



Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia
Electrical Division, Queensland and Northern Territory Divisional Branch

Electrical Trades Union of Employees Queensland Branch

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Please address all correspondence to the Secretary: P. J. SIMPSON

ABN: 80 450 640 455

2 November 2017

By email: regorgs@roc.gov.au

Mr Chris Enright - Executive Director
Registered Organisations Commission
GPO Box 2983
MELBOURNE VIC 3001

Dear Mr Enright

CEPU EE&S Division – QUEENSLAND BRANCH
Operating Reports as at 31 December 2010, 2011 & 2012
– Reporting of Membership Numbers

I refer to the above and enclose by way of lodging:

- Declaration correcting the membership figures reported in the branch operating reports for the reporting periods ending 31 December 2010, 2011 and 2012.

As you are aware, the CEPU has instigated independent audits of the membership figures reported in the annual branch committee of management operating reports for the past 7 years.

As a consequence of these audits, the Branch Executive, in a meeting held on 30 October 2017, authorised the submission of a declaration to the Registered Organisations Commission (ROC) to correct the figures reported in the branch operating reports for the total members for the reporting periods ending 31 December 2010, 2011 and 2012.

These amended figures have now been published on our website for the information of members.

Please do not hesitate to contact me should you wish to discuss this matter.

Yours faithfully

Peter Ong
Deputy Divisional Branch Secretary

Gold Coast	O. 1/5 Executive Drive, Burleigh Waters	P. 1/5 Executive Drive, Burleigh Waters	T. 07. 5532 6903	F. 07. 5528 1689	E. goldcoast@etu.org.au
Sunshine Coast	O. 6/33 Bulcock St, Caloundra	P. PO Box 262 Caloundra Q 4551	T. 07. 5341 8927	F. 07. 5341 8953	E. sscoast@etu.org.au
Toowoomba	O. 19A Russell St, Toowoomba	P. PO Box 1593 Toowoomba BC Q 4350	T. 07. 4638 9313	F. 07. 4639 2810	E. toowoomba@etu.org.au
Gladstone	O. 1/11 Herbert Street, Gladstone	P. PO Box 848 Gladstone Q 4680	T. 07. 4972 6676	F. 07. 4972 5721	E. gladstone@etu.org.au
Rockhampton	O. 110 Campbell Street, Rockhampton	P. 110 Campbell Street, Rockhampton	T. 07. 4927 7587	F. 07. 4927 9180	E. rockhampton@etu.org.au
Mackay	O. 41 Brisbane Street, Mackay	P. PO Box 1854 Mackay Q 4740	T. 07. 4953 4799	F. 07. 4953 4899	E. mackay@etu.org.au
Townsville	O. 64 Ross River Road, Mundingburra	P. PO Box 5800 Townsville 4810	T. 07. 4728 2443	F. 07. 4728 2907	E. townsville@etu.org.au
Cairns	O. 25/25 Grafton Street, Cairns	P. PO Box 5222 Cairns Q 4870	T. 07. 4051 3472	F. 07. 4051 3502	E. cairns@etu.org.au
Northern Territory	O. 1st Floor 38 Woods Street, Darwin	P. PO Box 4053 Darwin NT 0801	T. 08. 8941 2300	F. 08. 8981 1770	E. darwin@etu.org.au

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

Fair Work (Registered Organisations) Act 2009

DECLARATION - CORRECTING REPORT TO
CEPU Electrical, Energy and Services Division - Queensland Branch
OPERATING REPORT
lodged pursuant to s.268

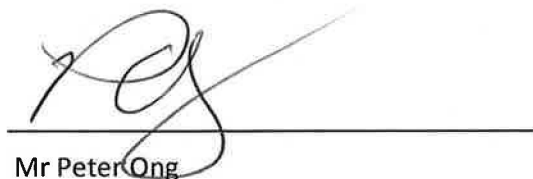
I, Peter Ong, Deputy Divisional Branch Secretary, of 41 Peel St, South Brisbane, in the state of Queensland 4101, declare:

- I am the Deputy Divisional Branch Secretary of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Electrical, Energy and Services Division – Queensland Branch (the Branch), a branch of an organisation registered under the *Fair Work (Registered Organisations) Act 2009* (the Act).
- Pursuant to s.268 of the Act, for the periods ended 31 December 2010, 31 December 2011 and 31 December 2012, the full financial reports, including the operating reports, of the branch were lodged with the Fair Work Commission (FWC) in FR2010/2827, FR2011/2833 and FR2012/525 respectively.
- An independent audit of the membership figures reported in the branch committee of management operating reports for the reporting periods 31 December 2010, 31 December 2011 and 31 December 2012 found the following variances with the figures reported in the operating reports:

As at 31 Dec	2010	2011	2012
Reported	13,720	14,705	15,198
Audited	14,482	15,374	15,932
Variance	762	669	734

- On 30 October 2017, in response to the findings of the audit, the Branch Executive authorised the Deputy Divisional Branch Secretary to amend the branch committee of management operating reports for the years ended 31 December 2010, 31 December 2011 and 31 December 2012 to reflect the membership figures resulting from the audit.

Signed:



Name:

Mr Peter Ong

Date:

2 November 2017



FAIR WORK
AUSTRALIA

10 July 2012

Mr Peter Simpson
Secretary, Queensland Electrical Divisional Branch
CEPU
PO Box 3520
SOUTH BRISBANE QLD 4101



Dear Mr Simpson

**Re: Lodgement of Financial Accounts and Statements – Queensland Electrical Divisional
Branch – for year ending 31 December 2011 (FR2011/2833)**

I refer to the above financial statements and accounts which were lodged with Fair Work Australia on 31 May 2012, and acknowledge today's receipt of the signed Secretary's Certificate in respect of the same.

The documents have now been filed.

Yours sincerely

Stephen Kellett
Organisations, Research and Advice Branch

KELLETT, Stephen

From: Sheridan Singh [sheridan@etu.org.au]
Sent: Tuesday, 10 July 2012 11:47 AM
To: KELLETT, Stephen
Cc: Peter Simpson (ETU); Keith McKenzie (ETU)
Subject: CEPU - QLD & NT Financial Certificate
Attachments: 4417_001.pdf

Hi Stephen,

Keith just came in, and the rules for Dep Sec do apply for him while the State Sec is away.

Thanks so much.

Sheridan

Sheridan Singh
Finance Manager
Electrical Trades Union
Queensland
Office. (07) 3846 2477
Direct. (07) 3010 0305
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From: canon
Sent: Tuesday, 10 July 2012 11:39 AM
To: Sheridan Singh
Subject: Attached Image

**CERTIFICATE BY SECRETARY / PRESCRIBED DESIGNATED
OFFICER**

s268 Fair Work (Registered Organizations) Act 2009

I,**Keith McKenzie**.....,

having been appointed Deputy Secretary under the rules of the Division,
and thus a prescribed designated officer of the Queensland and Northern
Territory Divisional Branch, Electrical, Energy and Services Division,
certify that the financial statements and accounts for the year ended 31
December 2011 lodged with Fair Work Australia on 31 May 2012 are :

- copies of the full report referred to in s268 of the *Fair Work
(Registered Organisations) Act 2009*
- copies of the documents provided to/published for members
on/from 2 / 5 / 2012 and
- subsequently presented to a second meeting, in accordance with
section 266, held on 28 / 5 / 2012

(Signature) 
Mr Keith McKenzie

(Position) Deputy Secretary

Date 10 / 7 / 2012



KELLETT, Stephen

From: KELLETT, Stephen
Sent: Tuesday, 10 July 2012 10:36 AM
To: 'Sheridan Singh'
Subject: RE: Secretary's or Prescribed Designated Officer Certificate
Attachments: Example of s268 Authorised Officer Certificate (Deputy Secretary).doc; Example of s268 Authorised Officer Certificate (Secretary).doc

Dear Sheridan,

I thought I would check the rules, where the signing of the Certificate is concerned. The rules (rule 12) appear to confine the relevant duties/authority to the Branch Secretary except in the case where a Deputy Secretary has been appointed to cover a temporary absence of the Secretary. Rule 12.5.7 provides:

12.5.7 If the Divisional Branch Secretary is unable to attend to his/her duties through any temporary cause or temporary absence, the Divisional Branch Executive may appoint a Deputy Secretary to act during any such temporary absence who shall assume all of the duties, powers, responsibilities, rights and entitlements of the Divisional Branch Secretary.

Regulation 162 of the Fair Work (Registered Organisations) Regulations 2009 says that a prescribed designated officer is either the secretary or an officer who is authorised to sign the certificate.

I think this means that unless the officer you referred to has been "authorised" – say by being appointed pursuant to rule 12.5.7 – then the certificate should wait until it can be signed by Peter Simpson upon his return.

You will know or be able to find out which situation applies. I have attached two Certificates that could be filled out – one if Peter signs as Secretary, the other if the other officer signs if he has been appointed Deputy Secretary.

In either case, please note that I have assumed that the date of the presentation meeting was 28 May as on the original certificate you sent me, but the date on or from which the report was made available to the members is still blank and needs to be filled in.

Ring me if you have any queries.

Stephen Kellett
FAIR WORK AUSTRALIA

(ph) 02 6723 7097

KELLETT, Stephen

From: Sheridan Singh [sheridan@etu.org.au]
Sent: Tuesday, 10 July 2012 8:31 AM
To: KELLETT, Stephen
Cc: Peter Simpson (ETU)
Subject: FW: Attention Mr Peter Simpson - Financial Report 31 Dec 2011
Attachments: 4407_001.pdf

Hi Stephen,

It would seem that you were not forwarded all the information that was sent and emailed to brisbane@fwa.gov.au with the Financials for 2011.

Please find attached, as requested:

1. a copy of the certificate signed by the State Secretary – Peter Simpson
2. the statement of loans, grants and donations exceeding \$1,000 for financial year ending 31/12/11 – 3 pages (you will see the \$75,218 difference you were referring to)

Please let me know if there is anything else that is required to lodge this asap.

Thanks
Sheridan Singh

Sheridan Singh
Finance Manager
Electrical Trades Union
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✓ **E-MAILED**
5/6/12

CERTIFICATE BY STATE SECRETARY

INDUSTRIAL RELATIONS ACT 1999,
SECTION 570

I, Peter John Simpson, (State Secretary), of 41 Peel Street South Brisbane Queensland, hereby certify that the documents lodged herewith are copies of the documents presented to and endorsed by the Branch Annual General Meeting of the Union on 28th May 2012, and that the members of the Union were given a copy in line with the provisions of the Act.



PETER SIMPSON
STATE SECRETARY

KELLETT, Stephen

From: KELLETT, Stephen
Sent: Wednesday, 4 July 2012 4:28 PM
To: 'info@etu.org.au'
Subject: Attention Mr Peter Simpson - Financial Report 31 December 2011
Attachments: FR2011 2833 CEPU ELE QLD (1).doc

Dear Mr Simpson,

Please see attached my letter in relation to the above financial return for the Branch which was lodged on 31 May 2012. A signed original has been posted to you for your hard copy record.

Please feel welcome to contact me before formally replying if you have any queries.

Yours sincerely

Stephen Kellett
Organisations, Research and Advice Branch
FAIR WORK AUSTRALIA

(ph) (02) 6723 7097



FAIR WORK
AUSTRALIA

4 July 2012

Mr Peter Simpson
Secretary, Queensland Electrical Divisional Branch
CEPU
PO Box 3520
SOUTH BRISBANE QLD 4101



Dear Mr Simpson

Re: Lodgement of Financial Accounts and Statements – Queensland Electrical Divisional Branch – for year ending 31 December 2011 (FR2011/2833)

I refer to the above financial statements and accounts which were lodged with Fair Work Australia on 31 May 2012.

I have not yet filed the documents. Firstly, the documents lodged did not include a Certificate of Secretary or Prescribed Designated Officer as required by section 268 of the *Fair Work (Registered Organisations) Act 2009*. I would ask that you lodge a Certificate at your very earliest opportunity, that will include a statement certifying that the documents lodged on 31 May are copies of the documents provided to members and presented to a meeting ('the second meeting') in accordance with section 266. The certificate should indicate clearly the date on or from which the documents were provided to the members, and the date on which the second meeting was held, so that it will be clear on the face of the Certificate whether or not the Branch has complied with sections 265(5) and 266(1).

Secondly, I seek your clarification and advice in relation to the Donations made. The figure for Donations on the Statement of Comprehensive Income (page 8) and on the Statement of Additional Information (page 40) is \$83,218. The Statement of Loans, Grants and Donations lodged under section 237 on the same day shows two donations totalling \$8,000. I note the difference of \$75,218 between the two totals and in case we have not received all the documentation necessary, I would ask you to confirm that the only donations exceeding \$1,000 were those itemised on the s237 Statement. Alternatively, if any additional information is to be provided, I would ask you to provide that with your reply.

Yours sincerely

Stephen Kellett
Organisations, Research and Advice Branch

FR 2011/2 833



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

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

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

Report on the Financial Report

We have audited the accompanying financial report of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Queensland and Northern Territory Divisional Branch (the Union), which comprises the statement of financial position as at 31 December 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Committee of Management's declaration.

Committee of Management's Responsibility for the Financial Report

The Committee of Management of the Union are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009*, and for such internal control as committee of management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the Committee of Management also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, as well as evaluating the overall presentation of the financial report.

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

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of the Union for the year ended 31 December 2011 included on the Union's website. The Union's Committee of Management are responsible for the integrity of the Union's website. We have not been engaged to report on the integrity of this website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to / from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information included in this website version of the financial report.

Independence

In conducting our audit, we followed applicable independence requirements of Australian Professional Ethical Pronouncements. We confirm that the independence declaration, provided to the Committee of Management of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Queensland and Northern Territory Divisional Branch, would be in the same terms if provided to the Committee of Management as at the date of this auditor's report.

Opinion

In our opinion:

- (1) The financial report of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Queensland and Northern Territory Divisional Branch are in accordance with the *Fair Work (Registered Organisations) Act 2009*, including:
 - (i) giving a true and fair view of the Union's financial position as at 31 December 2011 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia; and
 - (iii) the financial report also complies with the International Financial Reporting Standards as described in Note 1.
- (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.



MGI Assurance (South Qld) Pty Ltd



C M Douglas
Director

Brisbane

27 April 2012

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

**COMMITTEE OF MANAGEMENT OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2011**

Operating Report

In accordance with section 254 of the *Fair Work (Registered Organisations) Act 2009* ("the Act") the Committee of Management ("the Committee") presents its Operating Report on the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical Division, Queensland and Northern Territory Divisional Branch ("Union"), for the year ended 31 December 2011.

Principal Activities

The principal activity of the Union was to act on behalf of members in pursuit of the Objects of the Union (detailed at page 36 of the financial report).

Operating Results

The profit for the financial year amounted to \$153,238 (2010: \$355,022).

Review of Operations

A review of the operations of the Union during the financial year found that there was no significant change in the nature or the results of the operations during the year.

After Balance Date Events

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

Future Developments

Likely developments in the operations of the Union are the expected result of those operations in future financial years have not been included in this report as such information is likely to result in unreasonable prejudice to the Union.

Environmental Issues

The Union's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

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 are as follows:

Richard Williams - Member and former Branch Secretary on behalf of the Union
- Director of Energy Super

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

**COMMITTEE OF MANAGEMENT OPERATING REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2011**

Number of Employees

The number of persons who were, at the end of the period to which the report relates, employees of the consolidated group, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis is 32 (2010: 28).

Wages Recovery

There were no wages recoveries for the year.

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 Act and who are taken to be members of the Union under s.244 of the Act is:

Total	14,705
Financial	12,283
Honorary and Life members	1,065
Unfinancial	1,357

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:

Name	Period of appointment
*Abbott, Gordon	Resigned 18 July 2011
*Abbott, Lloyd	Appointed 19 July 2011
Baker, Gary	Whole Period
Beattie, Neville	Resigned 18 July 2011
Bijoux, Cyril	Whole Period
Blackmore, Ivan	Appointed 19 July 2011
Bloom, Gregory	Whole Period
*Bloxsom, Gary	Whole Period
*Burgess, Mark	Appointed 19 July 2011
*Calligan, Peter	Resigned 18 July 2011
Cawley, Peter	Whole Period
*Christoffel, Jeffrey	Whole Period
Clarke, Ken	Whole Period
Cooke, Clive	Whole Period
Coxon, Michael	Whole Period
Ferguson, Kevin	Whole Period
Forrest, Alan	Whole Period
*Fiteni, Joseph	Whole Period
Hamblyn, Gary	Resigned 18 July 2011
Harrison, Mark	Whole Period
Hayes, David	Appointed 19 July 2011
Hoeksema, Tom	Appointed 19 July 2011
Hicks, Allen	Resigned 18 July 2011
Jeffs, Brendan	Resigned 18 July 2011
Keding, Daryl	Whole Period
*King, Shane	Whole Period
*Kirby, Paul	Appointed 19 July 2011
*List, Stephen	Whole Period
*McGaw, Christopher	Whole Period
McGaw, Daniel	Resigned 18 July 2011

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

**COMMITTEE OF MANAGEMENT OPERATING REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2011**

Members of the Committee of Management (Continued)

Name	Period of appointment
Moloney, Dane	Whole Period
*Moloney, Wendel	Whole Period
Nugent, Luke	Appointed 19 July 2011
Riehl, John	Whole Period
Senior, Craig	Whole Period
*Simpson, Peter	Whole Period
Sladden, Jason	Appointed 19 July 2011
Smith, Gregory	Whole Period
Stein, Clark	Whole Period
Stewart, Rachael	Appointed 19 July 2011
Taylor, John	Whole Period
Visini, Owen	Appointed 19 July 2011
Walmsley, James	Appointed 19 July 2011

** Member of the Divisional Branch Executive*

Indemnifying Officers or Auditors

The Union has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor:

- indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against liability for the costs or expenses to defend legal proceedings.

Proceedings on Behalf of Union


No person has applied for leave of Court to bring proceedings on behalf of the Union or intervene in any proceedings to which the Union is a party for the purpose of taking responsibility on behalf of the Union for all or any part of those proceedings. The Union was not a party to any such proceedings during the year.

Other Information

There is no other information that the Union considers relevant.

This report is made in accordance with a resolution of the Committee of Management and is signed for and on behalf of the Committee Members by:


C McGaw
President


P Simpson
Branch Secretary

26 March 2012

26 March 2012

South Brisbane

South Brisbane

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

**COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011**

On 26 March 2012, the Committee of Management of Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Electrical Division, Queensland and Northern Territory Divisional Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2011:

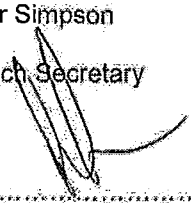
The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards and other mandatory professional reporting requirements;
- (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;
 - (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;
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the *Registration and Accountability of Organisations (RAO) Schedule* and the *RAO Regulations*;
 - (iv) the financial records of the reporting unit have been kept, as far as practicable in consistent manner to each of the other reporting units of the organisation;
 - (v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the Act has been furnished to the member or Registrar; and
 - (vi) there have been no orders for inspection of financial records made by the Commission under section 273 of the Act.

For Committee of Management: Peter Simpson

Title of Office held: Branch Secretary

Signature:



.....

Date: 26 March 2012

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE COMMITTEE OF MANAGEMENT OF
COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA ELECTRICAL DIVISION,
QUEENSLAND AND NORTHERN TERRITORY DIVISIONAL BRANCH**

As lead auditor for the audit of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Electrical Division, Queensland and Northern Territory Divisional Branch for the year ended 31 December 2011, I declare that to the best of my knowledge and belief, there have been:

- (i) no contraventions of any applicable code of professional conduct in relation to the audit.

MGI Assurance

MGI Assurance (South Qld) Pty Ltd

C M Douglas

C M Douglas
Director

Brisbane

26 March 2012

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	2011 \$	2010 \$
Revenue	2	7,355,515	7,208,563
Employee benefits expense	3(vi)	(3,959,499)	(3,509,596)
Depreciation and amortisation expenses	3(ii)	(114,952)	(87,294)
Finance costs	3(i)	(8,579)	(9,788)
Affiliation fees		(158,324)	(153,511)
Campaign expenses	3(iii)	(2,347)	10,548
Conference expenses	3(iv)	(378,161)	(224,540)
Debt collection expenses		(17,143)	(60,399)
Donations		(83,218)	(7,682)
Motor vehicle expenses		(116,105)	(121,148)
Legal expenses		(92,548)	(618,668)
Loss on disposal of assets		(8,153)	-
National council expenses	3(v)	(453,425)	(396,514)
National office expenses		(1,169)	(23,640)
Printing, postage and merchandise		(281,326)	(237,127)
Organising expenses		(398,494)	(327,590)
Telephone expenses		(199,059)	(175,524)
Other expenses		(929,775)	(911,068)
Profit before income tax		153,238	355,022
Income tax expense	1(a)	-	-
Profit for the year		153,238	355,022
Other Comprehensive Income			
Other comprehensive income (net of income tax)		-	-
Total comprehensive income for the year		153,238	355,022
Profit attributable to:			
Members of the union		153,238	355,022
Total comprehensive income attributable to:			
Members of the union		153,238	355,022

The accompanying notes form part of these financial statements

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

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011**

	Note	2011 \$	2010 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	3,704,073	5,559,945
Trade and other receivables	5	122,710	229,002
Other current assets	6	48,265	22,836
Financial assets	7	100,000	-
TOTAL CURRENT ASSETS		<u>3,975,048</u>	<u>5,811,783</u>
NON-CURRENT ASSETS			
Financial assets	7	3,901,505	1,836,960
Property, plant and equipment	8	423,676	322,849
TOTAL NON-CURRENT ASSETS		<u>4,325,181</u>	<u>2,159,809</u>
TOTAL ASSETS		<u>8,300,229</u>	<u>7,971,592</u>
CURRENT LIABILITIES			
Trade and other payables	9	810,103	791,112
Financial liabilities	10	23,695	37,556
Short-term provisions	11	767,546	602,385
TOTAL CURRENT LIABILITIES		<u>1,601,344</u>	<u>1,431,053</u>
NON-CURRENT LIABILITIES			
Financial liabilities	10	80,387	97,609
Long-term provisions	12	205,422	183,092
TOTAL NON-CURRENT LIABILITIES		<u>285,809</u>	<u>280,701</u>
TOTAL LIABILITIES		<u>1,887,153</u>	<u>1,711,754</u>
NET ASSETS		<u>6,413,076</u>	<u>6,259,838</u>
MEMBERS EQUITY			
Retained Earnings		<u>6,413,076</u>	<u>6,259,838</u>

The accompanying notes form part of these financial statements

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Retained Earnings	Total
	\$	\$
Balance at 1 January 2010	5,904,816	5,904,816
Profit attributable to members of the Union	355,022	355,022
Balance at 31 December 2010	<u>6,259,838</u>	<u>6,259,838</u>
Balance at 1 January 2011	6,259,838	6,259,838
Profit attributable to members of the Union	153,238	153,238
Balance at 31 December 2011	<u>6,413,076</u>	<u>6,413,076</u>

The accompanying notes form part of these financial statements

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA ELECTRICAL DIVISION,
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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	2011 \$	2010 \$
Cash Flows from Operating Activities			
Membership contributions		5,785,858	5,401,454
Interest received		360,140	353,184
Fines and levies		342,251	320,002
Rent received		99,341	108,275
Refunds received		548,524	247,587
Legal fees refunded		154,159	454,985
Receipts from other customers		171,534	282,631
Payments to employees		(3,772,008)	(2,922,177)
Payments to suppliers		(3,125,685)	(3,673,401)
Finance costs		(8,579)	(9,788)
Net cash provided by operating activities	13(b)	<u>555,535</u>	<u>562,752</u>
Cash Flows from Investing Activities			
Payment for property, plant & equipment		(259,782)	(87,363)
Proceeds from sale of property, plant & equipment		31,191	-
Net cash used in investing activities		<u>(228,591)</u>	<u>(87,363)</u>
Cash Flows from Financing Activities			
Loan to related party – ETU-Q		(2,406,928)	-
Repayment of loans from related parties		242,383	-
Motor vehicle finance lease repayments (principal)		(18,271)	(7,828)
Net cash (used in)/provided by financing activities		<u>(2,182,816)</u>	<u>(7,828)</u>
Net increase in cash held		(1,855,872)	467,561
Cash at beginning of financial year		<u>5,559,945</u>	<u>5,092,384</u>
Cash at end of financial year	13(a)	<u>3,704,073</u>	<u>5,559,945</u>

The accompanying notes form part of these financial statements

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements cover the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Electrical Division Queensland and Northern Territory Divisional Branch ("Union") as an individual entity. The Union is a trade union which is incorporated and domiciled in Australia.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Fair Work (Registered Organisations) Act 2009*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements were authorised for issue on 26 March 2012 by the Committee of Management of the Union.

(a) Income Tax

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

(b) Property, Plant and Equipment

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

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

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 been discounted to present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with that item will flow to the Union and the costs of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Property, Plant and Equipment (Continued)

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:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Plant and equipment	5% - 40%
Motor Vehicles	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income.

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown with financial liabilities in current liabilities on the statement of financial position.

(d) Financial Instruments

Initial recognition and measurement

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

Financial instruments are initially measured at fair value, plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at 'fair value through profit or loss', in which case, transactions costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial Instruments (Continued)

Classification and subsequent measurement (Continued)

Amortised cost is calculated as:

1. The amount at which the financial asset or financial liability is measured at initial recognition;
2. less principal repayments;
3. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method and
4. less any reduction for impairment.

The effective interest rate method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliability predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate adjustments to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) Financial assets at fair value through profit or loss

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

(ii) Loans and receivables

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

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after reporting date. (All other loans and receivables are classified as non-current assets).

(iii) Held-to-maturity investments

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

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after reporting date. (All other investments are classified as current assets).

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

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial Instruments (Continued)

Classification and subsequent measurement (Continued)

(iv) Available-for-sale financial assets

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

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after reporting date. (All other financial assets are classified as current assets).

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions.

Impairment

At the end of each reporting period, the Union assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Union no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

(e) Impairment of Assets

At each reporting date, the Union reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less cost to sell and value in use, is compared to the asset's carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the statement of comprehensive income.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Impairment of Assets (Continued)

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

(f) Employee Benefits

Provision is made for the Union's liability for employee benefits (Annual Leave and Long Service Leave) 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, plus related on-costs. 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. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

(g) Provisions

Provisions are recognised when the Union 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 using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(h) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, that are transferred to the Union are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased asset or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Union will obtain ownership of the asset or over the term of the lease.

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

(i) Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any discounts and rebates allowed.

Revenue from membership contributions is recognised on a cash basis, as permitted by the *Fair Work (Registered Organisations) Act 2009*.

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

Rental income is recognised on a straight-line basis over the period of the lease term so as to reflect a constant periodic rate of return on the net investment.

All revenue is stated net of the amount of goods and services tax ("GST").

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Union during the reporting period which remain unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

(k) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

(l) 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.

Cash flows are presented in the 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.

(m) Comparative Figures

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

(n) Critical accounting estimates and judgement

The Union's Committee Members evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and internally.

Key Estimates – Impairment

The Union assess impairment at each reporting date by evaluating conditions specific to the Union that may lead to the impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recognised in respect of the current year.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Adoption of New and Revised Accounting Standards

The following new standards and amendments to standards are mandatory for the first time for financial years beginning 1 January 2011:

- AASB 2009-10 Amendments to Australian Accounting Standards – Classification of Rights Issues.
- AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project.
- AASB Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments
- AASB: 124 (Revised): The revised AASB 124 Related Party Disclosures (December 2009) simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition, including:
 - (a) The definition now identifies a subsidiary and an associate with the same investor as related parties of each other.
 - (b) Entities significantly influenced by one person and entities significantly influenced by a close member of the family of that person are no longer related parties of each other.
 - (c) The definition now identifies that, whenever a person or entity has both joint control over a second entity and joint control or significant influence over a third party, the second and third entities are related to each other.
- AASB 2009-12 Amendment to Australian Accounting Standards
- AASB 2009-14 Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement
- AASB 2010-4 Amendments to Australian Accounting Standards arising from the Annual Improvements Project.
- AASB 2010-5 Amendments to Australian Accounting Standards

The adoption of these standards did not have any impact on the current period or any prior period and is not likely to affect future periods.

(p) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Union has decided not to early adopt. A discussion of those future requirements and their impact on the Union is as follows:

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) New Accounting Standards for Application in Future Periods (Continued)

- AASB 1054 Australian Additional Disclosures

This standard is as a consequence of phase 1 of the joint Trans-Tasman Convergence project of the AASB and FRSB. This standard, with AASB 2011-1 relocates all Australian specific disclosures from other standards to one place and revises disclosures in the following areas:

- (a) Compliance with Australian Accounting Standards
- (b) The statutory basis or reporting framework for financial statements
- (c) Whether the financial statements are general purpose or special purpose
- (d) Audit fees
- (e) Imputation credits

- AASB 2010-6 Amendments to Australian Accounting Standards – *Disclosures on Transfer of Financial Assets*

The amendments increase the disclosure requirements for transactions involving transfers of financial assets. Disclosures require enhancements to the existing disclosures in IFRS 7 where an asset is transferred but is not derecognised and introduce new disclosures for assets that are derecognised but the entity continues to have a continuing exposure to the asset after the sale.

- AASB 2011-5 Amendments to Australian Accounting Standards – *Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation*.

This standard makes amendments to:

- AASB 127 *Consolidated and Separate Financial Statements*
- AASB 128 *Investments in Associates*
- AASB 131 *Interests in Joint Ventures*

- AASB 2011-3 Amendments to Australian Accounting Standards – *Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments*

This standard makes amendments including clarifying the definition of *ABS GFS Manual*, facilitating the orderly adoption of changes to the *ABS GFS Manual* and related disclosures to AASB 1049.

- AASB 2011-9 Amendments to Australian Accounting Standards – *Presentation of Other Comprehensive Income*

This standard requires entities to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) New Accounting Standards for Application in Future Periods (Continued)

- AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements
This standard makes amendments to remove individual key management personnel disclosure requirements from AASB 124.
- AASB 1053 Application of tiers of Australian Accounting Standards
This standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements:
 - (a) Tier 1: Australian Accounting Standards
 - (b) Tier 2: Australian Accounting Standards – Reduced Disclosure RequirementsTier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.
The following entities are required to apply Tier 1 reporting requirements (ie full IFRS):
 - (a) for-profit private sector entities that have public accountability; and
 - (b) the Australian Government and state, territory and local governments.Subject to AASB 1049, general government sectors of the Australian Government and state and territory governments would also apply Tier 1 reporting requirements.
The following entities can elect to apply Tier 2 of the framework when preparing general purpose financial statements:
 - (a) for-profit private sector entities that do not have public accountability;
 - (b) not-for-profit private sector entities; and
 - (c) public sector entities, whether for-profit or not-for-profit, other than the Australian Government and state, territory and local governments.
- AASB 9: Financial Instruments (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2013).
This Standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments. The Company has not yet determined any potential impact on the financial statements.
The key changes made to accounting requirements include:
 - (a) simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
 - (b) simplifying the requirements for embedded derivatives;
 - (c) removing the tainting rules associated with held-to-maturity assets;

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) New Accounting Standards for Application in Future Periods (Continued)

- AASB 9: Financial Instruments (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2013) (Continued).

The key changes made to accounting requirements include (Continued):

- (d) removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- (e) allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- (f) requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- (g) requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

- **AASB 13 Fair Value Measurement**

AASB 13 establishes a single source of guidance under AASB for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets.

AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined.

Consequential amendments were also made to other standards via AASB 2011-8.

- **AASB 119 Employee Benefits**

The main change introduced by this standard is to revise the accounting for defined benefit plans. The amendment removes the options for accounting for the liability and requires that the liabilities arising from such plans is recognised in full with actuarial gains and losses being recognized in other comprehensive income. It also revised the method of calculating the return on plan assets. The definition of short-term benefits has been revised, meaning some annual leave entitlements may become long-term in nature with a revised measurement. Similarly the timing for recognising a provision for termination benefits has been revised, such that provisions can only be recognised when the offer cannot be withdrawn.

Consequential amendments were also made to other standards via AASB 2011-10.

The union is still determining whether any adoption of these standards will have any impact on the future reporting periods.

The Union does not anticipate early adoption of any of the above Standards and does not expect them to have any material effect on the Union's financial statements.

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	2011 \$	2010 \$
NOTE 2 – REVENUE		
Membership income	5,785,858	5,401,454
Fines and levies	342,251	320,002
Other membership income	139,310	61,394
Legal Fees Reimbursed		609,144
Rental income	99,341	108,275
Interest income	373,305	353,184
Refunds received	548,524	247,587
Advertising income	611	13,439
Administration fees - Distress, Mortality & Building Fund	10,000	27,766
Merchandise income	12,591	2,781
Sundry income	43,724	63,537
	<u>7,355,515</u>	<u>7,208,563</u>

Industry levies include the following:

- Coal Levy
- QR Levy
- Lift Industry Levy
- Electrical Contracting Levy
- Supply Industry Levy

The industry levies are to provide members with financial assistance for conferences and training.

The Apprentice Levy provides apprentices funding for various industrial, political and other campaigns to assist in recruitment and retention strategies.

The OH & S Levy provides members with access to OH & S experts.

The amount of each of these levies is:

- Coal Levy	37,129	33,411
- Lift Industry Levy	15,591	13,573
- Electrical Contracting Levy	93,704	82,236
- Supply Industry Levy	112,484	108,006
- Apprentice Levy	18,083	20,333
- OH & S Levy	24,953	23,519
- QR Levy	29,211	30,646
- Fines	11,096	8,278
	<u>342,251</u>	<u>320,002</u>

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	2011 \$	2010 \$
NOTE 3 – PROFIT BEFORE INCOME TAX		
Expenses		
(i) Finance Costs – External	8,579	9,778
(ii) Depreciation and amortisation		
- Motor vehicles	62,494	48,726
- Plant and equipment	52,458	38,568
	<u>114,952</u>	<u>87,294</u>
(iii) Campaign expenses/(revenue)	2,347	(10,548)
(iv) Conference expenses	378,161	224,540
(v) National council expenses	453,425	396,514
(vi) Employee benefits expense		
Officeholders:		
- Salaries and wages	1,068,924	1,047,146
- Annual leave	(25,993)	(20,863)
- Long service leave	23,605	24,821
- Superannuation	196,496	194,466
- Payroll tax	60,107	58,977
	<u>1,323,139</u>	<u>1,304,547</u>
Non-officeholders:		
- Salaries and wages	2,122,116	1,754,434
- Annual leave	1,265	32,472
- Long service leave	40,652	57,642
- Superannuation	388,457	308,619
- Payroll tax	83,870	51,882
	<u>2,636,360</u>	<u>2,205,049</u>
Total Employee benefits expense	<u>3,959,499</u>	<u>3,509,596</u>

NOTE 4 – CASH AND CASH EQUIVALENTS

Cash on hand	8,771	8,988
Cash at bank	224,485	106,977
Deposits (Members Equity)	3,470,817	5,443,980
	<u>3,704,073</u>	<u>5,559,945</u>

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	2011 \$	2010 \$
NOTE 5 – TRADE AND OTHER RECEIVABLES		
Trade receivables	53,315	166,736
Accrued income	13,165	-
Related party receivable – Distress, Mortality & Building Fund	50,440	-
Related party receivable – Future Skills Pty Ltd	5,790	-
Related party receivable – ETU-Q	-	62,266
	<u>122,710</u>	<u>229,002</u>

Credit Risk – Trade and Other Receivables

The Union has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Union.

On a geographical basis, the Union's trade and other receivables are all based in Australia.

The following table details the Union's trade and other receivables exposed to credit risk. Amounts are considered 'past due' when the debt has not been settled, within the terms and conditions agreed between the Union and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Union.

The balance of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross Amount	Past due and impaired	Past due but not impaired (days overdue)			Within initial trade terms
	\$	\$	< 30	31-60	60+	\$
2011						
Trade receivables	53,315	-	-	2,304	28,797	22,214
Other receivables	69,395	-	-	-	-	69,395
Total	<u>122,710</u>	<u>-</u>	<u>-</u>	<u>2,304</u>	<u>28,797</u>	<u>91,609</u>
2010						
Trade receivables	166,736	-	-	10,567	5,808	150,361
Other receivables	62,266	-	-	-	-	62,266
Total	<u>229,002</u>	<u>-</u>	<u>-</u>	<u>10,567</u>	<u>5,808</u>	<u>212,627</u>

Collateral held as security

The Union does not hold collateral with respect to its receivables at 31 December 2011 (2010: Nil)

	2011 \$	2010 \$
NOTE 6 – OTHER CURRENT ASSETS		
Prepayments	<u>48,265</u>	<u>22,836</u>

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	2011 \$	2010 \$
NOTE 7 – FINANCIAL ASSETS		
Current		
Related Party Loan Receivable - ETU-Q	100,000	-
Non-current		
Related Party Loan Receivable - ETU-Q	3,312,793	1,156,960
Related Party Loan Receivable - DMB Fund	588,712	680,000
	3,901,505	1,836,960
Total Financial assets	4,001,505	1,836,960

NOTE 8 – PROPERTY, PLANT AND EQUIPMENT

Furniture, fittings and office equipment:		
At cost	677,335	553,420
Accumulated depreciation	(491,569)	(439,111)
Total furniture, fittings and office equipment	185,766	114,309
Motor vehicles:		
At cost	397,364	338,947
Accumulated depreciation	(159,454)	(130,407)
Total motor vehicles	237,910	208,540
Total property, plant & equipment	423,676	322,849

(a) Movement in Carrying Amounts

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

	Motor Vehicles	Furniture, Fittings and Office Equipment	Total
Balance at the beginning of year	208,540	114,309	322,849
Additions	185,696	123,915	309,611
Disposals	(93,832)	-	(93,832)
Depreciation expense	(62,494)	(52,458)	(114,952)
Carrying amount at the end of year	237,910	185,766	423,676

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	Note	2011 \$	2010 \$
NOTE 9 – TRADE AND OTHER PAYABLES			
Trade payables and accruals		375,455	531,836
GST payable		63,559	42,035
Related party payable – ETU-Q		48,780	92,815
Related party payable – NTN Services		31,203	
Other payables		291,106	124,426
		<u>810,103</u>	<u>791,112</u>
NOTE 10 – FINANCIAL LIABILITIES			
Current lease liability		23,695	37,556
Non-current lease liability		80,387	97,609
	14	<u>104,082</u>	<u>135,165</u>
NOTE 11 – SHORT TERM PROVISIONS			
Provision for annual leave		468,247	367,838
Provision for long service leave		299,299	234,547
		<u>767,546</u>	<u>602,385</u>
NOTE 12 – LONG TERM PROVISIONS			
Provision for long service leave		205,422	183,092
		<u>205,422</u>	<u>183,092</u>
Long term provisions represent long service leave entitlements owing to employees who have not completed 10 continuous years of service with the Union.			
Annual leave split between:			
- Officeholders		212,864	172,115
- Non-officeholders		255,383	195,723
		<u>468,247</u>	<u>367,838</u>
Long service leave split between:			
- Officeholders		196,224	194,147
- Non-officeholders		308,497	223,492
		<u>504,721</u>	<u>417,639</u>

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2011 2010
\$ \$

NOTE 13 –CASH FLOW INFORMATION

(a) Reconciliation of Cash and Cash Equivalents

For the purposes of the Statement of cash flows, cash and cash equivalents includes cash on hand, at banks and deposits or any other cash held that can be readily convertible to known amount of cash and be subject to an insignificant risk of changes in value. Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the statement of financial position as follows:

Cash on hand	8,771	8,988
Cash at bank	224,485	106,977
Deposits (Members Equity)	3,470,817	5,443,980
	<u>3,704,073</u>	<u>5,559,945</u>

**(b) Reconciliation of Net Cash Provided by Operating
Activities to Profit after Income Tax**

Profit after income tax	<u>153,238</u>	<u>355,022</u>
Non cash flows in profit after income tax		
- Depreciation & amortisation	<u>114,952</u>	<u>87,294</u>
	<u>114,952</u>	<u>87,294</u>
Changes in assets and liabilities		
(Increase)/ decrease in trade receivables and prepayments	80,863	(211,660)
Increase/ (decrease) in trade payables and accruals	18,991	160,285
Increase/ (decrease) in provisions	187,491	171,811
	<u>287,345</u>	<u>120,436</u>
Net cash provided by operating activities	<u>555,535</u>	<u>562,752</u>

(c) Non-cash financing and investing activities

Motor Vehicles

During the financial year, the consolidated group acquired motor vehicles with an aggregate fair value of \$49,829 (2010: \$81,114) by means of hire purchase agreements. These acquisitions are not reflected in the statement of cash flows.

(d) Credit standby arrangements

Finance Leases		
Used facility	104,082	135,165
Unused facility	-	-
Total facility	<u>104,082</u>	<u>135,165</u>

The financing facility has been arranged with Esanda Finance Corporation Limited with the facility due to expire in 2015.

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	2011 \$	2010 \$
NOTE 13 – CASH FLOW INFORMATION (CONTINUED)		
(d) Credit standby arrangements (Continued)		
CBA MasterCard Facility		
Used facility	645	5,138
Unused facility	68,355	94,862
Total facility	<u>69,000</u>	<u>100,000</u>
American Express Facility		
Used facility	70,443	32,861
Unused facility	89,557	127,139
Total facility	<u>160,000</u>	<u>160,000</u>

NOTE 14 – COMMITMENTS AND CONTINGENCIES

(a) Operating lease commitments		
Payable – minimum lease payments		
- not later than 12 months	35,138	36,185
- between 12 months and 5 years	-	-
- greater than 5 years	-	-
Minimum lease payments	<u>35,138</u>	<u>36,185</u>

The lease relates to rent of regional offices located at Darwin, Toowoomba, Sunshine Coast, Cairns, and Mackay. An option exists to renew the leases at the end of the term for a further one year.

(b) Contingent liabilities and commitments
There are no material contingent liabilities or commitments

(c) Finance lease commitments – motor vehicles		
Payable – minimum lease payments		
- not later than 12 months	30,711	37,556
- between 12 months and 5 years	88,181	118,685
- greater than 5 years	-	-
Minimum lease payments	<u>118,892</u>	<u>156,241</u>
Less: future financing charges	<u>(14,810)</u>	<u>(21,076)</u>
Present value of minimum lease payments	<u>104,082</u>	<u>135,165</u>

Finance leases relate to two motor vehicles which commenced in 2010 and 2011 respectively and will expire in 2014 and 2015. Interest is charged at 7.56%.

(d) Capital expenditure commitments
There are no capital expenditure commitments.

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	2011 \$	2010 \$
NOTE 15 – AUDITORS REMUNERATION		
Amounts received or due and receivable by the auditor of the Union for:		
(a) audit of the financial report of the Union and preparation of financial statements	40,000	37,200
(b) other services		
(i) review of accounting issues	15,550	
(ii) assistance with accounting services		4,400
(iii) taxation services	24,000	4,400
	<u>83,300</u>	<u>46,000</u>

NOTE 16 – RELATED PARTY TRANSACTIONS

Related Parties

The Union's main related parties are as follows:

(a) Key management personnel

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

For details of disclosures relating to key management personnel, refer to Note 17: Key Management Personnel Compensation.

The related parties in which the union has common key management personnel are:

- The Electrical Trade Union of Employees Queensland
- NTN Services Pty Ltd
- Electro Jobs Training Pty Ltd
- Future Skills Pty Ltd

(b) Other related parties

Other related parties consist of the Distress, Mortality and Building Fund – Queensland and Northern Territory as the Union is the Trustee of this fund.

(c) Transactions with related parties

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

The Union is related to the following entities, and these are their principal activities:

Name	Principal Activity
The Electrical Trade Union of Employees Queensland	Trade Union
Distress, Mortality and Building Fund	Trust Fund
NTN Services Pty Ltd	Consultancy Services
Electro Jobs Training Pty Ltd	Consultancy Services
Future Skills Pty Ltd	Consultancy Services

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	2011 \$	2010 \$
NOTE 16 – RELATED PARTY TRANSACTIONS (CONTINUED)		
Related Party Transactions and Balances		
<i>(a) Electrical Trade Union of Employees Queensland</i>		
Transfer of campaign levy to ETU-Q	874,933	716,185
Interest revenue	96,254	88,233
Loan receivable	3,412,793	1,156,960
Other receivable	-	62,266
Other payable	48,780	92,815
Reimbursement for various expenses received	9,539	-
Reimbursement for campaign expenses received	325,000	-
Labour hire charges to ETU-Q	69,342	-
The Union receives a campaign levy, QR Levy, Supply TND & TNDC Levy from members on behalf of ETU-Q and transfers such receipts upon receipt.		
The loan of \$3,412,793 to ETU-Q is made up of three loans. All loans are secured over ETU-Q's assets and repayable within 6 months of written demand, at a variable interest rate per annum. The terms of the loans are:		
Loan 1: \$1,005,865 began in April 2009;		
Loan 2: \$ 446,231 began in July 2011; and		
Loan 3: \$1,960,697 began in October 2011.		
<i>(b) Distress, Mortality and Building Fund</i>		
Transfer of DMB levy to the Trust Fund	363,688	193,460
Loan receivable	588,712	680,000
Other receivable	50,440	-
Flood relief donation	50,000	-
Reimbursement of various expenses received	43,262	-
Reimbursement of training received	68,592	-
The Union receives a DMB levy from members on behalf of the Fund and transfers such receipts upon receipt. Refer to Note 21 for further information.		
The unsecured interest free loan is repayable upon demand.		
<i>(c) NTN Services Pty Ltd</i>		
Other payable	31,203	-
Reimbursement of expense received	598	-
<i>(d) Electro Jobs Training Pty Ltd</i>		
Reimbursement of expense paid to Electro Jobs Training	4,691	-
<i>(e) Future Skills Pty Ltd</i>		
Other receivable	5,790	-
Reimbursement of various expenses received	21,494	-
Various expenses paid to Future Skills	4,584	-
Union delegate training expenses paid to Future skills	15,055	-

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NOTE 17 – KEY MANAGEMENT PERSONNEL

Key management personnel comprise those individuals who have the authority and responsibility for planning, directing and controlling the activities of the Union. During the year, the key management personnel of the Union were remunerated as follows:

	Short-Term Benefits	Post-Employment Benefits	Total
2011			
Total compensation	351,365	63,025	414,390
2010			
Total compensation	289,612	58,082	347,694

NOTE 18 – EVENTS AFTER BALANCE DATE

There are no events subsequent to the balance sheet date that have impacted on the values disclosed in the financial statements.

NOTE 19 – FINANCIAL RISK MANAGEMENT

The Union's financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable, loans to related entities and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows

Financial Assets	Note	2011 \$	2010 \$
Cash and cash equivalents	4	3,704,073	5,559,945
Receivables	5	122,710	229,002
Financial assets (loans to related entities)	7	<u>4,001,505</u>	<u>1,836,960</u>
Total financial assets		<u>7,828,288</u>	<u>7,625,907</u>
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	9	810,103	791,112
- Financial liabilities	10	<u>104,082</u>	<u>135,165</u>
		<u>914,185</u>	<u>926,277</u>

Financial Risk Management Policies

The Committee of Management monitors the Union's financial risk management policies and exposures and approves financial transactions entered into. It also reviews the effectiveness of internal controls relating to commodity price risk, counterparty credit risk, currency risk, financing risk and interest rate risk. The Committee of Management meets monthly to review the financial exposure of the Union.

The main risk the Union is exposed to through its financial instruments are credit risk, liquidity risk and market risk, consisting of interest rate risk.

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NOTE 19 – FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Union.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for the approval, granting and renewal of credit limits and monitoring the financial stability of significant customers and counterparties), ensuring to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms are generally 30 days from the invoice date.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating.

Credit Risk Exposures

The maximum exposure to credit risk is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The Union has no significant concentration of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of Trade and Other Receivables are provided in Note 5.

Credit risk relating to balances with banks and other financial institutions is managed by the Committee of Members.

(b) Liquidity Risk

Liquidity risk arises from the possibility that the Union might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Union manages liquidity risk by monitoring forecast cash flows, holding adequate cash reserves and ensuring that adequate finance facilities are maintained.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect the Committee of Management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that financing facilities will be rolled forward.

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NOTE 19: FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial Liability and Financial Asset Maturity Analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade and other payables	810,103	791,112	-	-	-	-	810,103	791,112
Financial liabilities	23,695	37,556	80,387	97,609	-	-	104,082	135,165
Total Financial Liabilities	833,798	828,668	80,387	97,609	-	-	914,185	926,277
Financial assets - cash flow realisable								
Cash and cash equivalents	3,704,073	5,559,945	-	-	-	-	3,704,073	5,559,945
Trade and other receivables	122,710	229,002	-	-	-	-	122,710	229,002
Financial Assets	100,000	-	400,000	-	3,501,505	1,836,960	4,001,505	1,836,960
Total anticipated inflows	3,926,783	5,788,947	400,000	-	3,501,505	1,836,960	7,828,288	7,625,907
Net inflow of financial instruments	3,092,985	4,960,279	319,613	(97,609)	3,501,505	1,836,960	6,914,103	6,699,630

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NORTHERN TERRITORY DIVISIONAL BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 19: FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market Risk

i. 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 Union is also exposed to earnings volatility on floating rate instruments.

Interest rate risk is managed using a mixed of fixed and floating rate financial instruments. The effective interest rate exposure to interest rate financial instruments are as follows:

	Note	Weighted Average Effective Interest Rate		2011	2010
		2011 %	2010 %	\$	\$
Floating rate instruments					
Cash and cash equivalents	4	4.87	5.60	3,704,073	5,559,945
Financial assets (loans to related entities)	7	3.86	7.36	4,001,505	1,836,960
Borrowings	10	7.70	7.59	104,082	135,165

ii. Foreign Exchange Risk

The Union is not exposed to fluctuations in foreign currencies.

iii. Price Risk

The Union is not exposed to any material commodity price risk.

(d) Net Fair Values

Fair value estimation

No financial assets and financial liabilities are readily traded on organised markets. The net fair values of assets and liabilities approximate their carrying value. There are no financial assets where the carrying value exceeds net fair values.

(e) Sensitivity Analysis

Interest rate risk

The Union has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 19: FINANCIAL RISK MANAGEMENT (CONTINUED)

Interest rate sensitivity analysis

At 31 December 2011, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

Financial Assets	2011 \$	2010 \$
Change in profit		
- Increase in interest rate by 1%	76,015	72,617
- Decrease in interest rate by 1%	72,122	68,431
Change in equity		
- Increase in interest rate by 1%	76,015	72,617
- Decrease in interest rate by 1%	72,122	68,431

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

NOTE 20 – CAPITAL MANAGEMENT

The Committee of Management controls the capital of the Union to ensure that adequate cash flows are generated to fund its operations and continue as a going concern.

Risk management policies are approved and reviewed by the Committee of Management on a regular basis. These include credit risk policies and future cash flow requirements.

The Union's debt consists of financial liabilities, supported by financial assets.

The Committee of Management effectively manages the Union's capital by assessing the Union's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

There have been no changes to the strategy adopted by the Committee of Management to control the capital of the Union since the previous year.

The gearing ratios for the years ended 31 December 2011 and 31 December 2010 are as follows:

Financial Assets		2011 \$	2010 \$
Financial liabilities	10	104,082	135,165
Trade and other payables	9	810,103	791,112
		<u>914,185</u>	<u>926,277</u>
Less: - cash and cash equivalents	4	(3,704,073)	(5,559,945)
- financial assets (loan receivable – ETU-Q)	7	(4,001,505)	(1,836,960)
Net debt		<u>(6,791,393)</u>	<u>(6,470,628)</u>
Total equity (retained earnings)		6,413,076	6,259,838
Total capital		(378,317)	(210,790)
Gearing ratio		N/A	N/A

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 21 – SEGMENT INFORMATION

The Union operates solely in one reporting business segment being the provision of trade union services.

The Union operates from one reportable geographical segment being Australia.

NOTE 22 - DISTRESS AND MORTALITY AND BUILDING FUND – QUEENSLAND AND NORTHERN TERRITORY (“Fund”) and ELECTRICAL TRADE UNION OF EMPLOYEES QUEENSLAND (“ETU-Q”)

The DMB levy, campaign levy, QR Levy, Supply TND Levy, and Supply TNDC Levy received by the Union on behalf of the Trust Fund and the ETU-Q respectively is excluded from the statement of comprehensive income. Those amounts are presented in the audited financial statements of the Trust Fund and the ETU-Q. The amounts excluded are:

	2011	2010
	\$	\$
DMB levy received	346,117	194,322
DMB levy transferred to the Trust Fund	352,561	193,460
Campaign levy received	611,311	607,443
Campaign levy transferred to the ETU-Q	613,657	551,485
QR Levy received	29,211	30,646
QR Levy transferred to the ETU-Q	29,558	7,682
Supply TND & TNDC Levy received	198,961	180,649
Supply TND & TNDC Levy transferred to the ETU-Q	203,106	160,977

NOTE 23 – UNION DETAILS

The principal place of business is:

41 Peel Street
SOUTH BRISBANE QLD 4101

NOTE 24 - INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009* as amended the attention of members is drawn to the following provisions:

Fair Work Act - 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.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 24 - INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR (CONTINUED)

The purposes for which the Union are 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 full-time 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.

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MEMBERSHIP - CERTIFICATE BY AUDITOR

FOR THE YEAR ENDED 31 DECEMBER 2011

We advise that we have audited the financial report of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing, and Allied Services Union of Australia, Electrical Division, Queensland and Northern Territory Divisional Branch ("Union") for the year ended 31 December 2011.

The financial report disclose total membership of: 12,283 financial members, 1,065 honorary and life members and 1,357 unfinancial members as at 31 December 2011 which is consistent with the membership records maintained by the Union and audited by us.



MGI Assurance (South Qld) Pty Ltd



C M Douglas
Director

Brisbane

27 April 2012

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

OPINION ON ADDITIONAL INFORMATION TO FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

The additional financial information presented on pages 40 and 41 is consistent with the financial report of the Union for the year ended 31 December 2011. Such additional financial information has been subject to auditing procedures in order to express an opinion on the revenue and expenses of the Union. Our auditing procedures involve testing on a test basis a sample of transactions throughout the year.

Audit Opinion

In our opinion, the additional information on pages 40 and 41 presents fairly in all material respects the revenues and expenses of the Union for the year ended 31 December 2011.



MGI Assurance (South Qld) Pty Ltd



C M Douglas
Director

Brisbane

27 April 2012

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING
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ADDITIONAL INFORMATION IN EXPLAINING THE FINANCIAL RESULTS OF THE UNION

	2011 \$	2010 \$
REVENUE		
General Fund		
Administration Fees - Distress, Mortality & Building Fund	10,000	27,766
Advertising Received	611	13,439
Contributions Received (Net)	5,785,858	5,401,454
Contribution Wallets	1,638	1,177
Entrance Fees	11,336	7,069
Fines	11,097	8,279
Interest Received	373,305	353,184
Levies Received	324,709	311,724
Merchandise Sold	12,591	2,781
Other Refunds	256,617	18,888
Refund Training	136,633	219,543
Refund Organising Expenses	30,215	10,652
Refund Staff Salaries	125,059	(1,495)
Rents Received	99,341	108,275
Legal Fees Reimbursed	-	609,144
Sponsorship Income	136,925	33,476
Sundry Income	43,724	63,535
Supply TND & TNDC Levy (Net)	(4,144)	19,672
	<u>7,355,515</u>	<u>7,208,563</u>
EXPENDITURE		
General Fund		
Advertising	25,879	57,557
Accounting	70,435	54,750
Affiliation Fees	158,324	153,511
Audit Fees	40,000	35,000
Bank Charges	47,402	42,946
Conference Expenses	378,161	224,540
Campaign Expenses	2,347	(10,548)
Debt Collection Fees	17,143	60,399
Delegate Expenses		
Coal Delegates	5,681	7,996
Other Delegates	47,351	59,511
Depreciation	114,952	87,294
Distress, Mortality & Building Fund Levy	6,444	3,537
Donations	83,218	7,682
Electrical Trades Journal and Rule Books	88,963	52,317
Electricity	2,003	1,521
<i>Sub-total</i>	<u>1,088,303</u>	<u>843,513</u>

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ADDITIONAL INFORMATION IN EXPLAINING THE FINANCIAL RESULTS OF THE UNION (CONTINUED)

	2011 \$	2010 \$
EXPENDITURE (CONTINUED)		
<i>Balance carried forward</i>	1,088,303	843,513
Employee Leave Entitlements	187,790	206,472
Expenses 877 Boundary Road	1,652	1,544
Fringe Benefits Tax	3,840	(6,919)
Growth Campaigns	-	15,819
Insurance	30,060	47,923
Internet Expenses	53,404	35,050
Interest on MV Loan	8,579	9,778
Labour Day Expenses	49,544	67,057
Legal Costs		
Professional Fees	91,309	614,831
Lodgement Fees	1,239	3,837
Loss on Sale of Assets	8,153	-
Maintenance – 41 Peel Street	55,688	63,807
Meeting Fees	28,697	28,250
Merchandise Purchases	140,345	30,880
Motor Vehicle Expenses	116,105	121,148
National Council Fees and Expenses	453,425	396,514
National Office Expenses	1,169	23,640
Northern Territory Office – Expenses	33,117	50,463
Office Equipment, Supplies and Maintenance Expenses	58,988	9,516
Organising Expenses	380,862	327,590
Payroll Tax	138,764	107,541
Postage	92,488	100,223
Publications Media & Presentations	67,101	60,107
Printing & Stationery	48,494	103,024
QR Contributions Levy	29,558	30,682
Rail Expenses	772	2,092
Rates – 877 Boundary Road	12,725	14,013
Refund of Contributions	25,644	20,991
Reimbursement from P & T Branch 24%	-	2,850
Rent	39,900	45,107
Salaries – Officers	1,530,325	1,299,401
Salaries – Staff	1,010,567	847,586
Salaries – Income Protection 1.2%	28,317	25,509
Salaries – NT	105,035	96,253
Shop Stewards Reimbursements	4,336	3,777
Staff Amenities	39,975	31,429
Staff Allowances	367,092	327,654
Storage	12,029	9,222
Subscriptions	15,250	23,196
Superannuation	584,953	503,085
Supply Industry Expenses	45,692	9,544
Sundry Expenses	11,176	59,352
Telephone	199,059	175,524
Training	756	70,166
	7,202,277	6,853,541
Profit before income tax	153,238	355,022



FAIR WORK
AUSTRALIA

13 January 2012

Mr Peter Simpson
Secretary, Queensland Branch, Electrical Energy & Services Division.
CEPU
41 Peel Street
BRISBANE QLD 4101



Dear Mr Simpson

Lodgment of Financial Statements and Accounts – Queensland Branch (Electrical, Energy & Services Division) - for year ended 31 December 2011 (FR2011/2833)

The financial year of the Queensland Divisional Branch has recently ended. This is a courtesy letter to remind you of the obligation to prepare the reporting unit's financial documents and to lodge audited financial accounts and statements with Fair Work Australia within the prescribed time frame unless a 1 month extension is applied for and granted.

The documents you must lodge include:

(i) A general purpose financial report [see section 253(2)]; (ii) A Committee of Management statement (see the General Manager's Reporting Guidelines); (iii) An operating report [see section 254(2)]; (iv) An auditor's report [see sections 257(5) to 257(11)]; and (v) A certificate of the secretary or other designated officer [see section 268(c)].

I draw your particular attention to

- (a) s237 which requires you to prepare and lodge a separate statement providing the prescribed particulars of any loan, grant or donation made during the year which exceeds \$1,000;
- (b) s265(5) which requires you to publish or otherwise provide your members with completed/signed copies of the audited accounts, report and statements before final presentation and lodgment; and
- (c) s266 which requires you to present the completed documents to a second meeting. Note that this meeting is distinct from any initial committee meeting convened to prepare, sign or otherwise approve pre-audited documents.

Relevant references may be found at <http://www.fwa.gov.au/index.cfm?pagename=regorgsfrguidelines> and <http://www.fwa.gov.au/index.cfm?pagename=legislationfwroact>. If you are in any doubt as to the requirements or wish to clarify any aspect of the relevant legislation, or anticipate any difficulty in complying with the requirements, do not hesitate to contact Fair Work Australia.

Yours sincerely,

Stephen Kellett
Organisations, Research and Advice

Terrace Towers
80 William Street
East Sydney NSW 2011

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