



26 May 2021

Mr Troy Gray  
State Secretary  
CEPU - Electrical, Energy and Services Division - Victorian Divisional Branch

By e-mail: [nick.ellery@etuvic.com.au](mailto:nick.ellery@etuvic.com.au)

Dear Mr Gray

**CEPU - Electrical, Energy and Services Division - Victorian Divisional Branch  
Financial Report for the year ended 31 December 2020 - FR2020/319**

I acknowledge receipt of the financial report for the year ended 31 December 2020 for the CEPU - Electrical, Energy and Services Division - Victorian Divisional Branch (**the reporting unit**). The financial report was lodged with the Registered Organisations Commission (**ROC**) on 18 May 2021.

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

Whilst the 2020 report has been filed the following should be addressed in the preparation of the next financial report.

**1. Designated officer's certificate**

Multiple certificates included

The financial report included two certificates for the purposes of section 268 of the *Fair Work (Registered Organisations) Act 2009*, one entitled 'Certificate by Branch Secretary' and another entitled 'Certificate by Prescribed Designated Officer'. To avoid confusion please ensure that only one certificate is prepared and included with future reports.

## **2. Rotation of registered auditor**

### You must rotate your registered auditor

Correspondence was provided to the reporting unit on 8 April 2021 which alerted you that your registered auditor is approaching their statutory limit on how many consecutive financial years they are permitted to audit your financial report. The financial report lodged identifies that Mr Robert Miano was the reporting unit's registered auditor for this financial year. Our records indicate that you have now used your current registered auditor for five consecutive financial years, which is the statutory limit under section 256A.

Please ensure that Mr Robert Miano is not assigned to audit the financial report of the reporting unit for at least the following two financial years. Further information on the rotation of registered auditor requirement can be found via [this link](#).

## **3. General Purpose Financial Report (GPFR)**

### Reporting guideline not disclosed

Item 21 of the reporting guidelines states that if any activity described within items 10-20 of the reporting guidelines has not occurred in the reporting period, a statement to this effect must be included the GPFR or in an officer's declaration statement.

The notes/officer's declaration statement contained nil activity information for all prescribed reporting guideline categories except item 19 - have another entity administer the financial affairs of the reporting unit.

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](mailto:ken.morgan@roc.gov.au)

Yours faithfully



**KEN MORGAN**  
**Financial Reporting Specialist**  
**Registered Organisations Commission**



# Certificate by prescribed designated officer

Certificate for the year ended 31 December 2020

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

- that the documents lodged herewith are copies of the full report for the Electrical Trades Union of Australia – Victorian Branch for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on the 18 May 2021; and
- that the full report was presented to a general meeting of members of the reporting unit on the 18 May 2021 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:

Name of prescribed designated officer:

TROY GRAY

Title of prescribed designated officer:

STATE SECRETARY

Dated:

18th May 2021

**Electrical Trades Union of Australia  
Victorian Branch**

Communications, Electrical,  
Electronic, Energy, Information,  
Postal, Plumbing and Allied  
Services Union of Australia

**President**

Daniel Filazzola

**Secretary**

Troy Gray

**Assistant Secretaries**

Ivan Balta

Arron Harris

**Melbourne**

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

**Consolidated Financial Statements  
For the Year Ended 31 December 2020**

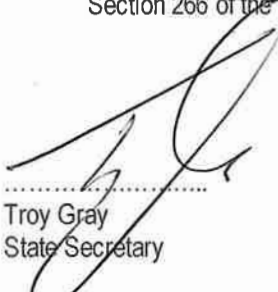
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**CERTIFICATE BY BRANCH SECRETARY**  
For the year ended 31 December 2020

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

- (a) the documents lodged herewith are copies of the full report for the Electrical Trades Union of Australia—Victorian Branch for the period ended 31 December 2020, 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 <sup>18</sup>...../...../2021; and
- (c) the full report was presented to the Committee of Management of the reporting unit on 18 May 2021 in accordance with Section 266 of the Fair Work (Registered Organisations) Act 2009.

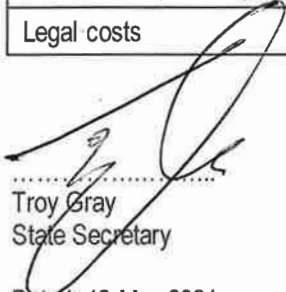
  
.....  
Troy Gray  
State Secretary

Dated: 18 May 2021

**EXPENDITURE REPORT**  
**For the year ended 31 December 2020**

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 31 December 2020.

Categories of expenditures	2020 (\$)	2019 (\$)
Remuneration and other employment-related costs and expenses – employees	11,738,356	11,836,013
Advertising	520,855	1,135,580
Operating costs	7,169,529	10,220,435
Donations to political parties	30,000	701,100
Legal costs	149,943	465,667



.....  
Troy Gray  
State Secretary

Dated: 18 May 2021

**OPERATING REPORT**  
**For the year ended 31 December 2020**

Your Committee presents its report on the Union and its controlled entities for the financial year ended 31 December 2020.

**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
Ivan Balta	Assistant State Secretary
Arron Harris	Assistant State Secretary
Daniel Filazzola	President
Graeme Watson	Treasurer
Paul Swann	Vice President
Jim Theodosiou	Branch Executive
Laura Birch	Branch Executive
Ken Purdham	Branch Executive
Mark Baldi	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**

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

**c. Number of members**

The number of persons who were members at the end of the financial year was 18,160 (2019: 18,083).

**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 39 (2019: 42).

**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 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;
- 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;



**OPERATING REPORT (CONT.)**  
**For the year ended 31 December 2020**

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

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

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

**e. Right of Members to Resign**

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

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

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

**2. Business review – Review of operations**

The consolidated surplus of the Union for the financial year amounted to \$955,194 (2019: \$3,975,177).

**3. Other items**


**a. Significant changes in the financial affairs**

No significant changes in the financial affairs have arisen to the consolidated entity in the 31 December 2020 financial year.

**b. Events after the reporting date**

No other matters or circumstances have arisen since 31 December 2020 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: 18 May 2021

**STATEMENT BY COMMITTEE OF MANAGEMENT**  
For the year ended 31 December 2020

On the 18 May 2021 the Committee of Management 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 2020.

The Executive Committee declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Electrical Trades Union of Australia – Victorian Branch for the financial year ended 31 December 2020;
- (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 2020 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;
  - 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 Commissioner of the Registered Organisations Commission under section 272 of the Fair Work (Registered Organisations) Act 2009; and
  - vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the Fair Work (Registered Organisations) Act 2009, there has been compliance.

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



Troy Gray  
State Secretary  
Dated: 18 May 2021



Graeme Watson  
Treasurer

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

**Opinion**

We have audited the financial report of Electrical Trades Union of Australia – Victorian Branch (Union) and its subsidiaries (consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2020, 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 committee of management statement, the subsection 255(2A) report.

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 2020 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009.

**Basis for Opinion**

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

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

*Other Information*

The committee of management are responsible for the other information. The other information comprises the information included in the Operating Report for the year ended 31 December 2020, 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.

*Other Information (continued)*

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

*Responsibilities of Committee of Management for the Financial Report*

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

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

*Auditor's Responsibilities for the Audit of the Financial Report*

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

*Going Concern*

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

*Approved Auditor*

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



**RSM AUSTRALIA PTY LTD**



**R B MIANO**

Director

Dated: 18 May 2021

Melbourne, Victoria

ROC Registration Number: AA2017/58

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
For the year ended 31 December 2020

	Notes	Consolidated		Parent	
		2020 \$	2019 \$	2020 \$	2019 \$
<b>Revenue</b>					
Membership subscription		8,610,302	8,489,155	8,610,302	8,489,155
Capitation fees and other revenue from another reporting unit		-	-	-	-
Levies		-	-	-	-
Investment income	2(a)	2,388,632	3,360,379	812	927
Rental revenue	2(b)	578,770	746,697	-	-
Other revenue	2(c)	10,356,819	9,400,481	5,456,575	5,539,686
<b>Total revenue</b>		<b>21,934,523</b>	<b>21,996,712</b>	<b>14,067,689</b>	<b>14,029,768</b>
<b>Other income</b>					
Grants and/or donations		-	-	-	-
Share of net profit from associate	12	481,101	7,848,872	481,101	7,848,872
Net gains from sale of assets		18,532	37,948	15,104	36,054
Revenue from recovery of wages		-	-	-	-
<b>Total other income</b>		<b>499,633</b>	<b>7,886,820</b>	<b>496,205</b>	<b>7,884,926</b>
<b>Total income</b>		<b>22,434,156</b>	<b>29,883,532</b>	<b>14,563,894</b>	<b>21,914,694</b>
<b>Expenses</b>					
Employee expenses	3(a)	(11,738,356)	(11,836,013)	(7,428,967)	(7,699,719)
Capitation fees and other expense to another reporting unit	3(b)	(1,806,937)	(1,987,088)	(1,474,406)	(1,668,945)
Affiliation fees	3(c)	(221,735)	(239,800)	(221,735)	(239,800)
Administration expenses	3(d)	(969,470)	(1,208,568)	(612,128)	(877,825)
Grants or donations	3(e)	(218,550)	(950,275)	(119,550)	(872,075)
Depreciation and amortisation expense	3(f)	(1,870,279)	(1,549,559)	(573,909)	(754,981)
Legal costs	3(g)	(149,943)	(465,667)	(149,943)	(465,667)
Other expenses	3(h)	(4,503,692)	(7,671,385)	(2,398,728)	(13,096,954)
<b>Total expenses</b>		<b>(21,478,962)</b>	<b>(25,908,354)</b>	<b>(12,979,366)</b>	<b>(25,675,966)</b>
<b>Surplus / (deficit) for the year</b>		<b>955,194</b>	<b>3,975,177</b>	<b>1,584,528</b>	<b>(3,761,272)</b>
<b>Other comprehensive income</b>					
Items that will be subsequently reclassified to profit or loss					
Net gain / (loss) on revaluation of financial assets		304,721	2,833,357	-	-
Items that will not be subsequently reclassified to profit or loss					
Net gain on revaluation of land and buildings		9,385,975	-	-	-
<b>Total comprehensive income for the year</b>		<b>10,645,890</b>	<b>6,808,534</b>	<b>1,584,528</b>	<b>(3,761,272)</b>
Comprehensive income attributable to members of the parent entity		10,447,778	6,639,912	1,584,528	(3,761,272)
<b>Comprehensive income attributable to outside equity interest</b>		<b>198,112</b>	<b>168,622</b>	<b>-</b>	<b>-</b>

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 2020

	Notes	Consolidated		Parent	
		2020	2019	2020	2019
		\$	\$	\$	\$
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	4	19,954,112	13,514,023	5,086,359	2,626,601
Trade and other receivables	5	792,488	1,284,367	3,326,243	3,645,040
Inventories	6	91,564	83,018	91,564	83,018
Other current assets	7	179,368	238,802	124,780	136,405
<b>Total current assets</b>		<b>21,017,532</b>	<b>15,120,210</b>	<b>8,628,946</b>	<b>6,491,064</b>
<b>Non-Current Assets</b>					
Trade and other receivables	5	540,491	584,732	534,732	534,732
Financial assets	8	49,229,771	53,699,008	31,962,101	31,962,101
Property, plant and equipment	10	33,419,541	24,746,590	2,812,046	3,110,246
Intangibles	11	114,245	61,568	4,445	6,668
Investments in associates	12	4,379,775	3,898,673	4,379,775	3,898,673
<b>Total non-current assets</b>		<b>87,683,823</b>	<b>82,990,572</b>	<b>39,693,099</b>	<b>39,512,421</b>
<b>Total assets</b>		<b>108,701,355</b>	<b>98,110,782</b>	<b>48,322,045</b>	<b>46,003,485</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Trade and other payables	13	3,291,668	3,518,942	2,796,144	2,487,197
Employee provisions	14	4,266,285	3,703,524	3,478,037	3,128,447
Lease liabilities		18,314	-	18,314	-
<b>Total current liabilities</b>		<b>7,576,267</b>	<b>7,222,466</b>	<b>6,292,495</b>	<b>5,615,644</b>
<b>Non-Current Liabilities</b>					
Employee provisions	14	160,354	134,248	79,380	77,620
Lease liabilities		55,422	-	55,422	-
<b>Total non-current liabilities</b>		<b>215,776</b>	<b>134,248</b>	<b>134,802</b>	<b>77,620</b>
<b>Total liabilities</b>		<b>7,792,043</b>	<b>7,356,715</b>	<b>6,427,297</b>	<b>5,693,265</b>
<b>Net assets</b>		<b>100,909,312</b>	<b>90,754,067</b>	<b>41,894,748</b>	<b>40,310,220</b>
<b>EQUITY</b>					
Reserves		16,114,687	6,423,991	-	-
Accumulated surplus		84,723,602	84,226,501	41,894,748	40,310,220
Equity attributable to members of the parent entity		100,838,289	90,650,492	41,894,748	40,310,220
Outside equity interests in controlled entities		71,023	103,575	-	-
<b>Total equity</b>		<b>100,909,312</b>	<b>90,754,067</b>	<b>41,894,748</b>	<b>40,310,220</b>

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 2020

2019 Consolidated	Accumulated Surplus	Asset Revaluation Reserve	Financial Assets Reserve	Total Equity
	\$	\$	\$	\$
<b>Balance at 1 January 2019</b>	80,746,511	3,471,419	119,215	84,337,145
Surplus/(deficit) for the year	3,975,177	-	-	3,975,177
Distribution to beneficiaries	(391,612)	-	-	(391,612)
Other Comprehensive income	-	-	2,833,357	2,833,357
<b>Balance at 31 December 2019</b>	<b>84,330,076</b>	<b>3,471,419</b>	<b>2,952,572</b>	<b>90,754,067</b>

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

2019 Parent	Accumulated Surplus	Asset Revaluation Reserve	Available for sale Reserve	Total Equity
	\$	\$	\$	\$
<b>Balance at 1 January 2019</b>	44,071,492	-	-	44,071,492
Surplus/(deficit) for the year	(3,761,272)	-	-	(3,761,272)
Other Comprehensive income	-	-	-	-
<b>Balance at 31 December 2019</b>	<b>40,310,220</b>	<b>-</b>	<b>-</b>	<b>40,310,220</b>

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

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 2020

Notes	Consolidated		Parent	
	2020 \$	2019 \$	2020 \$	2019 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from members, investments, rental and other income	19,555,783	18,571,322	10,885,776	10,265,394
Payments to suppliers and employees	(19,223,683)	(24,740,615)	(11,644,146)	(25,802,592)
Interest received	2,914,692	3,491,876	812	927
Interest paid	(5,696)	-	(5,696)	-
Net cash provided by/(used in) operating activities	16 <u>3,241,096</u>	<u>(2,677,417)</u>	<u>(763,254)</u>	<u>(15,536,271)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sale of property plant and equipment	181,607	413,746	160,729	404,138
Purchase of property, plant and equipment	(1,318,107)	(5,058,280)	(419,111)	(794,358)
Purchase of intangibles	(54,900)	(54,900)	-	-
Purchase of financial assets	(20,515,663)	(27,708,239)	-	-
Proceeds from maturity / sale of financial assets	25,413,805	26,839,900	-	-
Proceeds from investments in associates	-	12,672,896	-	12,672,896
Net proceeds / (payments) of loans	-	(38,338)	-	-
Net proceeds / (payments) to related parties	-	-	3,498,498	3,183,904
Net cash provided by/(used in) investing activities	<u>3,706,742</u>	<u>7,066,785</u>	<u>3,240,116</u>	<u>15,466,580</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Beneficiary payments	(490,645)	(391,612)	-	-
Repayments of lease liabilities	(17,104)	-	(17,104)	-
Net cash provided by/(used in) financing activities	<u>(507,749)</u>	<u>(391,612)</u>	<u>(17,104)</u>	<u>-</u>
<b>Net increase/(decrease) in cash held</b>	<b>6,440,089</b>	<b>3,997,757</b>	<b>2,459,758</b>	<b>(69,691)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>13,514,023</b>	<b>9,516,266</b>	<b>2,626,601</b>	<b>2,696,292</b>
<b>Cash and cash equivalents at end of the year</b>	4 <b><u>19,954,112</u></b>	<b><u>13,514,023</u></b>	<b><u>5,086,359</u></b>	<b><u>2,626,601</u></b>

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 2020

**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 9 to the financial statements.

During the year ended 31 December 2020, there were no assets or liabilities acquired through any business combination.

*Inter-entity balances*

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

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**

For the year ended 31 December 2020

**1. Summary of significant accounting policies (Cont.)**

**d. Revenue and other income**

*Revenue from contracts with customers*

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

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

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

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

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

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

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

Donation income is recognised when it is received.

**e. Taxation**

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 recognised net of GST except:

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

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

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

**f. Cash and Cash Equivalents**

Cash is recognised 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.

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**

For the year ended 31 December 2020

**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.

**i. Property, Plant and Equipment**

*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.

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.

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**

For the year ended 31 December 2020

**1. Summary of significant accounting policies (Cont.)**

**i. Property, Plant and Equipment (Cont.)**

Depreciation rates used for each class of depreciable assets are:

<b>Class of Fixed Asset</b>	<b>Depreciation rate</b>
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.

**j. Intangibles**

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

Amortisation rates used for each class of amortisable assets are:

<b>Class of Intangibles</b>	<b>Amortisation rate</b>
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.

**k. Right-of-use assets**

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 31 December 2020

### 1. Summary of significant accounting policies (Cont.)

#### I. 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.

#### m. Financial Instruments

##### *Initial recognition and measurement*

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

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

##### *Financial assets at fair value through other comprehensive income*

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

#### n. 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.

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**

For the year ended 31 December 2020

**1. Summary of significant accounting policies (Cont.)**

**o. 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.

**p. 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.

**q. 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.

**r. Investments in associate using the equity method of accounting**

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
For the year ended 31 December 2020

**1. Summary of significant accounting policies (Cont.)**

**s. Standards not yet effective**

At the date of this financial report, no new accounting standards not yet effective have been early adopted.

**t. 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.

**u. 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.

**v. 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 60.2% in Protect Severance Scheme and 56.8% in Protect Severance Scheme No 2 (being the Union's 75% distribution entitlement of the current year profit entitlement for the electrical division).

**Electrical Trades Union of Australia – Victorian Branch**  
**31 December 2020**

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**For the year ended 31 December 2020**

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
<b>2. REVENUE</b>				
<b>(a) Investment income</b>				
Interest				
Deposits	28,029	71,645	812	927
Debt instruments at fair value through OCI	2,192,979	2,797,212	-	-
Dividends	167,624	491,522	-	-
<b>Total investment income</b>	<b>2,388,632</b>	<b>3,360,379</b>	<b>812</b>	<b>927</b>
<b>(b) Rental revenue</b>				
Properties	578,770	746,697	-	-
<b>Total rental revenue</b>	<b>578,770</b>	<b>746,697</b>	<b>-</b>	<b>-</b>
<b>(c) Other revenue</b>				
Sale of goods	46,035	51,663	46,035	51,663
Management fees	3,146,186	3,120,182	834,469	1,263,027
Administration income	5,718,135	5,782,559	-	-
Sundry income	1,235,659	232,045	458,212	225,721
Directors Fees	210,804	214,032	210,804	214,032
Trust distributions	-	-	3,907,055	3,785,243
<b>Total other revenue</b>	<b>10,356,819</b>	<b>9,400,481</b>	<b>5,456,575</b>	<b>5,539,686</b>



NOTES TO THE FINANCIAL STATEMENTS (CONT.)  
For the year ended 31 December 2020

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
<b>3. EXPENSES</b>				
<b>(a) Employee expenses</b>				
<b>Holders of office:</b>				
Wages and salaries (i)	710,035	664,689	710,035	664,689
Superannuation (i)	132,176	125,752	132,176	125,752
Leave and other entitlements (i)	177,325	153,522	177,325	153,522
Other employee expenses (i)	81,265	68,700	81,265	68,700
<b>Subtotal employee expenses holders of office</b>	<b>1,100,801</b>	<b>1,012,663</b>	<b>1,100,801</b>	<b>1,012,663</b>
(i) For the year ended 31 December 2020, there were no separation / redundancy expenses paid in respect of office holders (FY 2019: \$0) in the consolidated entity.				
<b>Employees other than office holders:</b>				
Wages and salaries (ii)	7,563,207	7,439,760	4,112,270	4,296,698
Superannuation (ii)	1,103,261	1,068,812	698,077	716,555
Leave and other entitlements (ii)	1,030,969	1,197,160	962,824	1,142,548
Other employee expenses (ii)	940,118	1,117,618	554,994	531,255
<b>Subtotal employee expenses employees other than office holders</b>	<b>10,637,555</b>	<b>10,823,350</b>	<b>6,328,166</b>	<b>6,687,056</b>
	<b>11,738,356</b>	<b>11,836,013</b>	<b>7,428,967</b>	<b>7,699,719</b>
(ii) For the year ended 31 December 2020, there were redundancy payments of \$245,424 (FY 2019: \$546,199) in the consolidated entity.				
<b>Total employee expenses</b>				
<b>Disclosure of remuneration of Elected Officials</b>				
State secretary	209,885	214,317	209,885	214,317
Assistant state secretaries (2)	378,554	384,513	378,554	384,513
President	189,865	177,168	189,865	177,168
Organisers	2,420,526	2,383,622	2,420,526	2,383,622
	<b>3,198,830</b>	<b>3,159,620</b>	<b>3,198,830</b>	<b>3,159,620</b>

NOTES TO THE FINANCIAL STATEMENTS (CONT.)  
For the year ended 31 December 2020

3. EXPENSES (CONT.)

(b) Capitation fees and other expense to another reporting unit

Capitation fees

Communications, Electrical and Plumbing Union National Office	1,245,144	1,005,553	1,245,144	1,005,553
<b>Subtotal capitation fees</b>	<b>1,245,144</b>	<b>1,005,553</b>	<b>1,245,144</b>	<b>1,005,553</b>
CEPU National Office				
Subscriptions expenses	15,385	18,330	15,385	18,330
Research projects & reports expenses	10,990	11,189	10,990	11,189
Publication expenses	105,028	59,019	105,028	59,019
Campaign expenses	20,000	500,000	20,000	500,000
Travelling & accomodation expenses	-	34,855	-	34,855
Sponsorship expenses	-	40,000	-	40,000
Legal fees	77,859	-	77,859	-
<b>Subtotal</b>	<b>229,262</b>	<b>663,392</b>	<b>229,262</b>	<b>663,392</b>
Income protection expenses				
CEPU - South Australia	24,387	26,754	-	-
CEPU - Tasmania	157,927	140,677	-	-
CEPU - Western Australia	150,217	150,711	-	-
<b>Subtotal</b>	<b>332,531</b>	<b>318,142</b>	<b>-</b>	<b>-</b>
<b>Subtotal other expenses paid to another reporting unit</b>	<b>561,793</b>	<b>981,535</b>	<b>229,262</b>	<b>663,392</b>
<b>Total capitation fees and other expense paid to another reporting unit</b>	<b>1,806,937</b>	<b>1,987,088</b>	<b>1,474,406</b>	<b>1,668,945</b>

(c) Affiliation fees

Ballarat Trades Hall	3,576	3,576	3,576	3,576
Bendigo Trades Hall Council	1,600	1,600	1,600	1,600
CEPU National - National Council Fund	27,125	20,772	27,125	20,772
Geelong Trades Hall Council	8,536	8,470	8,536	8,470
Gippsland Trades & Labour Council	2,627	2,627	2,627	2,627
Goulburn Valley Trade & Labour Council	864	1,382	864	1,382
Sunraysia TLC Affiliations	130	130	130	130
North East Trades & Labour Council	880	880	880	880
SW District Trades & Labour Council	1,950	1,463	1,950	1,463
Vic. Trades Hall Council	86,736	114,418	86,736	114,418
ALP Victorian Branch	87,711	84,482	87,711	84,482
<b>Total affiliation fees</b>	<b>221,735</b>	<b>239,800</b>	<b>221,735</b>	<b>239,800</b>

(d) Administration expenses

Consideration to employers for payroll deductions	-	-	-	-
Compulsory levies	-	-	-	-
Fees / allowances - meeting and conferences	-	-	-	-
Conference and meeting expenses	81,166	214,560	52,603	187,087
Contractors / consultants	56,498	249,078	20,916	230,142
Audit and other services	132,000	110,500	94,800	74,000
Printing costs	167,451	86,551	150,466	74,155
Computer related costs	261,239	318,183	182,261	247,182
Publication costs	271,116	229,696	111,082	65,259
<b>Total administration expenses</b>	<b>969,470</b>	<b>1,208,568</b>	<b>612,128</b>	<b>877,825</b>

NOTES TO THE FINANCIAL STATEMENTS (CONT.)  
For the year ended 31 December 2020

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
<b>3. EXPENSES (CONT.)</b>				
<b>(e) Grants or donations</b>				
Grants:				
Total paid that were \$1,000 or less	21,000	55,200	2,000	2,000
Total paid that exceed \$1,000	-	-	-	-
<b>Total grants</b>	<b>21,000</b>	<b>55,200</b>	<b>2,000</b>	<b>2,000</b>
Donations:				
Total paid that were \$1,000 or less	4,200	3,975	4,200	3,975
Total paid that exceed \$1,000	193,350	891,100	113,350	866,100
<b>Total donations</b>	<b>197,550</b>	<b>895,075</b>	<b>117,550</b>	<b>870,075</b>
<b>Total grants or donations</b>	<b>218,550</b>	<b>950,275</b>	<b>119,550</b>	<b>872,075</b>
This amount excludes \$65,400 (FY 2019: \$82,000) 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 \$262,950 (FY 2019: \$977,075).				
<b>(f) Depreciation and amortisation</b>				
Depreciation				
Buildings	254,310	309,419	-	-
Furniture, fixtures and fittings	3,534	40,098	28,628	32,050
Improvements	1,109,787	531,759	151,386	169,572
Motor vehicles	299,886	303,953	249,413	253,143
Office equipment	70,056	32,815	35,082	32,760
Computer equipment	111,225	216,985	87,919	152,926
Right-of-use assets	19,258	-	19,258	-
<b>Total depreciation</b>	<b>1,868,056</b>	<b>1,435,029</b>	<b>571,686</b>	<b>640,451</b>
Amortisation				
Intangibles	2,223	114,530	2,223	114,530
<b>Total amortisation</b>	<b>2,223</b>	<b>114,530</b>	<b>2,223</b>	<b>114,530</b>
<b>(g) Legal costs</b>				
Litigation	148,371	424,289	148,371	424,289
Other legal matters	1,572	41,378	1,572	41,378
<b>Total legal costs</b>	<b>149,943</b>	<b>465,667</b>	<b>149,943</b>	<b>465,667</b>
<b>(h) Other expenses</b>				
Penalties - via RO Act or RO Regulations	-	-	-	-
Ambulance membership costs	404,404	484,980	-	-
Picket line expenses	-	189,454	-	189,454
Motor vehicle costs	272,160	359,129	236,035	301,966
Gift expense	-	-	550,000	8,550,000
Campaign expenses	145,455	1,608,456	145,455	1,608,456
Sundry expenses	3,160,818	3,893,786	1,081,468	1,584,051
Advertising and promotion	520,855	1,135,580	385,770	863,027
	<b>4,503,692</b>	<b>7,671,385</b>	<b>2,398,728</b>	<b>13,096,954</b>

NOTES TO THE FINANCIAL STATEMENTS (CONT.)  
For the year ended 31 December 2020

	Consolidated		Parent	
	2020 \$	2019 \$	2020 \$	2019 \$
<b>4. CASH AND CASH EQUIVALENTS</b>				
Cash on hand	4,707	4,690	4,500	4,500
Cash at bank	19,949,405	13,509,333	5,081,859	2,622,101
	<u>19,954,112</u>	<u>13,514,023</u>	<u>5,086,359</u>	<u>2,626,601</u>
<b>5. TRADE AND OTHER RECEIVABLES</b>				
<b>Current</b>				
Trade receivables	575,050	652,481	12,653	155,226
Allowance for expected credit losses	-	-	-	-
	<u>575,050</u>	<u>652,481</u>	<u>12,653</u>	<u>155,226</u>
Receivable from other reporting units	-	-	-	-
Allowance for expected credit losses	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other receivables	112,515	903	70,691	-
Controlled entity receivable	-	-	3,228,791	3,475,706
Unpaid distributions	14,108	14,108	14,108	14,108
Accrued income	90,815	616,875	-	-
	<u>792,488</u>	<u>1,284,367</u>	<u>3,326,243</u>	<u>3,645,040</u>
<b>Non-current</b>				
Unpaid trust distributions	534,732	534,732	534,732	534,732
Other receivables	5,759	50,000	-	-
	<u>540,491</u>	<u>584,732</u>	<u>534,732</u>	<u>534,732</u>
<b>6. INVENTORIES</b>				
Finished goods	91,564	83,018	91,564	83,018
	<u>91,564</u>	<u>83,018</u>	<u>91,564</u>	<u>83,018</u>
<b>7. OTHER CURRENT ASSETS</b>				
Prepayments	179,368	238,802	124,780	136,405
	<u>179,368</u>	<u>238,802</u>	<u>124,780</u>	<u>136,405</u>
<b>8. FINANCIAL ASSETS</b>				
Fair value through other comprehensive income (a)	43,636,058	44,632,885	3	3
Held at amortised cost (c)	5,593,713	9,066,123	-	-
Other investments (b)	-	-	31,962,098	31,962,098
	<u>49,229,771</u>	<u>53,699,008</u>	<u>31,962,101</u>	<u>31,962,101</u>
(a) Fair value through other comprehensive income				
Listed investments	10,606,993	10,507,010	-	-
Unlisted investments	33,029,065	34,125,875	-	-
Shares in related parties	-	-	3	3
	<u>43,636,058</u>	<u>44,632,885</u>	<u>3</u>	<u>3</u>
(b) Other investments comprises				
- investment in subsidiaries	-	-	31,962,098	31,962,098
	<u>-</u>	<u>-</u>	<u>31,962,098</u>	<u>31,962,098</u>
(c) Held at amortised cost				
Term deposits	-	4,054,068	-	-
Fixed interest securities	5,593,713	5,012,055	-	-
	<u>5,593,713</u>	<u>9,066,123</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 31 December 2020

9. CONTROLLED ENTITIES

	Country of Incorporation	Percentage Owned (%) 2020	Percentage Owned (%) 2019
ETU - Victorian Branch Trust	Australia	100	100
ETU - (Victorian Branch) Distress, Hardship, Welfare & Training Fund	Australia	100	100
ETU (Distress, Mortality & Trading) Pty Ltd	Australia	100	100
ETU Arden Trust	Australia	100	100
ETU Swanston Trust	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
ETU Pty Ltd	Australia	100	100
Electrical Electronic Industry Training Ltd	Australia	100	100
Protect Services Pty Ltd	Australia	75	75

	Consolidated		Parent	
	2020 \$	2019 \$	2020 \$	2019 \$
<b>10. PROPERTY, PLANT AND EQUIPMENT</b>				
LAND AND BUILDINGS - AT FAIR VALUE				
Land and buildings at fair value <sup>(i)</sup>	31,250,000	13,464,560	-	-
Accumulated depreciation	-	(762,745)	-	-
Improvements at fair value	-	7,792,464	2,014,300	2,014,300
Accumulated depreciation	-	(1,656,417)	(748,952)	(597,533)
<b>TOTAL LAND AND BUILDINGS - AT FAIR VALUE</b>	<b>31,250,000</b>	<b>18,837,862</b>	<b>1,265,348</b>	<b>1,416,767</b>

(i) The independent valuation was conducted for the financial year ended 31 December 2020. The fair values of the properties was 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

<i>Furnitures, fixtures and fittings</i>				
At Cost	1,134,936	1,011,412	908,819	888,752
Accumulated depreciation	(621,124)	(617,590)	(583,024)	(554,396)
<b>Total Furnitures, fixtures and fittings</b>	<b>513,812</b>	<b>393,822</b>	<b>325,795</b>	<b>334,356</b>
<i>Fit out</i>				
At Cost	-	3,869,715	-	-
Accumulated depreciation	-	(58,720)	-	-
<b>Total fit out</b>	<b>-</b>	<b>3,810,995</b>	<b>-</b>	<b>-</b>
<i>Motor Vehicles</i>				
At Cost	1,478,974	1,469,409	1,190,211	1,183,297
Accumulated depreciation	(502,943)	(340,164)	(389,919)	(253,326)
<b>Total Motor Vehicles</b>	<b>976,031</b>	<b>1,129,245</b>	<b>800,292</b>	<b>929,971</b>
<i>Office equipment</i>				
At Cost	986,572	918,280	725,391	723,261
Accumulated depreciation	(591,139)	(521,083)	(430,824)	(395,742)
<b>Total Office equipment</b>	<b>395,433</b>	<b>397,197</b>	<b>294,567</b>	<b>327,519</b>
<i>Computer equipment</i>				
At Cost	1,299,416	1,152,977	1,063,568	1,022,820
Accumulated depreciation	(1,089,233)	(978,008)	(1,009,106)	(921,187)
<b>Total Computer equipment</b>	<b>210,183</b>	<b>174,969</b>	<b>54,462</b>	<b>101,633</b>
<i>Other property, plant and equipment</i>				
At Cost	2,500	2,500	-	-
<b>Total Other property, plant and equipment</b>	<b>2,500</b>	<b>2,500</b>	<b>-</b>	<b>-</b>
<i>Right of use asset - Office equipment</i>				
At Cost	90,840	-	90,840	-
Accumulated depreciation	(19,258)	-	(19,258)	-
<b>Total Right of use asset - Office equipment</b>	<b>71,582</b>	<b>-</b>	<b>71,582</b>	<b>-</b>
<b>TOTAL PLANT AND EQUIPMENT</b>	<b>2,169,541</b>	<b>5,908,728</b>	<b>1,546,698</b>	<b>1,693,479</b>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<b>33,419,541</b>	<b>24,746,590</b>	<b>2,812,046</b>	<b>3,110,246</b>

**Electrical Trades Union of Australia – Victorian Branch**  
**31 December 2020**

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**For the year ended 31 December 2020**

**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 \$	Other Plant and Equipment \$	Right-of-use assets: Office equipment \$	Total \$
Balance at 1 January 2019	12,956,088	366,405	4,591,927	1,955,648	1,094,562	356,753	175,255	2,500	-	21,499,137
Additions	55,146	67,515	146,529	3,784,697	706,720	73,259	224,414	-	-	5,058,280
Disposals - written down value	-	-	-	-	(368,085)	-	(7,714)	-	-	(375,799)
Depreciation expense	(309,419)	(40,098)	(531,759)	-	(303,953)	(32,815)	(216,986)	-	-	(1,435,030)
Transfers	-	-	1,929,350	(1,929,350)	-	-	-	-	-	-
Balance at 31 December 2019	12,701,815	393,822	6,136,047	3,810,995	1,129,244	397,197	174,969	2,500	-	24,746,590
Balance at 1 January 2020	12,701,815	393,822	6,136,047	3,810,995	1,129,244	397,197	174,969	2,500	-	24,746,590
Additions	342,771	123,524	234,591	1,905	309,744	68,292	146,439	-	90,840	1,318,107
Disposals - written down value	-	-	-	-	(163,072)	-	-	-	-	(163,072)
Depreciation expense	(254,310)	(3,534)	(1,109,787)	-	(299,886)	(70,056)	(111,225)	-	(19,258)	(1,868,056)
Transfers	9,073,749	-	(5,260,850)	(3,812,900)	-	-	-	-	-	-
Revaluation	9,385,975	-	-	-	-	-	-	-	-	9,385,975
Balance at 31 December 2020	31,250,000	513,812	-	-	976,031	395,433	210,183	2,500	71,582	33,419,541

**Parent**

	Buildings \$	Furniture, Fixtures and Fittings \$	Improvements \$	Works in Progress \$	Motor Vehicles \$	Office Equipment \$	Computer Equipment \$	Right-of-use assets: Office equipment \$	Other Plant and Equipment \$	Total \$
Balance at 1 January 2019	-	366,406	1,586,306	-	926,698	298,770	146,243	-	-	3,324,423
Additions	-	-	-	-	624,377	61,508	108,473	-	-	794,358
Disposals - written down value	-	-	-	-	(368,084)	-	-	-	-	(368,084)
Depreciation expense	-	(32,050)	(169,572)	-	(253,143)	(32,760)	(152,926)	-	-	(640,451)
Balance at 31 December 2019	-	334,356	1,416,734	-	929,848	327,518	101,790	-	-	3,110,246
Balance at 1 January 2020	-	334,356	1,416,734	-	929,848	327,518	101,790	-	-	3,110,246
Additions	-	20,067	-	-	265,326	2,130	40,748	90,840	-	419,111
Disposals - written down value	-	-	-	-	(145,625)	-	-	-	-	(145,625)
Transfers	1,265,348	-	(1,265,348)	-	-	-	-	-	-	-
Depreciation expense	-	(28,628)	(151,386)	-	(249,413)	(35,082)	(87,919)	(19,258)	-	(571,686)
Balance at 31 December 2020	1,265,348	325,795	-	-	800,136	294,566	54,619	71,582	-	2,812,046

NOTES TO THE FINANCIAL STATEMENTS (CONT.)  
For the year ended 31 December 2020

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
<b>11. INTANGIBLES</b>				
Computer software at cost:				
Purchased	453,390	398,490	343,590	343,590
Accumulated amortisation	(339,145)	(336,922)	(339,145)	(336,922)
Total computer software	<u>114,245</u>	<u>61,568</u>	<u>4,445</u>	<u>6,668</u>

**Movements in Carrying Amounts**

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

	Computer software		Total	
	2020	2019	2020	2019
	\$	\$	\$	\$
Balance at 1 January 2019	121,198	121,198	121,198	121,198
Additions	54,900	54,900	-	-
Amortisation expense	(114,530)	(114,530)	(114,530)	(114,530)
<b>Balance at 31 December 2019</b>	<u>61,568</u>	<u>61,568</u>	<u>6,668</u>	<u>6,668</u>
Balance at 1 January 2020	61,568	61,568	6,668	6,668
Additions	54,900	54,900	-	-
Amortisation expense	(2,223)	(2,223)	(2,223)	(2,223)
<b>Balance at 31 December 2020</b>	<u>114,245</u>	<u>114,245</u>	<u>4,445</u>	<u>4,445</u>

**12. INVESTMENTS IN ASSOCIATES**

**Investment in Associates**

	2020	2019	2020	2019
ElectNet (Aust) Pty Ltd	2	2	2	2
Protect Severance Scheme	2,579,079	-	2,579,079	-
Protect Severance Scheme No.2 Pty Ltd	2	2	2	2
Protect Severance Scheme No.2	1,770,941	3,868,918	1,770,941	3,868,918
IPP Property Trust	225,751	225,751	225,751	225,751
Provision for impairment	(196,000)	(196,000)	(196,000)	(196,000)
	<u>4,379,775</u>	<u>3,898,673</u>	<u>4,379,775</u>	<u>3,898,673</u>

**Details of investments in associates**

Name of Associate	Principal place of activity	Ownership	
		2020	2019
		%	%
ElectNet (Aust) Pty Ltd <sup>(i)</sup>	Australia	50%	50%
Protect Severance Scheme	Australia	-(i)	-(i)
Protect Severance Scheme No.2 Pty Ltd <sup>(ii)</sup>	Australia	50%	50%
Protect Severance Scheme No.2	Australia	-(ii)	-(ii)
IPP Property Trust	Australia	9% <sup>(iii)</sup>	9% <sup>(iii)</sup>

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**

**For the year ended 31 December 2020**

**12. INVESTMENTS IN ASSOCIATES (CONT.)**

(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 60.2% (FY 2019: 59.6%).

(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 56.8% (FY 2019 : 81.2%).

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

**Protect Severance Scheme**

	ETU Share 60.2%	Protect Severance Scheme 100%	ETU Share 59.6%	Protect Severance Scheme 100%
	2020	2020	2019	2019
	\$	\$	\$	\$
<b>Statement of financial position:</b>				
Assets	97,844,870	162,464,809	109,891,777	184,491,010
Liabilities	(92,385,630)	(153,400,109)	(108,257,558)	(181,747,414)
Net assets	5,459,240	9,064,700	1,634,219	2,743,596
<b>Statement of comprehensive income:</b>				
Income	4,550,804	7,556,303	10,091,945	16,942,789
Expenses	(1,971,725)	(3,273,917)	(2,307,095)	(3,873,250)
Income tax	-	-	(53,627)	(90,031)
Net surplus/(deficit)	<u>2,579,079</u>	<u>4,282,386</u>	<u>7,730,312</u>	<u>12,979,508</u>



NOTES TO THE FINANCIAL STATEMENTS (CONT.)  
For the year ended 31 December 2020

12. INVESTMENTS IN ASSOCIATES (CONT.)

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
<b>Reconciliation of the entity's carrying amount</b>				
Opening carrying amount	-	-	-	-
Share of net profit from associate(i)	2,579,079	3,979,953	2,579,079	3,979,953
Distributions paid	-	(3,979,953)	-	(3,979,953)
Closing carrying amount	<u>2,579,079</u>	<u>-</u>	<u>2,579,079</u>	<u>-</u>

(i) ETU's share of net profit from associate has been reduced by an amount of \$nil (2019: \$3,750,359) due to ElectNet (Aust) Pty Ltd as the trustee for Protect Severance Scheme distributing this amount directly to Protect Severance Scheme No.2.

Distributions received from associate was \$nil (2019: \$3,979,953). As at 31 December 2020, \$14,508 (FY 2019: \$14,508) was unpaid.

Associate had contingent liabilities and capital commitments as at 31 December 2020 of \$nil (2019: \$nil) and \$nil (2019: \$nil), respectively.

The Union has provided a three year facility agreement to the Associate. The available facility limit is up to \$15M initially with the limit decreasing by \$2.5M every six months, to October 2022. The facility has not been drawn upon by the Associate as at 31 December 2020.

**Protect Severance Scheme No.2**

	ETU Share	Protect	ETU Share	Protect
	56.8%	Severance	81.2%	Severance
		Scheme No. 2		Scheme No. 2
		100%		100%
	2020	2020	2019	2019
	\$	\$	\$	\$
<b>Statement of financial position:</b>				
Assets	89,885,997	158,181,115	97,427,022	119,923,817
Liabilities	(88,901,026)	(156,447,766)	(93,798,387)	(115,457,297)
Net assets	984,971	1,733,349	3,628,635	4,466,520
<b>Statement of comprehensive income:</b>				
Income	3,398,874	5,981,328	8,459,670	10,413,086
Expenses	(3,244,269)	(5,709,256)	(2,877,340)	(3,541,744)
Income tax	(2,252,582)	(3,964,087)	(924,978)	(1,138,564)
Net surplus/(deficit)	<u>(2,097,977)</u>	<u>(3,692,015)</u>	<u>4,657,352</u>	<u>5,732,778</u>

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
<b>Reconciliation of the entity's carrying amount</b>				
Opening carrying amount	3,868,918	-	3,868,918	-
Share of net profit/(loss) from associate	(2,097,977)	4,657,352	(2,097,977)	4,657,352
Historical losses bought to account	-	(788,434)	-	(788,434)
Closing carrying amount	<u>1,770,941</u>	<u>3,868,918</u>	<u>1,770,941</u>	<u>3,868,918</u>

Distributions received from associate was \$0 (2019: \$nil).

Associate had contingent liabilities and capital commitments as at 31 December 2020 of \$nil (2019: \$nil) and \$nil (2019: \$nil), respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)  
For the year ended 31 December 2020

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
<b>13. TRADE AND OTHER PAYABLES</b>				
Unsecured liabilities				
Trade payables (i)	527,509	966,704	402,231	276,228
Other payables	351,732	301,125	77,515	49,485
Accrued expenses - general	510,058	350,396	414,029	260,767
Legal costs payable - litigation	-	-	-	-
Legal costs payable - other legal matters	-	-	-	-
Members subscription in advance	1,902,369	1,900,717	1,902,369	1,900,717
Related party payables	-	-	-	-
Consideration to employers for payroll deductions	-	-	-	-
Deposit received in advance	-	-	-	-
	<b>3,291,668</b>	<b>3,518,942</b>	<b>2,796,144</b>	<b>2,487,197</b>
(i) Trade payables includes payables to other reporting units:				
CEPU - Communications Division	21,853	-	21,853	-
CEPU - General Fund	46,301	-	46,301	-
CEPU - Electrical Division WA Branch	13,311	15,035	-	15,035
CEPU - Electrical Div S.A. Branch	1,524	2,546	-	2,546
CEPU - Tasmania Branch	14,780	15,521	-	15,521
Total payables to other reporting units	<b>97,769</b>	<b>33,102</b>	<b>68,154</b>	<b>33,102</b>
<b>14. EMPLOYEE PROVISIONS</b>				
Current - employee entitlements provision	4,266,285	3,703,524	3,478,037	3,128,447
Non-Current - employee entitlements provision	160,354	134,248	79,380	77,620
	<b>4,426,639</b>	<b>3,837,772</b>	<b>3,557,417</b>	<b>3,206,067</b>
The above current and non-current employee entitlements contain the following amounts:				
<b>Office Holders</b>				
Annual Leave	158,813	150,045	158,813	150,045
Long Service Leave	325,702	292,188	325,702	292,188
Retirement Benefit / Redundancy	586,415	504,655	586,415	504,655
	<b>1,070,930</b>	<b>946,888</b>	<b>1,070,930</b>	<b>946,888</b>
<b>Non Office Holders</b>				
Annual Leave	1,097,885	952,798	661,950	650,810
Long Service Leave	1,183,166	1,068,866	749,880	739,149
Retirement Benefit / Redundancy	1,074,658	869,220	1,074,657	869,220
	<b>3,355,709</b>	<b>2,890,884</b>	<b>2,486,487</b>	<b>2,259,180</b>
<b>Total employee entitlements</b>	<b>4,426,639</b>	<b>3,837,772</b>	<b>3,557,417</b>	<b>3,206,068</b>

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

NOTES TO THE FINANCIAL STATEMENTS (CONT.)  
For the year ended 31 December 2020

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
<b>15. EQUITY - OTHER SPECIFIC DISCLOSURE FUNDS</b>				
Compulsory levy/voluntary contribution fund-if invested in assets	-	-	-	-
Other fund(s) required by rules	-	-	-	-
<b>Balance as at start of year</b>	-	-	-	-
Transferred to reserve	-	-	-	-
Transferred out of reserve	-	-	-	-
<b>Balance as at end of year</b>	-	-	-	-
<b>16. CASH FLOW INFORMATION</b>				
Net surplus/(deficit) for the year	955,194	3,975,177	1,584,528	(3,761,272)
Non-cash flows in profit				
- surplus on investment in associate	(474,423)	(7,843,845)	(481,101)	(7,735,506)
- interest paid on leases	(5,696)	-	(5,696)	-
- depreciation	1,870,279	1,549,559	573,909	754,981
- net (gain)/loss on disposal of PPE	(18,532)	(37,948)	(15,104)	(36,054)
- net (gain)/loss on disposal of shares	(107,284)	78,759	-	-
Changes in assets and liabilities, net of the effect of purchase and disposal of controlled entities:				
- (increase)/decrease in trade and other receivables	603,491	80,483	(3,086,218)	(3,823,976)
- (increase)/decrease in inventories	(8,546)	(17,272)	(8,546)	(17,272)
- (increase)/decrease in other assets	59,434	(44,771)	11,625	4
- increase/(decrease) in trade and other payables	(221,688)	(690,936)	311,999	(1,037,013)
- increase/(decrease) in provisions	588,867	273,377	351,350	119,838
Net cashflow from operating activities	<u>3,241,096</u>	<u>(2,677,417)</u>	<u>(763,254)</u>	<u>(15,536,271)</u>

Cash outflows to other reporting units were as follows: CEPU - Communications Division \$315,736 (2019: \$319,467), CEPU - General Fund \$1,494,191 (2019:\$2,696,596), CEPU - South Australia \$27,847 (2019: \$28,919), CEPU Western Australia \$166,963 (2019: \$163,635) and CEPU Tasmania \$174,461 (2019: \$149,322). No cash inflows were received from other reporting units in the current year.

**17. COMMITMENTS**

**Operating lease commitments - as lessee**

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

Within one year	-	25,296	-	25,296
After one year but not more than five years	-	96,080	-	96,080
More than five years	-	19,344	-	19,344
	<u>-</u>	<u>140,720</u>	<u>-</u>	<u>140,720</u>

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

**Operating lease commitments - as lessor**

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

Within one year	456,572	456,572	-	-
After one year but not more than five years	913,144	1,369,715	-	-
More than five years	-	-	-	-
	<u>1,369,716</u>	<u>1,826,287</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 2020

18. KEY MANAGEMENT PERSONNEL COMPENSATION

(a) **Compensation Practices**

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

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

	2020	2019
Short-term employee benefits	799,410	753,420
Post-employee benefits	136,405	125,752
Other long term benefits	100,287	73,945
	<u>1,036,102</u>	<u>953,117</u>

19. RELATED PARTIES

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

(a) **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

(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 (Aust) Pty Ltd, as trustee of the Protect Severance Scheme
- Protect Severance Scheme No.2 Pty Ltd, as trustee of the Protect Severance Scheme No 2
- CoINVEST Ltd
- EPIC Industry Training Board
- Electrical Industry Foundation Trust
- Industrial Printing & Publishing Pty Ltd

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
For the year ended 31 December 2020

**19. RELATED PARTIES**

(c) **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.

(d) **Transactions with related parties**

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

	Consolidated		Parent	
	2020	2019	2020	2019
			\$	\$
<b>Director's fees received:</b>				
Industrial Printing & Publishing Pty Ltd	2,000	12,000	2,000	12,000
CoINVEST Ltd	44,140	42,611	44,140	42,611
ElecNet (Aust) Pty Ltd	164,664	159,421	164,664	159,421
<b>Loans receivable:</b>				
Industrial Printing & Publishing Pty Ltd	534,732	534,732	534,732	534,732
<b>Administration fees</b>				
Protect Severance Scheme	3,090,238	3,111,648	3,090,238	3,111,648

There was 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 was administered by another entity in the current year.

**20. AUDITOR'S REMUNERATION**

Remuneration of RSM Australia as the auditor of the parent entity for:

	Consolidated		Parent	
	2020	2019	2020	2019
- audit of the financial statements	68,000	50,000	68,000	50,000
- other services	26,800	24,000	26,800	24,000

Remuneration of RSM Australia as the auditor of controlled entities for:

- audit of the financial statements of controlled entities	29,800	29,200	-	-
- other services	7,400	7,300	-	-
	<b>132,000</b>	<b>110,500</b>	<b>94,800</b>	<b>74,000</b>

**21. FINANCIAL RISK MANAGEMENT**

The main risks the consolidated entity are exposed to through their 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 2020 (FY 2019: 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 risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity.

**Credit Risk**

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

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

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**For the year ended 31 December 2020**

**21. FINANCIAL RISK MANAGEMENT (CONT.)**

**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 \$4,363,605 (2019: \$4,463,288).

**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 2020 \$	Fixed Interest Rate 2020 \$
<b>Financial Assets</b>			
Term deposits	-	-	-
Interest securities	10.50%	20,724,946	-
Bonds	2.75%	-	4,581,277
		<u>20,724,946</u>	<u>4,581,277</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 \$253,062.

	Weighted Average Interest Rate %	Floating Interest Rate 2019 \$	Fixed Interest Rate 2019 \$
<b>Financial Assets</b>			
Term deposits	1.68%	4,054,068	-
Interest securities	10.50%	20,066,055	-
Bonds	3.55%	-	6,564,105
		<u>24,120,123</u>	<u>6,564,105</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 \$306,842.

**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.

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**

For the year ended 31 December 2020

**21. FINANCIAL RISK MANAGEMENT (CONT.)**

	Interest Rate %	1 year or less 2020	Over 1 year 2020	Remaining contractual maturities 2020
<b>Non-derivative (Non-interest bearing)</b>		\$	\$	\$
Trade payables	-	527,509	-	527,509
Other payables	-	351,732	-	351,732
		<u>879,241</u>	<u>-</u>	<u>879,241</u>

	Interest Rate %	1 year or less 2019	Over 1 year 2019	Remaining contractual maturities 2019
<b>Non-derivative (Non-interest bearing)</b>		\$	\$	\$
Trade payables	-	966,704	-	966,704
Other payables	-	301,125	-	301,125
		<u>1,267,829</u>	<u>-</u>	<u>1,267,829</u>

**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
<b>2020</b>	\$	\$	\$	\$
Revenue	8,106,767	14,327,389	-	22,434,156
Intersegment revenue	-	(88,943)	88,943	-
Reportable segment profit before finance income and tax	792,448	3,973,160	(6,199,045)	(1,433,437)
Reportable segment assets	1,612,325	107,089,030	-	108,701,355
Reportable segment liabilities	1,320,800	6,471,243	-	7,792,043
<b>2019</b>				
Revenue	9,142,938	20,740,594	-	29,883,532
Intersegment revenue	-	200,705	(200,705)	-
Reportable segment profit before finance income and tax	674,489	(273,596)	213,906	614,799
Reportable segment assets	1,496,154	96,614,628	-	98,110,782
Reportable segment liabilities	1,081,855	6,274,859	-	7,356,714
<b>Reconciliation of reportable segment profit or loss</b>	<b>2020</b>	<b>2019</b>		
	\$	\$		
Total profit or loss for reportable segments	(1,433,438)	614,798		
Finance income	2,388,632	3,360,379		
Profit/(loss) before tax from continuing operations	<u>955,194</u>	<u>3,975,177</u>		

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**For the year ended 31 December 2020**

**23. FAIR VALUE**

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

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

At 31 December 2020	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Financial Assets</b>				
Listed investments - fair value	10,606,993	-	-	10,606,993
Unlisted investments - fair value	-	33,029,065	-	33,029,065
Land and buildings	-	-	31,250,000	31,250,000
<b>Total assets</b>	<u>10,606,993</u>	<u>33,029,065</u>	<u>31,250,000</u>	<u>74,886,058</u>
<b>Financial Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>At 31 December 2019</b>				
<b>Financial Assets</b>				
Listed investments - fair value	10,507,010	-	-	10,507,010
Unlisted investments - fair value	-	34,125,875	-	34,125,875
Land and buildings	-	-	18,837,862	18,837,862
<b>Total assets</b>	<u>10,507,010</u>	<u>34,125,875</u>	<u>18,837,862</u>	<u>63,470,747</u>
<b>Financial Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

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

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

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

**24. CONTINGENT LIABILITIES**

There were no contingent liabilities as at 31 December 2020 (FY 2019: \$nil).

**25. EVENTS AFTER BALANCE DATE**

No matters or circumstances have arisen since 31 December 2020 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.



**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**For the year ended 31 December 2020**

**26. SECTION 272 FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009**

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of subsections (1), (2) and (3) of section 272 of Fair Work (Registered Organisations) Act 2009, which reads as follows:

Information to be provided to members or Commissioner:

(1) A member of a reporting unit, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

(3) A reporting unit must comply with an application made under subsection (1).

(3) A reporting unit must comply with an application made under

**27. 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