



**Australian Government**  
**Australian Industrial Registry**

Level 8, Terrace Towers  
80 William Street, East Sydney, NSW 2011  
Telephone: (02) 8374 6666  
Fax: (02) 9380 6990

**Ref: FR2004/720-[128V-QLD]**

Mr Richard L Williams  
Divisional Branch Secretary  
CEPU Electrical Division  
Queensland Divisional Branch  
41 Peel Street  
SOUTH BRISBANE QLD 4101

Dear Mr Williams

**Financial Return - year ending 31 December, 2004**

Our records show your organisation's financial year ended recently. This letter outlines some of the things you must do to meet your financial reporting obligations and when you have to do them. For simplicity, we will call the documents you have to lodge with us your *financial return*.

**New legislation**

This letter is intended as guide to the law applicable on the date of this letter and should not be used as a substitute for legal or accounting advice. We only summarise some of the reporting requirements in this letter. More detailed information is at the end of this letter.

The legislation has changed since your last return. In May 2003 the Industrial Registrar wrote to all organisations forwarding a number of facts sheets outlining the major changes made by Schedule 1B of the Workplace Relations Act 1996 ('RAO'<sup>1</sup>). While the immediate changes affected the rules and elections in organisations, the changes affecting financial returns involve a longer lead time.

**The key differences under the new legislation affecting financial returns are:**

- a reduced financial reporting cycle (now maximum periods of 5 or 6 months depending on internal arrangements of organisation)
- a greater emphasis given to Australian Accounting Standards
- the introduction of a new report, known as an Operating Report (broadly similar in concept to a Director's Report under the corporations legislation)
- extensions of time are limited to one month
- restructured penalty provisions involving more extensive use of Civil Penalties
- the introduction of the Industrial Registrar's Reporting Guidelines
- organisations and their branches to report according to their financial structures, known as 'reporting units'.

We recommend you discuss the new requirements with your accountant or auditor.

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<sup>1</sup> Registration and Accountability of Organisations Schedule (RAO) (Schedule 1B to the *Workplace Relations Act 1996*)

## Reporting Unit

One of the new concepts of the RAO legislation is that reporting entities are known as "*reporting units*". Where an organisation is **not** divided into branches the reporting unit is the whole of the organisation. Where an organisation **is** divided into branches each branch will be a reporting unit unless the Industrial Registrar has determined a division of the organisation into reporting units on an alternative basis. We can discuss this with you if you need more information.

For simplicity, we will refer to your organisation as a reporting unit in this letter.

## Industrial Registrar's Guidelines

The Industrial Registrar's reporting guidelines set out certain disclosure requirements in addition to those prescribed by Australian Accounting Standards having in mind the nature of organisations registered under the Workplace Relations Act.

The disclosure requirements prescribed by the reporting guidelines are directed towards providing members of the reporting unit with information to enable them to gauge the performance of the committee of management and other holders of office in relation to the financial management of the reporting unit. In addition, the reporting guidelines seek to improve the quality of information available to users of the financial report about the reporting unit's economic support of, or economic dependency on, other reporting units of the organisation.

## Timeline Planner and Checklist

We have attached a Timeline/Planner (*Attachment A*) to help you **plan** your financial return and carry out all the necessary steps. We have also attached a Document Checklist (*Attachment B*) to **check** your documents before lodging them in the Registry. Both documents are abbreviated summaries of the relevant provisions of the RAO Schedule, RAO Regulations and the Industrial Registrar's Reporting Guidelines.

In the following section we describe some of the documents your reporting unit must prepare and the sequence of their preparation and completion.

## Three Reports

Your reporting unit must prepare two reports as soon as practicable after its financial year, which, together with the Auditor's Report, comprise the reporting unit's financial return.

1. **General Purpose Financial Report** - this must comply with the Australian Accounting Standards and the Industrial Registrar's Reporting Guidelines. The GPFR consists of:

Financial Statements containing:

- a profit and loss statement, or other operating statement; and
- a balance sheet; and
- a statement of cash flows; and
- any other statements required by the Australian Accounting Standards; and

Notes to the Financial Statements containing:

- notes required by the Australian Accounting Standards; and
- information required by the Industrial Registrar's *Reporting Guidelines* under section 255); and

Committee of Management Statement as required by the Registrar's Reporting Guidelines (a sample certificate for illustrative purposes is at Attachment C)

2. **Operating Report** - this report includes a review of your reporting unit's principal activities for the year and other specified information.

Your reporting unit must appoint an auditor to audit the GPFR and to provide:

3. an **Auditor's Report**.

### **First Meeting (Committee of Management)**

For simplicity, we will call the meeting at which the committee of management first considers the GPFR the first meeting. At the first meeting your committee, if satisfied that all is in order, will resolve to express its opinion on the GPFR and complete a Committee of Management Statement.

### **The Auditor**

After the first meeting, the auditor takes the GPFR and the Committee of Management Statement and prepares a report on the GPFR. In practice, your auditor may have already completed most of his or her examination of your accounts. The auditor may only be waiting on the Committee to pass the required resolution and make the Statement before signing the report the same day.

### **Informing Your Members**

Your reporting unit must provide free of charge to the general membership, copies of the GPFR, the Operating Report and the Auditor's Report. RAO calls these the "full report". Under certain circumstances, your reporting unit can provide a more limited *concise report*.

The reporting unit can meet its obligation to provide copies of the full or concise report to members by publishing the report in a journal that is available to the members free of charge.

A reporting unit may meet this obligation in whole or in part by publication of the report in a journal published on a web site on the Internet dependent on:

- a. the extent of the accessibility of the members of the reporting unit to the Internet; and
- b. that the members are notified by the reporting unit in the usual manner in which it communicates with its members that the report has been so published at a specified Internet address.

The report must be provided within 5 or 6 months from the end of the financial year, depending on the internal arrangements of the organisation for the presentation of its financial reports.

## **The Second Meeting - if it is a General Meeting of Members**

After providing the full report to members it must be presented to a general meeting of members. For simplicity this is referred to as the *second meeting*.

Your reporting unit must always allow a minimum of 21 days for members to receive the full report before presenting it to a general meeting of members (s265(5)). The purpose of the interval and the second meeting is to enable the members to have time to consider the report and, if they wish, to attend the second meeting to discuss it.

If the rules of the organisation permit a general meeting to be a series of meetings held at different locations, the full report may be presented to such a series of meetings. In this case the 'date' of the general meeting is taken to be the date of the last meeting in the series (see s266(2)).

## **The Second Meeting - if it is a Committee of Management Meeting**

If the rules of your organisation contain a provision that allows up to 5% of members to demand a general meeting to be held consider the report (see s266(3)), it is permissible to present the report directly to a Committee of Management meeting.

## **Lodge full report within 14 days of meeting**

You must lodge a copy of the full report and any concise report in the Industrial Registry within 14 days of the second meeting. For your convenience you are encouraged to lodge the material electronically (see eFiling Tab at [www.airc.gov.au](http://www.airc.gov.au)). When lodging the financial return please quote: **FR2004/720**.

The Secretary (or another officer appropriately authorised under the rules of the organisation) must *certify* that the full report is a copy of the one provided to members and presented to the second meeting and provide the date of the meeting (a sample certification for illustrative purposes is at *Attachment D*).

When we receive your return we will check that it includes the information you must provide your members and that you have provided it to them correctly.

## **Complying with time limits**

This letter has outlined some of the steps in preparing and lodging your return. Many of the steps must be completed within fixed time limits.

Failure to complete them in time could make your reporting unit or its officers liable to financial or "civil penalties".

## **Extensions of Time**

We appreciate that sometimes circumstances beyond your reporting unit's control may delay completion of a financial return. If you believe your reporting unit is going to be unable to meet a time limit tell us as soon as you know. We can advise you if the step is one for which you may apply under RAO to the Industrial Registrar for extra time to complete. The maximum extra time allowed can be no more than one month.

## Reduced Reporting Requirements

If your reporting unit meets certain conditions, some of these reporting requirements can be reduced. Such conditions might be where the annual income of the reporting unit (where the reporting unit is the whole of the organisation) is less than \$100,000, or where the reporting unit has no financial affairs in the financial year, or where the financial affairs of the reporting unit are encompassed by the financial affairs of its counterpart State industrial association.

## Contact the Registry

We encourage you to contact the Registry on (02) 8374 6666 or by e-mail at [peter.mckerrrow@air.gov.au](mailto:peter.mckerrrow@air.gov.au) or [belinda.penna@air.gov.au](mailto:belinda.penna@air.gov.au) as early as possible if you believe preparation or lodgment of your return will be delayed or if you have any queries. We can offer you advice on procedure but we cannot give you legal or accounting advice.

## Information on AIRC Website

We recommend you and your accountant/auditor refer to the following documents on the Commission's website at [www.airc.gov.au](http://www.airc.gov.au):

- RAO Schedule and RAO Regulations
- Registrar's Reporting Guidelines - All GPFR's must comply with these Guidelines. Please note that the Guidelines set out requirements that are *in addition* to those required by the Australian Accounting Standards.
- RAO Fact Sheets - These Fact Sheets explain the new requirements of the RAO Schedule - many of them deal with financial reporting matters.

Yours sincerely



for Deputy Industrial Registrar  
20 January 2005

**TIMELINE/ PLANNER**

Financial reporting period ending:	/ /	
<b>FIRST MEETING:</b> Prepare General Purpose Financial Report (including Committee of Management Statement in accordance with C of M resolution) and Operating Report - s253(1), s254(1)	/ /	as soon as practicable after end of financial year
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	within a reasonable time of having received the GPFR
Provide full report free of charge to members.  (a) if the report is to be presented before a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting, or  (b) in any other case including where the report is presented to a Committee of Management meeting, the report must be provided to members within 5 months of end of financial year.  <i>(obligation to provide full report may be discharged by provision of a concise report s265(1))</i>	/ /          / /	
<b>SECOND MEETING:</b> Present full report to:		
(a) General Meeting of Members - s266 (1),(2), or	/ /	within 6 months of end of financial year
(b) where rules of organisation allow, a Committee of Management meeting - s266 (3)	/ /	within 6 months of end of financial year
Lodge full report (including any concise report) in the Industrial Registry together with secretary's certificate (or other officer authorised by the rules of the organisation) - s268	/ /	within 14 days of meeting

**Note:** The legislation makes limited provision for extensions of time concerning the provision of the full report to members and the presentation of the full report to a general meeting etc however the maximum extra time allowed can be no more than one month.

**Attachment B**

**Documents Checklist**

You can use this checklist as soon as possible after the financial year ends to ensure you have all the necessary documents prepared and that those documents contain all information required by RAO.

You can also use this checklist to ensure all documents in your financial return are complete before lodging them in the Registry.

No	Document	✓
<b>1</b>	<b>General Purpose Financial Report</b>	
	Does the report contain a Profit and Loss Statement?	
	Does the report contain a Balance Sheet?	
	Does the report contain a Statement of Cash Flows?	
	Does the report contain notes to the financial statements as required by AAS and the reporting guidelines?	
	Does the report contain all other information required by the reporting guidelines?	
<b>2</b>	<b>Committee of Management Statement</b>	
	Is the statement signed by the officer responsible for undertaking functions necessary to enable the reporting unit to comply with RAO?	
	Is the statement dated?	
	Is the statement in accordance with a resolution of the committee?	
	Does the statement specify the date of the resolution?	
	Does the statement contain declarations required by the reporting guidelines?	
<b>3</b>	<b>Auditor's Report</b>	
	Is the Report dated and signed by the auditor?	
	Is the name of the auditor clear?	
	Are the qualifications of the auditor on the report?	
	Has the auditor expressed an opinion on all matters required?	
<b>4</b>	<b>Operating Report</b>	
	Is the report signed and dated?	
	Does the report provide the number of members?	
	Does the report provide the number of employees?	
	Does the report contain a review of principal activities?	
	Does the report give details of significant changes?	
	Does the report give details of right of members to resign?	
	Does the report give details of superannuation trustees?	
	Does the report give details of membership of the committee of management?	
<b>5</b>	<b>Concise report*</b>	
<b>6</b>	<b>Certificate of Secretary or other Authorised Officer</b>	
	Is the certificate signed and dated?	
	Is the signatory the secretary or another officer authorised to sign the certificate?	
	Is the date that the report was provided to members stated?	
	Is the date of the Second Meeting at which the report was presented stated?	
	Does the certificate state that the documents are copies of those provided to members?	
	Does the certificate state that the documents are copies of those presented to the Second Meeting?	

\* This is an optional way of providing documents to members (see RAO s265(3) and RAO Reg. 161).

**Committee Of Management Statement**

On *[date of meeting]* the Committee of Management of *[name of reporting unit]* passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended *[date]*:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply\* with the Australian Accounting Standards;
- (b) the financial statements and notes comply\* with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view\* of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds\* to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - (i) meetings of the committee of management were held\* in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (ii) the financial affairs of the reporting unit have been\* managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (iii) the financial records of the reporting unit have been\* kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
  - #(iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been\* kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
  - #(v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been\* furnished to the member or Registrar; and
  - #(vi) there has been\* compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

For Committee of Management: *[name of designated officer per section 243 of the RAO Schedule]*

Title of Office held:

Signature:

Date:

\* Where compliance or full compliance has not been attained - set out details of non compliance instead.

# Where not relevant these may be modified accordingly (e.g. in (vi) "No orders have been made by the Commission under section 273 of the RAO Schedule during the period."



**Certificate of Secretary or other Authorised Officer<sup>1</sup>**

s268 of Schedule 1B *Workplace Relations Act 1996*

I *[name]* being the *[title of office]* of the *[name of the organisation]* certify:

- that the documents lodged herewith are copies of the full report, *[and the concise report]<sup>2</sup>*, referred to in s268 of the RAO Schedule; and
- that the *[full report OR concise report]<sup>3</sup>*, was provided to members on *[insert date]*; and
- that the full report was presented to *[a general meeting of members OR the last of a series of general meetings of members OR a meeting of the committee of management]<sup>3</sup>* of the reporting unit on *[insert date]*; in accordance with section 266 of the RAO Schedule.

Signature

Date:

<sup>1</sup>RAO regulation 162 prescribes the designated officer for the purpose of RAO schedule s268 as:

(a) the secretary; or

(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

<sup>2</sup>Only applicable where a concise report is provided to members

<sup>3</sup>Insert whichever is applicable



**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,  
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA, ELECTRICAL DIVISION,  
QUEENSLAND & NORTHERN TERRITORY DIVISIONAL BRANCH**

**ELECTRICAL TRADES UNION OF EMPLOYEES OF AUSTRALIA, QUEENSLAND BRANCH**

**REGISTERED OFFICE:**  
41 Peel Street  
SOUTH BRISBANE QLD 4101

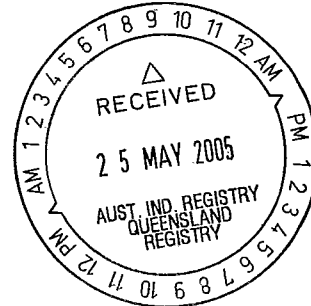
**POSTAL ADDRESS:**  
PO Box 3520  
SOUTH BRISBANE QLD 4101  
Please address all correspondence to the  
Secretary: R.L. (Dick) WILLIAMS

**Telephone:** (07) 3846 2477  
**Facsimile:** (07) 3844 9851  
**www.etu.org.au**  
**info@cepuqld.asn.au**

Ref: PJS/ELC

**CENTRAL  
QUEENSLAND**  
26 Beckinsale Street  
PO Box 848  
Gladstone 4680  
Ph: (07) 4972 6676  
Fax: (07) 4972 5721

Australian Industrial Relations Commission  
GPO Box 373  
BRISBANE QLD 4001



Monday, 23<sup>rd</sup> May, 2005

Dear Sir/Madam

**RE: 2004 FINANCIAL RETURNS**

The documents lodged herewith are an original copy of this organisations audited Financial Statements for the year ending 31<sup>st</sup> December 2004. These were tabled at our Annual General Meeting on 17<sup>th</sup> May 2005 (second meeting) and they include the Certificate by Auditor, the Committee of Management Certificate and the Accounting Officer's Certificate, which were in accordance with a resolution, passed by the Committee at our meeting on 14<sup>th</sup> March 2005 (first meeting).

All members have received a copy of same which was included with our April 2005 Journal.

Yours faithfully

Peter Simpson  
Deputy Secretary

Encl.

**NORTH  
QUEENSLAND**  
15 Palmer Street  
PO Box 5800  
Townsville 4810  
Ph: (07) 4772 3122  
Fax: (07) 4721 1117

**NORTHERN  
TERRITORY**  
First Floor,  
38 Woods Street  
PO Box 4053  
Darwin 0801  
Ph: (08) 8941 2300  
Fax: (08) 8981 1770

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

**AND**

**Registered in Queensland as  
ELECTRICAL TRADES UNION OF EMPLOYEES OF  
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**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,  
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QUEENSLAND DIVISIONAL BRANCH**

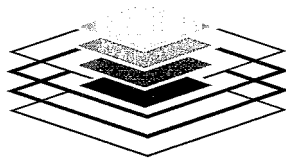
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**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

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# Alexander Partners

CHARTERED ACCOUNTANTS

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF  
COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,  
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA ELECTRICAL DIVISION,  
QUEENSLAND DIVISIONAL BRANCH**

**AND**

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## **Scope**

The financial report and Committee of Management's ("Committee") responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, accounting officers certificate and the Committee's operating report and statement for the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Queensland Divisional Branch and registered in Queensland as the Electrical Trades Union of Employees of Australia, Queensland Branch ("Union"), for the year ended 31 December 2004.

The Committee of the Union is responsible for the preparation and true and fair presentation of the financial report in accordance with the Workplace Relations Act 1996 as amended and Industrial Relations Act 1999 as amended ("Acts"). This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

## **Audit Approach**

We conducted an independent audit in order to express an opinion to the members of the Union. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Acts and Union's Rules, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Union's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Committee.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

## **Independence**

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

## Audit Opinion

In our opinion:

- (1) The financial report of the Union is in accordance with:
  - a. the Acts, including:
    - i. giving a true and fair view of the Union's financial position as at 31 December 2004 and of its performance for the year ended on that date; and
    - ii. complying with Accounting Standards in Australia; and
  - b. other mandatory professional reporting requirements.
- (2) The Union has kept satisfactory accounting records for the financial year including records of:
  - (i) the sources and nature of the Union's income, including membership subscriptions and other income from members; and
  - (ii) the nature of and reasons for the Union's expenditure.
- (3) All the information and explanations that officers or employees of the Union were required to provide have been provided; and
- (4) There was no deficiency, failure or shortcoming in any matters referred to in (1) to (3) above.



**ALEXANDER PARTNERS**  
Chartered Accountants



**A D FRASER**  
Registered Company Auditor

Brisbane

Date: 11-4-05

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,  
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**COMMITTEE OF MANAGEMENT OPERATION REPORT AND STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2004**

**(a) Operating Report**

In accordance with section 254 of the Workplace Relations Act 1996 ("Act") the Committee of Management presents its Operating Report on Communications Electrical Plumbing Union – Electrical Division for the year ended 31 December 2004.

**Principal Activities**

The principal activity of the Union was to act on behalf of members in pursuit of the Objects of the Union (detailed on page 22).

**Results**

The profit for the financial year amounted to \$239,302

**Significant Changes**

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

**Financial Affairs**

There were no significant changes in the Union's financial affairs during the financial year.

**Members Right to Resign**

The right of members to resign from the Union is set out in the Rules of the CEPU – Electrical Division and on the reverse side of the application to join form.

**Membership of Superannuation Scheme**

Those who hold a position of trustee or director of an entity, scheme or company as described in s.254 (2)(d) of Schedule 1B, where a criterion of such entity is that the holder of such position must be a member or official of a registered organisation.

Walter Threlfall	Director of SMART (Sugar Manufactures of Australia Retirement Trust)
Richard Williams	Alternate Director of SPEC (Q)

**Number of Members**

The number of persons that were, at the end of the financial year to which the report relates, recorded in the register of members for s.230 of the RAO Schedule and who are taken to be members of the Union under s.244 of the RAO Schedule is:

Total	12,966
Financial	9,444
Honorary and Life members	827
Unfinancial	2,695

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**COMMITTEE OF MANAGEMENT OPERATION REPORT AND STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2004**

**Number of Employees**

The number of persons who were, at the end of the financial year to which the report relates, employees of the Union, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis is 22.

**Members of the Committee of Management**

The name of each person who has been a member of the committee of management of the Union at any time during the reporting period, and the period for which he or she held such a position is as follows:

<b>Name</b>	<b>Period</b>
*Abbott, Gordon	Whole Period
Baker, Gary	Whole Period
*Bloxsom, Gary	Whole Period
Buse, Darren	To 16/08/04
*Calligan, Peter	Whole Period
Cawley, Peter	Whole Period
*Christoffel, Jeffrey	Whole Period
Cooke, Clive	Whole Period
Coxon, Michael	Whole Period
Denson, Shane	Whole Period
Eastes, Adam	From 22/11/04
Farmer, Michael	Whole Period
Fiteni, Joseph	Whole Period
Francis, Terrie	Whole Period
Hamblyn, Gary	Whole Period
Jeffer, Brendan	Whole Period
Keding, Daryl	Whole Period
*List, Stephen	Whole Period
McGaw, Christopher	Whole Period
*McGaw, Daniel	From 16/08/04
Simpson, Peter	Whole Period
Smith, Clinton	Whole Period
Southon, Dean	Whole Period
Stein, Clark	Whole Period
Strotten Christopher	Whole Period
Stuart, Christopher	To 16/08/04
Taylor, John	Whole Period
Traill, Stuart	Whole Period
*Williams, Richard	Whole Period
*Wilson, Scott	Whole Period
*Wolff, Darren	Whole Period

\* Member of the Divisional Branch Executive.

**Other Information**

There is no other information that the Union considers relevant.



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COMMITTEE OF MANAGEMENT OPERATION REPORT AND STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2004

**(b) Statement**

The Committee of Management of the Union declares that:

- (1) The financial statements and notes, as set out in pages 6 to 21, are in accordance with the Industrial Relations Act 1999 and show a true and fair view of the financial affairs of the Union as at 31 December 2004.
- (2) In the Committee's opinion the Union was solvent for the whole financial year and there are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable.
- (3) From 1 January 2004 to the date of this report and in the Committee's opinion:
  - (i) meetings of the Committee of management were held in accordance with the rules of the Union; and
  - (ii) the financial affairs of the Union have been managed in accordance with the rules of the Union;
- (4) To the knowledge of any Committee members there have been no instances during the financial year where records, rules or copies of these records or rules required by the Industrial Relations Act 1999 or the rules to be provided to a member have not been so provided.
- (5) In respect of the financial statements for the year ended 31 December 2004 the Union has complied with sections 565 and 566 of the industrial Relations Act 1999 by presenting to an Annual General Meeting ("AGM") and providing to members the financial statements including auditor's report, of the Union.

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



Dated this *11th* day of *April* 2005

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,  
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QUEENSLAND DIVISIONAL BRANCH**

**AND**

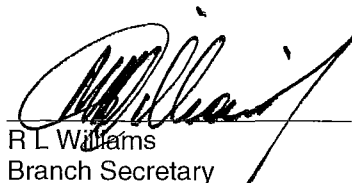
**Registered in Queensland as  
ELECTRICAL TRADES UNION OF EMPLOYEES OF AUSTRALIA, QUEENSLAND BRANCH**

**ACCOUNTING OFFICER'S CERTIFICATE  
FOR THE YEAR ENDED 31 DECEMBER 2004**

I, Richard Laurence Williams, being the Accounting Officer responsible for keeping the accounting records for the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Queensland Divisional Branch and Registered in Queensland as the Electrical Trades Union of Employees of Australia, Queensland Branch ("Union"), certify that as at 31 December 2004 the number of financial members of the Union was 10,271 and the number of unfinancial members was 2,695.

In my opinion,

- (i) the attached financial statements show a true and fair view of the financial affairs of the Union as at 31 December 2004;
- (ii) a record has been kept of all moneys paid by, or collected from, members and all moneys so paid or collected has been credited to the bank account to which those moneys are to be credited, in accordance with the rules of the Union;
- (iii) before any expenditure was incurred by the Union, approval of the incurring of the expenditure was obtained in accordance with the rules of the Union;
- (iv) with regard to funds of the Union raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules of the Union, no payments were made out of any such fund for a purpose other than the purpose for which the fund was operated, and if any such payment was so made, it was approved in accordance with the rules of the Union;
- (v) no loan or other financial benefit, other than remuneration in respect of their full-time employment with the Union, was granted to persons holding office in the Union; and
- (vi) the register of members of the Union was maintained in accordance with the Act.

  
R L Williams  
Branch Secretary

Dated: 11/4/05

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**STATEMENT OF FINANCIAL PERFORMANCE  
AS AT 31 DECEMBER 2004**

	<b>Notes</b>	<b>2004 \$</b>	<b>2003 \$</b>
Revenue from ordinary activities	2	4,075,870	3,578,930
Employee benefits expense	3	1,674,648	1,583,501
Depreciation and amortisation expenses	3	121,722	110,195
Other expenses from ordinary activities	3	<u>2,040,198</u>	<u>1,780,583</u>
Profit (Loss) from ordinary activities before income tax expense		239,302	104,651
Income tax expense relating to ordinary activities	1(d)	<u>-</u>	<u>-</u>
Net profit (loss) from ordinary activities after income tax expense		<u>239,302</u>	<u>104,651</u>
Total changes in equity		<u><b>239,302</b></u>	<u><b>104,651</b></u>

This Statement should be read in conjunction with the Notes to and forming part of these financial statements.

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**STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 31 DECEMBER 2004**

	Notes	2004 \$	2003 \$
<b>CURRENT ASSETS</b>			
Cash	4	867,280	535,016
Other Financial Assets	5	1,095,171	1,094,852
Receivables	6	22,234	8,891
Tax Assets	7	16,409	15,171
<b>TOTAL CURRENT ASSETS</b>		<u>2,001,094</u>	<u>1,653,930</u>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	8	438,887	424,537
Investments	9	1,427,724	1,441,585
Loan Receivable	10	680,000	730,000
<b>TOTAL NON-CURRENT ASSETS</b>		<u>2,546,611</u>	<u>2,596,122</u>
<b>TOTAL ASSETS</b>		<u>4,547,705</u>	<u>4,250,052</u>
<b>CURRENT LIABILITIES</b>			
Creditors and Borrowings	11	345,108	321,774
Provisions	12	571,856	536,839
<b>TOTAL CURRENT LIABILITIES</b>		<u>916,964</u>	<u>858,613</u>
<b>NET ASSETS</b>		<u>3,630,741</u>	<u>3,391,439</u>
<b>MEMBERS EQUITY</b>			
Retained Profits	13	<u>3,630,741</u>	<u>3,391,439</u>

This Statement should be read in conjunction with the Notes to and forming part of these financial statements.

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**STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 31 DECEMBER 2004**

	Notes	2004 \$	2003 \$
<b>Cash Flows from Operating Activities</b>			
Membership Contributions		3,003,247	2,719,429
Interest Received		275,098	206,078
Other receipts		410,447	336,170
Affiliation Fees		340,282	321,044
Salaries and Allowances		(1,309,525)	(1,317,234)
Other Expenses		(2,288,887)	(2,039,456)
Net Cash flows provided by Operating Activities	14(a)	<u>430,662</u>	<u>226,031</u>
<b>Cash Flows from Investing Activities</b>			
Payment for Property, Plant & Equipment		(158,079)	(223,780)
Proceeds from sale of property, plant & equipment		10,000	43,636
Payment for Investments		(482,170)	(20,357)
Loan repayment received		50,000	-
Net Cash provided by/(used in) Investing Activities		<u>(580,249)</u>	<u>(200,501)</u>
Net Increase (Decrease) in Cash Held		<b>(149,587)</b>	<b>25,530</b>
Cash at the Beginning of the Financial Year		<u>219,626</u>	<u>194,096</u>
Cash at the End of the Financial Year	14(b)	<u><b>70,039</b></u>	<u><b>219,626</b></u>

This Statement should be read in conjunction with the Notes to and forming part of these financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

This general purpose financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Union in preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**(a) Principles of Preparation**

It has been practice to present financial statements representing the combined operations and combined financial position of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Queensland Divisional Branch and National Union of Workers Industrial Union of Employees Queensland ("State") and Registered in Queensland as the Electrical Trades Union of Employees of Australia, Queensland Branch ("Branch") ("Union" collectively). The two entities maintain one set of accounting records.

Each entity is required by Federal and State legislation respectively to prepare and lodge financial statements recording their separate financial positions. In order to do this it would be necessary to extract from the single set of financial records such information as is required to accurately describe the individual financial position of each entity.

In August 1995, the high court determined certain issues concerning the legal status of the State registered unions in *McJannet and Ors v White and Ors*. It now appears to be beyond doubt that the State Union is a separate legal entity from the Branch. It is therefore not appropriate to allocate fixed assets to each entity on an arbitrary division.

Accordingly, investigations have been undertaken in light of the legal position explained in *McJannet v White* in order to ensure that assets and liabilities are recorded in the financial statements of the entity which is determined to be the rightful owner. As at the date of preparation of these accounts however, these investigations are not complete. Therefore these financial statements reflect the combined operations of both the Branch and State Unions as has been done in previous years.

**(b) Accounting Methods and Comparatives**

In accordance with the Workplace Relations Act 1996 it is now a requirement for federally registered unions to prepare a general purpose financial report for the year ended 31 December 2004 and succeeding financial years. Previously this financial report was regarded as a special purpose financial report. Accordingly a number of Accounting Standards have been adopted for the first time. In addition comparatives have been reclassified where appropriate in order to comply with the presentation adopted in the 2004 year.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**(c) Plant and Equipment**

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

**Plant and equipment**

Plant and equipment is measured on the cost basis.

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

**Depreciation**

The depreciable amount of all fixed assets including capitalised leased assets, is depreciated on a straight line basis over their estimated useful lives to the Union commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	5% - 40%

**(d) Income Tax**

The Union is exempt from income tax by virtue of s50-45 of the Income Tax Assessment Act 1997.

**(e) Cash**

For the purposes of the Statement of Cash Flows, cash includes cash on hand, at bank and on deposit.

**(f) Acquisition of Non Current Assets**

The cost method of accounting is used for all acquisitions of assets regardless of whether shares or other assets are acquired. Cost is determined as the fair value of the assets given up at the date of acquisition plus costs incidental to the acquisition.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**(g) Employee Entitlements**

Provision has been made in the financial statements for employees' annual leave, long service leave and sick leave entitlements on the following basis:

**Annual Leave**

Annual leave has been provided for as the estimated accrued entitlements of all employees on the basis of each employee's terms of employment.

**Long Service Leave**

Provision for employee benefits in the form of long service leave has been made for the estimated accrued entitlements of employees. Official's long service leave is accrued from the date of the commencement of employment. The clerical employee's long service leave entitlements begin to accrue after 5 years of service have been performed.

**(h) Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the assets, but not the legal ownership, are transferred to the Union are classified as finance leases. Finance leases are capitalised, recording an asset and liability equal to the present value of the minimum lease payments including any guaranteed residual values. Leased assets are amortised on a straight line basis over their estimated useful lives where it is likely that the Union will obtain ownership of the asset over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense of the period.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor are charged as expenses in the periods in which they are incurred.

**(i) Investments**

Non-current investments are measured on the cost basis. The carrying amount of investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for shares in listed companies.

**(j) Revenue**

Revenue from membership contributions is recognised on an cash basis.

Interest revenue is recognised on an accrual basis proportional to taking into account the interest rates applicable to the financial assets.

**(k) 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 Statement of Financial Position are shown inclusive of GST.



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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**(l) Amortisation of TCV Investment**

As disclosed in Note 9, the Union has prescribed stock ("Stock") in the Treasury Corporation of Victoria, which is due to, mature in November 2006. This stock has a face value of \$1.4M. However because the rate of interest was (and is) significantly better than comparative interest rates the Stock was acquired for a cost of \$1,538,614. It is likely that the Union will redeem this investment at term. Accordingly the Union will amortise an amount of \$138,614 (\$1,538,614 less \$1,400,000), over the term of the investment. In respect of each of the 2004 and 2003 financial year the amount amortised was \$13,861. However this policy was first adopted in 2003, with an initial amortisation of \$83,168 recorded as an adjustment to retained earnings to reflect the change in accounting policy in 2003.

**(m) Adoption of International Financial Reporting Standards**

Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) effective for financial years commencing 1 January 2005. This requires the production of accounting data for future comparative purposes at the end of the current financial year.

The Committee of Management of the Union along with its auditors, is assessing the significance of these changes and preparing for their implementation.

The Committee is of the opinion that the key differences in the union's accounting policies, which will arise from the adoption of IFRS are:

**Recoverable Amount of Assets**

The Union currently determines the recoverable amount of an asset on the basis of undiscounted net cash flows that will be received from the assets use and subsequent disposal. In terms of the pending AASB 136 Impairment of Assets, the recoverable amount of an asset will be determined as the higher of fair value less costs to sell and value in use. It is likely that this change in accounting policy will have little impact on the assets of the Union.

**Employee Benefits**

Previously all employee benefits payable (other than long service leave) were measured at their nominal amount expected to be paid out irrespective of the expected dates of payment. Under pending AASB 119 Employee Benefits, all employee benefits payable in excess of 12 months will be discounted to their present values.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

	<b>Note</b>	<b>2004</b>	<b>2003</b>
		<b>\$</b>	<b>\$</b>
<b>NOTE 2 – REVENUE FROM OPERATIONS</b>			
<b>General Fund</b>			
Un-allocated Membership Income		101,236	24,082
Advertising received		19,727	
Contributions Received (Nett)		3,006,797	2,684,321
Contribution Wallets		1,453	1,087
Entrance Fees		8,340	7,235
Fines		13,167	14,139
Interest Received		275,098	206,078
Levies Received		327,115	306,905
Merchandise Sold		5,545	6,428
National Council Subsidy - Nth Territory			20,000
SAA Wiring Rules		43	56
Administration Fees – Death & Mortality & Building Fund		13,929	13,555
Refund Staff Salaries		16,586	6,700
Refunded Expenses		31,023	1,770
Other Refunds		49,979	66,929
Rents Received		110,972	83,423
Sundry Income – General		94,860	136,222
		<b>4,075,870</b>	<b>3,578,930</b>

**NOTE 3 – PROFIT FROM ORDINARY ACTIVITIES**

Profit from ordinary activities before income tax has been determined after the following expenses

**General Fund**

Accounting & Audit Fees	17,355	16,751
Affiliation Fees	76,413	75,644
Bank Charges	16,756	19,828
Conference Expenses	105,962	128,776
D, M & B Levy Transfer	139,289	135,525
Debt Collection Fees	68,492	96,055
Delegate Expenses		
Coal Delegates	28,745	27,637
Other Delegates	28,999	22,229
Depreciation	107,861	96,334
Donations	98,772	1,045
Electrical Trades Journal and Rule Books	40,702	28,958
Electricity	1,324	1,107
Employee Leave Entitlements	35,017	(19,054)
Expenses 877 Boundary Road	5,501	6,512
Fringe Benefits Tax	22,724	31,230
Insurance	36,235	21,521
Internet Expenses	5,776	9,816

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

	Note	2004 \$	2003 \$
<b>NOTE 3 – PROFIT FROM ORDINARY ACTIVITIES (cont.)</b>			
Investments – write off in value of TCV	1(l)	13,861	13,861
Labour Day Expenses		6,724	6,996
Legal Costs			
Professional Fees		167,382	159,134
Lodgement Fees		222	2,688
Loss on Fixed Asset Sales and Scrappings		25,868	23,626
Maintenance – 41 Peel Street		28,427	48,809
Meeting Fees		1,260	7,299
Merchandise Purchases		58,323	56,747
Motor Vehicle Expenses		60,227	51,019
National Council Fees and Expenses		401,003	309,205
National Office Expenses		2,000	
Northern Territory Office – Expenses		35,443	26,355
Office Equipment, Supplies and Expenses		36,075	19,741
Organising Expenses		118,198	106,572
Payroll Tax		48,366	45,468
Postage		43,406	36,868
Printing & Stationery		94,812	81,657
Rates – 877 Boundary Road		7,940	8,058
Refund of Contributions		7,582	9,699
Rent		16,857	14,883
Salaries - Officers		379,132	603,465
Salaries – Staff		886,071	663,514
Salaries – Income Protection 1.2%		4,169	
Salaries – NT		72,207	67,686
Shop Stewards Reimbursements		15,821	15,647
Staff Amenities		40,362	30,126
Storage		1,081	975
Subscriptions		6,165	8,217
Superannuation		275,328	236,660
Supply Industry Expenses		26,290	16,256
Sundry Expenses		-	(61)
Telephone		92,800	88,732
Training		27,004	14,463
T'vile Petty Cash		239	
		<b>3,836,568</b>	<b>3,474,279</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

	<b>Note</b>	<b>2004 \$</b>	<b>2003 \$</b>
<b>NOTE 4 – CURRENT ASSETS - CASH AND DEPOSITS</b>			
Cash on Hand		4,162	981
Cash at Bank		65,877	218,645
Fixed Deposit		797,241	315,390
		<u><b>867,280</b></u>	<u><b>535,016</b></u>
<b>NOTE 5 – CURRENT ASSETS – OTHER FINANCIAL ASSETS</b>			
Commercial Bills		1,095,171	1,094,852
		<u><b>1,095,171</b></u>	<u><b>1,094,852</b></u>
<b>NOTE 6 – CURRENT ASSETS – RECEIVABLES</b>			
Debtors		22,234	8,891
		<u><b>22,234</b></u>	<u><b>8,891</b></u>
<b>NOTE 7 – CURRENT ASSETS – TAX ASSETS</b>			
GST Paid	1(k)	16,409	15,171
		<u><b>16,409</b></u>	<u><b>15,171</b></u>
<b>NOTE 8 – NON CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT (AT COST)</b>			
	1(c)		
Furniture, Fittings and Equipment		428,156	422,662
Accumulated Depreciation		(336,153)	(309,116)
		<u>92,003</u>	<u>113,546</u>
Motor Vehicles		453,877	425,631
Accumulated Depreciation		(106,993)	(114,640)
		<u>346,884</u>	<u>310,991</u>
<b>Total Property, Plant &amp; Equipment (at cost)</b>		<u><b>438,887</b></u>	<u><b>424,537</b></u>
<b>NOTE 9 – INVESTMENTS</b>			
TCV Investment – at cost	1(i)	1,538,614	1,538,614
Less Amortisation	1(l)	(110,890)	(97,029)
		<u><b>1,427,724</b></u>	<u><b>1,441,585</b></u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

	<b>Note</b>	<b>2004 \$</b>	<b>2003 \$</b>
<b>NOTE 10 – UNSECURED LOAN</b>			
Loan Receivable – Distress, Mortality & Building		680,000	680,000
Loan – WA Branch			50,000
		<u><b>680,000</b></u>	<u><b>730,000</b></u>
<b>NOTE 11 – CURRENT LIABILITIES – CREDITORS &amp; BORROWINGS</b>			
Trade Creditors		258,827	227,776
Sundry Creditors – DM&B Fund		2,146	2,146
GST Collected	1(k)	17,944	22,698
Other		66,191	69,154
		<u><b>345,108</b></u>	<u><b>321,774</b></u>
<b>NOTE 12 – CURRENT LIABILITIES – PROVISIONS</b>			
Provision for Annual Leave	1(g)	269,609	274,727
Provision for Long Service Leave	1(g)	302,247	262,112
		<u><b>571,856</b></u>	<u><b>536,839</b></u>
<b>NOTE 13 – MEMBERS EQUITY – ACCUMULATED FUNDS</b>			
Balance at Beginning of Year		3,391,439	3,286,788
Net Profit for the Year		239,302	104,651
Balance at End of Year		<u><b>3,630,741</b></u>	<u><b>3,391,439</b></u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

	Note	2004 \$	2003 \$
<b>NOTE 14 – NOTES TO THE STATEMENT OF CASH FLOWS</b>			
<b>(a) Reconciliation of Net Cash Provided by Operating Activities to Operating Surplus after Income Tax</b>			
Operating Surplus (Deficiency)		239,302	104,651
Add/(Subtract) Non-Cash Items			
Depreciation & Amortisation		121,722	110,195
Loss on Disposal		25,868	23,626
		<u>147,590</u>	<u>133,821</u>
Changes in Assets and Liabilities			
Trade Debtors		(13,343)	13,865
Others Current Assets		(5,992)	(4,878)
Trade Creditors		31,051	(19,805)
Provisions		32,054	(1,623)
		<u>43,770</u>	<u>(12,441)</u>
Net Cash from Operating Activities		<u><u>430,662</u></u>	<u><u>226,031</u></u>

**(b) Reconciliation of Cash**

For the purposes of the Statement of Cash Flows, cash includes cash on hand, at banks and on deposit. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash on Hand	4,162	981
Cash at Bank	64,653	217,881
Term Deposit	1,224	764
	<u><u>70,039</u></u>	<u><u>219,626</u></u>

**NOTE 15 – COMMITMENTS**

(a) Operating Lease Commitments	Nil	Nil
---------------------------------	-----	-----

Operating Leases contracted for but not capitalised in the financial statements.

1(h)

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

**AND**

**Registered in Queensland as**

**ELECTRICAL TRADES UNION OF EMPLOYEES OF AUSTRALIA, QUEENSLAND BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

**NOTE 16 – FINANCIAL INSTRUMENTS**

**(a) Interest Rate Risk**

The Union's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Fixed Interest Rate		Floating Interest Rate		Non Interest Bearing		TOTAL	
	2004 %	2003 %	2004 \$	2003 \$	2004 \$	2003 \$	2004 \$	2003 \$	2004 \$	2003 \$
Financial Assets										
Cash on hand							4,162	981	4,162	981
Cash at bank	0.6	0.5			65,877	218,645			65,877	218,645
Commercial Bills	5.05	5.05	1,095,171	1,094,852					1,095,171	1,094,852
Fixed Deposits	4.50	4.50	797,241	315,390					797,241	315,390
Investments	10.25	10.25	1,427,724	1,441,585					1,427,724	1,441,585
Receivables							22,234	8,891	22,234	8,891
Unsecured Loan							680,000	730,000	680,000	730,000
Other							16,409	15,171	16,409	15,171
Total Financial Assets			3,320,136	2,851,827	65,877	218,645	722,805	755,043	4,108,818	3,825,515
Financial Liabilities										
Creditors & Borrowings							345,108	321,774	345,108	321,774
Total Financial Liabilities							345,108	321,774	345,108	321,774

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

**NOTE 16 – FINANCIAL INSTRUMENTS (cont.)**

**(b) Credit Risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes the financial statements.

The Union does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Union.

**(c) Net Fair Values**

The net fair values of listed investments have been valued at cost at balance date. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have been written down as the Union intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

**NOTE 17 – UNION DETAILS**

The principal place of business is:

41 Peel Street  
South Brisbane  
Queensland

**NOTE 18 - INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR**

In accordance with the requirements of the Workplace Relations Act 1996 as amended the attention of members is drawn to the following provisions:

**Workplace Relations Act 1996 - Sections 272 (1), (2) and (3):**

**Sub Section (1)**

A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation to be made available to the person making the application.

**Sub-Section (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 organisation.

**Sub-Section (3)**

The organisation must comply with an application made under sub section (1) above.



**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

**NOTE 19 – RELATED PARTY TRANSACTIONS**

Apart from receipts and payments in respect of the Distress, Mortality and Building Fund ("Fund") in accordance with the Fund's rules, there were no other related party transactions.

Details of the Committee of Management ("Committee") are contained in the Committee's Operating Report.

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

**AND**

**Registered in Queensland as  
ELECTRICAL TRADES UNION OF EMPLOYEES OF AUSTRALIA, QUEENSLAND BRANCH**

**OBJECTS OF THE UNION**

The purposes for which the Union is established are:

- (a) To advance the trade interests of members and secure a proper classification of the workers in the industry.
- (b) To obtain adequate pay for its members and the institution and maintenance of the apprenticeship system.
- (c) To afford legal protection to its members in industrial matters.
- (d) To establish and maintain an employment bureau for electrical workers.
- (e) To publish a trade union journal or newspaper.
- (f) To establish a Branch or Branches of the Union and Sub-Branches of Branches and Agencies of Branches.
- (g) To organise the electrical workers into Branches or Sub-Branches of the Union throughout the Commonwealth of Australia.
- (h) To financially assist Branches and Sub-Branches.
- (i) To provide for the acquisition or leasing of property.
- (j) To secure preference of employment of Unionists.
- (k) To advance the living and working conditions of workers and their families, and to assist kindred Unions and to support other bodies having these objects, and such projects for the advancement of Labor as the Union may determine.
- (l) The abolition and prevention of contract and piecework schemes and the restriction and control of incentive and bonus systems in industry.
- (m) To establish funds to assist members in distress through sickness or accident or who are lawfully out of employment.
- (n) To make financial provision for carrying out the objects set out herein.
- (o) To make such provision for superannuation payments or retiring allowances and/or long service leave to fulltime officers and/or employees of the Union as the Union may determine.
- (p) To establish a fund for sustenance of members involved in industrial disputes.
- (q) To establish an Electrical Workers' Award.
- (r) To provide legal representation for:
  - (i) A member in a compensation claim and/or action for damages arising out of injuries sustained in the course of his employment.
  - (ii) Dependants of a deceased member at an inquest or inquiry in a compensation claim and/or action for damages arising from the death of a member.

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

AND

Registered in Queensland as

ELECTRICAL TRADES UNION OF EMPLOYEES OF AUSTRALIA, QUEENSLAND BRANCH

**CERTIFICATE BY AUDITOR**

**FOR THE YEAR ENDED 31 DECEMBER 2004**

We advise that we have audited the financial statements of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing, and Allied Services Union of Australia, Electrical Division, Queensland Divisional Branch ("Branch") for the year ended 31 December 2004.

The financial statements disclose total membership of: 9,444 financial members, 827 honorary and life members and 2,695 unfinancial members as at 31 December 2004 which is consistent with the membership records maintained by the Branch and audited by us.

**ALEXANDER PARTNERS**

Chartered Accountants



**A D FRASER**

Partner

11-4-05

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

**DISTRESS & MORTALITY & BUILDING FUND**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

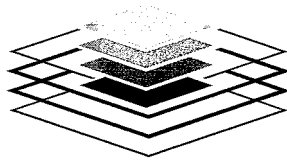
**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING  
AND ALLIED SERVICES UNION OF AUSTRALIA ELECTRICAL DIVISION, QUEENSLAND  
DIVISIONAL BRANCH**

**DISTRESS & MORTALITY & BUILDING FUND**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

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# Alexander Partners

CHARTERED ACCOUNTANTS

## INDEPENDENT AUDIT REPORT TO THE MEMBERS OF

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

### **DISTRESS & MORTALITY & BUILDING FUND**

#### **Scope**

The financial report and State Executive's responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, for Distress, Mortality and Building Fund ("Fund"), for the year ended 31 December 2004.

The State Executive of the CEPU Electrical Division – Queensland Branch ("State Executive") is responsible for the preparation and true and fair presentation of the financial report and has determined that the accounting policies used and described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the requirements of the Rules of the Fund and are appropriate to meet the needs of the members. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the State Executive's financial reporting requirements under the Rules of the Fund. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

#### **Audit Approach**

We conducted an independent audit in order to express an opinion to the members of the Fund. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the accounting policies as described in Note 1, so as to present a view which is consistent with our understanding of the Fund's financial position, and of its performance as represented by the results of its operations and cash flows. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia. No opinion is expressed as to whether the accounting policies used, and described in Note 1, are appropriate for the needs of the members.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the State Executive.

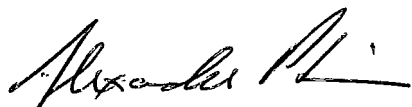
While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

## **Independence**

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

## **Audit Opinion**

In our opinion, the financial report of the Distress, Mortality and Building Fund presents fairly, in accordance with the Rules of the Fund and the accounting policies described in Note 1 to the financial statements, the financial position of the Fund as at 31 December 2004 and its financial performance and cash flows for the year then ended.



**ALEXANDER PARTNERS**

Chartered Accountants



**A D FRASER**

Registered Company Auditor

Brisbane

Date: 11 - 4 - 05

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

**DISTRESS & MORTALITY & BUILDING FUND ("Fund")**

**STATE EXECUTIVE'S DECLARATION**

The State Executive of CEPU Electrical Division – Queensland Branch (administrator of the Fund)  
declares that in their opinion:

- (1) the financial statements and notes, as set out in pages 4 to 9 show a true and fair view of the financial affairs of the Fund as at 31 December 2004 and the results of the Fund for the year then ended;
- (2) the Fund has been administered in accordance with the Rules of the Fund; and
- (3) the Fund was solvent for the whole financial year and there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the State Executive.



Dated this *11th* day of *April 2005*



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

**DISTRESS & MORTALITY & BUILDING FUND**

**STATEMENT OF FINANCIAL PERFORMANCE  
AS AT 31 DECEMBER 2004**

	Notes	2004 \$	2003 \$
<b>INCOME</b>			
Interest Received		2,855	2,547
Levies	7	139,289	135,525
Sundry Income			
		<u>142,144</u>	<u>138,072</u>
<b>EXPENDITURE</b>			
Administration Fees		13,929	13,555
Bank Charges		183	94
Donations			
General Distress		99,710	40,200
Training		24,177	23,463
Ambulance Fees		250	28,202
Sundry Expenses			4,800
TOTAL EXPENSES		<u>138,249</u>	<u>110,314</u>
<b>NET SURPLUS</b>		<u><u>3,895</u></u>	<u><u>27,758</u></u>

This Statement should be read in conjunction with the Notes to and forming part of these financial statements.

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

**DISTRESS & MORTALITY & BUILDING FUND**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2004**

	Notes	2004 \$	2003 \$
<b>ACCUMULATED FUNDS</b>			
Retained Surplus – Beginning		1,193,531	1,165,771
Surplus/(Deficiency) - Current Year		3,895	27,758
		<u><b>1,197,426</b></u>	<u><b>1,193,529</b></u>
Represented by:			
<b>CURRENT ASSETS</b>			
Cash at Bank		135,772	127,094
Sundry Debtors		2,146	2,145
Loans Receivable	3	5,042	9,824
<b>TOTAL CURRENT ASSETS</b>		<u><b>142,960</b></u>	<u><b>139,063</b></u>
<b>NON CURRENT ASSETS</b>			
Land and Buildings	5	1,734,466	1,734,466
<b>TOTAL NON CURRENT ASSETS</b>		<u><b>1,734,466</b></u>	<u><b>1,734,466</b></u>
<b>TOTAL ASSETS</b>		<u><b>1,877,426</b></u>	<u><b>1,873,529</b></u>
<b>NON CURRENT LIABILITIES</b>			
Loan - ETU General Fund	6	680,000	680,000
<b>TOTAL NON CURRENT LIABILITIES</b>		<u><b>680,000</b></u>	<u><b>680,000</b></u>
<b>TOTAL LIABILITIES</b>		<u><b>680,000</b></u>	<u><b>680,000</b></u>
<b>NET ASSETS</b>		<u><b>1,197,426</b></u>	<u><b>1,193,529</b></u>

This Statement should be read in conjunction with the Notes to and forming part of these financial statements.

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

**DISTRESS & MORTALITY & BUILDING FUND**

**STATEMENT OF CASH FLOWS  
AS AT 31 DECEMBER 2004**

	Notes	2004 \$	2003 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Levies		139,289	135,525
Interest and Sundry Income Received		2,855	2,547
Payment of Distress and Mortality Benefits		(99,710)	(40,200)
Payment of Ambulance Costs		(250)	(28,202)
Payments to Suppliers and Training		(38,289)	(41,912)
NET CASH PROVIDED BY OPERATING ACTIVITIES	8	<u>3,895</u>	<u>27,758</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Transfers from (to) General A/c		0	
Loan Repayments received, National Council and Plumbing Division		4,782	4,682
NET CASH USED IN INVESTING ACTIVITIES		<u>4,782</u>	<u>4,682</u>
Net Increase in Cash held		<u>8,677</u>	<u>32,440</u>
Cash at beginning of the financial year		<u>127,094</u>	<u>94,654</u>
Cash as at the end of the Financial Year	9	<u><u>135,771</u></u>	<u><u>127,094</u></u>

This Statement should be read in conjunction with the Notes to and forming part of these financial statements

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

**DISTRESS & MORTALITY & BUILDING FUND**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

**NOTE 1: ACCOUNTING METHODS**

These financial statements are a special purpose financial report. The State Executive of the CEPU – Queensland Branch (the body responsible for administering the Fund) has determined that the Fund is not a Reporting Entity as defined in the Statement of Accounting Concepts 1: Definition of the Reporting Entity. This is because there are no users of the financial statements who would rely on the contents of the financial statements when making decisions concerning the allocation of scarce resources, who are not in position to command their preparation. Accordingly, there is no requirement to apply Accounting Standards and other Mandatory Professional Reporting Requirements in the preparation and presentation of these financial statements.

In addition the State Executive has determined that the Fund is a trust fund whereby the assets of the Fund are held on behalf of and for the benefit of members in accordance with the Rules of the Fund.

The following accounting standards have been used in preparing the financial statements.

- AAS 5 – Materiality
- AAS 6 – Accounting Policies - Determination, Application & Disclosure
- AAS 8 – Events Occurring after Balance Date

No other Accounting Standards or other Mandatory Professional Reporting Requirements have been applied.

This special purpose financial report has been prepared on an accruals basis from the records of the Fund.

The financial statements are prepared under the historical cost convention and in particular:

- (a) the accounts have not been adjusted to record either changes in the general purchasing power of the dollar or in the prices of specific assets;
- (b) no provision for income tax is necessary as the “Fund” is exempt from income tax under section 50-15 of the Income Tax Assessment Act 1997 as amended;
- (c) the Distress and Mortality and Building fund is not actuarially based; and
- (d) depreciation of buildings has not been provided for as both land and buildings have been aggregated for the purpose of the accounts and therefore to attribute a cost to each in order to account for depreciation would add no material value to the financial statements.

**NOTE 2: MORTALITY AND SICKNESS BENEFITS**

- (a) In accordance with the rules of the Distress and Mortality and Building fund and at the discretion of the State Executive, a mortality benefit of \$2,500 (from 31 May 2003) and \$1,000 (prior to 31 May 2003) was payable to the next of kin of a deceased member providing the deceased member was a financial member of the Union up to the date of death and the Union has received an application for payment of the mortality benefit, within a period of 2 years of date of death.
- (b) At the discretion of the State Executive, financial members shall be entitled to a payment of \$20 per week for any period of sickness not covered by an Award or Workers Compensation for a maximum of \$200 in any one calendar year.

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

**DISTRESS & MORTALITY & BUILDING FUND**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

	Notes	2004 \$	2003 \$
<b>NOTE 3: LOANS RECEIVABLE</b>			
<b>Current Assets</b>			
CEPU Plumbing		5,042	9,825
		<u>5,042</u>	<u>9,825</u>

**NOTE 4: LOAN – CEPU PLUMBING DIVISION**

During the 1997 year, the CEPU Plumbing Division ("Division") resolved to repay to each of the CEPU Divisions, an amount which would enable the Division to increase its share of the ownership in the Building collectively owned by all of the CEPU Divisions, located at 41 Peel Street, South Brisbane. This effectively increased the CEPU Plumbing Division's share of the Building to what it should have been at the date of purchase. Accordingly, a loan was established within the Distress & Mortality & Building Fund for this amount and the value of the building within the Fund was decreased by a similar amount. These transactions were effected in the 1997 year.

**NOTE 5: LAND AND BUILDINGS**

41 Peel Street, South Brisbane, at cost	868,654	868,654
877 Boundary Road, Coopers Plains, at cost	865,812	865,812
	<u>1,734,466</u>	<u>1,734,466</u>

In 2002, Peel Street was valued, via independent valuation, at \$3,070,000. Because the electrical division's/Fund's share is approximately 41% this would take the electrical division's share to \$1,258,700. It was decided that based upon the Fund's method of accounting for buildings and as the Fund is not a reporting entity that the financial statements will not reflect the revaluation increment of approximately \$390,000.

**NOTE 6: LOAN PAYABLE**

This loan represents monies advanced to the Death and Mortality and Building Fund from the General Fund for the purchase of the properties detailed at Note 5 to these financial statements.

<u>680,000</u>	<u>680,000</u>
----------------	----------------

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

**DISTRESS & MORTALITY & BUILDING FUND**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

Notes	2004 \$	2003 \$
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**Note 7 - MEMBERSHIP LEVIES**

The following levies were payable by members during the year ended 31 December 2004:

Levy Name	Purpose of Levy	Amount Payable Per Year by Each Member \$	Total Levies Received During Financial Year \$
Distress, Mortality & Building Levy (for all members)	To provide death benefits to the next of kin in the event of a member's death and to a member in the event of a death of a member's spouse/partner.  Surplus funds beyond the level required, as determined by the Committee of Management, will be used to purchase properties, which will be utilised for the purpose of conducting the Union's business.	15	139,289
			<u>139,289</u>

**NOTE 8: STATEMENT OF CASH FLOWS  
RECONCILIATION TO OPERATING PROFIT**

Operating Profit (Loss)	<u>3,895</u>	<u>27,758</u>
Changes in Assets and Liabilities	-	-
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u><b>3,895</b></u>	<u><b>27,758</b></u>

**NOTE 9: RECONCILIATION OF CASH**

For the purposes of the Statement of Cash Flows,  
cash includes Cash at Bank only, net of any  
outstanding bank overdrafts. Cash at the end of the  
financial year as shown in the Statement of Cash  
Flows is reconciled to the related items in the Balance  
Sheet as follows:

Cash at Bank	80,830	73,741
Money Market Call Account	<u>54,941</u>	<u>53,354</u>
	<u><b>135,771</b></u>	<u><b>127,095</b></u>



Australian Government

Australian Industrial Registry

Level 8, Terrace Towers  
80 William Street, East Sydney, NSW 2011  
Telephone: (02) 8374 6666  
Fax: (02) 9380 6990  
Email: sydney@air.gov.au

Mr Peter Simpson  
Deputy Secretary  
CEPU Electrical Division  
Queensland Divisional Branch  
41 Peel St  
SOUTH BRISBANE QLD 4101

Dear Mr Simpson

**Branch Financial Return - year ending 31 December 2004 (FR2004/720)**

I refer to the documents lodged in the Registry on 25 May 2005.

Before the documents can be filed, I ask your comments on the following:

Basis of Preparation of Reports

The documents lodged appear to represent the financial statements of both the Divisional Branch ("the Branch") being a reporting unit of the federally registered CEPU and the ETU ("the Union") registered under State legislation. Note 1 to the financial statements indicates they "reflect the combined operations of the both the Branch and State Unions".

The RAO Schedule requires a reporting unit to keep financial records which correctly record and explain the transactions and financial position of the reporting unit to enable it to prepare a general purpose financial report and have its accounts properly audited - see s252(1).

I note it has been the practice of the Branch to prepare and lodge accounts which reflect the combined financial position. Note 1(a) to the Financial Statements indicates it would be necessary to extract from these records the relevant information for each body to describe its separate financial position.

Despite this, the preparation of combined financial statements does not appear consistent with the Branch's obligations under the RAO Schedule. There is of course nothing to prevent the Branch from preparing and distributing, in addition to a report on its own financial affairs under the RAO Schedule, a combined report if it considers this would provide more useful information to its members about the operations of the Branch and the Union.

Therefore, I seek your comments on the issue of the Branch combining its financial information with that of the Union and the consistency of that practice with its record keeping and reporting obligations under the RAO Schedule.

Section 269 RAO Schedule

The RAO Schedule provides for reduced reporting requirements for reporting units (branches) of organisations where "the financial affairs of the reporting unit are encompassed by the financial affairs of [an] associated State body" and other criteria are satisfied.

The Branch may wish to examine this provision to determine its relevance to its relationship with the Union.

Distress & Mortality & Building Fund

A copy of the financial statements and audit report for the Fund was separately included among the documents lodged. I note that the auditor's report indicates that the Branch's Executive is the administrator of this Fund and is responsible for preparation of its financial report.

The report is described as a special purpose financial report and it is stated there is no need to apply accounting standards to its preparation and presentation.

From the information in the special purpose financial report of the Fund, it would appear that the Fund and its assets are under the direct control of the Branch and include land and buildings in which the Branch has an interest. I note that Rule 38 of the rules of the CEPU Electrical Division specifically provides for Branches to establish such Funds and raise contributions through levies on members.

Note 10 to the Branch's financial statements also indicates a loan to the Fund of \$680,000 which is reflected in Note 6 of the Fund's financial statements as a loan to enable the Fund to acquire certain properties described in Note 5.

From the information above it would appear the financial information included in the Fund's financial statements should, on one view of the Branch's reporting obligations, be included or consolidated with its general purpose financial report and be subject to audit under the provisions of the RAO Schedule.

Would you please provide your comments on this matter.

I will await your advice on these preliminary issues before giving further consideration to the documents lodged.

If you have any questions, please contact me on (02) 8374 6666.

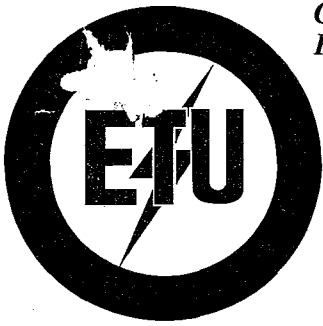
Yours sincerely



Peter McKerrow  
for Deputy Industrial Registrar

28 July 2005





**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,  
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA, ELECTRICAL DIVISION,  
QUEENSLAND & NORTHERN TERRITORY DIVISIONAL BRANCH**

**ELECTRICAL TRADES UNION OF EMPLOYEES OF AUSTRALIA, QUEENSLAND BRANCH**

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Mr Peter McKerrow  
Deputy Industrial Registrar  
Australian Industrial Registry  
Level 8, Terrace Towers  
80 Williams Street  
EAST SYDNEY NEW 2011



Thursday, August 25, 2005

**MACKAY**  
41 Brisbane Street  
PO Box 1854  
Mackay 4740  
Ph: (07) 4953 4799  
Fax: (07) 4953 4899

Dear Mr McKerrow,


**Branch Financial Return – Year Ending 31<sup>st</sup> December 2004 (FR 2004/720)**

Thank you for your letter of 2 August 2005, in reply I advise that I have sought clarification of the matters raised in your letter from the Branch's Auditors Alexander Partners. (copy attached).

On balance the response provided by Alexander Partners, in my opinion, adequately addresses the matters raised.

Accordingly it is my submission that the Branch has complied with the RAO Schedule.

Yours Sincerely

  
Richard Williams  
State Secretary

Encl.



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# Alexander Partners

CHARTERED ACCOUNTANTS

18<sup>th</sup> August 2005

Mr Dick Williams  
Secretary  
CEPU - Queensland Divisional Branch  
PO Box 3520  
South Brisbane QLD 4101

Dear Mr Williams,  
**CEPU (Electrical Division) ("Branch")**  
**BRANCH FINANCIAL RETURN**  
**31 December 2004**

We refer to a letter from Mr McKerrow of the Australian Industrial Registry to your Mr Peter Simpson dated 28 July 2005. A copy of Mr McKerrow's letter has been forward to us with a request that we make comment on the issues raised therein.

## **Basis of Preparation and Reports**

For a number of years the financial statements of the Branch have been combined with the Electrical Trades Union of Employees of Australia, Queensland Branch ("State Union"). In recognition of the high court determination in *McJannet v White*, the financial statements of the Union (Branch and State Union) contained a statement that the two entities maintain one set of accounting records. This approach and the accounting policies Note 1 was considered appropriate at the time and drafted based upon advice from counsel. That approach (and resultant Note 1) was maintained, notwithstanding the view (now confirmed) by both the executive of the Union and ourselves, that the State Union has no assets or liabilities nor receives income or pays expenses.

Accordingly the financial statements and records of the Union are those of the Branch.

In respect of the year ended 31 December 2004, the existing Note 1 was kept of the basis that:

- no decision had been made on the assets, liabilities etc or to prepare separate financial statements for the State Union which, given the likelihood of nil transaction balances, would be meaningless. There is requirement to file financial statements with the Industrial Registrar in Queensland. To this end, the Union's financial statements incorporated those additional disclosures required by State Legislation.

In summary and in our opinion:

- the Branch has complied with the RAO Schedule's requirement to keep financial records which record the financial transactions of the Branch; and
- as we understand it, the *McJannet v White* decision inter alia required the Union to recognise the status of the State Union in respect of it's financial position. Note 1 to the financial statements indicates that investigations into the rightful owners of the Union's assets / liabilities had not been concluded at 31 December 2004. In finalising those investigations, it is also arguable that the financial statements correctly explain the position of the Branch, particularly as the financial statements collectively describe the Union as the Branch (*and Registered in Queensland as .... etc*), indicating that it is the financial statements of the Branch which is: also registered in Queensland.

## **Section 269 RAO Schedule**

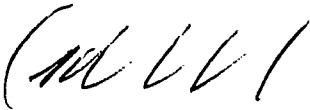
We are aware of this section, however it is the Branch (reporting unit) which includes the affairs of the State Union, rather than the other way around.

### **Distress and Mortality and Building Fund ("Fund")**

As you were aware legal advice supported by counsel's opinion was that the Fund is a trust fund. The Fund was audited by us in respect of the year 31 December 2004. However while the Branch does administer the Fund and has loaned monies to the Fund, it would be inappropriate to consolidate a trust Fund within the financial statements of the Branch on the basis of counsel's advice. In our opinion the circumstances also fall outside the requirements for consolidation as detailed in Statement of Accounting Concepts 4.

Please do not hesitate to contact Alex Fraser of this office if you require further comment or explanation.

Yours sincerely,  
**ALEXANDER PARTNERS**

A handwritten signature in black ink, appearing to read "AD Fraser", enclosed in a large, stylized parentheses.

A D Fraser  
Partner



**Australian Government**  
**Australian Industrial Registry**

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Mr Richard Williams  
Divisional Branch Secretary, Electrical Divisional Branch, Queensland  
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied  
Services Union of Australia  
PO Box 3520  
SOUTH BRISBANE QLD 4101

Dear Mr Williams

**Re: Lodgement of Financial Return – CEPU, Queensland Electrical Divisional Branch -  
for year ending 31 December 2004 (FR2004/720)**

I refer to the abovementioned financial statements lodged in the Registry on 30 August 2005 which have been under consideration by the Registry. In the normal course of events, the Registry would have corresponded with the Branch regarding the return much sooner and I sincerely apologise for the delay.

For the record, there were questions regarding whether the accounts and statements adequately represented the assets of the federal Branch given references within the report to the State registered union and whether the details of the Distress, Mortality and Building Fund should have been consolidated with the principal accounts. However, you provided your auditor's advice with respect to these issues and on the basis of this advice the Registry considers those issues to have been addressed.

Two other issues would have been raised had the Registry replied at the time: the *first* being to remind the Branch, in view of the total amount of Donations itemised on page 14, as \$98,772, to lodge a statement setting out particulars of any individual donation exceeding \$1,000, pursuant to s237 of the RAO Schedule; and the *second* being to draw the Branch's attention to the then new, under RAO, content of declarations required by the Industrial Registrar's Guidelines for the Committee of Management Statement, in view of several omissions on page 5.

However, unless a s237 statement as described in the preceding paragraph is applicable, there is no further action required, and the documents have now been filed.

Yours sincerely

Stephen Kellett  
for Deputy Industrial Registrar.

2 June 2008