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**T.** 07. 3846 2477 | **F.** 07. 3844 9851

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

ABN: 80 450 640 455

24 April 2017

Mr Chris Enright  
Director – Regulatory Compliance Branch  
Fair Work Commission  
GPO Box 1994, Melbourne  
VIC 3001

Via email: [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au)

Dear Mr Enright

**CEPU EE&S Division – QUEENSLAND BRANCH**  
**Operating Reports as at 31 December 2013 & 2014**  
**– Reporting of Membership Numbers**

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

- Declaration correcting the membership figure reported in the operating reports for the reporting periods ending 31 December 2013 and 2014.

As you are aware, in response to the Fair Work Commission querying the reporting of CEPU membership figures, the CEPU instigated an independent audit of the membership figures reported in both its annual returns and annual committee of management operating reports. This audit was conducted by Stannards Accounting and overseen by retired Fair Work Commissioner, Mr Greg Harrison.

As a consequence of the independent audit, the Branch State Council/Executive in a meeting held 24 April 2017 authorised the submission of a declaration to the FWC to correct the figures reported in the operating reports for the total members for the reporting periods ending 31 December 2013 and 2014.

These amended figures have now been published to 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

<b>Gold Coast</b>	<b>O.</b> 1/5 Executive Drive, Burleigh Heads		<b>P.</b> 1/5 Executive Drive, Burleigh Heads		<b>T.</b> 07. 5532 6903		<b>F.</b> 07. 5528 1689		<b>E.</b> <a href="mailto:goldcoast@etu.org.au">goldcoast@etu.org.au</a>
<b>Sunshine Coast</b>	<b>O.</b> 6/33 Bulcock St, Caloundra		<b>P.</b> PO Box 262 Caloundra Q 4551		<b>T.</b> 07. 5341 8927		<b>F.</b> 07. 5341 8953		<b>E.</b> <a href="mailto:sscoast@etu.org.au">sscoast@etu.org.au</a>
<b>Toowoomba</b>	<b>O.</b> 19A Russell St, Toowoomba		<b>P.</b> PO Box 1593 Toowoomba BC Q 4350		<b>T.</b> 07. 4638 9313		<b>F.</b> 07. 4639 2810		<b>E.</b> <a href="mailto:toowoomba@etu.org.au">toowoomba@etu.org.au</a>
<b>Gladstone</b>	<b>O.</b> 1/11 Herbert Street, Gladstone		<b>P.</b> PO Box 848 Gladstone Q 4680		<b>T.</b> 07. 4972 6676		<b>F.</b> 07. 4972 5721		<b>E.</b> <a href="mailto:gladstone@etu.org.au">gladstone@etu.org.au</a>
<b>Rockhampton</b>	<b>O.</b> 110 Campbell Street, Rockhampton		<b>P.</b> 110 Campbell Street, Rockhampton		<b>T.</b> 07. 4927 7587		<b>F.</b> 07. 4927 9180		<b>E.</b> <a href="mailto:rockhampton@etu.org.au">rockhampton@etu.org.au</a>
<b>Mackay</b>	<b>O.</b> 41 Brisbane Street, Mackay		<b>P.</b> PO Box 1854 Mackay Q 4740		<b>T.</b> 07. 4953 4799		<b>F.</b> 07. 4953 4899		<b>E.</b> <a href="mailto:mackay@etu.org.au">mackay@etu.org.au</a>
<b>Townsville</b>	<b>O.</b> 64 Ross River Road, Mundingburra		<b>P.</b> PO Box 5800 Townsville 4810		<b>T.</b> 07. 4728 2443		<b>F.</b> 07. 4728 2907		<b>E.</b> <a href="mailto:townsville@etu.org.au">townsville@etu.org.au</a>
<b>Cairns</b>	<b>O.</b> 25/25 Grafton Street, Cairns		<b>P.</b> PO Box 5222 Cairns Q 4870		<b>T.</b> 07. 4051 3472		<b>F.</b> 07. 4051 3502		<b>E.</b> <a href="mailto:cairns@etu.org.au">cairns@etu.org.au</a>

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, of 41 Peel St, South Brisbane, in the state of Queensland 4101, declare:

- I am the 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 2013 and 31 December 2014, the full financial reports, including the operating reports, of the branch were lodged with the Fair Work Commission (FWC) in FR2013/424, and FR2014/389 respectively.
- An independent audit report into the membership figures reported in the committee of management operating reports for the reporting periods 31 December 2013 and 31 December 2014, conducted by Stannards Accounting in 2016 (the Stannards audit), found the following variances with the figures reported in the operating reports:

As at 31 Dec	2013	2014
Reported	15822	16750
Auditted	16696	17535
Variance	874	785

- On 24 April 2017, in response to the findings of the Stannards audit, the Branch Executive authorised the Branch Secretary to amend the committee of management operating reports for the years ended 31 December 2013 and 31 December 2014 to reflect the membership figures resulting from the Stannards audit.

Signed:



Name: Mr Peter Ong

Date:

24/4/2017



24 June 2015

Mr Peter Simpson  
Branch Secretary  
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied  
Services Union of Australia - Electrical, Energy and Services Division - Queensland Divisional  
Branch  
41 Peek Street  
SOUTH BRISBANE QLD 4101

via email: [simmo@etu.org.au](mailto:simmo@etu.org.au)

Dear Mr Simpson

**Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied  
Services Union of Australia - Electrical, Energy and Services Division - Queensland  
Divisional Branch Financial Report for the year ended 31 December 2014 - FR2014/389**

I acknowledge receipt of the financial report for the year ended 31 December 2014 for the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia - Electrical, Energy and Services Division - Queensland Divisional Branch. The financial report was lodged with the Fair Work Commission (FWC) on 21 May 2015.

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

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 31 December 2015 may be subject to an advanced compliance review.

**Reporting Requirements**

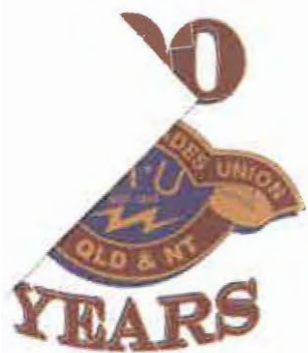
On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7886 or by email at [joanne.fenwick@fwc.gov.au](mailto:joanne.fenwick@fwc.gov.au).

Yours sincerely

A handwritten signature in blue ink, consisting of a stylized 'J' followed by a horizontal line.

Joanne Fenwick  
Financial Reporting Specialist  
Regulatory Compliance Branch



Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union (Electrical Division, Queensland and Northern Territory Division)

Electrical Trades Union of Employees Queensland

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Please address all correspondence to the Secretary: P. J. S  
ABN: 80 450

FAIR WORK AUSTRALIA  
GPO Box 373  
BRISBANE QLD 4001

11<sup>th</sup> May 2015

Dear Sir/Madam

### RE: 2014 FINANCIAL RETURNS

The documents lodged herewith are an original copy of this organisations audited Financial Statements for the year ending 31<sup>st</sup> December 2014. These were tabled at our Annual General Meeting on 11<sup>th</sup> May (second meeting) and they include the Certificate by Auditor, the Committee of Management Certificate and the Accounting Officer's Certificate, which were in accordance with a resolution, passed by the Committee at our meeting on 23<sup>rd</sup> March (first meeting).

All members have access to these full documents via our website. An advertisement alerting members to this was published in our Journal.

Yours faithfully

  
Peter Simpson  
State Secretary

Encl.

<b>Gold Coast</b>	G. 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
<b>Gladstone Coast</b>	G. 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
<b>Toowoomba</b>	G. 19A Russell St, Toowoomba	P. PO Box 1593 Toowoomba BC Q 4350	T. 07. 4638 9313	F. 07. 4638 2810	E. toowoomba@etu.org.au
<b>Gladstone</b>	G. 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
<b>Rockhampton</b>	G. 110 Campbell Street, Rockhampton	P. 110 Campbell Street, Rockhampton	T. 07. 4927 7587	F. 07. 4927 9180	E. rockhampton@etu.org.au
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<b>Cairns</b>	G. 25/25 Grafton Street, Cairns	P. PO Box 5222 Cairns Q 4870	T. 07. 4051 3472		
<b>Southport</b>	G. 1st Floor 28 Wood's Street, Southport	P. PO Box 4050 Southport Q 4215	T. 07. 4051 3472		

**CERTIFICATE BY SECRETARY / PRESCRIBED DESIGNATED  
OFFICER**

*s268 Fair Work (Registered Organizations) Act 2009*

I, .....**Peter Simpson**.....,

having been appointed State 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 2014** lodged with **Fair Work Australia** on 11 May 2015 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 23/03/2015 and
- subsequently presented to a second meeting, in accordance with section 266, held on 11/05/2015

(Signature)  \_\_\_\_\_  
Peter Simpson

(Position) State Secretary

Date 11/05/2015

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC,  
ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA  
ELECTRICAL DIVISION, QUEENSLAND AND NORTHERN TERRITORY  
DIVISIONAL BRANCH  
ABN 80 450 640 455**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2014**



**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 2014**

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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 2014, statement of comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes and the Committee of Management's declaration.

*Committee of Management's Responsibility for the Financial Report*

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

*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 about whether the financial report is 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 judgement, 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 2014 included on the Union's website. The Union's Committee of Management is 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 this 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 contained in this website version of the financial report.

### *Independence*

In conducting our audit, we followed applicable independence requirements of Australian Professional Ethical Pronouncements.

### *Declarations*

We declare that we are an approved auditor as defined in Regulation 4 of the *Fair Work(Registered Organisations) Regulations 2009*.

We declare that we are members of the Institute of Chartered Accountants in Australia and hold a current Public Practice Certificate.

### *Auditor's Opinion*

In our opinion:

- (1) The financial statements 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 2014 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards.
- (2) The financial report also complies with International Financial Reporting Standards as detailed in Note 1.
- (3) 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.
- (4) All the information and explanations that officers or employees of the Union were required to provide have been provided; and
- (5) There was no deficiency, failure or shortcoming in any matters referred to in (1) to (4) above.
- (6) The Union's use of the going concern basis of accounting used in the preparation of the Union's financial statements is appropriate.

*M. G. I*

**MGI Audit (Q) Pty Ltd**



**G I Kent**  
Director

Chartered Accountant and holder of a Certificate of Public Practice

South Brisbane

23 March 2015

**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 2014**

**Operating Report**

In accordance with section 254 of the *Fair Work (Registered Organisations) Act 2009* 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 2014.

**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 43 of the financial report).

**Operating Results**

The surplus for the financial year amounted to \$251,631 (2013 deficit: \$602,100).

**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:

Peter Simpson - Branch Secretary  
- 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 2014**

**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 28.0 (2013: 36.0).

**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	16,750
Financial	13,993
Honorary and Life members	1,333
Unfinancial	1,424

**Members of the Committee of Management**

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

<b>Name</b>	<b>Period of appointment</b>
*Abbott, Lloyd	Whole Period
Baker, Gary	Whole Period
Blackmore, Ivan	Whole Period
Bloom, Gregory	Whole Period
*Bloxsom, Gary	Whole Period
*Burgess, Mark	Whole Period
Burns, Daniel	Appointed 24 February 2014
Cawley, Peter	Whole Period
*Christoffel, Jeffrey	Whole Period
Clarke, Ken	Whole Period
Coxon, Michael	Whole Period
Ferguson, Kevin	Whole Period
Forrest, Alan	Whole Period
*Fiteni, Joseph	Whole Period
Gardiner, Ben	Whole Period
Harrington, Bradley	Resigned 24 February 2014
Hayes, David	Whole Period
Hill, Robert	Appointed 24 February 2014
Holdsworth, Jamie	Appointed 24 February 2014
Keding, Daryl	Whole Period
*King, Shane	Whole Period
*Kirby, Paul	Resigned 24 February 2014
*List, Stephen	Resigned 24 February 2014
*McGaw, Christopher	Whole Period
McPherson, Lindsay	Whole Period

**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 2014**

**Members of the Committee of Management (Continued)**

<b>Name</b>	<b>Period of appointment</b>
Moloney, Dane	Whole Period
Nugent, Luke	Whole Period
Riehl, John	Resigned 24 February 2014
Senior, Craig	Whole Period
*Simpson, Peter	Whole Period
Sologinkin, Scott	Appointed 24 February 2014
Sladden, Jason	Whole Period
Smith, Gregory	Whole Period
Stein, Clark	Whole Period
Taylor, John	Whole Period
Thomas, Craig	Whole Period
Towler, Ben	Whole Period
Visini, Owen	Whole Period
Walmsley, James	Whole Period
Williams, Wayne	Whole Period

*\* Member of the Divisional Branch Executive*

**Indemnifying Officers or Auditors**

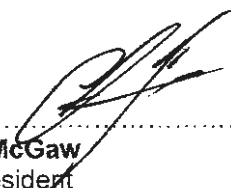
The Union has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor:

- 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.

**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

23 March 2015

South Brisbane

  
.....  
**P Simpson**  
Branch Secretary

23 March 2015

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 2014**

On 23 March 2015, 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 2014:

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

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the 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 *RO Act*;
  - (iv) the financial records of the reporting unit have been kept, as far as practicable in a manner consistent with each of the other reporting units of the organisation;
  - (v) where information has been sought in any request of a member of the reporting unit or General Manager duly made under section 272 of the *RO Act*, that information has been provided to the member or General Manager; and
  - (vi) there have been no orders for inspection of financial records made by the Fair Work Commission under section 273 of the *Act*.
- (f) No revenue has been derived from undertaking recovery of wages activity during the reporting period.

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

**For the Committee of Management:**

**Title of Office held:**

**Signature:**

**Date:**

Peter Simpson

Branch Secretary

.....

23 March 2015

Level 1, 200 Mary Street  
GPO Box 1087  
Brisbane Qld 4001 Australia  
t: +61 7 3002 4800  
f: +61 7 3229 5603

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[www.mgisq.com.au](http://www.mgisq.com.au)

**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 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

*M. L. S.*

**MGI Audit (Q) Pty Ltd**



**G I Kent**  
Director

South Brisbane

23 March 2015



**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 2014**

	Note	2014 \$	2013 \$
<b>Revenue</b>	2	9,164,191	7,988,863
Employee benefits expense	3(l)	(4,122,155)	(4,559,504)
Depreciation and amortisation expenses	3(b)	(193,436)	(147,265)
Finance costs	3(a)	(7,568)	(10,562)
Advertising expenses		(51,294)	(270,697)
Affiliation fees	3(k)	(191,672)	(213,221)
Campaign expenses	3(c)	(647,045)	-
Capitation Fees	3(g)	(985,786)	(948,612)
Conference and meeting expenses	3(d)	(87,166)	(87,589)
Debt collection expenses		(25,664)	(28,880)
Grants & Donations	3(f)	(46,849)	(35,401)
Motor vehicle expenses		(170,134)	(158,338)
Legal expenses	3(h)	(487,676)	(636,796)
National office expenses		(15,929)	(32,459)
Printing, postage and merchandise		(401,083)	(408,178)
Organising expenses		(493,150)	(218,768)
Telephone expenses		(106,253)	(133,499)
Other expenses	3(n)	(879,700)	(701,194)
<b>Surplus / (Deficit) before income tax</b>		<b>251,631</b>	<b>(602,100)</b>
Income tax expense	1(a)	-	-
<b>Surplus / (Deficit) for the year</b>		<b>251,631</b>	<b>(602,100)</b>
<b>Other Comprehensive Income</b>			
Other comprehensive income (net of income tax)		-	-
<b>Total comprehensive income for the year</b>		<b>251,631</b>	<b>(602,100)</b>
Surplus / (Deficit) attributable to:			
Members of the union		251,631	(602,100)
<b>Total comprehensive income attributable to:</b>			
Members of the union		<b>251,631</b>	<b>(602,100)</b>

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 2014**

	<b>Note</b>	<b>2014 \$</b>	<b>2013 \$</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	3,189,658	4,083,020
Trade and other receivables	5	1,220,490	740,149
Other current assets	6	71,573	75,837
Financial assets	7	-	-
<b>TOTAL CURRENT ASSETS</b>		<b>4,481,721</b>	<b>4,899,006</b>
<b>NON-CURRENT ASSETS</b>			
Financial assets	7	2,885,561	2,824,950
Property, plant and equipment	8	496,654	362,360
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,382,215</b>	<b>3,187,310</b>
<b>TOTAL ASSETS</b>		<b>7,863,936</b>	<b>8,086,316</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	721,102	741,000
Financial liabilities	10	38,893	32,379
Provisions	11	878,688	1,169,792
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,638,683</b>	<b>1,943,171</b>
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities	10	74,545	30,397
Provisions	11	43,169	256,840
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>117,714</b>	<b>287,237</b>
<b>TOTAL LIABILITIES</b>		<b>1,756,397</b>	<b>2,230,408</b>
<b>NET ASSETS</b>		<b>6,107,539</b>	<b>5,855,908</b>
<b>MEMBERS EQUITY</b>			
Retained Earnings	24	6,107,539	5,855,908

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 2014**

	<b>Retained Earnings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 1 January 2013</b>	6,458,008	6,458,008
Deficit attributable to members of the Union	(602,100)	(602,100)
Other comprehensive income	-	-
<b>Balance at 31 December 2013</b>	<u>5,855,908</u>	<u>5,855,908</u>
<b>Balance at 1 January 2014</b>	5,855,908	5,855,908
Surplus attributable to members of the Union	251,631	242,541
Other comprehensive income	-	-
<b>Balance at 31 December 2014</b>	<u>6,107,539</u>	<u>6,098,449</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 CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	<b>Note</b>	<b>2014 \$</b>	<b>2013 \$</b>
<b>Cash Flows from Operating Activities</b>			
Membership contributions		8,512,535	7,385,463
Interest received		99,325	230,404
Fines and levies		32,057	58,196
Refunds received		31,942	-
Receipt of income in advance		-	8,500
Receipts from other customers		1,390,263	1,138,634
Payments to employees		(4,626,929)	(4,286,578)
Payments to suppliers		(6,051,745)	(5,176,244)
Finance costs		(16,211)	(10,562)
Net cash used in operating activities	12(b)	<u>(628,763)</u>	<u>(652,187)</u>
<b>Cash Flows from Investing Activities</b>			
Payment for property, plant & equipment		(251,019)	(176,159)
Proceeds from sale of property, plant & equipment		18,181	26,364
Net cash used in investing activities		<u>(232,838)</u>	<u>(149,795)</u>
<b>Cash Flows from Financing Activities</b>			
Proceeds from borrowings		-	1,200,000
Motor vehicle finance lease repayments (principal)		(31,761)	(21,873)
Net cash (used in)/provided by financing activities		<u>(31,761)</u>	<u>1,178,127</u>
Net (decrease)/increase in cash held		(893,362)	376,145
Cash at beginning of financial year		<u>4,083,020</u>	<u>3,706,875</u>
Cash at end of financial year	12(a)	<u><u>3,189,658</u></u>	<u><u>4,083,020</u></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 RECEIPTS AND PAYMENTS FOR RECOVERY OF WAGES  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	<b>Note</b>	<b>2014 \$</b>	<b>2013 \$</b>
<b>Cash assets in respect of recovery money at beginning of year</b>			
<b>Receipts</b>			
Amount recovered from employers in respect of wages etc.		-	-
Interest received on recovered money		-	-
<b>Total Receipts</b>		-	-
<b>Payments</b>			
Deductions of amounts due in respect of membership for:			
- 12 months or less		-	-
- greater than 12 months		-	-
Deductions of donations or other contributions to accounts or funds of			
- the Union		-	-
- other entity		-	-
Deductions of fees or reimbursements of expenses		-	-
Payments to workers in respect of recovered money		-	-
<b>Total Payments</b>		-	-
<b>Cash assets in respect of recovery money at end of year</b>		-	-

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 2014**

**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 and Interpretations issued by the the Australian Accounting Standards Board (AASB) and the *Fair Work (Registered Organisations) Act 2009*. The Union is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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, except for the cash flow information, 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 amounts presented in the financial statements are in Australian dollars and have been rounded to the nearest dollar.

The financial statements were authorised for issue on 23 March 2015 by the Committee of Management of the Union.

**(a) Income Tax**

The Union is exempt from income tax by virtue of s50.1 of the *Income Tax Assessment Act 1997* however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

**(b) Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost less 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.

**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 2014**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(b) Property, Plant and Equipment (Continued)**

**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, term deposits 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.



**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 2014**

**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 reliably 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.

**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 2014**

**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.

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.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(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.

Under the Unions rules, those employees who have undertaken 3 or more years of continuous service are entitled to have their Long Service Leave balance paid upon termination (on a pro-rata basis). The Union does not have an unconditional right to deferred settlement (for those employees with greater than 3 or more consecutive years of service), resulting in Long Service Leave entitlements to be reported at reporting date as current liabilities.

**(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 an accrual basis and is recorded as revenue in the year to which it relates.

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

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

**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 2014**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(j) Trade and Other Receivables**

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

**(k) 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.

**(l) 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.

**(m) 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.

**(n) Comparative Figures**

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

**(o) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**(o) Critical accounting estimates and judgement (Continued)**

*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.

**(p) New, Revised or Amending Accounting Standards and Interpretations**

The Union has adopted all of the new, revised or amended Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**(q) New Accounting Standards for Application in Future Periods**

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the company. The directors have decided not to early adopt any of the new and amended pronouncements. The directors' assessment of the new and amended pronouncements that are relevant to the company but applicable in future reporting periods is set out below:

- AASB 9: Financial Instruments: AASB 9 (December 2014) is a new Principal standard which replaces AASB 139. This new Principal version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.

AASB 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early application. The own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments.

The final version of AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised. The Standard also requires to recognise full lifetime expected losses on a more timely basis.

Amendments to AASB 9 (December 2009 & 2010 editions) (AASB 2013-9) issued in December 2013 included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures.

AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139.

The main changes are described below.

- (a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(q) New Accounting Standards for Application in Future Periods (Continued)**

- (b) Allows 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.
- (c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.
- (d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:
  - The change attributable to changes in credit risk are presented in other comprehensive income (OCI)
  - The remaining change is presented in profit or loss

AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss.

Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 – Part E (applicable for annual reporting periods commencing on or after 1 January 2018).

- AASB 2014-1 Part A – Annual Improvements 2011 – 2013 Cycle: Annual improvements to IFRS 2011-2013 cycle address the following items:
  - AASB 13 - Clarifies that the portfolio exception in paragraph 52 of AASB 13 applies to all contracts within the scope of AASB 139 or AASB 9, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132.
  - AASB 140 – Clarifies that judgment is needed to determine whether an acquisition of investment property is solely the acquisition of an investment property or whether it is the acquisition of a group of assets or a business combination in the scope of AASB 3 that includes an investment property. That judgment is based on guidance in AASB 3 (applicable for annual reporting periods commencing on or after 1 January 2015).
- AASB 2014-4: Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138): AASB 116 and AASB 138 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset.

The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(q) New Accounting Standards for Application in Future Periods (Continued)**

The amendment also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances (applicable for annual reporting periods commencing on or after 1 January 2016).

- **AASB 2014-2: Amendments to AASB 1053 – Transitions to and between Tiers, and related Tier 2 Disclosure Requirements (AASB 1053):** The standard makes amendments to AASB 1053 Application of Tiers of Australian Accounting Standards to:
  - Clarify that AASB 1053 relates only to general purpose financial statements.
  - Make AASB 1053 consistent with the availability of the AASB 108 Accounting Policies, Changes to Accounting Estimates and Errors option in AASB 1 First-Time Adoption of Australian Accounting Standards.
  - Clarify certain circumstances in which an entity applying Tier 2 reporting requirements can apply the AASB 1008 option in AASB 1; permit an entity applying Tier 2 reporting requirements for the first time to do so directly using the requirements in AASB 108 (rather than applying AASB 1) when, and only when, the entity had not applied, or only selectively applied, applicable recognition and measurement requirements in its more recent previous annual special purpose financial statements.
  - Specify certain disclosure requirements when an entity resumes the application of Tier 2 reporting requirements (applicable for annual reporting periods commencing on or after 1 January 2015).

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

**(r) Gains**

*Sale of assets*

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

**(s) Capitation fees and levies**

Capitation fees and levies are to be recognised on an accrual basis and records as a revenue and/or expense in the year to which it relates.

**(t) Contingent Liabilities and Contingent Assets**

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

**(u) Going Concern**

The Union has not entered into an agreement with another reporting unit for financial support to continue on a going concern basis.



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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(u) Going Concern (Continued)**

The Union has not entered into any agreements to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

**(v) Acquisition of Assets and Liabilities**

The Union did not acquire any assets or liabilities during the year as a result of:

- (a) an amalgamation under Part 2 of Chapter 3 of the RO Act in with the organisation (of which the reporting unit form part) was the amalgamated organisation; or
- (b) a restructure of the branches of the organisation; or
- (c) a determination by the General Manager under subsection 245(1) of the RO Act of an alternative reporting structure for the organisation; or
- (d) a revocation by the General Manager under subsection 245(1).

The Union did not acquire any assets or liabilities during the year as a part of a business combination.

**(w) Recovery of Wages**

The Union has not undertaken any recovery of wages activities during the year or the comparative year.

**(x) Fair Value Measurement**

The Union measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as investment properties, at fair value at each balance sheet date.

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

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

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

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(x) Fair Value Measurement**

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Union determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Union has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

**NOTE 2 – REVENUE**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Membership income	7,546,167	6,664,303
Fines	32,057	52,513
Capitation fees	-	-
Levies	-	-
Other membership income	236,200	142,912
Grants and donations	-	-
Sponsorship income	952,579	653,283
Interest income	159,936	222,693
Refunds received	31,942	-
Administration fees	43,435	43,395
Merchandise income	21,217	27,980
Gain on sale of property, plant and equipment	3,826	1,828
Sundry income	136,832	179,956
	<b><u>9,164,191</u></b>	<b><u>7,988,863</u></b>

The Union did not receive any other financial support from another reporting unit to ensure that the provision of the principal activities are possible.

**NOTE 3 – EXPENSES**

(a) Finance Costs – External	7,568	10,562
(b) Depreciation and amortisation		
- Motor vehicles	129,048	89,376
- Plant and equipment	64,388	57,889
	<b><u>193,436</u></b>	<b><u>147,265</u></b>

**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 2014**

**NOTE 3 – EXPENSES (CONTINUED)**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
(c) Campaign expenses	647,045	-
(d) Conference and meeting expenses	87,166	87,589
(e) Compulsory Levies	-	-
(f) Grants and Donations		
- Grants	-	-
- Donations	46,849	35,401
	<u>46,849</u>	<u>35,401</u>
Split of Grants and Donations:		
Grants:		
- Total paid that were \$1,000 or less	-	-
- Total paid that exceeded \$1,000	-	-
Donations:		
- Total paid that were \$1,000 or less	6,474	7,037
- Total paid that exceeded \$1,000	40,375	28,364
	<u>46,849</u>	<u>35,401</u>
(g) Capitation fees		
- Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union (CEPU – National Office)	985,786	948,612
(h) Legal Costs		
- Litigation	487,113	617,496
- Other Matters	563	19,300
	<u>487,676</u>	<u>636,796</u>
(i) Fees/allowances – meetings and conferences	-	1,190
(j) Penalties – via RO Act or RO Regulations	-	-
(k) Affiliation fees		
- Australian Labor Party Queensland Branch	77,248	104,498
- Australian Labor Party Northern Territory Branch	2,571	2,407
- Queensland Council of Unions Brisbane Branch	76,974	71,232
- Queensland Council of Unions Cairns Branch	227	136
- Queensland Council of Unions Sunshine Coast Branch	45	45
- Queensland Council of Unions Rockhampton Branch	50	45
- Queensland Council of Unions Bundaberg Branch	50	50
- Queensland Council of Unions Townsville Branch	100	50
- Queensland Council of Unions Mackay Branch	50	
- Northern Territory Trades & Labor Council	4,040	2,701
- Union Shopper	30,267	32,012
- Brisbane Labour History Association	50	45
	<u>191,672</u>	<u>213,221</u>

**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 2014**

	2014 \$	2013 \$
<b>NOTE 3 – EXPENSES (CONTINUED)</b>		
(l) Employee benefits expense		
Holders of Office:		
- Salaries and wages	412,121	586,157
- Annual leave	(62,981)	11,553
- Long service leave	(4,199)	(10,922)
- Superannuation	83,736	129,326
- Separation and redundancies	-	-
- Payroll tax	23,553	33,985
	<u>452,229</u>	<u>750,099</u>
Employees other than office holders:		
- Salaries and wages	3,185,662	2,819,326
- Annual leave	(165,309)	107,174
- Long service leave	(92,778)	83,243
- Superannuation	543,298	622,069
- Separation and redundancies	-	-
- Payroll tax	199,053	177,593
	<u>3,669,926</u>	<u>3,809,405</u>
Total Employee benefits expense	<u>4,122,155</u>	<u>4,559,504</u>
(m) Consideration to employers for payroll deductions	-	-
(n) Other expenses:		
Journals	160,267	98,284
Maintenance	90,391	93,546
Research	38,800	19,167
Bank charges	87,110	159,969
Subscription	32,840	42,681
Sundry expenses	470,292	287,547
	<u>879,700</u>	<u>701,194</u>

**NOTE 4 – CASH AND CASH EQUIVALENTS**

Cash on hand	7,186	8,262
Cash at bank	552,223	458,688
Term Deposits	2,630,249	3,616,070
	<u>3,189,658</u>	<u>4,083,020</u>

**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 2014**

	2014 \$	2013 \$
<b>NOTE 5 –TRADE AND OTHER RECEIVABLES</b>		
Receivables from other reporting units		
- Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division – Victoria Branch		1,175
- Communications Electrical Electronic Energy Information Postal Plumbing and Allied Services Union of Australia – Tasmanian Branch	-	4,338
- Construction, Forestry, Mining and Energy Industrial Union of Employees, Queensland	4,063	5,672
- Australian Federated Union of Locomotive Employees	1,332	1,332
- Australian Manufacturing Workers Union	33,097	
- Rail, Tram and Bus Union Queensland	14,675	-
- Together Queensland	1,085	
- Queensland Nurses Union	50	-
- Queensland Teachers Union	50	-
	<u>54,352</u>	<u>12,517</u>
Less provision for doubtful debts	-	-
Total Receivable from other reporting units	<u>54,352</u>	<u>12,517</u>
Other receivables		
- Other Trade receivables	64,501	79,366
- Accrued income	25,929	46,081
- Related party receivable – Distress, Mortality & Building Fund	2,219	10,664
- Related party receivable – ETU-Q	1,073,489	591,521
Total other receivables	<u>1,166,138</u>	<u>727,632</u>
<b>Total trade and other receivables</b>	<b><u>1,220,490</u></b>	<b><u>740,149</u></b>

***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.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**NOTE 5 – TRADE AND OTHER RECEIVABLES (CONTINUED)**

	<b>Gross Amount</b>	<b>Past due and impaired</b>	<b>Past due but not impaired (days overdue)</b>			<b>Within initial trade terms</b>
<b>2014</b>	<b>\$</b>	<b>\$</b>	<b>&lt; 30</b>	<b>31-60</b>	<b>60+</b>	<b>\$</b>
Receivables from other reporting units	54,352	-	-	300	-	54,052
Other trade receivables	1,166,138	-	-	-	780,335	385,803
<b>Total</b>	<b>1,220,490</b>	<b>-</b>	<b>-</b>	<b>300</b>	<b>780,335</b>	<b>439,855</b>
<b>2013</b>						
Receivables from other reporting units	12,517	-	-	-	8,179	4,338
Other trade receivables	727,632	-	-	-	66,354	661,278
<b>Total</b>	<b>740,149</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>74,533</b>	<b>665,616</b>

***Collateral held as security***

The Union does not hold collateral with respect to its receivables at 31 December 2014 (2013: Nil)

	<b>2014 \$</b>	<b>2013 \$</b>
<b>NOTE 6 – OTHER CURRENT ASSETS</b>		
Prepayments	<b>71,574</b>	<b>75,837</b>
<b>NOTE 7 – FINANCIAL ASSETS</b>		
Current		
Related Party Loan Receivable - ETU-Q	-	-
Non-current		
Related Party Loan Receivable - ETU-Q	2,296,849	2,236,238
Related Party Loan Receivable - Distress, Mortality & Building Fund	588,712	588,712
	<b>2,885,557</b>	<b>2,824,950</b>
<b>Total Financial assets</b>	<b>2,885,561</b>	<b>2,824,950</b>

**NOTE 8 – PROPERTY, PLANT AND EQUIPMENT**

Furniture, fittings and office equipment:		
At cost	568,625	495,141
Accumulated depreciation	(397,793)	(336,981)
Total furniture, fittings and office equipment	<b>170,832</b>	<b>158,160</b>
Motor vehicles:		
At cost	571,980	408,538
Accumulated depreciation	(246,158)	(204,338)
Total motor vehicles	<b>325,822</b>	<b>204,200</b>
<b>Total property, plant &amp; equipment</b>	<b>496,654</b>	<b>362,360</b>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**NOTE 8 – PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

**(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

	<b>Motor Vehicles</b>	<b>Furniture, Fittings and Office Equipment</b>	<b>Total</b>
Balance at 1 January 2013	193,361	164,641	358,002
Additions	124,751	51,408	176,159
Disposals	(24,536)	-	(24,536)
Depreciation expense	(89,376)	(57,889)	(147,265)
<b>Carrying amount at 31 December 2013</b>	<b>204,200</b>	<b>158,160</b>	<b>362,360</b>
Additions	299,983	75,796	375,779
Disposals	(48,049)	-	(48,049)
Depreciation expense	(130,312)	(63,124)	(193,436)
<b>Carrying amount at 31 December 2014</b>	<b>325,822</b>	<b>170,832</b>	<b>496,654</b>

	<b>Note</b>	<b>2014 \$</b>	<b>2013 \$</b>
<b>NOTE 9 – TRADE AND OTHER PAYABLES</b>			
Trade payables to other reporting units		-	-
Other payables			
- Other trade payables		87,451	162,924
- GST payable		71,197	132,206
- Legal costs payable		36,679	-
- PAYG payable		101,704	113,574
- Consideration to employees for payroll deductions		-	-
- Superannuation payable		155,173	170,261
- Income received in advance		93,500	93,500
- Credit card liability		65,954	57,119
- Sundry creditors		109,444	11,416
		<u>721,102</u>	<u>741,000</u>
<b>Total Trade and other Payables</b>		<b><u>721,102</u></b>	<b><u>741,000</u></b>

**NOTE 10 – FINANCIAL LIABILITIES**

Current lease liability		38,893	32,379
Non-current lease liability		74,545	30,397
	13(c)	<u>113,438</u>	<u>62,776</u>



**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 2014**

**NOTE 11 – PROVISIONS**

	<b>Annual Leave</b>	<b>Long Service Leave</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Opening balance at 1 January 2014	701,830	724,802	1,426,632
Additional provisions raised during the year	265,379	43,531	308,910
Amounts used	(585,271)	(228,415)	(813,686)
Balance at 31 December 2014	<u>381,938</u>	<u>539,918</u>	<u>921,856</u>

	<b>Note</b>	<b>2014</b>	<b>2013</b>
		<b>\$</b>	<b>\$</b>
<b>Analysis of total provisions</b>			
Current			
Provision for annual leave		381,939	701,830
Provision for long service leave		496,749	467,962
		<u><b>878,688</b></u>	<u><b>1,169,792</b></u>
Non-current			
Provision for long service leave		43,169	256,840
		<u><b>43,169</b></u>	<u><b>256,840</b></u>

Non-current provisions represent leave entitlements owing to those employees who have not completed 3 years of continuous service with the Union.

**Holders of Office**

- Annual leave	124,698	224,020
- Long service leave	189,556	226,262
- Separations and redundancies	-	-
- Other	-	-
	<u>314,254</u>	<u>450,282</u>

**Employees other than office holders**

- Annual leave	257,239	477,810
- Long service leave	350,362	498,540
- Separations and redundancies	-	-
- Other	-	-
	<u>607,601</u>	<u>976,350</u>

<b>Total Provisions</b>	<u><b>921,855</b></u>	<u><b>1,426,632</b></u>
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**NOTE 12 –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	7,186	8,262
Cash at bank	552,223	458,688
Term deposits	2,630,249	3,616,070
	<u><b>3,189,658</b></u>	<u><b>4,083,020</b></u>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 \$	2013 \$
<b>NOTE 12 –CASH FLOW INFORMATION (CONTINUED)</b>			
<b>(b) Reconciliation of Net Cash Provided by Operating Activities to Surplus after Income Tax</b>			
Surplus/(Deficit) after income tax		242,541	(602,100)
<b>Non cash flows in surplus after income tax</b>			
- Depreciation & amortisation		193,436	147,265
- Net interest (income) / expense		(60,611)	7,711
- Gain on disposal of property, plant and equipment		(3,826)	(1,829)
<b>Changes in assets and liabilities</b>			
(Increase)/ decrease in trade receivables		(467,734)	(556,036)
(Increase)/ decrease in prepayments		4,264	2,713
Increase/ (decrease) in trade payables and accruals		(32,058)	925
Increase/ (decrease) in provisions		(504,775)	349,164
Net cash provided by operating activities		<u>(628,763)</u>	<u>(652,187)</u>

During the 2014 financial year, the union acquired a motor vehicles with an aggregate fair value of \$47,000 by means of a loan to a related party. This addition is not reflected in the statement of cash flows.

**(c) Credit standby arrangements**

<b>Finance Leases</b>			
Used facility		113,438	62,776
Unused facility		-	-
Total facility		<u>113,438</u>	<u>62,776</u>
The financing facility has been arranged with Toyota Finance Australia Limited and is scheduled to expire in 2018.			
<b>CBA MasterCard Facility</b>			
Used facility		-	5,459
Unused facility		40,000	34,541
Total facility		<u>40,000</u>	<u>40,000</u>
<b>American Express Facility</b>			
Used facility		66,052	51,660
Unused facility		93,948	108,340
Total facility		<u>160,000</u>	<u>160,000</u>

**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 2014**

	<b>Note</b>	<b>2014 \$</b>	<b>2013 \$</b>
<b>NOTE 12 –CASH FLOW INFORMATION (CONTINUED)</b>			
<b>(d) Cash flows to/from other reporting units</b>			
Included in the statement of cash flows under operating activities are the following receipts and payments to other reporting units			
<b>Receipts from other reporting units</b>			
- Australian Federated Union of Locomotive Employees		47,155	3,816
- Maritime Union of Australia		49,590	-
- Construction, Forestry, Mining and Energy Union – Construction Division Queensland Divisional Branch		2,368	-
- Construction, Forestry, Mining and Energy Union – Mining & Energy Division Queensland Divisional Branch		14,131	-
- Communications Electrical Electronic Energy Information Postal Plumbing and Allied Services Union of Australia		4,413	-
- Communications Electrical Electronic Energy Information Postal Plumbing and Allied Services Union of Australia – Tasmanian Branch		4,337	89,972
- Australian Manufacturing Workers Union – Queensland Branch		100,516	9,264
- Australian Municipal, Administrative, Clerical and Services Union, Queensland (Services and Northern Administrative) Branch		177,695	5,436
- Communications Electrical Electronic Energy Information Postal Plumbing and Allied Services Union of Australia – Plumbing Division Queensland Divisional Branch		-	300
- Australian Rail, Tram and Bus Industry Union Queensland Branch		9,069	5,148
<b>Total receipts from other reporting units</b>		<b>409,274</b>	<b>113,936</b>

**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 2014**

	<b>Note</b>	<b>2014 \$</b>	<b>2013 \$</b>
<b>NOTE 12 –CASH FLOW INFORMATION (CONTINUED)</b>			
<b>Payments to other reporting units</b>			
- Construction, Forestry, Mining and Energy Union - Construction and General Division, Queensland Construction Workers Divisional Branch		5,953	73,835
- Construction, Forestry, Mining and Energy Union - Mining and Energy Division Queensland District Branch		1,838	1,955
- Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia - Queensland Communications Branch		-	16,284
- Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Electrical Energy and Services Division, New South Wales Divisional Branch		-	3,389
- Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Electrical Energy and Services Division, Western Australian Divisional Branch		-	600
- Maritime Union of Australia		-	1,234
- Communications Electrical Electronic Energy Information Postal Plumbing and Allied Services Union of Australia	1,242,892	1,242,892	1,246,698
- United Voice Northern Territory Branch		-	2,420
- United Voice Queensland Branch	2,000	2,000	6,160
- Communications Electrical Electronic Energy Information Postal Plumbing and Allied Services Union of Australia – Tasmanian Branch	2,092	2,092	-
- Australian Manufacturing Workers Union – Queensland Branch	3,819	3,819	-
<b>Total Payments to other reporting units</b>		<b>1,258,594</b>	<b>1,352,575</b>
<b>Net cash paid to other reporting units</b>		<b>849,320</b>	<b>1,238,636</b>

Cash paid and received to other reporting units is shown inclusive of GST

**NOTE 13 – COMMITMENTS AND CONTINGENCIES**

**(a) Operating lease commitments**

Payable – minimum lease payments

- not later than 12 months	176,767	260,435
- between 12 months and 5 years	-	19,800
- greater than 5 years	-	-
<b>Minimum lease payments</b>	<b>176,767</b>	<b>280,235</b>

The leases relate 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. There is also a lease for the rental of two billboards located at Gordonvale and Red Hill.

**(b) Contingent liabilities and commitments**

Estimates of the potential financial effect of contingent liabilities that may become payable:

**Bank Guarantee**

The Union has a bank guarantee in favour of Abigroup Contractors Pty Ltd for \$300,000 (2013: \$300,000).

**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 2014**

	Note	2014 \$	2013 \$
<b>NOTE 13 – COMMITMENTS AND CONTINGENCIES (CONTINUED)</b>			
(c) Finance lease commitments – motor vehicles			
Payable – minimum lease payments			
- not later than 12 months		45,461	34,756
- between 12 months and 5 years		69,229	31,565
- greater than 5 years		12,750	-
Minimum lease payments		<u>127,440</u>	<u>66,321</u>
Less: future financing charges		(14,002)	(3,545)
Present value of minimum lease payments		<u>113,438</u>	<u>62,776</u>

Finance leases relate to two motor vehicles which commenced in 2011 and 2014 and will expire in 2015 and 2018 respectively. Interest is charged at 7.55%.

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

**NOTE 14 – 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	48,615	46,300
(b) other services		
(i) training services in relation to RO amendments	-	-
(ii) assistance with accounting services	-	-
(iii) taxation services	2,565	-
(iv) attendance at national conference	-	2,300
	<u>51,180</u>	<u>48,300</u>

**NOTE 15 – INTER-BRANCH TRANSACTIONS**

Transactions with other branches of Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia (CEPU) are on terms and conditions no more favourable than those available to other parties unless otherwise stated.

<b>(a) National Office</b>		
Reimbursement of travel costs	4,413	797
Reimbursement of various expenses	-	-
Reimbursement of labour costs	13,879	-
Office rental income	-	-
Sustentation fees paid to National Office	1,084,365	1,186,729
Conference and meeting expenses paid to National Office	-	2,980
Subscription expense paid to National Office	14,820	15,387
Legal expenses paid to National Office	-	1,059
National journal expense paid to National Office	120,829	27,608
National council funding paid to National Office	-	12,935
Contribution for WA Senate campaign	9,000	-
<b>(b) CEPU – Plumbing Division Queensland Divisional Branch</b>		
Sponsorship income received	-	300
Reimbursement of labor day expenses	-	-
Event expenses paid	-	-

**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 2014**

	Note	2014 \$	2013 \$
<b>NOTE 15 – INTER-BRANCH TRANSACTIONS (CONTINUED)</b>			
<i>(c) CEPU – Tasmania</i>			
Reimbursement for council expenses		-	1,160
Reimbursement for conference expenses		-	563
Reimbursement of labour costs		39,557	92,587
<i>(d) CEPU – Electrical Division New South Wales Divisional Branch</i>			
Refund of membership fees paid		-	260
Delegate expenses paid		-	3,129
<i>(e) CEPU – Electrical Division Western Australian Divisional Branch</i>			
Refund of membership fees paid		-	600
Donations		5,500	-

All amounts are inclusive of GST

**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 committee of management member, 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 during the year are:

- The Electrical Trade Union of Employees Queensland

From 5 February 2013 the union ceased having common key management personnel with the following parties:

- NTN Services Pty Ltd
- Electro Jobs Training Pty Ltd
- Future Skills Pty Ltd

Therefore, from this point they are no long related parties.

**(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 during the year, 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

**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 2014**

	2014 \$	2013 \$
<b>NOTE 16 – RELATED PARTY TRANSACTIONS (CONTINUED)</b>		
<b>Related Party Transactions and Balances</b>		
<i>(a) Electrical Trade Union of Employees Queensland</i>		
Transfer of levies to ETU-Q	2,023,521	1,839,066
Interest revenue	60,610	72,501
Loan receivable	2,296,848	2,236,238
Other receivable	1,073,489	591,521
Reimbursement for various expenses received	58,161	193,206
Reimbursement for campaign, organising & legal expenses received	321,800	434,972
Income in advance – Centenary Account	-	8,500
Administration fees received	60,000	52,000
Labour hire charges to ETU-Q	530,158	515,039
Repayment of loan balance	47,013	1,200,000
Reimbursement for branch conference expenses	67,848	196,233
Reimbursement of meeting expenses	13,059	20,551
Transfer of leave entitlements	250,000	-

The Union receives a campaign levy, QR Levy, Supply TND and Supply TNDLC Levy from members on behalf of ETU-Q and transfers such receipts upon receipt. In 2013 the same occurred for the following Coal Levy, Supply Levy, OH & S Levy, Contract Levy, Lift Levy, Apprentice Levy, and Support Levy.

*(a) Electrical Trade Union of Employees Queensland*

The loan of \$2,236,238 to ETU-Q is made up of three loans plus an interest charge. 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: \$ 275,541 began in July 2011; and

Loan 2: \$1,960,697 began in October 2011.

*(b) Distress, Mortality and Building Fund*

Transfer of DMB levy to the Trust Fund

Loan receivable

Other receivable

Other payable

Reimbursement of various expenses received

Reimbursement of training received

Administration fees received

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.

**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 2014**

	2014 \$	2013 \$
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**NOTE 16 – RELATED PARTY TRANSACTIONS (CONTINUED)**

**Related Party Transactions and Balances (Continued)**

*(a) Electrical Trade Union of Employees Queensland*

The loan of \$2,236,238 to ETU-Q is made up of three loans plus an interest charge. 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: \$ 275,541 began in July 2011; and

Loan 2: \$1,960,697 began in October 2011.

*(b) Distress, Mortality and Building Fund*

Transfer of DMB levy to the Trust Fund	684,143	447,261
Loan receivable	588,712	588,712
Other receivable	2,219	10,664
Other payable	17,282	-
Reimbursement of various expenses received	160,108	30,106
Reimbursement of training received	63,279	44,735
Administration fees received	47,778	27,756

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.

*(d) Electro Jobs Training Pty Ltd*

Reimbursement of expense paid to Electro Jobs Training	-	-
Reimbursement of wages and superannuation received	-	-

*(e) Future Skills Pty Ltd*

Reimbursement of various expenses received	-	-
Various expenses paid to Future Skills	-	-
Employee entitlements paid to Future Skills	-	-
Union delegate training expenses paid to Future Skills	-	250

**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 employee benefits	584,515	274,330
Post-employment benefits	110,405	64,686
Other long-term benefits	18,625	24,386
	<u>713,545</u>	<u>363,402</u>

No payments have been made to key management personnel or close family members other than the remuneration paid as being employees of the Union.



**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 2014**

**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

	<b>Note</b>	<b>2014 \$</b>	<b>2013 \$</b>
<b>Financial Assets</b>			
Cash and cash equivalents	4	3,189,658	4,083,020
Receivables	5	1,220,490	740,149
Financial assets (loans to related entities)	7	2,885,561	2,824,950
<b>Total financial assets</b>		<u>7,295,709</u>	<u>7,648,119</u>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost			
- Trade and other payables	9	721,102	741,000
- Financial liabilities	10	113,438	62,776
<b>Total financial liabilities</b>		<u>834,540</u>	<u>803,776</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.

**(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.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**NOTE 19 – FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(a) Credit Risk (Continued)**

*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.

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 2014

NOTE 19: FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial Liability and Financial Asset Maturity Analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial liabilities due for payment</b>								
Trade and other payables	721,102	741,000	-	-	-	-	721,102	741,000
Financial liabilities	38,893	32,379	74,545	30,397	-	-	113,438	62,776
<b>Total Financial Liabilities</b>	<b>759,995</b>	<b>773,379</b>	<b>74,545</b>	<b>30,397</b>	<b>-</b>	<b>-</b>	<b>834,540</b>	<b>803,776</b>
<b>Financial assets - cash flow realisable</b>								
Cash and cash equivalents	3,189,658	4,083,020	-	-	-	-	3,189,658	4,083,020
Trade and other receivables	1,220,490	740,149	-	-	-	-	1,220,490	740,149
Financial Assets	-	-	-	-	2,885,561	2,824,950	2,885,561	2,824,950
<b>Total anticipated inflows</b>	<b>4,410,148</b>	<b>4,823,169</b>	<b>-</b>	<b>-</b>	<b>2,885,561</b>	<b>2,824,950</b>	<b>7,295,709</b>	<b>7,648,119</b>
<b>Net inflow of financial instruments</b>	<b>3,650,153</b>	<b>4,049,790</b>	<b>(74,545)</b>	<b>(30,397)</b>	<b>2,885,561</b>	<b>2,824,950</b>	<b>6,461,169</b>	<b>6,844,343</b>

**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 2014**

**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		2014	2013
		2014	2013	\$	\$
		%	%		
<b>Floating rate instruments</b>					
Cash and cash equivalents		2.60	3.24	3,189,658	4,083,020
Financial assets (loans to related entities)		2.13	2.13	2,885,561	2,824,950
Borrowings		7.55	7.74	113,438	62,776

*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.

*Interest rate sensitivity analysis*

	2014	2013
	\$	\$
Change in profit		
- Increase in interest rate by 1%	55,927	69,707
- Decrease in interest rate by 1%	53,166	61,444
Change in equity		
- Increase in interest rate by 1%	55,927	69,707
- Decrease in interest rate by 1%	53,166	61,444

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

**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 2014**

**NOTE 19 – FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(f) Fair Values**

*Fair value estimation*

The fair values of financial assets and liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties at an arm's length transaction.

Fair value may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair values is extracted from the market, with more reliable information available from markets that are actively traded.

In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Union. Most of these instruments, which are carried at amortised cost (i.e. accounts receivable), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the Union.

**Fair Value Hierarchy**

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of the three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

**Level 1**

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2**

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The following provides an analysis of financial and non-financial assets and liabilities that are measured at fair value, by fair value hierarchy.

*Fair value hierarchy – 31 December 2014*

The Union does not have assets or liabilities that are recorded using a fair value technique.

*Fair value hierarchy – 31 December 2013*

The Union does not have assets or liabilities that are recorded using a fair value technique.

**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 2014**

**NOTE 20 – 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 21 - 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, Supply TNDC Levy, Coal Levy, Supply Levy, OH & S Levy, Contract Levy, Lift Levy, Apprentice Levy, and Support Levy were 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:

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
DMB levy received	684,143	447,261
DMB levy transferred to the Trust Fund	<b>684,143</b>	<b>447,261</b>
Campaign levy received	811,897	702,843
Campaign levy transferred to the ETU-Q	811,897	702,843
QR Levy received	28,200	35,159
QR Levy transferred to the ETU-Q	28,200	35,159
Supply TND & TNDC Levy received	1,387	12,877
Supply TND & TNDC Levy transferred to the ETU-Q	1,387	12,877
Coal Levy received	38,344	39,299
Coal Levy transferred to the ETU-Q	38,344	39,299
Supply Levy received	118,664	173,293
Supply Levy transferred to the ETU-Q	118,664	173,293
OH & S Levy received	32,751	40,197
OH & S Levy transferred to the ETU-Q	32,751	40,197
Contract Levy received	178,055	130,392
Contract Levy transferred to the ETU-Q	178,055	130,392
Lift Levy received	15,056	51,673
Lift Levy transferred to the ETU-Q	15,056	51,673
Apprentice Levy received	19,641	19,174
Apprentice Levy transferred to the ETU-Q	19,641	19,174
Support Levy received	772,574	634,231
Support Levy transferred to the ETU-Q	772,574	634,231

**NOTE 22 – UNION DETAILS**

The principal place of business is:

41 Peel Street  
SOUTH BRISBANE QLD 4101

**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 2014**

**NOTE 23 - INFORMATION TO BE PROVIDED TO MEMBERS OR GENERAL MANAGER**

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

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

- (1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) The reporting unit must comply with an application made under subsection (1).

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.

**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 2014**

**NOTE 23 - INFORMATION TO BE PROVIDED TO MEMBERS OR GENERAL MANAGER (CONTINUED)**

- (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.

**NOTE 24 – INFORMATION REGARDING THE STATEMENT OF CHANGES IN EQUITY**

The Union does not operate any other accounts besides the general fund.

No monies from the general fund (retained earnings) have been invested in any assets other than those fixed assets purchased during the year (refer note 8)

No monies have been transferred or withdrawn from the general fund to a fund, account or controlled entity for a specific purpose.

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Balance of the general fund	6,107,539	5,855,908



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[www.mgisq.com.au](http://www.mgisq.com.au)

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

**MEMBERSHIP - CERTIFICATE BY AUDITOR**

**FOR THE YEAR ENDED 31 DECEMBER 2014**

We advise that we have audited the financial statements of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing, and Allied Services Union of Australia, Electrical Division, Queensland and Northern Territory Divisional Branch ("Union") for the year ended 31 December 2014.

The financial statements disclose total membership of: 13,993 financial members, 1,333 honorary and life members and 1,424 unfinancial members as at 31 December 2014 which is consistent with the membership records maintained by the Union and audited by us.

*M.G.F*

**MGI Audit (Q) Pty Ltd**



**G I Kent**  
Director

23 March 2015

South Brisbane

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**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 STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2014**

The additional financial information presented on pages 47 and 48 is consistent with the financial statements of the Union for the year ended 31 December 2014. 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 47 and 48 presents fairly in all material respects the revenues and expenses of the Union for the year ended 31 December 2014.

*M.G.I*

**MGI Audit (Q) Pty Ltd**



**G I Kent**  
Director

South Brisbane

23 March 2015

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

**ADDITIONAL INFORMATION IN EXPLAINING THE FINANCIAL RESULTS OF THE UNION**

	2014 \$	2013 \$
<b>REVENUE</b>		
<b>General Fund</b>		
Administration Fees	43,435	43,395
Contributions Received (Net)	7,546,167	6,664,303
Contribution Wallets	2,275	1,965
Entrance Fees	15,338	13,367
Fines	32,057	52,513
Interest Received	159,936	222,693
Gain on Sale of Assets	3,826	1,828
Journey Cover	6,986	125,756
Merchandise Sold	21,217	27,980
Other Refunds	31,942	-
Sponsorship Income	1,099,544	653,283
Sundry Income	201,468	181,780
	<b><u>9,164,191</u></b>	<b><u>7,988,863</u></b>
<b>EXPENDITURE</b>		
<b>General Fund</b>		
Advertising	51,294	270,697
Accounting	-	1,930
Affiliation Fees	191,672	213,222
Audit Fees	55,412	48,340
Bank Charges	87,111	72,858
Conference Expenses	87,166	87,589
Debt Collection Fees	25,664	28,880
Delegate Expenses	76,815	52,647
Depreciation	193,436	147,265
Donations	46,849	35,401
Electrical Trades Journal and Rule Books	160,267	98,285
Electricity	668	642
Employee Leave Entitlements	(211,706)	359,163
Fringe Benefits Tax	26,890	26,209
Insurance	29,934	34,856
Internet Expenses	66,057	40,215
Interest on MV Loan	7,568	4,937
Interest - ATO	-	5,624
Legal Costs:		
Professional Fees	487,113	617,496
Lodgement Fees	583	19,300
Maintenance – 41 Peel Street	55,443	72,190
Meeting Expenses	1,805	1,190
Merchandise Purchases	77,376	89,397
Motor Vehicle Expenses	170,134	158,338
National Council Fees	985,786	948,612
National Council Fund Payments	6,655	11,759
National Office Expenses	9,598	20,700
<i>Sub-total</i>	2,689,570	3,467,742

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

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

	2014 \$	2013 \$
<b>EXPENDITURE (CONTINUED)</b>		
<i>Balance carried forward</i>	2,689,570	3,467,742
Office Equipment, Supplies and Maintenance Expenses	57,902	46,348
Organising Expenses	493,150	218,768
Payroll Tax	222,605	211,578
Community Campaign	647,045	-
Postage	104,595	91,149
Printing & Stationery	219,112	227,633
Refund of Contributions	2,399	16,379
Rent	36,642	49,776
Research	39,650	19,167
Salaries – Officers	2,514,838	2,033,092
Salaries – Staff	546,213	787,586
Salaries – Income Protection 1 2%	41,636	36,215
Shop Stewards Reimbursements	2,538	6,746
Staff Amenities	23,088	16,779
Staff Allowances	380,941	380,474
Storage	17,432	14,001
Subscriptions	32,840	42,682
Superannuation	627,627	751,395
Sundry Expenses	100,335	38,167
Telephone	106,253	133,499
Training	6,149	1,787
	<b>8,912,560</b>	<b>8,590,963</b>
<b>Surplus/ (Deficit) before income tax</b>	<b>251,631</b>	<b>(602,100)</b>



12 January 2015

Mr Peter Simpson

Branch Secretary

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

Sent via email: [simmo@etu.org.au](mailto:simmo@etu.org.au)

Dear Mr Simpson,

**Re: Lodgement of Financial Report - [FR2014/389]  
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Electrical, Energy and Services Division - Queensland Divisional Branch of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia (the reporting unit) ended on 31 December 2014.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date, namely 15 July 2015 (being the expiry date of 6 months and 14 days from the end of the financial year), under s.268 of the RO Act.

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. Further, the General Manager's updated Reporting Guidelines that apply to all financial reports prepared on or after 30 June 2014 are also available on the website which includes a webinar presentation on the Reporting Guidelines.

The Fair Work Commission has also developed a model set of financial statements. There is no requirement to use this model but it may be a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. All of the above information can be accessed through our website under [Financial Reporting](#).

I request that the financial report and any statement of loans, grants or donations made during the financial year (statement must be lodged within 90 days of end of financial year) be emailed, rather than posted, to [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au). A sample statement of loans, grants or donations is available at [sample documents](#).

**It should be noted that s.268 is a civil penalty provision.** Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$51,000 for a body corporate and \$10,200 for an individual per contravention) being imposed upon an officer whose conduct led to the contravention and/or your organisation.

Should you seek any clarification in relation to the above, please contact me on (03) 8661 7936 or via email at [robert.pfeiffer@fwc.gov.au](mailto:robert.pfeiffer@fwc.gov.au).

Yours sincerely,

Robert Pfeiffer

Senior Adviser

Regulatory Compliance Branch

## TIMELINE/ PLANNER

Financial reporting period ending:	/ /	
Prepare financial statements and Operating Report.		
<p>(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.</p> <p>(b) A #designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).</p>	/ /	As soon as practicable after end of financial year
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	<p>Within a reasonable time of having received the GPFR</p> <p>(NB: Auditor's report must be dated on or after date of Committee of Management Statement</p>
<p>Provide full report free of charge to members – s265</p> <p>The full report includes:</p> <ul style="list-style-type: none"> <li>the General Purpose Financial Report (which includes the Committee of Management Statement);</li> <li>the Auditor's Report; and</li> <li>the Operating Report.</li> </ul>	/ /	<p>(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting,</p> <p>or</p> <p>(b) in any other case including where the report is presented to a Committee of Management meeting*, the report must be provided to members within 5 months of end of financial year.</p>
Present full report to:		
(a) General Meeting of Members - s266 (1),(2); OR	/ /	Within 6 months of end of financial year
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /	Within 6 months of end of financial year
Lodge full report with the Fair Work Commission, together with the #Designated Officer's certificate++ – s268	/ /	Within 14 days of meeting

\* the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

# The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.

++ The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.