpose financial report ("GPFR") for the year ended 31 December 2016.

The Electrical Trades Union of Australia - Victorian Branch 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 the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Electrical Trades Union of Australia – Victorian Branch for the financial year ended 31 December, 2016;
- (d) there are reasonable grounds to believe that the Electrical Trades Union of Australia – Victorian Branch will be able to pay its debts as and when they become due and payable;
- (e) during the financial year ended 31 December 2016 and since the end of the financial year:
 - i) meetings of the Branch Executive were held in accordance with the rules of the Electrical Trades Union of Australia – Victorian Branch;
 - ii) the financial affairs of the Electrical Trades Union of Australia Victorian Branch have been managed in accordance with the rules of the Electrical Trades Union of Australia – Victorian Branch;
 - iii) the financial records of the Electrical Trades Union of Australia – Victorian Branch have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009;
 - iv) the financial records of the Electrical Trades Union of Australia – Victorian Branch have been kept, as far as practicable, in a consistent manner to each of the other branches of the national organisation;
 - v) no information has been sought in any request of a member of the Electrical Trades Union of Australia or the General Manager of Fair Work Australia under section 272 of the Fair Work (Registered Organisations) Act 2009; and
 - vi) no orders have been made by the General Manager of Fair Work Australia under section 273 of the Fair Work (Registered Organisations) Act 2009.
- (f) the reporting unit has not engaged in recovery of wages activity which has resulted in the derivation of revenue in respect of such activity.

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


.....
Troy Gray
Branch Secretary


.....
Daniel Filazzola
President

Dated this11..... day of ~~December~~ 2017

**CERTIFICATE BY BRANCH SECRETARY
For the year ended 31 December 2016**

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

- (a) the documents lodged herewith are copies of the full report for the Electrical Trades Union of Australia — Victorian Branch for the period ended 31 December 2016, referred to in Section 268 of the Fair Work (Registered Organisations) Act 2009; and
- (b) the full report was provided to members of the Union on 11 / 12 / 2017; and
- (c) the full report was presented to the Committee of Management of the reporting unit on 11 / 12 / 2017 in accordance with Section 266 of the Fair Work (Registered Organisations) Act 2009.


.....
Troy Gray
Branch Secretary

Dated this 11 day of December 2017

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ELECTRICAL TRADES UNION OF AUSTRALIA – VICTORIAN BRANCH**

Report on the Financial Report

Opinion

We have audited the financial report of Electrical Trades Union of Australia – Victorian Branch (the union) and its subsidiaries (the consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2016, 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, and notes to the financial statements, including a summary of significant accounting policies, and the committee's declaration.

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

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009.

Emphasis of matter - Reissued Financial Report

Without qualification to the opinion expressed above, attention is drawn to the following matter. As indicated in Note 1t, Reissued Financial Report, the attached financial report of Electrical Trades Union of Australia – Victorian Branch for the year ended 31 December 2016 is a reissued financial report and supersedes the financial report signed by the Committee, and lodged with the Fair Work Commission, on 25 May 2017. This audit report supersedes our audit report dated 25 May 2017 relating to the previously issued and now superseded financial report.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the consolidated entity in accordance with the auditor independence requirements of the Fair Work (Registered Organisations) Act 2009 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The committee are responsible for the other information. The other information comprises the information included in the Operating Report for the year ended 31 December 2016, but does not include the financial report and the auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Committee's Responsibility for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Pronouncements/Australian-Auditing-Standards/Auditors-Responsibilities.aspx>. This description forms part of our auditor's report.

Going Concern

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

Approved Auditor

The auditor declares that he is an approved auditor who is a member of The Institute of Chartered Accountants in Australia and New Zealand and holds a current Public Practice Certificate.

A handwritten signature in blue ink, appearing to be 'RSM'.

RSM AUSTRALIA PTY LTD

A handwritten signature in blue ink, appearing to be 'R B Miano'.

R B MIANO
Partner

Dated: 11 December 2017
Melbourne, VIC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2016

	Notes	Consolidated		Parent	
		2016	2015	2016	2015
		\$	\$	\$	\$
Revenue	2(a)	15,366,583	15,423,029	10,648,500	10,854,999
Other Income	2(b)	3,951,051	5,392,318	3,722,703	5,772,411
Employee benefits expenses	4	(10,406,777)	(9,438,837)	(7,848,523)	(6,940,346)
Depreciation and amortisation expense		(1,471,309)	(977,898)	(690,720)	(597,407)
Other expenses	5	(10,619,414)	(7,804,239)	(8,310,355)	(6,057,859)
		<u>(3,179,866)</u>	<u>2,594,373</u>	<u>(2,478,395)</u>	<u>3,031,798</u>
Income tax expense		-	-	-	-
Profit/(loss) for the year		<u>(3,179,866)</u>	<u>2,594,373</u>	<u>(2,478,395)</u>	<u>3,031,798</u>
Other comprehensive income					
Net gain on revaluation of available for sale financial assets		163,132	-	68,069	-
Net gain on revaluation of land and buildings		605,873	-	-	-
Other comprehensive income for the year		<u>769,005</u>	<u>-</u>	<u>68,069</u>	<u>-</u>
Total comprehensive income for the year		<u>(2,410,861)</u>	<u>2,594,373</u>	<u>(2,410,326)</u>	<u>3,031,798</u>
Comprehensive income attributable to members of the parent entity		(2,502,547)	2,482,905	(2,410,326)	3,031,798
Comprehensive income attributable to outside equity interest		<u>91,686</u>	<u>111,468</u>	<u>-</u>	<u>-</u>

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

	Notes	Consolidated		Parent	
		2016	2015	2016	2015
		\$	\$	\$	\$
ASSETS					
Current Assets					
Cash and cash equivalents	6	8,068,437	10,782,448	1,493,113	7,074,350
Trade and other receivables	7	2,083,294	3,714,260	8,595,835	7,826,864
Inventories	8	145,191	109,175	145,191	109,175
Other current assets	9	300,387	147,734	259,922	103,294
Total current assets		10,597,309	14,753,617	10,494,061	15,113,683
Non-Current Assets					
Trade and other receivables	7	634,732	634,732	634,732	634,732
Financial assets	10	23,013,767	21,301,198	4,493,046	12,442,616
Property, plant and equipment	12	21,236,714	20,318,399	3,778,755	3,394,899
Intangibles	13	328,979	235,427	328,979	235,427
Investments accounted for using the equity method	14	29,751	29,751	29,751	29,751
Total non-current assets		45,243,943	42,519,507	9,265,263	16,737,425
Total Assets		55,841,252	57,273,124	19,759,324	31,851,108
LIABILITIES					
Current Liabilities					
Trade and other payables	15	4,644,125	3,646,288	4,152,859	14,248,906
Employee provisions	16	4,174,657	3,826,178	3,748,663	3,334,074
Total current liabilities		8,818,782	7,472,466	7,901,522	17,582,980
Non-Current Liabilities					
Employee provisions	16	6,152	5,932	-	-
Total non-current liabilities		6,152	5,932	-	-
Total liabilities		8,824,934	7,478,398	7,901,522	17,582,980
Net assets		47,016,318	49,794,726	11,857,802	14,268,128
EQUITY					
Reserves		3,634,551	2,865,546	68,069	-
Accumulated surplus		43,361,016	46,742,359	11,789,733	14,268,128
Equity attributable to members of the parent entity		46,995,567	49,607,905	11,857,802	14,268,128
Outside equity interests in controlled entities		20,751	186,821	-	-
Total equity		47,016,318	49,794,726	11,857,802	14,268,128

The above 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 2016

2016 Consolidated	Accumulated Surplus	Asset Revaluation	Available for sale Reserve	Total Equity
	\$	\$	\$	\$
Balance at 1 January 2016	46,929,180	2,865,546	-	49,794,726
Profit/(loss) for the year	(3,179,866)	-	-	(3,179,866)
Distribution to beneficiaries	(367,547)	-	-	(367,547)
Other Comprehensive income	-	605,873	163,132	769,005
Balance at 31 December 2016	43,381,767	3,471,419	163,132	47,016,318

2015 Consolidated	Accumulated Surplus	Asset Revaluation	Available for sale Reserve	Total Equity
	\$	\$	\$	\$
Balance at 1 January 2015	44,782,646	2,865,546	-	47,648,192
Transfer between accumulated surplus and other reserves	-	-	-	-
Profit/(loss) for the year	2,594,373	-	-	2,594,373
Distribution to beneficiaries	(447,839)	-	-	(447,839)
Other Comprehensive income	-	-	-	-
Balance at 31 December 2015	46,929,180	2,865,546	-	49,794,726

2016 Parent	Accumulated Surplus	Asset Revaluation	Available for sale Reserve	Total Equity
	\$	\$	\$	\$
Balance at 1 January 2016	14,268,128	-	-	14,268,128
Profit/(loss) for the year	(2,478,395)	-	-	(2,478,395)
Other Comprehensive income	-	-	68,069	68,069
Balance at 31 December 2016	11,789,733	-	68,069	11,857,802

2015 Parent	Accumulated Surplus	Asset Revaluation	Available for sale Reserve	Total Equity
	\$	\$	\$	\$
Balance at 1 January 2015	11,236,330	-	-	11,236,330
Profit/(loss) for the year	3,031,798	-	-	3,031,798
Balance at 31 December 2015	14,268,128	-	-	14,268,128

The above 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 2016

	Notes	Consolidated		Parent	
		2016	2015	2016	2015
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		19,957,053	15,098,870	12,797,503	7,799,825
Payments to suppliers and employees		(19,575,674)	(16,963,211)	(14,829,375)	(10,171,519)
Interest received		710,414	756,691	364,097	353,491
Net cash provided by/(used in) operating activities	17	<u>1,091,793</u>	<u>(1,107,650)</u>	<u>(1,667,775)</u>	<u>(2,018,203)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property plant and equipment		330,295	2,916,670	276,570	2,894,760
Purchase of property, plant and equipment		(2,373,657)	(3,725,872)	(1,318,081)	(692,051)
Purchase of intangibles		(93,552)	(235,427)	(93,552)	(235,427)
Purchase of financial assets		(15,836,264)	(10,109,226)	(4,600,694)	(4,817,120)
Proceeds from maturity of financial assets		14,534,921	71,816	8,825,030	-
Net proceeds / (payments) to related parties		-	1,250,000	(7,002,735)	(100,000)
Net cash provided by/(used in) investing activities		<u>(3,438,257)</u>	<u>(9,832,039)</u>	<u>(3,913,462)</u>	<u>(2,949,837)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Beneficiary payments		(367,547)	(447,839)	-	-
Net cash provided by/(used in) financing activities		<u>(367,547)</u>	<u>(447,839)</u>	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held		(2,714,011)	(11,387,528)	(5,581,237)	(4,968,040)
Cash and cash equivalents at beginning of year		<u>10,782,448</u>	<u>22,169,976</u>	<u>7,074,350</u>	<u>12,042,390</u>
Cash and cash equivalents at end of year	6	<u>8,068,437</u>	<u>10,782,448</u>	<u>1,493,113</u>	<u>7,074,350</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 2016

1. Summary of significant accounting policies

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

a. Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the Fair Work (Registered Organisations) Act 2009. For the purpose of preparing the general purpose financial statements, the Electrical Trade Union of Australia – Victorian Branch is a not for profit entity.

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

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

b. Comparative amounts

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

c. Principles of consolidation

The consolidated financial statements comprise the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost. A controlled entity is any entity over which Electrical Trade Union of Australia – Victorian Branch 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 11 to the financial statements.

During the year ended 31 December 2016, there were no assets or liabilities acquired through any business combination.

Inter-entity balances

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

d. Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, 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 of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 31 December 2016

1. Summary of significant accounting policies (Cont.)

d. Revenue and other income (Cont.)

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

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

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

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

Donation income is recognised when it is received.

e. Taxation

Electrical Trades Union of Australia – Victoria Branch 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 recognized net of GST except:

- Where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- For receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to the Australian Taxation Office is classified within operating cash flows.

f. Cash and Cash Equivalents

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

g. Inventories

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

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 conduct committee valuations to ensure the land and buildings carrying amount is not materially different to the fair value.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 31 December 2016

1. Summary of significant accounting policies (Cont.)

h. Property, Plant and Equipment (Cont.)

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%
Motor Vehicles	18.75%
Office Equipment	10 - 15%
Computer Equipment	37.50%

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

i. Intangibles

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortisation is recognized on a straight-line basis over their estimated useful life. The estimated useful lives and amortization 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 amortizable assets are:

Class of Intangibles	Amortisation rate
Computer Software	33.33%

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 31 December 2016

1. Summary of significant accounting policies (Cont.)

i. Intangibles (Cont.)

Derecognition

An intangible asset is derecognized 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 recognized in profit and loss when the asset is derecognized.

j. Leases

Income is derived from rental operations which represents the letting of excess office space in the union's buildings to outside parties. These parties include other unions, allied organisations and commercial entities.

k. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the Union commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value or cost.

Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in arm's length transaction. Where available, quoted prices in an active market are used to determine the fair value of the financial instrument. In other circumstances, valuation techniques are adopted.

Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 31 December 2016

1. Summary of significant accounting policies (Cont.)

k. Financial Instruments (Cont.)

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the economic entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to be realised within 12 months after the end of the reporting period, which will be classified as current assets.

If during the period the economic entity sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

Available-for-sale financial assets

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

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be realised within 12 months after the end of the reporting period.

l. 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.

m. 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 31 December 2016

1. Summary of significant accounting policies (Cont.)

n. 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.

o. 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.

p. Investments in associate using the equity method of accounting

Associates are those entities over which the Union exercises significant influence, but not control. Investments in associates are accounted for in the financial statements using the equity method. Under this method, the Union's share of the post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the cost of the investment.

q. Accounting standards not yet effective

At the date of this financial report, AASB 9, AASB 15 and AASB 2016 which may impact the entity in the period of initial application, have been issued but are not yet effective. These new standards and interpretations have not been applied in the preparation of this financial report.

There were no new standards adopted for the first time by the consolidated entity in the year ended 31 December 2016.

r. 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 s.245 or s.249 of Fair Work (Registered Organisations) Act 2009.

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

s. Significant accounting estimates and judgements

The consolidated entity makes certain estimates and assumptions concerning the future, which, by definition will seldom represent actual results. During the year ended 31 December 2016, there were no such significant estimates and assumptions made that could have a material impact on the assets and liabilities in future financial years.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 31 December 2016

1. Summary of significant accounting policies (Cont.)

t. Reissued Financial Report

This reissued financial report replaces the previously issued financial report approved on 25 May 2017.

The reason for the reissue of the financial report dated 25 May 2017 is due to a request from the Registered Organisations Commission to include additional disclosure items outlined below. The items disclosed below had no material effect on the previous financial report and provided confirmation of specific matters requested by the Registered Organisations Commission.

The following disclosure items were requested by the Fair Work Commission:

- i) Specific revenue recognition accounting policy for management fee and administration income in note 1(d)
- ii) Update note 18 for nature of operating leases
- iii) Update note 23 to include non-financial assets
- iv) Update note 5c to specify whether grants provided were less or greater than \$1,000
- v) Update note 5c to provide grants and donations on both a parent level and a consolidated level
- vi) Provide the date of revaluation for the land and buildings in note 12
- vii) Update note 17b in relation to fees paid to CEPU

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2016

	Consolidated		Parent	
	2016	2015	2016	2015
	\$	\$	\$	\$
2. REVENUE				
(a) Revenue from continuing operations				
Sales revenue				
- Sale of goods	70,255	37,364	70,255	37,364
Finance income				
- interest received	710,414	756,691	364,097	353,491
Other revenue				
- member subscriptions	8,113,561	8,142,350	8,113,561	8,142,350
- management fees	2,100,587	2,321,794	2,100,587	2,321,794
- administration income	4,371,766	4,105,943	-	-
- training income	-	58,887	-	-
	14,585,914	14,628,974	10,214,148	10,464,144
	15,366,583	15,423,029	10,648,500	10,854,999
(b) Other Income				
Profit on sale of fixed assets	33,039	2,555,398	33,063	2,562,249
Rental income	753,021	425,460	11,952	13,039
Recoveries	92,774	214,419	92,774	214,419
Sundry income	998,449	418,943	921,169	304,214
Directors Fees	210,430	203,100	210,430	203,100
Trust distributions	975,000	1,574,998	1,564,977	2,475,390
Capitation fees	-	-	-	-
Grants or donations	-	-	-	-
Compulsory Levies	-	-	-	-
Picket line donations	888,338	-	888,338	-
	3,951,051	5,392,318	3,722,703	5,772,411
	3,951,051	5,392,318	3,722,703	5,772,411
3. AUDITOR'S REMUNERATION				
Remuneration of RSM Australia as the auditor of the parent entity for:				
- audit of the financial statements	36,000	36,000	36,000	36,000
- other services	45,400	5,000	45,400	5,000
Remuneration of RSM Australia as the auditor of controlled entities for:				
- audit of the financial statements of controlled entities	18,500	28,000	-	-
- other services	19,400	37,539	-	-
	119,300	106,539	81,400	41,000
	119,300	106,539	81,400	41,000

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2016

Consolidated	
2016	2015
\$	\$

4. EMPLOYEE BENEFITS EXPENSE

(a) Employee benefits to Office Holders

In accordance with the Fair Work (Registered Organisations) Act 2009 and Regulations, the Salaries and Wages in the Statement of Profit or Loss and Other Comprehensive Income is made up of the following:

Wages and salaries (i)	481,782	419,846
Annual and long service leave	44,341	30,052
Personal leave	5,401	9,112
Superannuation	90,248	82,975
	621,772	541,985

(i) For the year ended 31 December 2016, there were no separation / redundancy expenses paid in respect of office holders (FY 2015: \$0).

(b) Employee benefits to employees other than Office Holders

Wages and salaries (i)	7,147,201	6,749,686
Annual and long service leave	547,464	349,834
Personal leave	65,747	66,884
Superannuation	1,027,552	977,390
	8,787,964	8,143,794

(i) For the year ended 31 December 2016, this figure includes wages and salaries of \$5,659,305 (FY 2015: \$6,321,046) and redundancy payments of \$657,474 (FY 2015: \$428,640).

(c) Other employee expenses

FBT and payroll tax	590,102	569,732
Workcover expenses	50,603	75,731
Training expenses	322,980	67,196
Health benefit expenses	33,356	40,399
Capitation fees	-	-
Affiliation fees	-	-
	997,041	753,058

Total employee benefits expenses **10,406,777** **9,438,837**

(d) Disclosure of remuneration of Elected Officials

State secretary	190,653	174,760
Assistant state secretary	340,870	314,958
Organisers	2,846,936	2,751,669
	3,378,459	3,241,386

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2016

	Consolidated		Parent	
	2016	2015	2016	2015
	\$	\$	\$	\$
5. OTHER EXPENSES				
Other expenses includes the following amounts:				
Bad and doubtful debts (a)	-	-	-	-
Legal expenses (b)	335,682	466,935	335,432	466,689
Grants and Donations (c)	834,896	308,368	834,896	308,368
Loss on sale of fixed assets	-	-	-	-
Computer related costs	206,027	146,264	184,594	131,282
Motor vehicle costs	298,004	281,904	235,354	223,381
Consultants	667,785	524,502	545,771	434,439
Printing costs	786,659	449,171	786,659	449,171
Ambulance membership costs	373,263	370,322	373,263	370,322
Publication costs	297,085	353,164	141,490	218,013
CEPU Nat. Office - Sustentation	990,265	1,037,899	990,265	1,037,899
Meeting costs (d)	148,977	126,704	144,697	114,909
Penalties - via RO Act or RO Regulations	-	-	-	-
Compulsory levies	-	-	-	-
Capitation fees	-	-	-	-
Affiliation fees	-	-	-	-
Consideration to employers for payroll deductions	-	-	-	-
Impairment expense	292,650	-	-	-
Pickett line expenses	1,009,100	244	1,009,100	244
	<u>6,240,393</u>	<u>4,065,477</u>	<u>5,581,521</u>	<u>3,754,717</u>

(a) Bad & Doubtful debts

A doubtful debts provision is raised by the Electrical Trades Union - Victorian Branch for bad and doubtful debts incurred as a result of unpaid membership fees and other unpaid transactions previously recorded as income. Movements in this provision are recognised through the income statement.

(b) Legal Expenses

Legal expenses are incurred by the union (Parent) both in pursuing industrial matters and in other activities associated with the operations of the union (Parent).

Description	2016	2015	2016	2015
	\$	\$	\$	\$
Litigation	141,038	263,212	141,038	263,212
Other legal matters	194,644	203,723	194,394	203,477
TOTAL	<u>335,682</u>	<u>466,935</u>	<u>335,432</u>	<u>466,689</u>

(c) Political Funding and Other Donations

Consistent with the aims of the organisation the union (Parent) from time to time provides funding and donations to political candidates and other like-minded organisations.

	2016	2015	2016	2015
	\$	\$	\$	\$
Grants				
Total paid that were \$1,000 or less	57,990	-	57,990	-
Total paid that exceeded \$1,000	-	-	-	-
TOTAL	<u>57,990</u>	<u>-</u>	<u>57,990</u>	<u>-</u>
Donations:				
Total paid that were \$1,000 or less	21,353	55,020	21,353	55,020
Total paid that exceeded \$1,000 (i)	755,553	253,348	755,553	253,348
TOTAL	<u>776,906</u>	<u>308,368</u>	<u>776,906</u>	<u>308,368</u>

(i) This amount excludes \$101,809 of beneficiary payments made direct from a subsidiary trust to members of union in relation to member hardship. The total donations including member hardship for the year was \$857,362.

(d) There were no fees or allowances paid to persons in respect of their attendance as representatives of the Branch at meetings.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2016

Notes	Consolidated		Parent	
	2016	2015	2016	2015
	\$	\$	\$	\$
6. CASH AND CASH EQUIVALENTS				
Cash on hand	4,809	4,556	4,600	4,600
Cash at bank	8,063,628	3,927,892	1,488,513	2,469,750
Short-term bank deposits	-	6,850,000	-	4,600,000
	<u>8,068,437</u>	<u>10,782,448</u>	<u>1,493,113</u>	<u>7,074,350</u>
7. TRADE AND OTHER RECEIVABLES				
Current				
Trade receivables	999,618	3,600,180	615,973	3,233,550
Provision for Impairment	-	-	-	-
	<u>999,618</u>	<u>3,600,180</u>	<u>615,973</u>	<u>3,233,550</u>
Other receivables	1,041,922	24,113	1,039,158	245,307
Controlled entity receivable	-	-	6,917,894	4,304,134
Accrued interest	41,754	89,967	22,810	43,873
	<u>2,083,294</u>	<u>3,714,260</u>	<u>8,595,835</u>	<u>7,826,864</u>
Non-current				
Related party receivable	20(e) -	-	-	-
Unpaid trust distributions	534,732	534,732	534,732	534,732
Other receivables	100,000	100,000	100,000	100,000
	<u>634,732</u>	<u>634,732</u>	<u>634,732</u>	<u>634,732</u>
There is no receivable owing from another reporting unit as at 31 December 2016.				
8. INVENTORIES				
Merchandise	145,191	109,175	145,191	109,175
	<u>145,191</u>	<u>109,175</u>	<u>145,191</u>	<u>109,175</u>
9. OTHER CURRENT ASSETS				
Prepayments	300,387	147,734	259,922	103,294
Other assets	-	-	-	-
	<u>300,387</u>	<u>147,734</u>	<u>259,922</u>	<u>103,294</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2016

	Consolidated		Parent	
	2016	2015	2016	2015
	\$	\$	\$	\$
10. FINANCIAL ASSETS				
Available for sale financial assets (a)	13,748,147	6,533,304	3,851,494	4,694,771
Other investments (b)	8	7	8	7
Held to maturity financial assets (c)	9,265,612	14,767,887	641,544	7,747,838
	23,013,767	21,301,198	4,493,046	12,442,616
 (a) Available for sale financial assets comprise				
Listed investments - fair value	8,168,642	5,530,409	1,847,887	3,691,876
Unlisted investments - fair value	5,579,505	1,002,895	2,003,607	1,002,895
	13,748,147	6,533,304	3,851,494	4,694,771
 (b) Other investments comprises				
Unlisted investments				
- shares in controlled entities - cost	-	-	-	-
- shares in other related parties - cost	8	7	8	7
	8	7	8	7
 (c) Held to maturity investment comprise				
Term deposits	5,500,000	10,058,521	-	4,038,472
Fixed interest securities	641,544	1,892,923	641,544	892,923
Bonds	3,124,068	2,816,443	-	2,816,443
	9,265,612	14,767,887	641,544	7,747,838

11. CONTROLLED ENTITIES

	Country of Incorporation	Percentage Owned (%)	Percentage Owned (%)
		2016	2015
ETU - Victorian Branch Trust	Australia	100	100
ETU - (Victorian Branch) Distress, Mortality & Trading Fund	Australia	100	100
ETU (Distress, Mortality & Trading) Pty Ltd	Australia	100	100
ETU Arden Trust	Australia	100	100
ETU Swanston Trust	Australia	100	100
ETU Morwell Trust	Australia	100	100
ETU Comrades Trust	Australia	100	100
ETU (Victorian Branch) Pty Ltd	Australia	100	100
ETU (National) Pty Ltd	Australia	100	100
Comrades Social Club 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

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2016

	Consolidated		Parent	
	2016	2015	2016	2015
	\$	\$	\$	\$
12. PROPERTY, PLANT AND EQUIPMENT				
LAND AND BUILDINGS - AT FAIR VALUE				
At independent valuation				
Land and buildings at fair value	13,464,560	13,690,000	-	-
Accumulated depreciation	-	(732,824)	-	-
Improvements at fair value	5,620,440	-	1,938,689	-
Accumulated depreciation	-	-	-	-
TOTAL LAND AND BUILDINGS - AT FAIR VALUE	19,085,000	12,957,176	1,938,689	-
The independent valuation conducted in the 2016 financial year was as at 31 December 2016.				
PLANT AND EQUIPMENT - AT COST				
<i>Furnitures, fixtures and fittings</i>				
At Cost	868,639	5,493,953	868,639	5,493,953
Accumulated depreciation	(444,724)	(3,083,593)	(444,724)	(3,083,593)
Total Furnitures, fixtures and fittings	423,915	2,410,360	423,915	2,410,360
<i>Improvements</i>				
At Cost	-	3,789,926	-	-
Accumulated depreciation	-	(88,538)	-	-
Total Improvements	-	3,701,388	-	-
<i>Work in Progress</i>				
At Cost	65,750	-	-	-
Total Work in Progress	65,750	-	-	-
<i>Motor Vehicles</i>				
At Cost	1,423,486	1,354,105	1,152,554	1,085,933
Accumulated depreciation	(420,434)	(364,623)	(326,648)	(292,658)
Total Motor Vehicles	1,003,052	989,482	825,906	793,275
<i>Office equipment</i>				
At Cost	714,853	525,893	561,704	382,768
Accumulated depreciation	(395,135)	(346,674)	(293,497)	(269,065)
Total Office equipment	319,718	179,219	268,207	113,703
<i>Computer equipment</i>				
At Cost	824,919	400,944	802,369	397,070
Accumulated depreciation	(488,140)	(322,670)	(480,331)	(319,509)
Total Computer equipment	336,779	78,274	322,038	77,561
<i>Other property, plant and equipment</i>				
At Cost	2,500	2,500	-	-
Total Other property, plant and equipment	2,500	2,500	-	-
TOTAL PLANT AND EQUIPMENT	2,151,714	7,361,223	1,840,066	3,394,899
TOTAL PROPERTY, PLANT AND EQUIPMENT	21,236,714	20,318,399	3,778,755	3,394,899

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2016

12. 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	Other Plant and Equipment	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 January 2016									
Balance at the beginning of year	12,957,176	2,410,360	3,701,388	-	989,482	179,219	78,274	2,500	20,318,399
Additions	-	12,485	1,328,923	-	580,299	36,145	415,805	-	2,373,657
Transfers	122,037	(1,727,347)	1,382,915	65,750	-	152,815	3,830	-	-
Disposals - written down value	-	-	-	-	(296,660)	-	(596)	-	(297,256)
Depreciation expense	(254,644)	(271,583)	(466,018)	-	(270,069)	(48,461)	(160,534)	-	(1,471,309)
Impairment expense	-	-	(292,650)	-	-	-	-	-	(292,650)
Revaluation increase recognised in equity	639,991	-	(34,118)	-	-	-	-	-	605,873
Balance at 31 December 2016	13,464,560	423,915	5,620,440	65,750	1,003,052	319,718	336,779	2,500	21,236,714

Balance at 1 January 2015

Balance at the beginning of year	13,212,351	2,682,379	808,161	-	921,098	223,045	82,163	2,500	17,931,697
Additions	-	27,125	2,926,291	-	696,107	28,971	47,378	-	3,725,872
Disposals - written down value	-	-	-	-	(358,228)	-	(3,044)	-	(361,272)
Depreciation expense	(255,175)	(299,144)	(33,064)	-	(269,495)	(72,797)	(48,223)	-	(977,898)
Revaluation increase recognised in equity	-	-	-	-	-	-	-	-	-
Balance at 31 December 2015	12,957,176	2,410,360	3,701,388	-	989,482	179,219	78,274	2,500	20,318,399

Parent

	Buildings	Furniture, Fixtures and Fittings	Improvements	Works in Progress	Motor Vehicles	Office Equipment	Computer Equipment	Other Plant and Equipment	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 January 2016									
Balance at the beginning of year	-	2,410,360	-	-	793,275	113,703	77,561	-	3,394,899
Additions	-	223,827	-	-	514,359	178,936	400,959	-	1,318,081
Transfers	-	(1,938,689)	1,938,689	-	-	-	-	-	-
Disposals - written down value	-	-	-	-	(242,909)	-	(596)	-	(243,505)
Depreciation expense	-	(271,583)	-	-	(238,819)	(24,432)	(155,886)	-	(690,720)
Balance at 31 December 2016	-	423,915	1,938,689	-	825,906	268,207	322,038	-	3,778,755

Balance at 1 January 2015

Balance at the beginning of year	-	2,682,379	-	-	758,078	113,969	78,340	-	3,632,766
Additions	-	27,125	-	-	593,081	23,664	48,181	-	692,051
Disposals - written down value	-	-	-	-	(329,467)	-	(3,044)	-	(332,511)
Depreciation expense	-	(299,144)	-	-	(228,417)	(23,930)	(45,916)	-	(597,407)
Balance at 31 December 2015	-	2,410,360	-	-	793,275	113,703	77,561	-	3,394,899

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2016

	Consolidated		Parent	
	2016	2015	2016	2015
	\$	\$	\$	\$
13. INTANGIBLES				
Computer software at cost	-	-	-	-
Purchased	328,979	235,427	328,979	235,427
Accumulated depreciation	-	-	-	-
Total computer software	328,979	235,427	328,979	235,427

Movements in Carrying Amounts

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

Consolidated	Computer	Total
	\$	\$
Balance at 1 January 2016		
Balance at the beginning of year	235,427	235,427
Additions	93,552	93,552
Disposals - written down value	-	-
Depreciation expense	-	-
Balance at 31 December 2016	328,979	328,979

Balance at 1 January 2015		
Balance at the beginning of year	-	-
Additions	235,427	235,427
Disposals - written down value	-	-
Depreciation expense	-	-
Balance at 31 December 2015	235,427	235,427

Parent	Computer	Total
	Software	\$
	\$	\$
Balance at 1 January 2016		
Balance at the beginning of year	235,427	235,427
Additions	93,552	93,552
Disposals - written down value	-	-
Depreciation expense	-	-
Balance at 31 December 2016	328,979	328,979

Balance at 1 January 2015		
Balance at the beginning of year	-	-
Additions	235,427	235,427
Disposals - written down value	-	-
Depreciation expense	-	-
Balance at 31 December 2015	235,427	235,427

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2016

	Consolidated		Parent	
	2016 \$	2015 \$	2016 \$	2015 \$
14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD				
Investment in associate	225,751	225,751	225,751	225,751
Provision for impairment	(196,000)	(196,000)	(196,000)	(196,000)
	29,751	29,751	29,751	29,751
15. TRADE AND OTHER PAYABLES				
Unsecured liabilities				
Trade payables (i)	1,796,430	630,628	1,634,232	461,649
Other payables	440,787	257,304	130,121	45,750
Accrued expenses - general	531,695	732,097	444,227	659,012
Legal costs payable - litigation	-	-	-	-
Legal costs payable - other legal matters	-	-	-	-
Members contribution in advance	1,854,815	1,951,826	1,854,815	1,951,826
Related party payables	20,398	74,433	89,464	11,130,669
Consideration to employers for payroll deductions	-	-	-	-
Deposit received in advance	-	-	-	-
	4,644,125	3,646,288	4,152,859	14,248,906
(i) Trade payables includes payables to other reporting units:				
CEPU - Communications Division	30,891	23,299	30,891	23,299
CEPU - General Fund	747,904	-	747,904	-
CEPU - Electrical Division WA Branch	-	17,397	-	17,397
CEPU - Electrical Div S.A. Branch	3,022	1,671	3,022	1,671
CEPU - Tasmania Branch	8,245	7,196	8,245	7,196
	790,062	49,563	790,062	49,563
16. EMPLOYEE PROVISIONS				
Current - employee entitlements provision	4,174,657	3,826,178	3,748,663	3,334,074
Non-Current - employee entitlements provision	6,152	5,932	-	-
	4,180,809	3,832,110	3,748,663	3,334,074
The above current and non-current employee entitlements contain the following amounts:				
<i>Office Holders</i>				
Annual Leave	800,699	697,807	800,699	687,174
Long Service Leave	717,503	696,998	717,503	693,763
Retirement Benefit / Redundancy	1,585,277	1,353,994	1,585,277	1,353,994
	3,103,479	2,748,799	3,103,479	2,734,931
<i>Non Office Holders</i>				
Annual Leave	496,804	474,539	315,204	294,294
Long Service Leave	577,249	587,248	326,703	287,306
Retirement Benefit / Redundancy	3,277	21,524	3,277	17,543
	1,077,330	1,083,311	645,184	599,143
Total employee entitlements	4,180,809	3,832,110	3,748,663	3,334,074

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

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2016

	Consolidated		Parent	
	2016	2015	2016	2015
	\$	\$	\$	\$
17. CASH FLOW INFORMATION				
Net surplus/(deficit) for the year	(3,179,866)	2,594,373	(2,478,395)	3,031,798
Non-cash flows in profit				
- depreciation	1,471,309	977,898	690,720	597,407
- impairment expense	292,650	-	-	-
- net (gain)/loss on disposal of PPE (a)	(33,039)	(2,555,398)	(33,063)	(2,562,249)
- net (gain)/loss on disposal of shares	(248,094)	(12,633)	(245,169)	61,070
Changes in assets and liabilities, net of the effect of purchase and disposal of controlled entities:				
- (increase)/decrease in trade and other receivables	1,630,966	(2,404,388)	(768,970)	(5,972,915)
- (increase)/decrease in inventories	(36,016)	(21,901)	(36,018)	(21,901)
- (increase)/decrease in other assets	(152,653)	95,974	(156,628)	104,056
- increase/(decrease) in trade and other payables	997,837	308,602	945,159	2,906,056
- increase/(decrease) in provisions	348,699	(90,177)	414,589	(161,525)
Net cashflow from operating activities	<u>1,091,793</u>	<u>(1,107,650)</u>	<u>(1,667,775)</u>	<u>(2,018,203)</u>

(a) The gain in disposal of PPE in the 2016 year includes additional sale proceeds from the sale of last years property.

(b) There was no reporting unit that was the source or application of cash flows other than payment of fees to CEPU of \$1,175,756

(c) There were no funds or accounts (if any) operated in respect of compulsory levies or voluntary contributions.

(d) There were no investment of monies raised by compulsory levies or voluntary contributions.

(e) There was no fund or account (other than general fund) required by rules of organisation.

(f) There were no transfers or withdrawals from any specific purpose fund, account or controlled entity.

18. COMMITMENTS

Operating lease commitments - as lessee

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

Within one year	136,601	136,644	136,601	136,644
After one year but not more than five years	73,645	182,208	73,645	182,208
More than five years	-	-	-	-
	<u>210,246</u>	<u>318,852</u>	<u>210,246</u>	<u>318,852</u>

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

Operating lease commitments - as lessor

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

Within one year	578,287	565,688	-	-
After one year but not more than five years	1,128,867	1,844,486	-	-
More than five years	-	-	-	-
	<u>1,707,154</u>	<u>2,410,174</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.

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2016**

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 4(d): Disclosure of remuneration of Elected Officials.

(b) Key Management Personnel

Names and positions held of key management personnel in office at anytime during the financial year are:

Key Management Person	Position
Troy Gray	State Secretary
Wesley Hayes	Assistant State Secretary
Ivan Balta	Assistant State Secretary
Gary Carruthers	President
Graeme Watson	Treasurer
Paul Swann	Vice President
Jim Theodosiou	Branch executive
Jeremy Barnard	Branch executive
Stephen O'Brien	Branch executive
Daniel Filazzola (Resigned 01/01/2016)	Branch executive
Patrick Tutton (Resigned 01/01/2016)	Branch executive
Ken Purdham	Branch executive
Rodney Dalglish	General Manager Business Services

Key management personnel remuneration included within employee expenses for the year is shown below:

	2016	2015
Short-term employee benefits	531,524	459,010
Post-employee benefits	90,248	82,975
	<u>621,772</u>	<u>541,985</u>

20. RELATED PARTIES

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

(a) Identification of Related Parties Ultimate Parent Entity

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

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2016**

20. RELATED PARTIES (CONT.)

(b) Related Parties

The Economic Entity's main related parties are as follows:

(i) Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to Note 18: Key Management Personnel Compensation.

(ii) Nominee related parties:

One or more nominees of the Electrical Trades Union of Australia — Victorian Branch sits on the following board:

- ElecNet (Rust) Pty Ltd, as trustee of the Electrical Industry Severance Scheme (trading as Protect)
- ColINVEST Ltd
- EPIC Industry Training Board
- Electrical Industry Foundation Trust
- The Electrical Telecommunications and Renewable Energy Contractors Inc
- Industrial Printing & Publishing Pty Ltd

(d) Other Related Parties

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 with related parties

The following transactions occurred with related parties:

	2016	2015
Loans receivable	\$	\$
Industrial Printing & Publishing Pty Ltd	-	-
	Net Inflow/ (outflow)	Net Inflow/ (outflow)
	\$	\$
EPIC Industry Training Board	-	(14,100)
Reciprocal members fee paid net of administration fee received:		
The Electrical Telecommunications and Renewable Energy Contractors Inc	-	-
Director's fees received:		
Industrial Printing & Publishing Pty Ltd	12,000	12,000
ColINVEST Ltd	44,252	40,558
ElecNet (Aust) Pty Ltd	154,178	150,541

There was no doubtful debts provisions provided for any of the above related party transactions.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2016

21. FINANCIAL RISK MANAGEMENT

The main risks the economic entity is exposed to through its financial instruments are credit risk, liquidity risk and interest rate risk. The Economic Entity's financial instruments consist mainly of deposits with banks, long term and short-term investments, accounts receivable and payable, bank overdrafts.

The Economic Entity does not have any derivative instruments as at 31 December 2016.

Financial risk management policies

The committee of management has overall responsibility for the establishment of the economic entity's financial risk management framework. This includes

Credit Risk

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

The Economic Entity has no significant concentration of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of Trade and Other Receivables are provided in Note 7.

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 Economic 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;
- only investing surplus cash with major financial institutions; and

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

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 economic entity's interest rate exposure is summarised as follows:

	Weighted Average Floating Interest		Fixed Interest
	Interest Rate %	Rate	Rate
		2016	2016
		\$	\$
Financial Assets			
Short-term bank deposits	2.95%	-	-
Held-to-maturity investment	3.35%	6,141,544	3,124,068
		<u>6,141,544</u>	<u>3,124,068</u>

	Weighted Average Floating Interest		Fixed Interest
	Interest Rate %	Rate	Rate
		2015	2015
		\$	\$
Financial Assets			
Short-term bank deposits	2.95%	6,850,000	-
Held-to-maturity investment	3.35%	11,951,444	2,816,443
		<u>18,801,444</u>	<u>2,816,443</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2016

22. SEGMENT REPORTING

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

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

	Administration Services	Union Services	Intersegment Eliminations	Total
	\$	\$	\$	\$
2016				
Revenue from external customers	5,082,180	14,235,454	-	19,317,634
Intersegment revenue	-	189,928	(100,016)	89,912
Reportable segment profit before finance income and tax	366,742	(3,667,045)	(589,977)	(3,890,280)
Reportable segment assets	1,088,212	54,753,040	-	55,841,252
Reportable segment liabilities	1,005,209	7,819,725	-	8,824,934
2015				
Revenue from external customers	4,105,943	16,098,716	-	20,204,659
Intersegment revenue	-	159,549	(159,549)	-
Reportable segment profit before finance income and tax	445,872	2,292,202	(900,392)	1,837,682
Reportable segment assets	1,198,963	56,074,164	-	57,273,127
Reportable segment liabilities	1,051,109	6,427,289	-	7,478,398
Reconciliation of reportable segment profit or loss	2016	2015		
	\$	\$		
Total profit or loss for reportable segments	(3,890,280)	1,837,682		
Finance income	710,414	756,691		
Profit/(loss) before tax from continuing operations	<u>(3,179,866)</u>	<u>2,594,373</u>		

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2016

23. FAIR VALUE

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.

At 31 December 2016	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Non-Financial Assets				
Land and buildings - fair value	-	19,085,000	-	19,085,000
Total non-financial assets	-	19,085,000	-	19,085,000
Financial Assets				
Listed investments - fair value	8,168,642	-	-	8,168,642
Unlisted investments - fair value	-	5,579,505	-	5,579,505
Total financial assets	8,168,642	5,579,505	-	13,748,147
Financial Liabilities	-	-	-	-
At 31 December 2015				
Non-Financial Assets				
Land and buildings - fair value	-	12,957,176	-	12,957,176
Total non-financial assets	-	12,957,176	-	12,957,176
Financial Assets				
Listed investments - fair value	5,530,409	-	-	5,530,409
Unlisted investments - fair value	-	1,002,895	-	1,002,895
Total financial assets	5,530,409	1,002,895	-	6,533,304
Financial Liabilities	-	-	-	-

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.

	Consolidated		Parent	
	2016	2015	2016	2015
	\$	\$	\$	\$
24. 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	-	-	-	-

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)
For the year ended 31 December 2016**

25. CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 December 2016 (31 December 2015: \$nil).

26. EVENTS AFTER BALANCE DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity 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 Fair Work (Registered Organisations) Act 2009, which reads as follows:

Information to be provided to members or the General Manager of Fair Work Australia:

(1) A member of a reporting unit, or the General Manager of Fair Work Australia, 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:

Electrical Trades Union of Australia - Victorian Branch

Level 1, 200 Arden Street, NORTH MELBOURNE, VIC 3051