



Australian Government
Registered Organisations Commission

15 June 2017

Mr Peter Ong
Acting Secretary, Queensland and Northern Territory Divisional Branch
Electrical, Energy and Services Division
CEPU

By Email: lachlan@etu.org.au

Dear Mr Ong

Re: Lodgement of Financial Statements and Accounts – CEPU, Electrical, Energy and Services Division, Queensland and Northern Territory Divisional Branch - for year ended 31 December 2016 (FR2016/340)

I refer to the financial report for the Queensland and Northern Territory Divisional Branch. The report was lodged with the Registered Organisations Commission ('the Commission') on 5 June 2017.

The financial report has been filed based on a primary review. This involved confirming whether 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.

You are not required to take any further action in respect of the report lodged but I make the following comments to assist you when you next prepare a financial report. Please note the next report may be subject to an advanced review.

New Format for Auditor's Statement

The Auditing and Assurance Standards Board (AUASB) has released new requirements for auditor reports effective for financial reporting periods ending on or after 15 December 2016. The Auditor's Statement for the organisation/branch was not prepared in accordance with the new format required by ASA 700 *Forming an Opinion and Reporting on a Financial Report*. Please ensure that the auditor's statement in relation to next year's financial report is prepared in accordance with ASA 700.

Reporting Requirements

On the Registered Organisations Commission 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 Commission recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained at <http://www.roc.gov.au/running-a-registered-organisation/financial-reporting>

Should you require further information on the financial reporting requirements of the Act, I may be contacted on (02) 6746 3283 or 0429 462 979 or by email at stephen.kellett@roc.gov.au

Yours sincerely

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal line extending to the right from the end of the name.

Stephen Kellett
Financial Reporting

From: KELLETT,Stephen
Sent: Thursday, 15 June 2017 10:43 AM
To: 'lachlan@etu.org.au'
Cc: 'info@mgisq.com.au'
Subject: Attention Mr Peter Ong - financial reporting - y/e 31 Dec 2016 - filing
[SEC=UNCLASSIFIED]

UNCLASSIFIED

Dear Lachlan,

Please see attached my letter in relation to the above. I have copied in the Auditor, for his information.

Yours faithfully

STEPHEN KELLETT
Senior Adviser
Financial Reporting
Registered Organisations Commission

Tel: (02) 6746 3283
Email: stephen.kellett@roc.gov.au

GPO Box 2983, MELBOURNE VIC 3001 | Level 13, 175 Liverpool Street, Sydney NSW 2000

www.roc.gov.au



Australian Government
Registered Organisations Commission

Please consider the environment before printing this message



CEPU QLD FR2016
340 (primary final).p

From: Lachlan Brown [<mailto:lachlan@etu.org.au>]
Sent: Thursday, 15 June 2017 8:09 AM
To: KELLETT, Stephen
Subject: RE: Secretary Certificate [SEC=UNCLASSIFIED]



Secretary certificate
amended2 2016.pdf

**CEPU, Electrical, Energy and Services Division
Queensland and Northern Territory Divisional Branch**

**Certificate of Designated Officer
S268 of Fair Work (Registered Organisations) Act 2009 ('RO Act')**

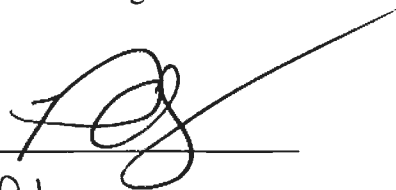
I, Peter Ong being the Acting Branch Secretary of the Queensland and Northern Territory Divisional Branch of the **CEPU, Electrical, Energy and Services Division** certify:

- that the documents lodged with the Registered Organisations Commission on 5 June 2017 are copies of the full report that was provided to the members and presented to a meeting in accordance with s266 of the RO Act; and
- that the full report was provided to the members of the Branch on the 3rd of April 2017
- the full report was presented in accordance with s266 of the RO Act to a second meeting of the committee of management, on *the* 22nd of May 2017.

(Signature) _____

(Name) _____

(Date) _____



Peter Ong

15-6-2017

From: Lachlan Brown [<mailto:lachlan@etu.org.au>]
Sent: Monday, 5 June 2017 8:14 AM
To: ROC - Registered Org Commission
Subject: HPRM: FR2016/340 CEPU QLD & NT 2016 Financial Statements

[FR2016/340](#)

To whom it may concern,

Please find attached a copy of the 2016 financial reports for the CEPU Electrical Division Queensland and Northern Territory.

Regards

Lachlan Brown
Finance Manager
Electrical Trades Union
Queensland
Phone: 07 3010 0305
Fax: 07 3844 9851
lachlan@etu.org.au
www.etu.org.au



Join Online
www.etuyes.com
Or call
1800ETUYES



CEPU QLD-NT
Financial Reports 20:

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

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

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 Profit and Loss and Other 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	43
Membership - Certificate by Auditor	45
Audit Report - Additional Information	46
Additional Information	47

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA -
ELECTRICAL, ENERGY AND SERVICES DIVISION, QUEENSLAND AND NORTHERN
TERRITORY 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 – Electrical, Energy and Services Division, Queensland and Northern Territory Branch (the Union), which comprises the statement of financial position as at 31 December 2016, statement of profit and loss and other comprehensive income, statement of receipts and payments for recovery of wages 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 2016 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 – Electrical, Energy and Services Division, Queensland and Northern Territory 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 2016 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.T

MGI Audit (Q) Pty Ltd



G I Kent
Director

South Brisbane

20 March 2017

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

**COMMITTEE OF MANAGEMENT OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

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, Energy and Services Division, Queensland and Northern Territory Branch ("Union"), for the year ended 31 December 2016

Principal Activities

The principal activity of the Union was to act on behalf of members in pursuit of the Objects of the Union (detailed at page 43 of the financial report)

Operating Results

The deficit for the financial year amounted to \$376,630 (2015 \$63,076)

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 the *Fair Work (Registered Organisations) Act 2009*, 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

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

**COMMITTEE OF MANAGEMENT OPERATING REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

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

Neisha Trail	- Member and employee of the Union - Queensland advisory board member of Australian Super
Scott Wilson	- Member of the Union - Director of Energy Super

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 26.0 (2015: 30.0).

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 16,480 (2015: 16,904).

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	Resigned 28 November 2016
Amaya, Jorge	Appointed 8 August 2016
Baker, Gary	Whole Period
Bloom, Gregory	Whole Period
*Bloxsom, Gary	Whole Period
Bravo, Stephen	Whole Period
Burns, Daniel	Whole Period
Christoffel, Jeffrey	Whole Period
*Coxon, Michael	Whole Period
Ferguson, Kevin	Whole Period
*Fiteni, Joseph	Whole Period
Forrest, Alan	Whole Period
Gambley, Paul	Whole Period
Hayes, David	Resigned 8 August 2016
Hill, Robert	Whole Period
Holdsworth, Jamie	Whole Period
Humphries, Cameron	Whole Period
Keding, Daryl	Whole Period
Kilpatrick, Daniel	Appointed 8 August 2016
*King, Benjamin	Whole Period

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

**COMMITTEE OF MANAGEMENT OPERATING REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

Members of the Committee of Management (Continued)

Name	Period of appointment
Lord, Mitchell	Appointed 8 August 2016
Maniaty, Michael	Whole Period
McCann, Domenic	Whole Period
*McGaw, Christopher	Whole Period
McPherson, Lindsay	Resigned 8 August 2016
Miller, Scott	Resigned 27 January 2016
Muir, Brayden	No longer eligible November 2016
Muller, Brenton	Resigned 8 August 2016
Peroni, Gerard	Whole Period
Rogers, Timothy	Whole Period
*Simpson, Peter	Whole Period
Sladden, Jason	Whole Period
Smith, Gregory	Whole Period
Sologinkin, Scott	Whole Period
Stein, Clark	Whole Period
*Taylor, John	Whole Period
Thomas, Craig	Whole Period
Venn, Justin	No longer eligible November 2016
*Walmsley, James	Whole Period
*Williams, Joshua	Appointed 28 November 2016
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

20 March 2017

South Brisbane



P Ong
Acting Branch Secretary

20 March 2017

South Brisbane

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

**COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016**

On 20 March 2017, the Committee of Management of Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division, Queensland and Northern Territory 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 2016

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 Ong

Title of Office held:

Acting Branch Secretary

Signature:



Date:

20 March 2017

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

As lead auditor for the audit of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division, Queensland and Northern Territory Branch for the year ended 31 December 2016, 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.C.I

MGI Audit (Q) Pty Ltd



G I Kent
Director

South Brisbane

20 March 2017

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

**STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 \$	2015 \$
Revenue	2	8,761,627	9,002,184
Employee benefits expense	3(l)	(4,551,546)	(4,519,240)
Bank charges		(80,851)	(86,701)
Depreciation and amortisation expenses	3(b)	(225,801)	(207,113)
Finance costs	3(a)	(8,364)	(8,087)
Affiliation fees	3(k)	(193,030)	(230,200)
Campaign expenses	3(c)	(90,763)	(566,738)
Capitation Fees	3(g)	(1,000,785)	(1,039,345)
Conference and meeting expenses	3(d)	(211,640)	(120,935)
Consideration to employers for payroll deductions	3(m)	-	-
Debt collection expenses		(56,455)	(28,015)
Delegate expenses		(104,878)	(81,090)
Grants & Donations	3(f)	(118,340)	(6,618)
Insurance expenses		(78,340)	(43,890)
Journal publication expenses		(95,073)	(119,625)
Legal expenses	3(h)	(322,403)	(205,238)
Maintenance expenses		(88,998)	(84,671)
Motor vehicle expenses		(168,638)	(161,485)
National office expenses		(92,808)	(30,913)
Penalties – via RO Act or RO Regulations	3(j)	-	-
Printing, postage and merchandise		(307,540)	(287,576)
Professional Fees		(70,860)	(65,120)
Organising expenses		(713,321)	(650,549)
Rent expenses		(89,052)	(50,802)
Sponsorship expenses		(32,290)	(20,864)
Telephone expenses		(116,816)	(93,425)
Other expenses		(319,665)	(357,020)
Deficit before income tax		(376,630)	(63,076)
Income tax expense	1(a)	-	-
Deficit for the year		(376,630)	(63,076)
Other Comprehensive Income			
Other comprehensive income (net of income tax)		-	-
Total comprehensive income for the year		<u>(376,630)</u>	<u>(63,076)</u>
Deficit attributable to Members of the union		<u>(376,630)</u>	<u>(63,076)</u>
Total comprehensive income attributable to Members of the union		<u>(376,630)</u>	<u>(63,076)</u>

The accompanying notes form part of these financial statements

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

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	3,286,404	3,701,702
Trade and other receivables	5	566,377	637,176
Other current assets	6	89,040	63,236
Financial assets	7	-	-
TOTAL CURRENT ASSETS		<u>3,941,821</u>	<u>4,402,114</u>
NON-CURRENT ASSETS			
Financial assets	7	2,985,015	2,937,903
Property, plant and equipment	8	515,808	537,649
TOTAL NON-CURRENT ASSETS		<u>3,500,823</u>	<u>3,475,552</u>
TOTAL ASSETS		<u>7,442,644</u>	<u>7,877,666</u>
CURRENT LIABILITIES			
Trade and other payables	9	390,902	513,015
Financial liabilities	10	35,535	35,535
Provisions	11	1,277,533	1,182,227
TOTAL CURRENT LIABILITIES		<u>1,703,970</u>	<u>1,730,777</u>
NON-CURRENT LIABILITIES			
Financial liabilities	10	61,574	90,545
Provisions	11	9,267	11,881
TOTAL NON-CURRENT LIABILITIES		<u>70,841</u>	<u>102,426</u>
TOTAL LIABILITIES		<u>1,774,811</u>	<u>1,833,203</u>
NET ASSETS		<u>5,667,833</u>	<u>6,044,463</u>
MEMBERS EQUITY			
Retained Earnings		<u>5,667,833</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, ENERGY AND
SERVICES DIVISION, QUEENSLAND AND NORTHERN TERRITORY BRANCH**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Retained Earnings	Total
	\$	\$
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>
Balance at 1 January 2016	6,044,463	6,044,463
Deficit attributable to members of the Union	(376,630)	(376,630)
Other comprehensive income	-	-
Balance at 31 December 2016	<u>5,667,833</u>	<u>5,667,833</u>

The accompanying notes form part of these financial statements

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 \$	2015 \$
Cash Flows from Operating Activities			
Membership contributions		8,249,972	8,558,162
Interest received		73,871	68,002
Fines and levies		61,751	52,984
Refunds received		61,027	26,576
Receipts from other customers		1,189,896	1,269,814
Payments to employees and suppliers		(9,820,465)	(9,219,941)
Finance costs		(8,364)	(8,087)
Net cash (used in)/ provided by operating activities	12(b)	<u>(192,312)</u>	<u>747,510</u>
Cash Flows from Investing Activities			
Payment for property, plant & equipment		(234,015)	(219,154)
Proceeds from sale of property, plant & equipment		40,000	22,727
Net cash used in investing activities		<u>(194,015)</u>	<u>(196,427)</u>
Cash Flows from Financing Activities			
Motor vehicle finance lease repayments (principal)		(28,971)	(39,039)
Net cash used in financing activities		<u>(28,971)</u>	<u>(39,039)</u>
Net (decrease)/ increase in cash held		(415,298)	512,044
Cash at beginning of the financial year		<u>3,701,702</u>	<u>3,189,658</u>
Cash at end of the financial year	12(a)	<u>3,286,404</u>	<u>3,701,702</u>

The accompanying notes form part of these financial statements

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

**STATEMENT OF RECEIPTS AND PAYMENTS FOR RECOVERY OF WAGES
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 \$	2015 \$
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, ENERGY AND SERVICES DIVISION, QUEENSLAND AND NORTHERN TERRITORY BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

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, Energy and Services Division Queensland and Northern Territory 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 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 20 March 2017 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 profit and loss and other 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, ENERGY AND SERVICES DIVISION, QUEENSLAND AND NORTHERN TERRITORY BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

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	10% - 40%
Motor Vehicles	20% - 25%

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 profit and loss and other 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, ENERGY AND SERVICES DIVISION, QUEENSLAND AND NORTHERN TERRITORY BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial Instruments (Continued)

Classification and subsequent measurement (Continued)

Amortised cost is calculated as

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

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

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

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

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

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 profit and loss and other 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 asset's carrying value over its recoverable amount is expensed to the statement of profit and loss and other 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, ENERGY AND SERVICES DIVISION, QUEENSLAND AND NORTHERN TERRITORY BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

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, ENERGY AND SERVICES DIVISION, QUEENSLAND AND NORTHERN TERRITORY BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Trade and Other Receivables

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

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

(k) Trade and Other Payables

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

(l) Borrowing Costs

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

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

(m) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(n) Comparative Figures

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

(o) Critical accounting estimates and judgement

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

Key Estimates – Impairment

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

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

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

Key Judgements – Useful lives of property, plant and equipment

Property, plant and equipment are depreciated over the useful life of the asset and the depreciation rates are assessed when the asset are acquired or when there is a significant change that affects the remaining useful life of the asset

Key Judgements – Provision for impairment of receivables

The value of the provision for impairment of receivables is estimated by considering the ageing of receivables, communication with the debtors and prior history

(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. 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
- 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

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

- 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

Changes introduced by AASB 9 in respect of financial liabilities are limited to the measurement of liabilities designated at fair value through profit or loss (FVPL) using the fair option

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 changes 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 or losses attributable to changes in the entity's own credit risk would be recognised in OCI. These amounts recognised in OCI are not recycled to profit or loss if the liability is ever repurchased at a discount.

The final version of AASB 9 introduced 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 and to recognise full lifetime expected losses on a timely basis.

- AASB 2016-2 The standard amends AASB 107 *Statement of Cash Flows* (August 2015) to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes
- AASB 2016-4 Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities This standard amends AASB 136 to remove references to depreciated replacement cost as a measure of value in use for not-for-profit entities and clarify that not-for-profit entities holding non-cash-generating specialised assets at fair value in accordance with AASB 13 [under the revaluation model in AASB 116 and AASB 138] no longer need to consider AASB 136. Not-for-profit entities holding such assets at cost will determine recoverable amounts using current replacement cost in AASB 13
- AASB 15 Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 January 2018)

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.

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:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

- 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

- AASB 16 Leases (applicable to annual reporting periods beginning on or after 1 January 2019) When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117 Leases and related Interpretations AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases

The main changes introduced by the new Standard include

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets),
- depreciation of right-to-use assets in line with AASB 116 *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components,
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date,
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease, and
- additional disclosure requirements

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

- AASB 1058 – Income for Not-for-Profit Entities – AASB 1058 and AASB 2016-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities* will defer income recognition in some circumstances for NFP entities, particularly where there is a performance obligation or any other liability In addition, certain components in an arrangement, such as donations, may be separated from other types of income and recognised immediately The standard also expands the circumstances in which NFP entities are required to recognise income for goods and services received for consideration that is significantly less than the fair value of the asset principally to enable the entity to further its objectives (discounted goods and services), including for example, peppercorn leases

AASB 1004 *Contributions* is also amended, with many of its requirements being revised and relocated AASB 1058 The scope of AASB 1004 is effectively limited to address issues specific to government entities and contributions by owners in a public sector entity context

AASB 1058 will be effective for annual period beginning on or after 1 January 2019 Early application is permitted, provided AASB 15 *Revenue from Contracts with Customers* is applied on or before the date of initial application

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Union is still determining whether any adoption of these standards will have any impact on the future reporting periods. Although the committee of management anticipates that the adoption of these standards may have an impact on the union's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

(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.

(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.

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) Fair Value Measurement

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

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

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

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

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

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

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

- 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.

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 2 – REVENUE

	2016	2015
	\$	\$
Membership income	7,303,127	7,532,466
Fines	61,751	52,984
Campaign income	-	261,714
Capitation fees	-	-
Conference income	116,485	-
Levies	-	-
Other membership income	18,872	15,759
Organising income	442,810	-
Grants and Donations	-	-
Sponsorship Income	390,145	667,023
Interest income	120,983	120,344
Refunds received	61,027	26,576
Administration fees	100,203	80,874
Merchandise income	9,501	38,353
Gain on sale of property, plant and equipment	24,843	-
Sundry income	111,880	206,091
	<u>8,761,627</u>	<u>9,002,184</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

NOTE 3 – EXPENSES

(a) Finance Costs – External	8,364	8,087
(b) Depreciation and amortisation		
- Motor vehicles	165,093	142,030
- Plant and equipment	60,708	65,083
	<u>225,801</u>	<u>207,113</u>
(c) Campaign expenses	90,763	566,738
(d) Conference and meeting expenses	211,640	120,935
(e) Compulsory Levies	-	-
(f) Grants and Donations		
- Grants	-	-
- Donations	118,340	6,618
	<u>118,340</u>	<u>6,618</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	4,140	3,618
- Total paid that exceeded \$1,000	114,200	3,000
	<u>118,340</u>	<u>6,618</u>

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 3 – EXPENSES (CONTINUED)	2016	2015
	\$	\$
(g) Capitation fees		
- Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union – Electrical, Energy and Services Division (CEPU – Electrical Division)	1,000,785	1,039,345
(h) Legal Costs		
- Litigation	319,230	200,492
- Other Matters	3,173	4,746
	<u>322,403</u>	<u>205,238</u>
(i) Fees/allowances – meetings and conferences	-	-
(j) Penalties – via RO Act or RO Regulations	-	-
(k) Affiliation fees		
- Australian Labor Party Queensland Branch	73,013	102,308
- Australian Labor Party Northern Territory Branch	3,039	5,959
- Queensland Council of Unions Brisbane Branch	75,128	78,489
- Queensland Council of Unions Cairns Branch	-	636
- Queensland Council of Unions Sunshine Coast Branch	110	110
- Queensland Council of Unions Rockhampton Branch	-	100
- Queensland Council of Unions Ipswich Branch	100	-
- Queensland Council of Unions Bundaberg Branch	60	50
- Queensland Council of Unions Townsville Branch	100	100
- Queensland Council of Unions Mackay Branch	50	-
- Northern Territory Trades & Labor Council	5,437	4,620
- Union Shopper	35,893	37,778
- Brisbane Labour History Association	100	50
	<u>193,030</u>	<u>230,200</u>
(l) Employee benefits expense		
Holders of Office		
- Salaries and wages	552,863	343,713
- Annual leave	56,058	24,364
- Long service leave	14,126	-
- Superannuation	64,811	82,384
- Separation and redundancies	-	-
- Payroll tax	30,944	20,240
	<u>718,802</u>	<u>470,701</u>
Employees other than office holders		
- Salaries and wages	2,744,077	3,096,553
- Annual leave	303,177	195,476
- Long service leave	67,315	2,296
- Superannuation	547,163	576,419
- Separation and redundancies	-	-
- Payroll tax	171,012	177,795
	<u>3,832,744</u>	<u>4,048,539</u>
Total Employee benefits expense	<u>4,551,546</u>	<u>4,519,240</u>

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016	2015
NOTE 3 – EXPENSES (CONTINUED)	\$	\$

(l) Employee benefits expense (continued)

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 August 2015, the 2016 financial year includes their full year's salary cost

(m) Consideration to employers for payroll deductions	-	-
---	---	---

NOTE 4 – CASH AND CASH EQUIVALENTS

Cash on hand	10,300	15,491
Cash at bank	1,085,958	1,702,059
Term Deposits	2,190,146	1,984,152
	3,286,404	3,701,702

NOTE 5 – TRADE AND OTHER RECEIVABLES

Receivables from other reporting units		
• CEPU National Council	14,367	-
Total Receivable from other reporting units	14,367	-
Other receivables		
• Other Trade receivables	153,707	112,877
• Less provision for doubtful debts	(27,183)	-
• Accrued income	13,633	14,889
• GST receivable	-	33,428
• Related party receivable – ETU-Q	411,853	475,982
Total other receivables	552,010	637,176
Total trade and other receivables	566,377	637,176

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, ENERGY AND SERVICES DIVISION, QUEENSLAND AND NORTHERN TERRITORY BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

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+	\$
2016						
Receivables from other reporting units	14,367	-	-	-	14,367	-
Other trade receivables	552,010	-	-	-	521,136	30,874
Total	566,377	-	-	-	535,503	30,874
2015						
Receivables from other reporting units	-	-	-	-	-	-
Other trade receivables	637,176	-	-	-	491,009	146,167
Total	637,176	-	-	-	491,009	146,167

Collateral held as security

The Union does not hold collateral with respect to its receivables at 31 December 2016 (2015 Nil)

	2016 \$	2015 \$
NOTE 6 – OTHER CURRENT ASSETS		
Prepayments	89,040	63,236

NOTE 7 – FINANCIAL ASSETS

Non-current		
Related Party Loan Receivable - ETU-Q	2,396,303	2,349,191
Related Party Loan Receivable - Distress, Mortality & Building Fund	588,712	588,712
	2,985,015	2,937,903
Total Financial assets	2,985,015	2,937,903

NOTE 8 – PROPERTY, PLANT AND EQUIPMENT

Furniture, fittings and office equipment		
At cost	647,542	624,292
Accumulated depreciation	(523,583)	(462,876)
Total furniture, fittings and office equipment	123,959	161,416
Motor vehicles		
At cost	731,933	764,421
Accumulated depreciation	(340,084)	(388,188)
Total motor vehicles	391,849	376,233
Total property, plant & equipment	515,808	537,649

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

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 2015	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
Additions	234,332	23,251	257,583
Disposals	(53,623)	-	(53,623)
Depreciation expense	(165,093)	(60,708)	(225,801)
Carrying amount at 31 December 2016	391,849	123,959	515,808

	Note	2016 \$	2015 \$
NOTE 9 – TRADE AND OTHER PAYABLES			
Trade payables to other reporting units		-	-
Other payables			
• Other trade payables		15,024	5,536
• GST payable		15,640	-
• Legal costs payable			
• Litigation		21,106	31,754
• Other matters		-	-
• PAYG payable		85,837	187,231
• Consideration to employees for payroll deductions		-	-
• Superannuation payable		55,140	87,144
• Credit card liabilities		27,674	40,942
• Related party payable - Distress, Mortality and Building Fund		10,548	17,372
• Sundry creditors and accruals		159,933	143,036
		<u>390,902</u>	<u>513,015</u>
Total Trade and other Payables		<u>390,902</u>	<u>513,015</u>

NOTE 10 – FINANCIAL LIABILITIES

Current lease liability		35,535	35,535
Non-current lease liability		61,574	90,545
	13(c)	<u>97,109</u>	<u>126,080</u>

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 11 – PROVISIONS

	Annual Leave	Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 January 2016	524,195	669,913	1,194,108
Additional provisions raised during the year	359,235	81,441	440,676
Amounts used	(324,085)	(23,899)	(348,984)
Balance at 31 December 2016	<u>559,345</u>	<u>727,455</u>	<u>1,286,800</u>
	Note	2016	2015
		\$	\$
Analysis of total provisions			
Current			
Provision for annual leave		559,345	524,195
Provision for long service leave		718,188	658,032
		<u>1,277,533</u>	<u>1,182,227</u>
Non-current			
Provision for long service leave		9,267	11,881
		<u>9,267</u>	<u>11,881</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		99,265	53,025
• Long service leave		141,878	127,893
• Separations and redundancies		-	-
• Other		-	-
		<u>241,143</u>	<u>180,918</u>
Employees other than office holders			
• Annual leave		460,080	471,170
• Long service leave		585,577	542,020
• Separations and redundancies		-	-
• Other		-	-
		<u>1,045,657</u>	<u>1,013,190</u>
Total Provisions		<u>1,286,800</u>	<u>1,194,108</u>

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 \$	2015 \$
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		10,300	15,491
Cash at bank		1,085,958	1,702,059
Term deposits		2,190,146	1,984,152
		<u>3,286,404</u>	<u>3,701,702</u>
(b) Reconciliation of Net Cash Provided by Operating Activities to Surplus after Income Tax			
Deficit after income tax		(376,630)	(63,076)
Non cash flows in surplus after income tax			
- Depreciation & amortisation		225,801	207,113
- Net interest income		(47,112)	(52,342)
- Gain on disposal of property, plant and equipment		(24,843)	-
Changes in assets and liabilities			
(Increase)/ decrease in trade receivables		37,371	583,314
(Increase)/ decrease in prepayments		(25,804)	8,337
Increase/ (decrease) in trade payables and accruals		(73,787)	(208,087)
Increase/ (decrease) in provisions		92,692	272,251
Net cash (used in)/provided by operating activities		<u>(192,312)</u>	<u>747,510</u>
(c) Credit standby arrangements			
Finance Leases			
Used facility		97,109	126,080
Unused facility		-	-
Total facility		<u>97,109</u>	<u>126,080</u>
The financing facility has been arranged with Toyota Finance Australia Limited of \$43,485 and with Esanda Chattel Mortgage of \$53,624 which are scheduled to expire in 2018 and 2020 respectively			
CBA MasterCard Facility			
Used facility		5,597	-
Unused facility		34,403	40,000
Total facility		<u>40,000</u>	<u>40,000</u>
American Express Facility			
Used facility		22,077	40,942
Unused facility		137,923	119,058
Total facility		<u>160,000</u>	<u>160,000</u>

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 \$	2015 \$
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		-	-
Payments to other reporting units			
• Communications Electrical Electronic Energy Information Postal Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division		1,255,345	1,318,953
• Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – National Council		14,367	-
Total Payments to other reporting units		<u>1,269,712</u>	<u>1,318,953</u>
Net cash paid to other reporting units		<u>1,269,712</u>	<u>1,318,953</u>

(e) Non-cash financing and investing activities

During the 2016 financial year, the union disposed of motor vehicles with an aggregate fair value of \$45,000 by means of trade in for new motor vehicles. This transaction not reflected in the statement of cash flows.

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 \$	2015 \$
NOTE 13 – COMMITMENTS AND CONTINGENCIES			
(a) Operating lease commitments			
Payable – minimum lease payments			
- not later than 12 months		30,266	21,797
- between 12 months and 5 years		31,308	43,244
- greater than 5 years		-	-
Minimum lease payments		<u>61,574</u>	<u>65,041</u>
The leases relate to rent of regional offices located at Gold Coast and Gladstone			
(b) Contingent liabilities and commitments			
There were no contingent liabilities and commitments at 31 December 2016 (2015 Nil)			
(c) Finance lease commitments – motor vehicles			
Payable – minimum lease payments			
- not later than 12 months		35,535	35,535
- between 12 months and 5 years		73,906	111,241
- greater than 5 years		-	-
Minimum lease payments		<u>109,441</u>	<u>146,776</u>
Less future financing charges		<u>(12,332)</u>	<u>(20,696)</u>
Present value of minimum lease payments		<u>97,109</u>	<u>126,080</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	45,000	45,000
(b) other services		
(i) taxation services	12,650	12,060
(ii) preparation of financial statements/other audit services	13,210	8,060
	<u>70,860</u>	<u>65,120</u>

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 \$	2015 \$
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) CEPU – Electrical, Energy and Services Division</i>			
<i>Expenditure</i>			
Reimbursement of accommodation cost paid to National Office		16,093	11,167
Reimbursement of labour costs		8,746	8,746
Reimbursement of travel cost paid to National Office		6,226	-
Sustentation fees paid to National Office		1,000,785	1,039,345
Subscription expense paid to National Office		13,129	12,445
Political campaigns expenses paid to National Office		8,594	34,856
National journal expense paid to National Office		82,736	88,850
Divisional council and officers expenses paid to National Office		4,911	-
<i>(b) CEPU – Plumbing Division Queensland Divisional Branch</i>			
<i>Expenditure</i>			
Reimbursement of labour costs		-	400
<i>(c) CEPU – National Council</i>			
<i>Expenditure</i>			
National Council Funding		13,061	-

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, ENERGY AND SERVICES DIVISION, QUEENSLAND AND NORTHERN TERRITORY BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

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	Trade Union	
Distress, Mortality and Building Fund	Trust Fund	
	2016	2015
	\$	\$
Related Party Transactions and Balances		
<i>(a) Electrical Trade Union of Employees Queensland</i>		
Transfer of levies to ETU-Q	1,767,139	1,883,781
Interest revenue	47,112	52,342
Loan receivable	2,396,303	2,349,191
Other receivable	464,525	526,041
Other payable	57,671	50,059
Reimbursement for various expenses received	130,253	62,472
Reimbursement for campaign, organising & legal expenses received	487,091	61,516
Administration fees received	60,000	60,000
Labour hire charges to ETU-Q	-	91,165
Reimbursement for branch conference expenses	193,051	60,541
Reimbursement of meeting expenses	-	236

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, ENERGY AND SERVICES DIVISION, QUEENSLAND AND NORTHERN TERRITORY BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016	2015
	\$	\$
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	983,201	832,707
Loan receivable	588,712	588,712
Other receivable	2,910	1,625
Other payable	13,458	18,998
Reimbursement of various expenses received	3,999	169,150
Reimbursement of training received	13,661	19,492
Reimbursement of branch conference 100 year celebration	-	241,771
Administration fees received	96,563	88,961

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	721	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 The Union has determined that key management personnel comprise of

- Branch Secretary
- Branch Assistant Secretaries
- All remaining members of the Committee of Management

During the year, the key management personnel of the Union were remunerated as follows

Short-term employee benefits	608,921	368,077
Post-employment benefits	64,811	82,384
Other long-term benefits	14,126	-
	687,858	450,461

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

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, ENERGY AND SERVICES DIVISION, QUEENSLAND AND NORTHERN TERRITORY BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

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	2016 \$	2015 \$
Financial Assets			
Cash and cash equivalents	4	3,286,404	3,701,702
Receivables	5	566,377	637,176
Financial assets (loans to related entities)	7	2,985,015	2,937,903
Total financial assets		<u>6,837,796</u>	<u>7,276,781</u>
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	9	390,902	513,015
- Financial liabilities	10	97,109	126,080
Total financial liabilities		<u>488,011</u>	<u>639,095</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, ENERGY AND SERVICES DIVISION, QUEENSLAND AND NORTHERN TERRITORY BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

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, ENERGY AND SERVICES DIVISION, QUEENSLAND AND NORTHERN TERRITORY BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 19: FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial Liability and Financial Asset Maturity Analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$
Financial liabilities due for payment								
Trade and other payables	390,902	513,015	-	-	-	-	390,902	513,015
Financial liabilities	97,109	126,080	-	-	-	-	97,109	126,080
Total Financial Liabilities	488,011	639,095	-	-	-	-	488,011	639,095
Financial assets - cash flow realisable								
Cash and cash equivalents	3,286,404	3,701,702	-	-	-	-	3,286,404	3,701,702
Trade and other receivables	566,377	637,176	-	-	-	-	566,377	637,176
Financial Assets	-	-	-	-	2,985,015	2,937,903	2,985,015	2,937,903
Total anticipated inflows	3 852 781	4,338,878	-	-	2,985,015	2,937,903	6,837,796	7,276,781
Net inflow of financial instruments	3,364,770	3,699,783	-	-	2,985,015	2,937,903	6,349,785	6,637,686

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

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		2016 \$	2015 \$
		2016	2015		
		%	%		
Floating rate instruments					
Cash and cash equivalents	2 00	1 96	3,286,404	3,701,702	
Financial assets (loans to related entities)	1 60	1 81	2,985,015	2,937,903	
Borrowings	7 23	7 28	97,109	126,080	

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, ENERGY AND SERVICES DIVISION, QUEENSLAND AND NORTHERN TERRITORY BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 19 – FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Sensitivity Analysis (Continued)

Interest rate sensitivity analysis

	2016	2015
	\$	\$
Change in profit		
• Increase in interest rate by 1%	57,695	61,615
• Decrease in interest rate by 1%	52,265	53,105
Change in equity		
• Increase in interest rate by 1%	57,695	61,615
• Decrease in interest rate by 1%	52,265	53,105

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, ENERGY AND SERVICES DIVISION, QUEENSLAND AND NORTHERN TERRITORY BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

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 2016

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

Fair value hierarchy – 31 December 2015

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, ENERGY AND SERVICES DIVISION, QUEENSLAND AND NORTHERN TERRITORY BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

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 profit and loss and other comprehensive income. Those amounts are presented in the audited financial statements of the Trust Fund and the ETU-Q. The amounts excluded are

	2016	2015
	\$	\$
DMB levy received	832,883	832,707
DMB levy transferred to the Trust Fund	832,883	832,707
Campaign levy received	712,359	756,260
Campaign levy transferred to the ETU-Q	712,359	756,260
QR Levy received	25,487	26,162
QR Levy transferred to the ETU-Q	25,487	26,162
Supply TND & TNDC Levy received	52	200
Supply TND & TNDC Levy transferred to the ETU-Q	52	200
Coal Levy received	35,111	36,095
Coal Levy transferred to the ETU-Q	35,111	36,095
Supply Levy received	109,529	114,321
Supply Levy transferred to the ETU-Q	109,529	114,321
OH & S Levy received	28,268	30,254
OH & S Levy transferred to the ETU-Q	28,268	30,254
Contract Levy received	146,758	161,283
Contract Levy transferred to the ETU-Q	146,758	161,283
Lift Levy received	17,353	16,879
Lift Levy transferred to the ETU-Q	17,353	16,879
Apprentice Levy received	15,422	15,165
Apprentice Levy transferred to the ETU-Q	15,422	15,165
Support Levy received	676,799	730,569
Support Levy transferred to the ETU-Q	676,799	730,569

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, ENERGY AND SERVICES DIVISION, QUEENSLAND AND NORTHERN TERRITORY BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

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-Branches of Branches and Agencies of Branches
- (g) To organise the electrical workers into Branches or Sub-Branches of the Union throughout the Commonwealth of Australia
- (h) To financially assist Branches and Sub-Branches
- (i) To provide for the acquisition or leasing of property
- (j) To secure preference of employment of Unionists
- (k) To advance the living and working conditions of workers and their families, and to assist kindred Unions and to support other bodies having these objects, and such projects for the advancement of Labor as the Union may determine
- (l) The abolition and prevention of contract and piecework schemes and the restriction and control of incentive and bonus systems in industry
- (m) To establish funds to assist members in distress through sickness or accident or who are lawfully out of employment

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

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

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

MEMBERSHIP - CERTIFICATE BY AUDITOR

FOR THE YEAR ENDED 31 DECEMBER 2016

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, Energy and Services Division, Queensland and Northern Territory Branch ("Union") for the year ended 31 December 2016

The financial statements disclose total membership of 12,208 financial members, 1,461 honorary and life members and 1,026 unfinancial members as at 31 December 2016 which is consistent with the membership records maintained by the Union and audited by us

M.S.F

MGI Audit (Q) Pty Ltd



G I Kent
Director

20 March 2017

South Brisbane

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

OPINION ON ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

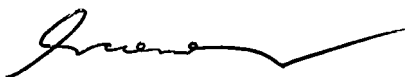
The additional financial information presented on pages 47 and 48 is consistent with the financial statements of the Union for the year ended 31 December 2016. Such additional financial information has been subject to auditing procedures in order to express an opinion on the revenue and expenses of the Union. Our auditing procedures involve testing on a test basis a sample of transactions throughout the year.

Audit Opinion

In our opinion, the additional information on pages 47 and 48 presents fairly in all material respects the revenues and expenses of the Union for the year ended 31 December 2016.

M.C.I

MGI Audit (Q) Pty Ltd



G I Kent
Director

South Brisbane

20 March 2017

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

ADDITIONAL INFORMATION IN EXPLAINING THE FINANCIAL RESULTS OF THE UNION

	2016	2015
	\$	\$
REVENUE		
General Fund		
Administration Fees	100,203	80,874
Campaign Income	-	261,714
Conference income	116,485	-
Contributions Received (Net)	7,303,127	7,532,466
Contribution Wallets	1,201	1,407
Entrance Fees	7,595	9,482
Fines	61,751	52,984
Interest Received	120,983	120,344
Gain on Sale of Assets	24,843	-
Merchandise Sold	9,501	38,353
Organising income	442,810	-
Other membership income	10,076	4,870
Other Refunds	61,027	26,576
Sponsorship Income	390,145	667,023
Sundry Income	111,880	206,091
	<u>8,761,627</u>	<u>9,002,184</u>
EXPENDITURE		
General Fund		
Advertising	(27,686)	137,285
Affiliation Fees	193,030	230,200
Audit and Accounting Fees	70,860	65,120
Bank Charges	80,851	86,701
Conference Expenses	211,610	120,935
Debt Collection Fees	56,455	28,015
Delegate Expenses	104,878	81,090
Depreciation	225,801	207,113
Donations	118,340	6,618
Electrical Trades Journal and Rule Books	95,073	119,625
Electricity	861	2,070
Fringe Benefits Tax	58,238	21,534
Insurance	78,340	43,890
Internet Expenses	57,569	82,179
Interest on MV Loan	8,364	8,087
Legal Costs		
Professional Fees	319,220	200,492
Lodgement Fees	3,173	4,746
Maintenance – 41 Peel Street	61,597	55,795
Meeting Expenses	460	2,709
Merchandise Purchases	52,210	83,310
Motor Vehicle Expenses	168,638	161,485
National Council Fees	1,000,785	1,039,345
National Council Fund Payments	-	13,393
National Office Expenses	92,808	8,746
<i>Sub-total</i>	3,031,475	2,810,483

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

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

	2016	2015
	\$	\$
EXPENDITURE (CONTINUED)		
<i>Balance carried forward</i>	3,031,475	2,810,483
Office Equipment, Supplies and Maintenance Expenses	79,038	47,381
Organising Expenses	713,321	650,549
Payroll Tax	201,856	198,035
Community Campaign	90,763	566,738
Doubtful debt expenses	27,183	-
Postage	112,235	96,018
Printing & Stationery	143,095	108,248
Refund of Contributions	(400)	-
Rent	89,052	51,427
Research	683	24,464
Salaries and Wages	3,773,282	3,662,402
Shop Stewards Reimbursements	4,404	4,768
Sponsorship expenses	32,290	20,864
Staff Amenities	32,470	12,699
Storage	18,702	16,419
Subscriptions	53,244	42,866
Superannuation	576,307	658,803
Sundry Expenses	28,972	(19,958)
Telephone	116,816	93,425
Training	13,469	19,629
	<u>9,138,257</u>	<u>9,065,260</u>
Deficit before income tax	<u>(376,630)</u>	<u>(63,076)</u>



24 January 2017

Mr Peter Ong
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and
Allied Services Union of Australia - Electrical, Energy and Services Division
Queensland and Northern Territory Divisional Branch
By Email: peter@etu.org.au
& pong@cepuqld.asn.au

Dear Mr Ong,

**Re: Lodgement of Financial Report - [FR2016/340]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the (the reporting unit) ended on .

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, that being within 14 days after the meeting referred to in s.266 of the RO Act.

Also you are reminded of the obligation to prepare and lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 requires this statement to be lodged with the FWC within 90 days of the end of the reporting unit's financial year, that is on or before 31 March 2017.

The new Registered Organisations Commission

The Registered Organisations Commission (the ROC) will be established in 2017.

Statements of loans, grants and donation and financial reports must be lodged with the Fair Work Commission until the ROC is established. Once the ROC is established, they must be lodged with the ROC.

It is not yet known when in 2017 the ROC will be established. The Fair Work Commission will be providing information on the transition to the ROC through its subscription service and its website. For details about the subscription service, go to [Subscriptions](#) and subscribe to the Registered organisations information service.

Where to lodge Statements of Loans Grants and Donations and Financial Reports

	Before the ROC is established	From establishment of the ROC
Where to lodge	Lodge your statement of loans grants donations and your financial report with the Fair Work Commission	Lodge your statement of loans grants donations and your financial report and with the ROC
How to lodge	The easiest way to lodge is via email: orgs@fwc.gov.au	Lodgement methods are not yet known

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Telephone : (03) 8661 7777
Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au

Our focus this year: timelines and disclosure of loans, grants and donations

Over the past year we have noted issues in organisations' financial reports relating to timelines and how loans, grants and donations are reported. We will be focusing closely on these areas this year. Please find attached below fact sheets relating to these requirements or alternatively visit our website for information regarding [financial reporting timelines](#) and [loans, grants and donations](#).

Timelines

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.

As stated above, section 237 requires the loans, grants and donations statement to be lodged with the FWC within 90 days of the end of the reporting unit's financial year, that is on or before 31 March 2017. A sample statement of loans, grants or donations is available at [sample documents](#).

Fact sheets, guidance notes and model statements

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission (FWC) website. This includes a model set of financial statements which have been developed by the FWC. 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 statements, Reporting Guidelines and other resources can be accessed through our website under [Financial Reporting](#) in the Running a Registered Organisation section.

Civil penalties may apply

It should be noted that s.268 and s.237 are civil penalty provisions. If a loan, grant or donation over \$1000 has been made, failure to lodge a statement of loans, grants and donations may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

Contact

Should you wish to seek any clarification in relation to the above, email orgs@fwc.gov.au.

Yours sincerely,

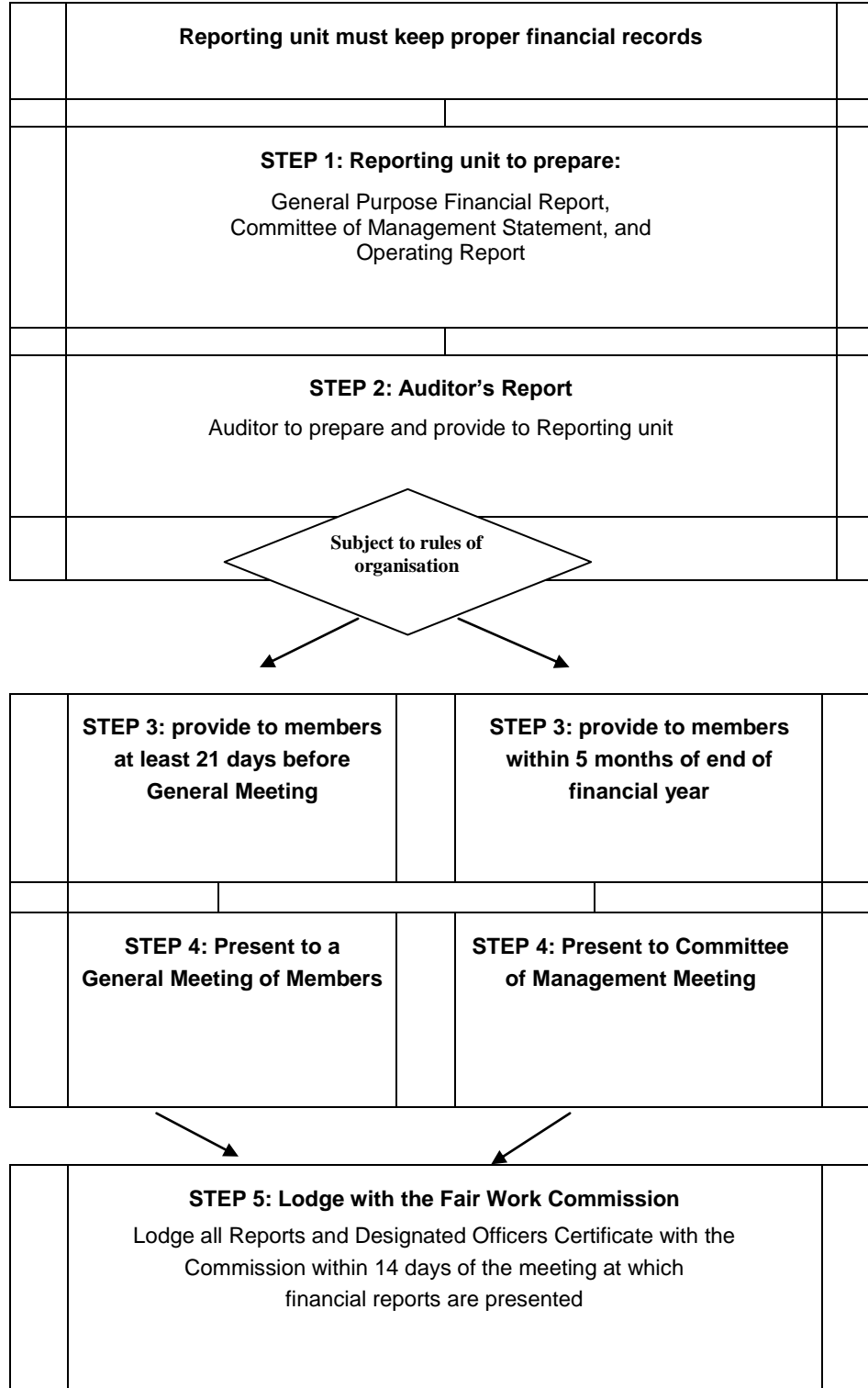


Marianne Kay
Adviser
Regulatory Compliance Branch

Financial reporting timelines

Financial reports are to be lodged with the Fair Work Commission (the Commission) within 14 days of the meeting at which the financial reports have been presented, by completing the steps as outlined below.

See Fact sheet—Financial reporting for an explanation of each of these steps.



Fact Sheet - Loans, Grants & Donations

The Loans, Grants & Donations Requirements

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the General Manager's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

The Loans, Grants & Donations Statement

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceed \$1000. The following information must be supplied to the Commission for each relevant loan, grant or donation:

the amount,

the purpose,

the security (if it is a loan),

the name and address of the person to whom it was made,* and







the arrangements for repaying the loan.*

*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the Commission has a [Template Loans, Grants and Donations Statement](#) on its website. The Commission encourages branches and organisations to lodge the statement even if all of the figures are NIL.

Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
 Only reporting units must lodge the Statement.	 All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
 Employees can sign the Statement.	 The statement must be signed by an elected officer of the relevant branch.
 Statements can be lodged with the financial report.	 The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.

Grants & Donations within the Financial Report

Item 16(e) of the [General Manager's Reporting Guidelines](#) requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines.

In the [Commission's Model Statements](#) the note appears as follows:

Note 4E: Grants or donations*

Grants:	2016	2015
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total grants or donations	-	-

Item 17 of the General Manager's Reporting Guidelines requires that these line items appear in the financial report even if the figures are NIL.

Implications for filing the Financial Report

During their review of the 2016 financial report staff of the Commission will confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their 2015 financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the [Commission's website](#).

Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the Regulatory Compliance Branch on orgs@fwc.gov.au