



16 June 2016

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

via email: 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 2015 - [FR2015/367]**

I acknowledge receipt of the financial report for the year ended 31 December 2015 for the
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied
Services Union of Australia – Electrical, Energy and Services Division – Queensland Divisional
Branch (the reporting unit). The financial report was lodged with the Fair Work Commission
(FWC) on 2 June 2016.

The financial report has now been filed.

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 2016 may be subject to an
advanced compliance review.

I make the following comments to assist you when you next prepare a financial report. You are
not required to take any further action in respect of the report lodged, except for the requirement
under the sub-heading Statement of Loans, Grants and Donations. The FWC will confirm these
concerns have been addressed prior to filing next year's report.

Statement of comprehensive income and statement of financial position

Statement of Loans, Grants and Donations

Under subsection 237(1) of the RO Act, if an individual loan, grant or donation made by a branch
exceeds \$1,000 a statement showing the relevant particulars of each must be lodged with the
FWC within 90 days of the end of the financial year.

The financial statements disclose donations of \$3,000 that exceeded \$1,000 during the financial
year. A statement is therefore required to be lodged which complies with section 237. The
statement should include a request for an extension of the 90 day deadline, signed and dated by
the relevant officer, outlining the reason for the delay in lodgement.

A template Loans, Grants and Donations form is available on the FWC website

Disclosure of payables in respect of legal costs

Reporting Guideline 20(b) requires a payable in relation to legal costs to be disclosed by litigation and by other legal matters. Note 9 *Trade and other payables* discloses this liability but does not distinguish based on the categories indicated above.

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) 8656 4681 or by email at joanne.fenwick@fwc.gov.au.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Joanne Fenwick', with a long horizontal flourish extending to the right.

Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch



O. 41 Peel Street South Brisbane Q 4101

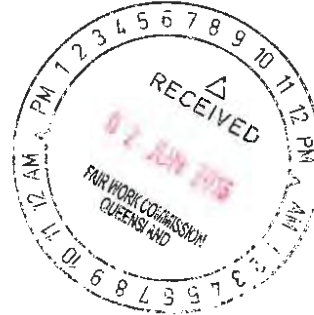
P. PO Box 3520 South Brisbane Q 4101

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

E. info@etu.org.au | **W.** www.etu.org.au | www.etuyes.com

Please address all correspondence to the Secretary: P. J. SIMPSON
ABN: 80 450 640 455

FAIR WORK AUSTRALIA
GPO Box 373
BRISBANE QLD 4001



30th May 2016

Dear Sir/Madam

RE: 2015 FINANCIAL RETURNS

The documents lodged herewith are an original copy of this organisations audited Financial Statements for the year ending 31st December 2015. These were tabled at our Annual General Meeting on 30th 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 21st 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.

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

**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 2015** lodged with **Fair Work Australia** on 30 May 2016 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 21/03/2016 and
- subsequently presented to a second meeting, in accordance with section 266, held on 30/05/2016

(Signature) _____


Peter Simpson

(Position) State Secretary

Date 30/05/2016

**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 2015

**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 2015**

CONTENTS

	Page No
General Fund	
Independent Auditor's Report.....	1
Committee of Management's Operating Report.....	3
Committee of Management Statement.....	6
Auditor's Independence Declaration.....	7
Statement of Comprehensive Income.....	8
Statement of Financial Position.....	9
Statement of Changes in Equity.....	10
Statement of Cash Flows.....	11
Statement of Receipts and Payments for Recovery of Wages.....	12
Notes to the Financial Statements.....	13
Objects of the Union.....	44
Membership - Certificate by Auditor.....	46
Audit Report - Additional Information.....	47
Additional Information.....	48

**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 2015, statement of comprehensive income 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. In Note 1, the Committee of Management also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 2015 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 2015 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.
- (7) The Union did not undertake wages recovery during the year.

M.G.F

MGI Audit (Q) Pty Ltd



G I Kent
Director

South Brisbane

21 March 2016

**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 2015**

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 2015.

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 44 of the financial report).

Operating Results

The deficit for the financial year amounted to \$63,076 (2014 surplus: \$251,631).

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.

Officers or Members who are Superannuation Fund Trustees/ Director of a Company that is a Superannuation Fund Trustee

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 | - Member and Branch Secretary of the Union
- Director of Energy Super |
| Neisha Trail | - Member and employee of the Union
- Queensland advisory board member of Australian 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 2015**

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 30.0 (2014: 28.0).

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:

	2015	2014
Total	16,904	16,750
Financial	13,061	13,993
Honorary and Life members	1,397	1,333
Unfinancial	1,394	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:

Name	Period of appointment
*Abbott, Lloyd	Whole Period
Baker, Gary	Whole Period
Blackmore, Ivan	Resigned 24 th August 2015
Bloom, Gregory	Whole Period
*Bloxsom, Gary	Whole Period
Bravo, Stephen	Appointed 24 th August 2015
*Burgess, Mark	Resigned 19 th January 2015
Burns, Daniel	Whole Period
Cawley, Peter	Resigned 24 th August 2015
*Christoffel, Jeffrey	Whole Period
Clarke, Ken	Resigned 24 th August 2015
Coxon, Michael	Whole Period
*Ferguson, Kevin	Whole Period
Forrest, Alan	Whole Period
*Fiteni, Joseph	Whole Period
Gambley, Paul	Appointed 24 th August 2015
Gardiner, Ben	Resigned 24 th August 2015
Hayes, David	Whole Period
Hill, Robert	Whole Period
Humphries, Cameron	Appointed 24 th August 2015
Holdsworth, Jamie	Whole Period
Keding, Daryl	Whole Period
King, Ben	Appointed 24 th August 2015
*King, Shane	Resigned 16 th February 2015
McCann, Domenic	Appointed 24 th August 2015
*McGaw, Christopher	Whole Period
McPherson, Lindsay	Whole Period
Maniaty, Michael	Appointed 24 th August 2015
Mills, Shane	Appointed 23 rd March 2015
Moloney, Dane	Resigned 24 th August 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 (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015**

Members of the Committee of Management (Continued)

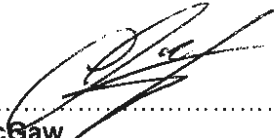
Name	Period of appointment
Muir, Brayden	Appointed 24 th August 2015
Nugent, Luke	Resigned 24 th August 2015
Peroni, Gerard	Appointed 24 th August 2015
Rogers, Timothy	Appointed 24 th August 2015
Senior, Craig	Whole Period
*Simpson, Peter	Whole Period
Sologinkin, Scott	Whole Period
Sladden, Jason	Whole Period
Smith, Gregory	Resigned 16 th February 2015
Stein, Clark	Whole Period
*Taylor, John	Whole Period
Thomas, Craig	Whole Period
Towler, Ben	Resigned 23 rd March 2015
Visini, Owen	Whole Period
*Walmsley, James	Whole Period
Williams, Wayne	Whole Period

* *Member of the Divisional Branch Executive*

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

21 March 2016

South Brisbane


.....
P Simpson
Branch Secretary

21 March 2016

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 2015**

On 21 March 2016, 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 2015:

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.

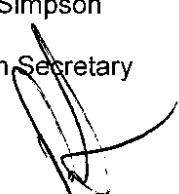
For the Committee of Management:

Peter Simpson

Title of Office held:

Branch Secretary

Signature:

.....


Date:

21 March 2016

**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 2015, 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.G.I

MGI Audit (Q) Pty Ltd



G I Kent
Director

South Brisbane

21 March 2016

**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 2015**

	Note	2015 \$	2014 \$
Revenue	2	9,002,184	9,164,191
Employee benefits expense	3(l)	(4,519,240)	(4,122,155)
Bank charges		(86,701)	(87,111)
Depreciation and amortisation expenses	3(b)	(207,113)	(193,436)
Finance costs	3(a)	(8,087)	(7,568)
Advertising expenses		(137,285)	(51,294)
Affiliation fees	3(k)	(230,200)	(191,672)
Campaign expenses	3(c)	(566,738)	(647,045)
Capitation Fees	3(g)	(1,039,345)	(985,786)
Conference and meeting expenses	3(d)	(120,935)	(87,166)
Debt collection expenses		(28,015)	(25,664)
Grants & Donations	3(f)	(6,618)	(46,849)
Insurance expenses		(43,890)	(29,934)
Journal publication expenses		(119,625)	(160,267)
Maintenance expenses		(84,671)	(91,363)
Motor vehicle expenses		(161,485)	(170,134)
Legal expenses	3(h)	(205,238)	(487,676)
National office expenses		(30,913)	(15,929)
Printing, postage and merchandise		(287,576)	(401,083)
Organising expenses		(650,549)	(493,150)
Rent expenses		(50,802)	(31,014)
Telephone expenses		(93,425)	(106,253)
Other expenses		(386,809)	(480,011)
(Deficit)/surplus before income tax		(63,076)	251,631
Income tax expense	1(a)	-	-
(Deficit)/surplus for the year		<u>(63,076)</u>	<u>251,631</u>
Other Comprehensive Income			
Other comprehensive income (net of income tax)		-	-
Total comprehensive income for the year		<u>(63,076)</u>	<u>251,631</u>
(Deficit)/surplus attributable to:			
Members of the union		<u>(63,076)</u>	<u>251,631</u>
Total comprehensive income attributable to:			
Members of the union		<u>(63,076)</u>	<u>251,631</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 FINANCIAL POSITION
AS AT 31 DECEMBER 2015**

	Note	2015 \$	2014 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	3,701,702	3,189,658
Trade and other receivables	5	637,176	1,220,490
Other current assets	6	63,236	71,573
Financial assets	7	-	-
TOTAL CURRENT ASSETS		<u>4,402,114</u>	<u>4,481,721</u>
NON-CURRENT ASSETS			
Financial assets	7	2,937,903	2,885,561
Property, plant and equipment	8	537,649	496,654
TOTAL NON-CURRENT ASSETS		<u>3,475,552</u>	<u>3,382,215</u>
TOTAL ASSETS		<u>7,877,666</u>	<u>7,863,936</u>
CURRENT LIABILITIES			
Trade and other payables	9	513,015	721,102
Financial liabilities	10	35,535	38,893
Provisions	11	1,182,227	878,688
TOTAL CURRENT LIABILITIES		<u>1,730,777</u>	<u>1,638,683</u>
NON-CURRENT LIABILITIES			
Financial liabilities	10	90,545	74,545
Provisions	11	11,881	43,169
TOTAL NON-CURRENT LIABILITIES		<u>102,426</u>	<u>117,714</u>
TOTAL LIABILITIES		<u>1,833,203</u>	<u>1,756,397</u>
NET ASSETS		<u>6,044,463</u>	<u>6,107,539</u>
MEMBERS EQUITY			
Retained Earnings		<u>6,044,463</u>	<u>6,107,539</u>

The accompanying notes form part of these financial statements

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Retained Earnings	Total
	\$	\$
Balance at 1 January 2014	5,855,908	5,855,908
Surplus attributable to members of the Union	251,631	251,631
Other comprehensive income	-	-
Balance at 31 December 2014	<u>6,107,539</u>	<u>6,107,539</u>
Balance at 1 January 2015	6,107,539	6,107,539
Deficit attributable to members of the Union	63,076	63,076
Other comprehensive income	-	-
Balance at 31 December 2015	<u>6,044,463</u>	<u>6,044,463</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 2015**

	Note	2015 \$	2014 \$
Cash Flows from Operating Activities			
Membership contributions		8,558,162	8,512,535
Interest received		68,002	99,325
Fines and levies		52,984	32,057
Refunds received		26,576	31,942
Receipts from other customers		1,269,814	1,390,263
Payments to employees and suppliers		(9,219,941)	(10,678,674)
Finance costs		(8,087)	(16,211)
Net cash provided by/(used in) operating activities	12(b)	<u>747,510</u>	<u>(628,763)</u>
Cash Flows from Investing Activities			
Payment for property, plant & equipment		(219,154)	(251,019)
Proceeds from sale of property, plant & equipment		22,727	18,181
Net cash used in investing activities		<u>(196,427)</u>	<u>(232,838)</u>
Cash Flows from Financing Activities			
Motor vehicle finance lease repayments (principal)		(39,039)	(31,761)
Net cash provided by/(used in) financing activities		<u>(39,039)</u>	<u>(31,761)</u>
Net increase/(decrease) in cash held		512,044	(893,362)
Cash at beginning of financial year		<u>3,189,658</u>	<u>4,083,020</u>
Cash at end of financial year	12(a)	<u>3,701,702</u>	<u>3,189,658</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 2015**

	Note	2015 \$	2014 \$
Cash assets in respect of recovery money at Beginning of year			
Receipts			
Amount recovered from employees in respect of wages Etc.		-	-
Interest received on recovered money			-
Total Receipts		<u>-</u>	<u>-</u>
Payments			
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		-	-
Total Payments		<u>-</u>	<u>-</u>
Cash assets in respect of recovery money at end of year		<u>-</u>	<u>-</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
FOR THE YEAR ENDED 31 DECEMBER 2015**

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 21 March 2016 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 2015**

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 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 2015**

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 2015**

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.

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 2015**

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.

Sponsorship income 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 2015**

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.

(i) 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.

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 2015**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Critical accounting estimates and judgement (Continued)

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 Union. The Committee of Management have decided not to early adopt any of the new and amended pronouncements. The Committee of Management's assessment of the new and amended pronouncements that are relevant to the union 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 2014-9) issued in December 2014 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.

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 2015**

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 2015-1 – Part E (applicable for annual reporting periods commencing on or after 1 January 2018).

- AASB 2015-4: Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138): AASB116 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.

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).

- 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:

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 2015**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

- 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).
- AASB 2015-1 – Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle. The Subjects of the principal amendments to the Standards are set out below:
 - AASB 119 Employee Benefits – Discount rate: regional market issue – clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability. Further it clarifies that the depth of the market for high quality corporate bonds should be assessed at the currency level.
- AASB 2015-2 – Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101.
 - The Standard makes amendment to AASB 101 Presentation of Financial Statements arising from the IASB's Disclosure Initiative project. The amendments are designed to further encourage companies to apply professional judgement in determining what information to disclose in the financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments also clarify that companies should use professional judgement in determining where and in what order information is presented in the financial disclosures.
- AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 January 2017).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

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 2015**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

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.

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.

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 2015**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

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 2015**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) Fair Value Measurement (continued)

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:

- 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

	2015	2014
	\$	\$
Membership income	7,532,466	7,546,167
Fines	52,984	32,057
Campaign income	261,714	211,578
Capitation fees	-	-
Levies	-	-
Other membership income	15,759	24,622
Grants and Donations	-	-
Sponsorship Income	667,023	952,579
Interest income	120,344	159,936
Refunds received	26,576	31,942
Administration fees	80,874	43,435
Merchandise income	38,353	21,217
Gain on sale of property, plant and equipment	-	3,826
Sundry income	206,091	136,832
	<u>9,002,184</u>	<u>9,164,191</u>

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

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 2015**

NOTE 3 – EXPENSES

	2015	2014
	\$	\$
(a) Finance Costs – External	8,087	7,568
(b) Depreciation and amortisation		
- Motor vehicles	142,030	129,048
- Plant and equipment	65,083	64,388
	<u>207,113</u>	<u>193,436</u>
(c) Campaign expenses	566,738	647,045
(d) Conference and meeting expenses	120,935	87,166
(e) Compulsory Levies	-	-
(f) Grants and Donations		
- Grants	-	-
- Donations	6,618	46,849
	<u>6,618</u>	<u>46,849</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	3,618	6,747
- Total paid that exceeded \$1,000	3,000	40,375
	<u>6,618</u>	<u>46,849</u>
(g) Capitation fees		
- Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union (CEPU – Electrical Division)	1,039,345	985,786
(h) Legal Costs		
- Litigation	200,492	487,113
- Other Matters	4,746	563
	<u>205,238</u>	<u>487,676</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 2015**

	2015	2014
	\$	\$
NOTE 3 – EXPENSES (CONTINUED)		
(i) Fees/allowances – meetings and conferences	.	-
(j) Penalties – via RO Act or RO Regulations		-
(k) Affiliation fees		
- Australian Labor Party Queensland Branch	102,308	77,248
- Australian Labor Party Northern Territory Branch	5,959	2,571
- Queensland Council of Unions Brisbane Branch	78,489	76,974
- Queensland Council of Unions Cairns Branch	636	227
- Queensland Council of Unions Sunshine Coast Branch	110	45
- Queensland Council of Unions Rockhampton Branch	100	50
- Queensland Council of Unions Bundaberg Branch	50	50
- Queensland Council of Unions Townsville Branch	100	100
- Queensland Council of Unions Mackay Branch	-	50
- Northern Territory Trades & Labor Council	4,620	4,040
- Union Shopper	37,778	30,267
- Brisbane Labour History Association	50	50
	<u>230,200</u>	<u>191,672</u>
(l) Employee benefits expense		
Holders of Office:		
- Salaries and wages	343,713	412,121
- Annual leave	24,364	(62,981)
- Long service leave	-	(4,199)
- Superannuation	82,384	83,736
- Separation and redundancies	-	-
- Payroll tax	20,240	23,553
	<u>470,701</u>	<u>452,229</u>
On 7 August 2015, Assistant Secretaries, Mr Peter Ong and Mr Keith McKenzie became office holders of the union. As their appointments only occurred in the 2015 year, their salary costs are not reflected in the comparative balance.		
Employees other than office holders:		
- Salaries and wages	3,096,553	3,185,662
- Annual leave	195,476	(165,309)
- Long service leave	2,296	(92,778)
- Superannuation	576,419	543,298
- Separation and redundancies	-	-
- Payroll tax	177,795	199,053
	<u>4,048,539</u>	<u>3,669,926</u>
Total Employee benefits expense	<u>4,519,240</u>	<u>4,122,155</u>
(m) Consideration to employers for payroll deductions	.	-

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 2015**

	2015	2014
	\$	\$
NOTE 4 – CASH AND CASH EQUIVALENTS		
Cash on hand	15,491	7,186
Cash at bank	1,702,059	552,223
Term Deposits	1,984,152	2,630,249
	<u>3,701,702</u>	<u>3,189,658</u>
NOTE 5 – TRADE AND OTHER RECEIVABLES		
Receivables from other reporting units		
- Construction, Forestry, Mining and Energy Industrial Union of Employees, Queensland Branch	7,521	4,063
- Australian Federated Union of Locomotive Employees	-	1,332
- Australian Manufacturing Workers Union	-	33,097
- Rail, Tram and Bus Union Queensland Branch	12,953	14,675
- Together Queensland	-	1,085
- Queensland Nurses Union	-	50
- Queensland Teachers Union	-	50
	<u>20,474</u>	<u>54,352</u>
Less provision for doubtful debts	-	-
Total Receivable from other reporting units	<u>20,474</u>	<u>54,352</u>
Other receivables		
- Other Trade receivables	92,403	64,501
- Accrued income	14,889	25,929
- GST receivable	33,428	
- Related party receivable – Distress, Mortality & Building Fund	-	2,219
- Related party receivable – ETU-Q	475,982	1,073,489
Total other receivables	<u>616,702</u>	<u>1,166,138</u>
Total trade and other receivables	<u>637,176</u>	<u>1,220,490</u>

Credit Risk – Trade and Other Receivables

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

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

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

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

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 2015

NOTE 5 – TRADE AND OTHER RECEIVABLES (CONTINUED)

	Gross Amount	Past due and impaired	Past due but not impaired (days overdue)			Within initial trade terms
	\$	\$	< 30	31-60	60+	\$
2015						
Receivables from other reporting units	20,474	-	-	-	20,474	-
Other trade receivables	616,702	-	-	-	470,535	146,167
Total	637,176	-	-	-	491,009	146,167
2014						
Receivables from other reporting units	54,352	-	-	300	-	54,052
Other trade receivables	1,166,138	-	-	-	780,335	385,803
Total	1,220,490	-	-	300	780,335	439,855

Collateral held as security

The Union does not hold collateral with respect to its receivables at 31 December 2015 (2014: Nil)

	2015 \$	2014 \$
NOTE 6 – OTHER CURRENT ASSETS		
Prepayments	<u>63,236</u>	<u>71,574</u>

NOTE 7 – FINANCIAL ASSETS

Current		
Related Party Loan Receivable - ETU-Q	-	-
Non-current		
Related Party Loan Receivable - ETU-Q	2,349,191	2,296,849
Related Party Loan Receivable - Distress, Mortality & Building Fund	588,712	588,712
	<u>2,937,903</u>	<u>2,885,557</u>
Total Financial assets	<u>2,937,903</u>	<u>2,885,561</u>

NOTE 8 – PROPERTY, PLANT AND EQUIPMENT

Furniture, fittings and office equipment:		
At cost	624,292	568,625
Accumulated depreciation	(462,876)	(397,793)
Total furniture, fittings and office equipment	<u>161,416</u>	<u>170,832</u>
Motor vehicles:		
At cost	764,421	571,980
Accumulated depreciation	(388,188)	(246,158)
Total motor vehicles	<u>376,233</u>	<u>325,822</u>
Total property, plant & equipment	<u>537,649</u>	<u>496,654</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 2015**

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

	Motor Vehicles	Furniture, Fittings and Office Equipment	Total
Balance at 1 January 2014	204,200	158,160	362,360
Additions	299,983	75,796	375,779
Disposals	(48,049)	-	(48,049)
Depreciation expense	(130,312)	(63,124)	(193,436)
Carrying amount at 31 December 2014	325,822	170,832	496,654
Additions	214,255	55,667	269,922
Disposals	(21,814)	-	(21,814)
Depreciation expense	(142,030)	(65,083)	(207,113)
Carrying amount at 31 December 2015	376,233	161,416	537,649

	Note	2015 \$	2014 \$
NOTE 9 – TRADE AND OTHER PAYABLES			
Trade payables to other reporting units		-	-
Other payables			
- Other trade payables		5,536	87,451
- GST payable		-	71,179
- Legal costs payable		31,754	36,679
- PAYG payable		187,231	101,704
- Consideration to employees for payroll deductions		-	-
- Superannuation payable		87,144	155,173
- Income received in advance		-	93,500
- Credit card liability		40,942	65,954
- Related party payable - Distress, Mortality and Building Fund		17,372	-
- Sundry creditors		143,036	109,444
		<u>513,015</u>	<u>721,102</u>
Total Trade and other Payables		<u>513,015</u>	<u>721,102</u>

NOTE 10 – FINANCIAL LIABILITIES

Current lease liability		35,535	38,893
Non-current lease liability		90,545	74,545
	13(c)	<u>126,080</u>	<u>113,438</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 2015**

NOTE 11 – PROVISIONS

	Annual Leave	Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 January 2015	381,938	539,918	921,856
Additional provisions raised during the year	362,097	132,291	494,388
Amounts used	(219,840)	(2,296)	(222,136)
Balance at 31 December 2015	<u>524,195</u>	<u>669,913</u>	<u>1,194,108</u>
	Note	2015	2014
		\$	\$
Analysis of total provisions			
Current			
Provision for annual leave		524,195	381,939
Provision for long service leave		658,032	496,749
		<u>1,182,227</u>	<u>878,688</u>
Non-current			
Provision for long service leave		11,881	43,169
		<u>11,881</u>	<u>43,169</u>
Non-current provisions represent long service leave entitlements owing to employees who have not completed 3 continuous years of service with the Union.			
Holders of Office			
- Annual leave		53,025	124,698
- Long service leave		127,893	189,556
- Separations and redundancies		-	-
- Other		-	-
		<u>180,918</u>	<u>314,254</u>
Employees other than office holders			
- Annual leave		471,170	257,239
- Long service leave		542,020	350,362
- Separations and redundancies		-	-
- Other		-	-
		<u>1,013,190</u>	<u>607,601</u>
Total Provisions		<u>1,194,108</u>	<u>921,855</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 2015**

	Note	2015 \$	2014 \$
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		15,491	7,186
Cash at bank		1,702,059	552,223
Term deposits		1,984,152	2,630,249
		<u>3,701,702</u>	<u>3,189,655</u>
(b) Reconciliation of Net Cash Provided by Operating Activities to Surplus after Income Tax			
(Deficit)/Surplus after income tax		(63,076)	242,541
Non cash flows in surplus after income tax			
- Depreciation & amortisation		207,113	193,436
- Net interest (income) / expense		(52,342)	(60,611)
- Gain on disposal of property, plant and equipment		-	(3,826)
Changes in assets and liabilities			
(Increase)/ decrease in trade receivables		583,314	(467,734)
(Increase)/ decrease in prepayments		8,337	4,264
Increase/ (decrease) in trade payables and accruals		(208,087)	(32,058)
Increase/ (decrease) in provisions		272,251	(504,775)
Net cash provided by operating activities		<u>747,510</u>	<u>(628,763)</u>
(c) Credit standby arrangements			
Finance Leases			
Used facility		126,080	113,438
Unused facility		-	-
Total facility		<u>126,080</u>	<u>113,438</u>
The financing facility has been arranged with Toyota Finance Australia Limited of \$61,938 and with Esanda Chattel Mortgage of \$64,142 which are scheduled to expire in 2018 and 2020 respectively.			
CBA MasterCard Facility			
Used facility		10,823	-
Unused facility		29,177	40,000
Total facility		<u>40,000</u>	<u>40,000</u>
American Express Facility			
Used facility		40,942	66,052
Unused facility		119,058	93,948
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 2015**

	Note	2015 \$	2014 \$
NOTE 12 –CASH FLOW INFORMATION (CONTINUED)			
(d) Cash flows to/from other reporting units			
Included in the statement of cash flows under operating activities are the following receipts and payments to other reporting units			
Receipts from other reporting units			
- Australian Federated Union of Locomotive Employees		80,919	47,155
- Maritime Union of Australia		22,000	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 – Tasmanian Branch		-	4,337
- Australian Manufacturing Workers Union – Queensland Branch		169,667	100,516
- Australian Municipal, Administrative, Clerical and Services Union, Queensland (Services and Northern Administrative) Branch		174,377	177,695
- Communications Electrical Electronic Energy Information Postal Plumbing and Allied Services Union of Australia – Plumbing Division Queensland Divisional Branch		440	-
- Australian Rail, Tram and Bus Industry Union - Queensland Branch		46,405	9,069
Total receipts from other reporting units		493,808	409,274
Payments to other reporting units			
- Construction, Forestry, Mining and Energy Union - Construction and General Division, Queensland Construction Workers Divisional Branch		4,167	5,953
- Construction, Forestry, Mining and Energy Union - Mining and Energy Division Queensland District Branch		-	1,838
- Maritime Union of Australia			-
- Communications Electrical Electronic Energy Information Postal Plumbing and Allied Services Union of Australia		1,318,953	1,242,892
- United Voice Queensland Branch		2,693	2,000
- Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Tasmanian Branch		-	2,092
- Australian Manufacturing Workers Union – Queensland Branch		-	3,819
Total Payments to other reporting units		1,325,813	1,258,594
Net cash paid to other reporting units		832,505	849,320

(e) Non-cash Financing and Investing Activities

During the year the union acquired motor vehicles with an aggregate value of \$50,768 (2014: \$124,760) by means of finance leases. These acquisitions are not reflected in the statement of cash flows.

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 2015**

	Note	2015 \$	2014 \$
NOTE 13 – COMMITMENTS AND CONTINGENCIES			
(a) Operating lease commitments			
Payable – minimum lease payments			
- not later than 12 months		21,797	176,767
- between 12 months and 5 years		43,244	-
- greater than 5 years		-	-
Minimum lease payments		<u>65,041</u>	<u>176,767</u>

The leases relate to rent of regional offices located at Gold Coast and Mackay.

(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 \$300,00 at 31 December 2015 (2014: \$300,000)

(c) Finance lease commitments – motor vehicles

Payable – minimum lease payments			
- not later than 12 months		35,535	45,461
- between 12 months and 5 years		111,241	69,229
- greater than 5 years		-	12,750
Minimum lease payments		<u>146,776</u>	<u>127,440</u>
Less: future financing charges		<u>(20,696)</u>	<u>(14,002)</u>
Present value of minimum lease payments		<u>126,080</u>	<u>113,438</u>

Finance leases relate to two motor vehicles which commenced in 2014 and 2015 and will expire in 2018 and 2020 respectively. Interest is charged at 7.28%.

(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	53,060	48,615
(b) other services		
(i) taxation services	12,060	2,565
	<u>65,120</u>	<u>51,180</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 2015**

	Note	2015 \$	2014 \$
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.			
<i>(a) National Office</i>			
Reimbursement of travel costs		-	4,413
Reimbursement of accommodation cost paid to National Office		11,167	-
Reimbursement of labour costs		8,746	13,879
Sustentation fees paid to National Office		1,039,345	1,084,365
Subscription expense paid to National Office		12,445	14,820
Political campaigns expenses paid to National Office		34,856	-
National journal expense paid to National Office		88,850	120,829
Other various expenses paid to National Office		-	9,000
<i>(b) CEPU – Plumbing Division Queensland Divisional Branch</i>			
Reimbursement of labour costs		400	-
<i>(c) CEPU – Tasmania</i>			
Reimbursement of labour costs		-	39,557
<i>(d) CEPU – Electrical Division Western Australian Divisional Branch</i>			
Donations		-	5,500

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

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 2015**

NOTE 16 – RELATED PARTY TRANSACTIONS (CONTINUED)

(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 Distress, Mortality and Building Fund	Trade Union Trust Fund	
	2015	2014
	\$	\$
Related Party Transactions and Balances		
<i>(a) Electrical Trade Union of Employees Queensland</i>		
Transfer of levies to ETU-Q	1,883,781	2,023,521
Interest revenue	52,342	60,610
Loan receivable	2,349,191	2,296,848
Other receivable	526,041	1,073,489
Other payable	50,059	-
Reimbursement for various expenses received	62,472	58,161
Reimbursement for campaign, organising & legal expenses received	61,516	321,800
Administration fees received	60,000	60,000
Labour hire charges to ETU-Q	91,165	530,158
Repayment of loan balance	-	47,013
Reimbursement for branch conference expenses	60,541	67,848
Reimbursement of meeting expenses	236	13,059
Transfer of leave entitlements	-	250,000

The Union receives a Campaign Levy, Coal Levy, Lift Industry Levy, Electrical Contracting Levy, Supply Industry Levy, Apprentice Levy, OH & S Levy, QR Levy, Supply TND and Supply TNDC Levy and Support Levy from members on behalf of ETU-Q and transfers such receipts upon receipt.

All loans are secured over ETU-Q's assets and repayable within 6 months of written demand, at a variable interest rate per annum.

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 2015**

	2015	2014
	\$	\$
NOTE 16 – RELATED PARTY TRANSACTIONS (CONTINUED)		
Related Party Transactions and Balances (Continued)		
<i>(b) Distress, Mortality and Building Fund</i>		
Transfer of DMB levy to the Trust Fund	832,707	684,143
Loan receivable	588,712	588,712
Other receivable	1,625	2,219
Other payable	18,998	17,282
Reimbursement of various expenses received	169,150	160,108
Reimbursement of training received	19,492	63,279
Reimbursement of branch conference 100 year celebration	241,771	-
Administration fees received	88,961	47,778

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.

(c) Trade and other receivables

Key management personnel:

Loans to office holders	1,461	-
-------------------------	-------	---

The Union has provided loans to office holders. This has been included in other trade receivables. Refer to Note 5.

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	684,526	584,515
Post-employment benefits	163,592	110,405
Other long-term benefits	-	18,625
	<u>848,118</u>	<u>713,545</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.

On 7 August 2015, Assistant Secretaries, Mr Peter Ong and Mr Keith McKenzie became office holders of the union. As their appointments only occurred in the 2015 year, their salary costs are not reflected in the comparative balance.

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.

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 2015**

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

	Note	2015 \$	2014 \$
Financial Assets			
Cash and cash equivalents	4	3,701,702	3,189,658
Receivables	5	637,176	1,220,490
Financial assets (loans to related entities)	7	2,937,903	2,885,561
Total financial assets		<u>7,276,781</u>	<u>7,295,709</u>
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	9	513,015	721,102
- Financial liabilities	10	126,080	113,438
Total financial liabilities		<u>639,095</u>	<u>834,540</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.

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 2015**

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 2015

NOTE 19: FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial Liability and Financial Asset Maturity Analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$
Financial liabilities due for payment								
Trade and other payables	513,015	721,102	-	-	-	-	513,015	721,102
Financial liabilities	126,080	38,893	-	74,545	-	-	126,080	113,438
Total Financial Liabilities	639,095	759,995	-	74,545	-	-	639,095	834,540
Financial assets - cash flow realisable								
Cash and cash equivalents	3,701,702	3,189,658	-	-	-	-	3,701,702	3,189,658
Trade and other receivables	637,176	1,220,490	-	-	-	-	637,176	1,220,490
Financial Assets	-	-	-	-	2,937,903	2,885,561	2,937,903	2,885,561
Total anticipated inflows	4,338,878	4,410,148	-	-	2,937,903	2,885,561	7,276,781	7,295,709
Net inflow of financial instruments	3,699,783	3,650,153	-	(74,545)	2,937,903	2,885,561	6,637,686	6,461,169

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 2015**

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		2015 \$	2014 \$
		2015	2014		
		%	%		
Floating rate instruments					
Cash and cash equivalents		1.96	2.60	3,701,702	3,189,658
Financial assets (loans to related entities)		1.81	2.13	2,937,903	2,885,561
Borrowings		7.28	7.55	126,080	113,438

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.

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 2015**

NOTE 19 – FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Sensitivity Analysis (Continued)

Interest rate sensitivity analysis

	2015	2014
	\$	\$
Change in profit		
- Increase in interest rate by 1%	45,015	55,927
- Decrease in interest rate by 1%	36,505	53,166
Change in equity		
- Increase in interest rate by 1%	45,015	55,927
- Decrease in interest rate by 1%	36,505	53,166

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

(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 categories 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.

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 2015**

NOTE 19 – FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Fair Values (continued)

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 2015

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

Fair value hierarchy – 31 December 2014

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

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.

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 2015**

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:

	2015	2014
	\$	\$
DMB levy received	832,707	684,143
DMB levy transferred to the Trust Fund	832,707	684,143
Campaign levy received	756,260	811,897
Campaign levy transferred to the ETU-Q	756,260	811,897
QR Levy received	26,162	28,200
QR Levy transferred to the ETU-Q	26,162	28,200
Supply TND & TNDC Levy received	200	1,387
Supply TND & TNDC Levy transferred to the ETU-Q	200	1,387
Coal Levy received	36,095	38,344
Coal Levy transferred to the ETU-Q	36,095	38,344
Supply Levy received	114,321	118,664
Supply Levy transferred to the ETU-Q	114,321	118,664
OH & S Levy received	30,254	32,751
OH & S Levy transferred to the ETU-Q	30,254	32,751
Contract Levy received	161,283	178,055
Contract Levy transferred to the ETU-Q	161,283	178,055
Lift Levy received	16,879	15,056
Lift Levy transferred to the ETU-Q	16,879	15,056
Apprentice Levy received	15,165	19,641
Apprentice Levy transferred to the ETU-Q	15,165	19,641
Support Levy received	730,569	772,574
Support Levy transferred to the ETU-Q	730,569	772,574

NOTE 22 – UNION DETAILS

The Union operates from:

**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 2015**

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 Commission:

- (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-Branched of Branches and Agencies of Branches.
- (g) To organise the electrical workers into Branches or Sub-Branched of the Union throughout the Commonwealth of Australia.
- (h) To financially assist Branches and Sub-Branched.
- (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.

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 2015**

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

- (n) To make financial provision for carrying out the objects set out herein.
- (o) To make such provision for superannuation payments or retiring allowances and/or long service leave to full-time officers and/or employees of the Union as the Union may determine.
- (p) To establish a fund for sustenance of members involved in industrial disputes.
- (q) To establish an Electrical Workers' Award.
- (r) To provide legal representation for:
 - (i) A member in a compensation claim and/or action for damages arising out of injuries sustained in the course of his employment.
 - (ii) Dependants of a deceased member at an inquest or inquiry in a compensation claim and/or action for damages arising from the death of a member.

GPO Box 1087
Brisbane Qld 4001 Australia
t: +61 7 3002 4800
f: +61 7 3229 5603

PO Box 3360 Australia Fair
Southport Qld 4215 Australia
t: +61 7 5591 1661
f: +61 7 5591 1772

e: info@mgjsq.com.au
www.mgjsq.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 2015

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 2015.

The financial statements disclose total membership of: 13,061 financial members, 1,397 honorary and life members and 1,394 unfinancial members as at 31 December 2015 which is consistent with the membership records maintained by the Union and audited by us.

M.G.I.

MGI Audit (Q) Pty Ltd



G I Kent
Director

21 March 2016

South Brisbane

**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 2015

The additional financial information presented on pages 48 and 49 is consistent with the financial statements of the Union for the year ended 31 December 2015. 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 48 and 49 presents fairly in all material respects the revenues and expenses of the Union for the year ended 31 December 2015.

M.G.I

MGI Audit (Q) Pty Ltd



G I Kent
Director

South Brisbane

21 March 2016

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

	2015	2014
	\$	\$
REVENUE		
General Fund		
Administration Fees	80,874	43,435
Contributions Received (Net)	7,532,466	7,546,167
Contribution Wallets	1,407	2,275
Entrance Fees	9,482	15,338
Fines	52,984	32,057
Interest Received	120,344	159,936
Gain on Sale of Assets	-	3,826
Journey Cover	-	6,986
Merchandise Sold	38,353	21,217
Other Refunds	26,576	31,942
Sponsorship Income	933,607	1,099,544
Sundry Income	206,091	201,468
	<u>9,002,184</u>	<u>9,164,191</u>
EXPENDITURE		
General Fund		
Advertising	137,285	51,294
Affiliation Fees	230,200	191,672
Audit Fees	65,120	55,412
Bank Charges	86,701	87,111
Conference Expenses	120,935	87,166
Debt Collection Fees	28,015	25,664
Delegate Expenses	81,090	76,815
Depreciation	207,113	193,436
Donations	6,618	46,849
Electrical Trades Journal and Rule Books	119,625	160,267
Electricity	2,070	668
Fringe Benefits Tax	21,534	26,890
Insurance	43,890	29,934
Internet Expenses	82,179	66,057
Interest on MV Loan	8,087	7,568
Legal Costs		
Professional Fees	200,492	487,113
Lodgement Fees	4,746	563
Maintenance – 41 Peel Street	55,795	55,443
Meeting Expenses	2,709	1,805
Merchandise Purchases	83,310	77,376
Motor Vehicle Expenses	161,485	170,134
National Council Fees	1,039,345	985,786
National Council Fund Payments	13,393	6,655
National Office Expenses	8,746	9,598
	<u>3,082,734</u>	<u>2,689,570</u>
<i>Sub-total</i>		

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)

	2015	2014
	\$	\$
EXPENDITURE (CONTINUED)		
<i>Balance carried forward</i>	3,082,734	2,689,570
Office Equipment, Supplies and Maintenance Expenses	47,381	57,902
Organising Expenses	650,549	493,150
Payroll Tax	198,035	222,605
Community Campaign	566,738	647,045
Postage	96,018	104,595
Printing & Stationery	108,248	219,112
Refund of Contributions	-	2,399
Rent	51,427	36,642
Research	24,464	39,650
Salaries and Wages	3,662,402	3,272,516
Shop Stewards Reimbursements	4,768	2,538
Staff Amenities	12,699	23,088
Storage	16,419	17,432
Subscriptions	42,866	32,840
Superannuation	658,803	627,034
Sundry Expenses	906	100,334
Telephone	93,425	106,253
Training	19,629	6,149
	<u>9,065,260</u>	<u>8,912,560</u>
(Deficit)/surplus before income tax	<u>(63,076)</u>	<u>251,631</u>



12 January 2016

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

Dear Mr Simpson,

**Re: Lodgement of Financial Report - [FR2015/367]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia - Electrical, Energy and Services Division - Queensland Divisional Branch (the reporting unit) ended on 31 December 2015.

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 under s.268 of the RO Act, namely 15 July 2016 (being the expiry date of 6 months and 14 days from the end of the financial year).

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 supported by a webinar presentation.

The Fair Work Commission has developed a model set of financial statements. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. The model statement and other resources can be accessed through our website under [Financial Reporting](#) in the Compliance and Governance section.

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. 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 wish to seek any clarification in relation to the above, please contact me on (03) 8656 4699 or via email at Sam.Gallichio@fwc.gov.au.

Yours sincerely,

Sam Gallichio

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"> the General Purpose Financial Report (which includes the Committee of Management Statement); the Auditor's Report; and the Operating Report. 	/ /	<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.