



17 June 2020

Troy Gray  
Victorian Branch Secretary  
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services  
Union of Australia - Electrical, Energy and Services Division - Victorian Divisional Branch  
Sent via email: [troy@etu.asn.au](mailto:troy@etu.asn.au)  
CC: [nick.ellery@etuvic.com.au](mailto:nick.ellery@etuvic.com.au)  
[robert.miano@rsm.com.au](mailto:robert.miano@rsm.com.au)

Dear Troy Gray,

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

**Financial Report for the year ended 31 December 2019 – (FR2019/341)**

I acknowledge receipt of the financial report for the year ended 31 December 2019 for the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia - Electrical, Energy and Services Division - Victorian Divisional Branch (**the reporting unit**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 27 May 2020.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009 (RO Act)* have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines (**RGs**) 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, except for the requirements under the sub-heading *Difference in figure reporting in loans, grants and donations statement and financial report*. I also make the following additional comments to assist you when you next prepare a financial report. The ROC will confirm these concerns have been addressed prior to filing next year's report.

Please note that the financial report for the year ending 31 December 2020 may be subject to an advanced compliance review.

**General purpose financial report (GPFR)**

Difference in figure reporting in loans, grants and donations statement and financial report

A loans, grants and donations statement for reporting unit was lodged with the ROC under subsection 237(1) of the RO Act on 10 March 2020. A figure for donations that exceeded \$1,000 was also disclosed in the financial report, however this figure for donations is different to the total of the figures disclosed in the loans, grants and donations statement.

Please provide an explanation for the difference in the figure reported. If items reported in the loans, grants and donations statement are incorrect or incomplete please lodge an amended statement.

#### Disclosure of employee expenses to office holders and other employees

The RGs require reporting units to disclose in the statement of comprehensive income or in the notes to the financial statements employee expenses to holders of office (item 14(f)) and employee expenses to other employees (item 14(g)). Item 14(f) and 14(g) of the RGs also requires these expenses to be separately disclosed as follows:

- Wages and salaries;
- Superannuation;
- Leave and other entitlements;
- Separation and redundancies; and
- Other employee expenses.

I note that the Note 3(a) does not separately disclose *Other employee expenses* for office holders and employees other than office holders.

#### References to legislation and the ROC

I note that item (e)(v) refers to the Fair Work Australia instead of the Registered Organisations Commission. Please ensure that in future year, the committee of management statement is amended accordingly.

#### Nil activities disclosure

Item 21 of the RGs states that if any of the activities identified within items 10-20 of the RGs have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement. I note that the financial statements includes the following nil activity disclosures for which there was already an equivalent form of disclosure in the body of the notes:

- "Receive capitation fees and any other revenue from another reporting unit" is disclosed in both the consolidated statement of comprehensive income and Note 2(a);
- "Receive revenue via compulsory levies" is disclosed in both the consolidated statement of comprehensive income and Note 2(b);
- "Receive donations or grants" is disclosed in both the consolidated statement of comprehensive income and Note 2(f); and
- "Have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch" and "transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity" are disclosed in both Note 15 and Note 16.

Please note that nil activities only need to be disclosed once.

#### **Auditor's report**

##### Audit scope - officer's declaration statement

Australian Auditing Standard ASA 700 *Forming an Opinion and Reporting on a Financial Report* paragraph 24(c) requires the auditor's statement to list the elements of the GPFR. In the lodged auditor's report reference is made to an officer's declaration statement, however an officer's declaration statement was not included in the copy of the documents lodged with the ROC.

Please ensure in future years that only those statements which formed part of the auditor's scope are identified in the auditor's report.

## Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 RGs and a model set of financial statements.

The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 RGs and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact Kylie Ngo on (03) 9603 0764 or via email at [kylie.ngo@roc.gov.au](mailto:kylie.ngo@roc.gov.au).

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Kylie', with a long horizontal stroke extending to the right.

**Kylie Ngo**  
**Registered Organisations Commission**

**Electrical Trades Union of Australia -  
Victorian Branch**

**Consolidated Financial Statements  
For the Year Ended 31 December 2019**

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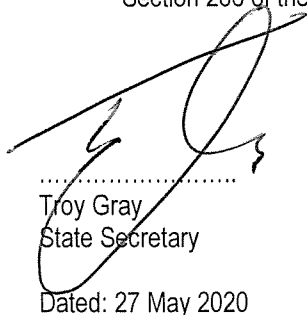
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**CERTIFICATE BY BRANCH SECRETARY**  
**For the year ended 31 December 2019**

I, Troy Gray, being the State Secretary of Electrical Trades Union of Australia —Victorian Branch certify that:

- (a) the documents lodged herewith are copies of the full report for the Electrical Trades Union of Australia — Victorian Branch for the period ended 31 December 2019, referred to in Section 268 of the Fair Work (Registered Organisations) Act 2009; and
- (b) the full report was provided to members of the Union on 27 / 5 / 2020; and
- (c) the full report was presented to the Committee of Management of the reporting unit on 27 May 2020 in accordance with Section 266 of the Fair Work (Registered Organisations) Act 2009.

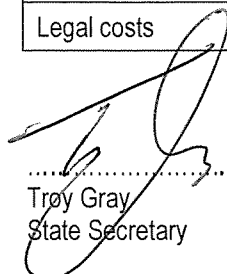


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Troy Gray  
State Secretary  
Dated: 27 May 2020

**EXPENDITURE REPORT**  
**For the year ended 31 December 2019**

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 31 December 2019.

Remuneration and other employment-related costs and expenses – employees	11,836,013	11,406,093
Advertising	1,135,580	621,986
Operating costs	10,220,435	9,266,777
Donations to political parties	701,100	1,006,900
Legal costs	465,667	354,864



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Troy Gray  
State Secretary

Dated: 27 May 2020

**OPERATING REPORT**

**For the year ended 31 December 2019**

Your committee presents its report on the Union and its controlled entities for the financial year ended 31 December 2019.

**1. General information**

**a. Members**

In accordance with section 254 of the Fair Work (Registered Organisations) Act 2009 we advise that the names of those who have been members of the Branch Executive at any time during, or since the end of, the year are:

Troy Gray	State Secretary
Ivan Balta	Assistant State Secretary
Arron Harris	Assistant State Secretary
Daniel Filazzola	President
Graeme Watson	Treasurer
Paul Swann	Vice President
Jim Theodosiou	Branch Executive
Laura Birch (appointed 28/08/2019)	Branch Executive
Ken Purdham	Branch Executive
Mark Baldi	Branch Executive
Paul Harman (resigned 28/08/2019)	Branch Executive

All members of the Branch Executive held office since the start of the financial year to the date of this report unless otherwise stated.

**b. Union Secretary**

The following person held the position of State Secretary of the Union at the end of the financial year:

Troy Gray

**c. Number of members**

The number of persons who were members at the end of the financial year was 18,083 (2018: 17,551).

**d. Number of employees**

The number of persons, who were, at the end of the financial year to which the report relates, full time equivalent employees of the reporting unit was 42 (2018: 43).

**e. Principal activities and significant changes in nature of activities**

The principal activities of the entity during the financial year were:

- Implementation of the decisions of the Branch Executive and Branch Council;
- Implementation of the union's organising agenda, including direct assistance and strategic advice on particular industry or site organising projects, the training and development of officials;



**OPERATING REPORT (CONT.)**  
**For the year ended 31 December 2019**

- Industrial support including representation of individual member grievances, advice on legal and legislative matters, pursuing relevant changes to the conditions of eligibility rules of the union, and responding to other union's rules applications where they have an impact on membership of the ETU;
- The administration of federal awards, the variation of awards following major test cases (such as living wage) and making applications to vary federal awards;
- Management of information technology and strategic membership systems designed to support organizing;
- Communicating to members and to the broader community via media releases in support of campaigns, video and film development, and targeted publications, including the magazine ETU News; and
- National bargaining in key industries and assistance to other branches on bargaining by request.

The above activities were successfully achieved or in progress during the financial year.

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

**e. Right of Members to Resign**

All members of the Union have the right to resign from the Union in accordance with the rules of the Union and section 174 of the Fair Work (Registered Organizations) Act 2009; by providing written notice addressed and delivered to the State Secretary, including via email.

**f. Trustee or director of trustee company of a superannuation entity or exempt public sector superannuation scheme s254(2)(d)**

No officers of the branch held the position of trustee or as a director of a trustee company of a superannuation entity or exempt public sector superannuation scheme.

**2. Business review – Review of operations**

The consolidated surplus of the Union for the financial year amounted to \$3,975,177 (2018: \$200,323).

**3. Other items**

**a. Significant changes in the financial affairs**

A distribution of capital from Protect Severance Scheme (Protect) was made during 2019. The distribution was received after the trustee, ElecNet (Aust) Pty Ltd, resolved to make the distribution to its sponsors (Electrical Trades Union of Australia – Victorian Branch (ETU) and National Electrical Contractors Association – Victoria (NECA)). The distribution was made in response to the introduction of the Fair Work Laws Amendment (Proper Use of Worker Benefits) Bill 2017, which if it became law, would prohibit Protect making any future distributions to its sponsors, and in the Executive and State Council's view, would put at risk benefits for thousands of electrical workers and their families.

The Executive and State Council, by resolution, have specified that these funds shall not be used by the ETU for industrial, operational or political purposes. The ETU has entered into a Facility Agreement with Protect to loan back the capital distributed to the ETU if Protect needs to recall the distribution to meet ongoing expenses.

**OPERATING REPORT (CONT.)**  
**For the year ended 31 December 2019**

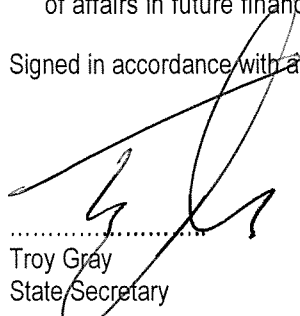
**b. Events after the reporting date**

On 20 January 2020, the Chinese Government announced an outbreak of novel coronavirus (COVID-19) in the city of Wuhan in Hubei Province. The outbreak was declared a pandemic by the World Health Authority on 11 March 2020 and the Victorian Government declared a state of emergency on 16 March 2020.

Financial markets are currently experiencing dramatic negative movements. Financial assets held by the consolidated entity may suffer a material negative impact depending on the duration of the current market conditions, however an accurate estimate of the impact is unknown.

No other matters or circumstances have arisen since 31 December 2019 that have significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Signed in accordance with a resolution of the Committee of Management:



.....  
Troy Gray  
State Secretary

Dated: 27 May 2020

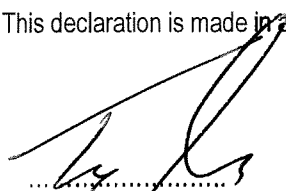
**STATEMENT BY COMMITTEE OF MANAGEMENT**  
**For the year ended 31 December 2019**

On the 27 May 2020 the Committee of Management of the Electrical Trades Union Of Australia – Victorian Branch, passed the following resolution in relation to the general purpose financial report ("GPFR") for the year ended 31 December 2019.

The Executive Committee declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Electrical Trades Union of Australia – Victorian Branch for the financial year ended 31 December 2019;
- (d) there are reasonable grounds to believe that the Electrical Trades Union of Australia – Victorian Branch will be able to pay its debts as and when they become due and payable;
- (e) during the financial year ended 31 December 2019 and since the end of the financial year:
  - i) meetings of the Branch Executive were held in accordance with the rules of the Electrical Trades Union of Australia – Victorian Branch;
  - ii) the financial affairs of the Electrical Trades Union of Australia - Victorian Branch have been managed in accordance with the rules of the Electrical Trades Union of Australia – Victorian Branch;
  - iii) the financial records of the Electrical Trades Union of Australia – Victorian Branch have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009;
  - iv) the financial records of the Electrical Trades Union of Australia – Victorian Branch have been kept, as far as practicable, in a consistent manner to each of the other branches of the national organisation;
  - v) no information has been sought in any request of a member of the Electrical Trades Union of Australia or the Commissioner of Fair Work Australia under section 272 of the Fair Work (Registered Organisations) Act 2009; and
  - vi) Where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

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



.....  
Troy Gray  
State Secretary



.....  
Graeme Watson  
Treasurer

Dated: 27 May 2020

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## Independent Auditor's Report

### To the Members of Electrical Trades Union of Australia – Victorian Branch

#### Opinion

We have audited the financial report of Electrical Trades Union of Australia – Victorian Branch (Union) and its subsidiaries (consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, the committee of management statement, the subsection 255(2A) report and the officer declaration statement.

In our opinion, the accompanying financial report of the consolidated entity is in accordance with the Fair Work (Registered Organisations) Act 2009, including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the consolidated entity in accordance with the auditor independence requirements of the Fair Work (Registered Organisations) Act 2009 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Other Information

The committee of management are responsible for the other information. The other information comprises the information included in the Operating Report for the year ended 31 December 2019, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

#### *Other Information (Continued)*

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### *Responsibilities of Committee of Management for the Financial Report*

The committee of management of the union are 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 control as the committee determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee of management are responsible for assessing the ability of the consolidated entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee either intend to liquidate the consolidated entity or to cease operations, or have no realistic alternative but to do so.

#### *Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

#### *Going Concern*

The auditor declares that as part of the audit of the financial statements, it was concluded that management's use of the going concern basis of accounting in the preparation of the consolidated entity's financial statements is appropriate.

#### *Approved Auditor*

The auditor declares that he is an approved auditor who is a member of The Institute of Chartered Accountants in Australia and New Zealand and holds a current Public Practice Certificate as well as a registered auditor under the *Fair Work (Registered Organisations) Act 2009*.

A handwritten signature in blue ink, appearing to read 'RSM'.

**RSM AUSTRALIA PTY LTD**

A handwritten signature in blue ink, appearing to read 'R B Miano'.

**R B MIANO**  
Director

Dated: 27 May 2020  
Melbourne, Victoria

ROC Registration Number: AA2017/58

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
For the year ended 31 December 2019

	Notes	Consolidated		Parent	
		2019	2018	2019	2018
		\$	\$	\$	\$
<b>Revenue</b>					
Membership subscription		8,489,155	8,224,724	8,489,155	8,224,724
Capitation fees and other revenue from another reporting unit	2(a)	-	-	-	-
Levies	2(b)	-	-	-	-
Investment income	2(c)	3,360,379	3,658,557	927	25,704
Rental revenue	2(d)	746,697	710,259	-	-
Other revenue	2(e)	9,400,481	8,739,628	5,539,686	5,899,195
<b>Total revenue</b>		<b>21,996,712</b>	<b>21,333,168</b>	<b>14,029,768</b>	<b>14,149,623</b>
<b>Other income</b>					
Grants and/or donations	2(f)	-	-	-	-
Share of net profit from associate	12	7,848,872	2,969,597	7,848,872	2,969,597
Net gains from sale of assets		37,948	-	36,054	-
Revenue from recovery of wages		-	-	-	-
<b>Total other income</b>		<b>7,886,820</b>	<b>2,969,597</b>	<b>7,884,926</b>	<b>2,969,597</b>
<b>Total income</b>		<b>29,883,532</b>	<b>24,302,765</b>	<b>21,914,694</b>	<b>17,119,220</b>
<b>Expenses</b>					
Employee expenses	3(a)	(11,836,013)	(11,406,093)	(7,699,719)	(7,945,511)
Capitation fees and other expense to another reporting unit	3(b)	(1,987,088)	(1,344,794)	(1,668,945)	(1,061,630)
Affiliation fees	3(c)	(239,800)	(209,627)	(239,800)	(209,627)
Administration expenses	3(d)	(1,208,568)	(1,239,415)	(877,825)	(847,528)
Grants or donations	3(e)	(950,275)	(1,154,920)	(872,075)	(1,113,625)
Depreciation and amortisation expense	3(f)	(1,549,559)	(1,443,814)	(754,981)	(773,308)
Legal costs	3(g)	(465,667)	(354,864)	(465,667)	(354,600)
Other expenses	3(h)	(7,671,385)	(6,937,511)	(13,096,954)	(4,531,116)
Net loss from sale of assets		-	(11,403)	-	(7,497)
<b>Total expenses</b>		<b>(25,908,355)</b>	<b>(24,102,442)</b>	<b>(25,675,966)</b>	<b>(16,844,443)</b>
<b>Surplus (deficit) for the year</b>		<b>3,975,177</b>	<b>200,323</b>	<b>(3,761,272)</b>	<b>274,777</b>
<b>Other comprehensive income</b>					
Items that will be subsequently reclassified to profit or loss					
Net gain / (loss) on revaluation of financial assets		2,833,357	(1,068,589)	-	-
<b>Total comprehensive income for the year</b>		<b>6,808,534</b>	<b>(868,266)</b>	<b>(3,761,272)</b>	<b>274,777</b>
Comprehensive income attributable to members of the parent entity		6,639,912	(936,705)	(3,761,272)	274,777
<b>Comprehensive income attributable to outside equity interest</b>		<b>168,622</b>	<b>68,439</b>	<b>-</b>	<b>-</b>

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at 31 December 2019**

	Notes	Consolidated		Parent	
		2019	2018	2019	2018
		\$	\$	\$	\$
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	4	13,514,023	9,516,266	2,626,601	2,696,292
Trade and other receivables	5	1,284,367	10,061,194	3,645,040	11,814,328
Inventories	6	83,018	65,746	83,018	65,746
Other current assets	7	238,802	194,031	136,405	136,409
<b>Total current assets</b>		<b>15,120,210</b>	<b>19,837,237</b>	<b>6,491,064</b>	<b>14,712,775</b>
<b>Non-Current Assets</b>					
Trade and other receivables	5	584,732	534,732	534,732	534,732
Financial assets	8	53,699,008	50,059,171	31,962,101	31,962,101
Property, plant and equipment	10	24,746,590	21,499,138	3,110,246	3,324,423
Intangibles	11	61,568	121,198	6,668	121,198
Investments in associates	12	3,898,673	29,755	3,898,673	29,755
<b>Total non-current assets</b>		<b>82,990,572</b>	<b>72,243,994</b>	<b>39,512,421</b>	<b>35,972,209</b>
<b>Total assets</b>		<b>98,110,782</b>	<b>92,081,231</b>	<b>46,003,485</b>	<b>50,684,984</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Trade and other payables	13	3,518,942	4,179,691	2,487,197	3,527,262
Employee provisions	14	3,703,524	3,378,932	3,128,447	2,936,700
<b>Total current liabilities</b>		<b>7,222,466</b>	<b>7,558,623</b>	<b>5,615,644</b>	<b>6,463,962</b>
<b>Non-Current Liabilities</b>					
Employee provisions	14	134,248	185,463	77,620	149,530
<b>Total non-current liabilities</b>		<b>134,248</b>	<b>185,463</b>	<b>77,620</b>	<b>149,530</b>
<b>Total liabilities</b>		<b>7,356,714</b>	<b>7,744,086</b>	<b>5,693,265</b>	<b>6,613,492</b>
<b>Net assets</b>		<b>90,754,067</b>	<b>84,337,145</b>	<b>40,310,220</b>	<b>44,071,492</b>
<b>EQUITY</b>					
Reserves		6,423,991	3,590,634	-	-
Accumulated surplus		84,226,502	80,640,148	40,310,220	44,071,492
Equity attributable to members of the parent entity		90,650,493	84,230,782	40,310,220	44,071,492
Outside equity interests in controlled entities		103,575	106,363	-	-
<b>Total equity</b>		<b>90,754,067</b>	<b>84,337,145</b>	<b>40,310,220</b>	<b>44,071,492</b>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For the year ended 31 December 2019

2018 Consolidated	Accumulated Surplus	Asset Revaluation Reserve	Financial Assets Reserve	Total Equity
	\$	\$	\$	\$
Balance at 1 January 2018	80,815,322	3,471,419	1,187,804	85,474,545
Profit/(loss) for the year	200,323	-	-	200,323
Distribution to beneficiaries	(269,134)	-	-	(269,134)
Other Comprehensive income	-	-	(1,068,589)	(1,068,589)
<b>Balance at 31 December 2018</b>	<b>80,746,511</b>	<b>3,471,419</b>	<b>119,215</b>	<b>84,337,145</b>

2019 Consolidated	Accumulated Surplus	Asset Revaluation Reserve	Financial Assets Reserve	Total Equity
	\$	\$	\$	\$
Balance at 1 January 2019	80,746,511	3,471,419	119,215	84,337,145
Profit/(loss) for the year	3,975,177	-	-	3,975,177
Distribution to beneficiaries	(391,612)	-	-	(391,612)
Other Comprehensive income	-	-	2,833,357	2,833,357
<b>Balance at 31 December 2019</b>	<b>84,330,076</b>	<b>3,471,419</b>	<b>2,952,572</b>	<b>90,754,067</b>

2018 Parent	Accumulated Surplus	Asset Revaluation Reserve	Available for sale Reserve	Total Equity
	\$	\$	\$	\$
Balance at 1 January 2018	43,796,715	-	-	43,796,715
Profit/(loss) for the year	274,777	-	-	274,777
Other Comprehensive income	-	-	-	-
<b>Balance at 31 December 2018</b>	<b>44,071,492</b>	<b>-</b>	<b>-</b>	<b>44,071,492</b>

2019 Parent	Accumulated Surplus	Asset Revaluation Reserve	Available for sale Reserve	Total Equity
	\$	\$	\$	\$
Balance at 1 January 2019	44,071,492	-	-	44,071,492
Profit/(loss) for the year	(3,761,272)	-	-	(3,761,272)
Other Comprehensive income	-	-	-	-
<b>Balance at 31 December 2019</b>	<b>40,310,220</b>	<b>-</b>	<b>-</b>	<b>40,310,220</b>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.



**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the year ended 31 December 2019

Notes	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from members, investments, rental and other income	18,571,322	16,768,380	10,265,394	9,382,195
Payments to suppliers and employees	(24,740,615)	(23,183,483)	(25,802,592)	(16,706,306)
Interest received	3,491,876	2,808,522	927	25,704
Net cash provided by/(used in) operating activities	15 <u>(2,677,417)</u>	<u>(3,606,581)</u>	<u>(15,536,271)</u>	<u>(7,298,407)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sale of property plant and equipment	413,746	324,008	404,138	340,466
Purchase of property, plant and equipment	(5,058,280)	(2,042,489)	(794,358)	(663,501)
Purchase of intangibles	(54,900)	-	-	-
Purchase of financial assets	(27,708,239)	(16,502,078)	-	1,500,000
Proceeds from maturity / sale of financial assets	26,839,900	6,743,253	-	-
Proceeds from investments in associates	12,672,896	16,617,255	12,672,896	16,885,700
Net proceeds / (payments) of loans	(38,338)	92,736	-	94,450
Net proceeds / (payments) to related parties	-	-	3,183,904	(9,457,315)
Net cash provided by/(used in) investing activities	<u>7,066,785</u>	<u>5,232,685</u>	<u>15,466,580</u>	<u>8,699,800</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Beneficiary payments	(391,612)	(269,134)	-	-
Net cash provided by/(used in) financing activities	<u>(391,612)</u>	<u>(269,134)</u>	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held	3,997,757	1,356,970	(69,691)	1,401,393
Cash and cash equivalents at beginning of year	9,516,266	8,159,296	2,696,292	1,294,899
Cash and cash equivalents at end of year	4 <u>13,514,023</u>	<u>9,516,266</u>	<u>2,626,601</u>	<u>2,696,292</u>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

### 1. Summary of significant accounting policies

Electrical Trades Union of Australia - Victorian Branch is a registered trade union domiciled in Australia.

#### a. 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) that apply for the reporting period and the Fair Work (Registered Organisations) Act 2009. For the purpose of preparing the general purpose financial statements, the Electrical Trade Union of Australia – Victorian Branch is a not for profit entity.

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

#### b. Comparative amounts

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

#### c. Principles of consolidation

The consolidated financial statements comprise the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost. A controlled entity is any entity over which Electrical Trade Union of Australia – Victorian Branch has power to govern the financial and operating policies so as to obtain benefits from its activities.

##### *Controlled entities*

Where controlled entities have entered or left the economic entity during the year, the financial performance of those entities is included only for the period that they were controlled. A list of controlled entities is contained in Note 9 to the financial statements.

During the year ended 31 December 2019, there were no assets or liabilities acquired through any business combination.

##### *Inter-entity balances*

In preparing the consolidated financial statements, all inter-entity balances and transactions between entities in the economic entity have been eliminated in full for the purpose of these consolidated financial statements. Appropriate adjustments have been made to a controlled entity's financial statements where the accounting policies used by those entities were different from those adopted in the consolidated financial statements.

## NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 31 December 2019

### 1. Summary of significant accounting policies (Cont.)

#### d. Revenue and other income

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the entity, identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services performed.

Revenue from the provision of membership subscriptions is recognised on a straight-line basis over the financial year and is only recognised for financial members.

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time when the goods are delivered.

Management fee and administration income is brought to account on a monthly and accruals basis.

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

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Dividend revenue is recognised when the right to receive a dividend has been established.

Donation income is recognised when it is received.

#### e. Taxation

Electrical Trades Union of Australia – Victoria Branch is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997, however, still has an obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenue, expenses and assets are recognized net of GST except:

- Where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- For receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to the Australian Taxation Office is classified within operating cash flows.

#### f. Cash and Cash Equivalents

Cash is recognized at its nominal amount. Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

## NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 31 December 2019

### 1. Summary of significant accounting policies (Cont.)

#### g. Inventories

Inventories are measured at the lower of cost and net realisable value.

#### h. Property, Plant and Equipment

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

#### i. Property, Plant and Equipment

##### *Property*

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. It is the policy of the economic entity to have an independent valuation every three years, with annual appraisals being made by the Committee of Management. In the periods when the freehold land and buildings are not subject to an independent valuation, the committee conduct committee valuations to ensure the land and buildings carrying amount is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the consolidated statement of profit or loss and other comprehensive income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

##### *Plant and equipment*

Plant and equipment are measured on the cost basis less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset.

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

##### *Depreciation*

The depreciable amount of buildings is depreciated on a straight-line basis over their useful lives to the economic entity commencing from the time the building is held ready for use. All other fixed assets excluding freehold land, are depreciated on a diminishing value basis over the asset's useful life to the economic entity commencing from the time the asset is held ready for use. Land is not depreciated.

## NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 31 December 2019

### 1. Summary of significant accounting policies (Cont.)

#### i. Property, Plant and Equipment (Cont.)

Depreciation rates used for each class of depreciable assets are:

<b>Class of Fixed Asset</b>	<b>Depreciation rate</b>
Buildings and improvements	2.50%
Furniture, Fixtures and Fittings	11.25% – 15.04%
Motor Vehicles	25%
Office Equipment	13.3% - 20%
Computer Equipment	37.50 – 50%

Assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

#### j. Intangibles

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortisation is recognized on a straight-line basis over their estimated useful life. The estimated useful lives and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Amortisation rates used for each class of amortizable assets are:

<b>Class of Intangibles</b>	<b>Amortisation rate</b>
Computer Software	33.33%

#### *Derecognition*

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in profit and loss when the asset is derecognized.

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**For the year ended 31 December 2019**

**1. Summary of significant accounting policies (Cont.)**

**k. Right-of-use assets**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

**l. Lease liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

**m. Financial Instruments**

*Initial recognition and measurement*

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

*Financial assets at fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity holds for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

## NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 31 December 2019

### 1. Summary of significant accounting policies (Cont.)

#### n. Impairment of Assets

At the end of each reporting period, the economic entity assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information and dividends received from controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Value in use is calculated by discounting the estimated future cash flows of the asset or cash-generating unit (CGU) at a pre-tax discount rate reflecting the specific risks in the asset / CGU. Any excess of the asset's carrying value over its recoverable amount is expensed to the consolidated statement of profit or loss and other comprehensive income.

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

#### o. Employee benefits

Provision is made for the Union's liability for employee benefits 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.

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. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

#### p. Provisions

Provisions are recognised when the economic entity 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 at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period.

#### q. 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 consolidated statement of financial position are shown inclusive of GST.

Cash flows are presented in the consolidated 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.

#### r. Investments in associate using the equity method of accounting

An associate is an entity over which the Electrical Trades Union – Victorian Branch has significant influence and is neither a subsidiary nor a joint venture interest. Significant influence is determined as the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Under the equity method, an investment in an associate is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the share of the profit or loss and other comprehensive income of the associate.

## NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 31 December 2019

### 1. Summary of significant accounting policies (Cont.)

#### r. Investments in associate using the equity method of accounting (Cont.)

When the share of losses of an associate exceeds the interest in that associate, the Electrical Trades Union – Victorian Branch discontinues recognising its share of further losses. Additional losses are recognised only to the extent that legal or constructive obligations or payments on behalf of the associate have been incurred.

Any excess of the cost of acquisition over the share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

#### s. Standards not yet effective

At the date of this financial report, no new accounting standards not yet effective have been early adopted.

#### t. New and amended standards adopted by the consolidated entity

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

##### *AASB 15 Revenue from Contracts with Customers*

The consolidated entity has adopted AASB 15 from 1 January 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price to the different performance obligation in the contracts with customers. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue.

##### *AASB 16 Leases*

The consolidated entity has adopted AASB 16 from 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets and an interest expense on the recognised lease liabilities. In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

##### *Impact of adoption*

The first-time application of AASB 15 and AASB 16 has not materially impacted the financial statements of the consolidated entity, nor resulted in changes to the opening retained earnings.



## NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 31 December 2018

### 1. Summary of significant accounting policies (Cont.)

#### u. Going concern

The entity is not reliant on financial support from another reporting entity to enable the entity to operate as a going concern or any other financial support.

There were no assets or liabilities acquired as a result of amalgamation, restructure, the granting or revocation of a certificate under s.245 or s.249 of Fair Work (Registered Organisations) Act 2009.

The entity did not provide any financial support to another reporting entity to enable that reporting entity to continue as a going concern.

#### v. Correction of membership revenue in prior period

The entity has undertaken further development of its iMIS Membership system which was introduced in 2016. These developments have resulted in the ability to extract additional information in the current year which facilitated a more specific calculation of members subscriptions received in advance.

As a result, an amount of \$309,402 which was previously accounted for as membership subscription revenue for the year ending 31 December 2018 was reclassified to members subscriptions received in advance as at 31 December 2018.

The impact on the consolidated statements was as follows:

	31 December 2018 \$	Increase / (Decrease) \$	31 December 2018 (Restated) \$
<b>Consolidated statement of comprehensive income (extract)</b>			
Membership subscriptions	8,534,126	(309,402)	8,224,724
<b>Total revenue</b>	<b>21,359,406</b>	<b>(309,402)</b>	<b>21,050,004</b>
<b>Total income</b>	<b>24,329,003</b>	<b>(309,402)</b>	<b>24,019,601</b>
<b>Surplus / (deficit) for the year</b>	<b>509,725</b>	<b>(309,402)</b>	<b>200,323</b>
<b>Total comprehensive income for the year</b>	<b>(558,864)</b>	<b>(309,402)</b>	<b>(868,266)</b>
Comprehensive income attributable to members	(627,303)	(309,402)	(936,705)
<b>Consolidated statement of financial position (extract)</b>			
<b>Liabilities</b>			
Trade and other payables	3,870,289	309,402	4,179,691
<b>Total liabilities</b>	<b>7,434,684</b>	<b>309,402</b>	<b>7,744,086</b>
<b>Net assets</b>	<b>84,646,547</b>	<b>(309,402)</b>	<b>84,337,145</b>
<b>Equity</b>			
Accumulated surplus	80,949,550	(309,402)	80,640,148
Equity attributable to members	89,935,006	(309,402)	89,625,604
<b>Total Equity</b>	<b>84,646,547</b>	<b>(309,402)</b>	<b>84,337,145</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
For the year ended 31 December 2018

**1. Summary of significant accounting policies (Cont.)**

**v. Correction of membership revenue in prior period (Cont.)**

The impact on the parent statements was as follows:

	31 December 2018 \$	Increase / (Decrease) \$	31 December 2018 (Restated) \$
<b>Statement of comprehensive income (extract)</b>			
Membership subscriptions	8,534,126	(309,402)	8,224,724
<b>Total revenue</b>	<b>14,459,025</b>	<b>(309,402)</b>	<b>14,149,623</b>
<b>Total income</b>	<b>17,428,622</b>	<b>(309,402)</b>	<b>17,119,220</b>
<b>Surplus / (deficit) for the year</b>	<b>584,179</b>	<b>(309,402)</b>	<b>274,777</b>
<b>Total comprehensive income for the year</b>	<b>584,179</b>	<b>(309,402)</b>	<b>274,777</b>
Comprehensive income attributable to members	584,179	(309,402)	274,777
<b>Statement of financial position (extract)</b>			
<b>Liabilities</b>			
Trade and other payables	3,217,860	309,402	3,527,262
<b>Total liabilities</b>	<b>6,304,090</b>	<b>309,402</b>	<b>6,613,492</b>
<b>Net assets</b>	<b>44,380,894</b>	<b>(309,402)</b>	<b>44,071,492</b>
<b>Equity</b>			
Accumulated surplus	44,380,894	(309,402)	44,071,492
Equity attributable to members	44,380,894	(309,402)	44,071,492
<b>Total Equity</b>	<b>44,380,894</b>	<b>(309,402)</b>	<b>44,071,492</b>

**w. Significant accounting estimates and judgements**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. Management have identified one judgement, estimate and assumption that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is discussed below.

*Investment in Associate – Equity Accounting for Protect Severance Scheme and Protect Severance Scheme No. 2*

The Union's associates, Protect Severance Scheme and Protect Severance Scheme No. 2, are made up of four divisions, which includes an electrical division. The Union is part of the electrical division. The trustees of the respective scheme may exercise their rights to distribute capital surplus to the four divisions of the schemes. The Union is entitled to 75 % of the distribution that is provided to the electrical division. For the purposes of equity accounting, management estimated the proportion of the capital surplus that the electrical division may have entitlement to based on the current year profit entitlement for the division. The proportion will be reviewed annually. Consequently, the Union's share of the associate's profits and net assets is 59.6% in Protect Severance Scheme and 81.2% in Protect Severance Scheme No 2 (being the Union's 75% distribution entitlement of the current year profit entitlement for the electrical division).

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
For the year ended 31 December 2019

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
<b>2. REVENUE</b>				
<b>(a) Capitation fees and other revenue from another reporting unit</b>				
Total capitation fees and other revenue from another reporting unit	-	-	-	-
<b>(b) Levies</b>				
Total levies	-	-	-	-
<b>(c) Investment income</b>				
Interest				
Deposits	71,645	77,830	927	25,704
Debt instruments at fair value through OCI	2,797,212	3,265,883	-	-
Dividends	491,522	314,844	-	-
<b>Total investment income</b>	<b>3,360,379</b>	<b>3,658,557</b>	<b>927</b>	<b>25,704</b>
<b>(d) Rental revenue</b>				
Properties	746,697	710,259	-	-
<b>Total rental revenue</b>	<b>746,697</b>	<b>710,259</b>	<b>-</b>	<b>-</b>
<b>(e) Other revenue</b>				
Sale of goods	51,663	37,771	51,663	37,771
Management fees	3,120,182	2,820,366	1,263,027	1,374,375
Administration income	5,782,559	5,284,807	-	-
Sundry income	232,045	389,424	225,721	420,170
Directors Fees	214,032	207,260	214,032	207,260
Trust distributions	-	-	3,785,243	3,859,619
<b>Total other revenue</b>	<b>9,400,481</b>	<b>8,739,628</b>	<b>5,539,686</b>	<b>5,899,195</b>
<b>(f) Grants and/or donations</b>				
Total grants and/or donations	-	-	-	-

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**For the year ended 31 December 2019**

	Consolidated	
	2019	2018
	\$	\$
<b>3. EXPENSES</b>		
<b>(a) Employee expenses</b>		
<b>Holders of office:</b>		
Wages and salaries (i)	664,689	520,799
Superannuation (i)	125,752	100,266
Leave and other entitlements (i)	153,522	110,918
<b>Subtotal employee expenses holders of office</b>	<b>943,963</b>	<b>731,983</b>
(i) For the year ended 31 December 2019, there were no separation / redundancy expenses paid in respect of office holders (FY 2018: \$0).		
<b>Employees other than office holders:</b>		
Wages and salaries (ii)	7,439,760	7,452,072
Superannuation (ii)	1,068,812	1,050,497
Leave and other entitlements (ii)	1,197,160	864,690
<b>Subtotal employee expenses employees other than office holders</b>	<b>9,705,731</b>	<b>9,367,259</b>
(ii) For the year ended 31 December 2019, there were redundancy payments of \$546,199 (FY 2018: \$587,243).		
<b>Other employee expenses:</b>		
FBT and payroll tax	613,220	600,148
Workcover expenses	60,035	60,620
Training expenses	474,832	599,292
Health benefit expenses	38,232	46,791
<b>Subtotal other employee expenses</b>	<b>1,186,319</b>	<b>1,306,851</b>
<b>Total employee expenses</b>	<b>11,836,013</b>	<b>11,406,093</b>
<b>(iii) Disclosure of remuneration of Elected Officials</b>		
State secretary	214,317	207,968
Assistant state secretaries (2)	384,513	405,574
President	177,168	157,834
Organisers	2,383,622	2,847,608
	<b>3,159,620</b>	<b>3,618,983</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**For the year ended 31 December 2019**

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
<b>3. EXPENSES (CONT.)</b>				
<b>(b) Capitation fees and other expense to another reporting unit</b>				
Capitation fees				
Communications, Electrical and Plumbing Union National Office	1,005,553	947,975	1,005,553	947,975
<b>Subtotal capitation fees</b>	<b>1,005,553</b>	<b>947,975</b>	<b>1,005,553</b>	<b>947,975</b>
CEPU National Office				
Subscriptions expenses	18,330	21,286	18,330	21,286
Research projects & reports expenses	11,189	10,322	11,189	10,322
Publication expenses	59,019	59,019	59,019	59,019
Campaign expenses	500,000	-	500,000	-
Travelling & accomodation expenses	34,855	3,510	34,855	3,510
Sponsorship expenses	40,000	-	40,000	-
Organisers - Conference expenses	-	10,124	-	10,124
Promotions & advertising expenses	-	9,395	-	9,395
<b>Subtotal</b>	<b>663,392</b>	<b>113,655</b>	<b>663,392</b>	<b>113,655</b>
Income protection expenses				
CEPU - South Australia	26,754	22,992	-	-
CEPU - Tasmania	140,677	112,806	-	-
CEPU - Western Australia	150,711	147,366	-	-
<b>Subtotal</b>	<b>318,142</b>	<b>283,164</b>	<b>-</b>	<b>-</b>
<b>Subtotal other expenses to another reporting unit</b>	<b>981,535</b>	<b>396,819</b>	<b>663,392</b>	<b>113,655</b>
<b>Total capitation fees and other expense to another reporting unit</b>	<b>1,987,088</b>	<b>1,344,794</b>	<b>1,668,945</b>	<b>1,061,630</b>
<b>(c) Affiliation fees</b>				
Ballarat Trades Hall	3,576	3,576	3,576	3,576
Bendigo Trades Hall Council	1,600	1,600	1,600	1,600
CEPU National - National Council Fund	20,772	19,041	20,772	19,041
Geelong Trades Hall Council	8,470	8,316	8,470	8,316
Gippsland Trades & Labour Council	2,627	2,743	2,627	2,743
Goulburn Valley Trade & Labour Council	1,382	922	1,382	922
Sunraysia TLC Affiliations	130	130	130	130
North East Trades & Labour Council	880	880	880	880
SW District Trades & Labour Council	1,463	1,463	1,463	1,463
Vic.Trades Hall Council	114,418	113,364	114,418	113,364
ALP Victorian Branch	84,482	57,593	84,482	57,593
<b>Total affiliation fees</b>	<b>239,800</b>	<b>209,627</b>	<b>239,800</b>	<b>209,627</b>
<b>(d) Administration expenses</b>				
Consideration to employers for payroll deductions	-	-	-	-
Compulsory levies	-	-	-	-
Fees / allowances - meeting and conferences	-	-	-	-
Conference and meeting expenses	214,560	217,226	187,087	192,171
Contractors / consultants	249,078	273,248	230,142	160,181
Audit and other services	110,500	126,140	74,000	94,740
Printing costs	86,551	132,166	74,155	132,166
Computer related costs	318,183	322,801	247,182	260,322
Publication costs	229,696	167,834	65,259	7,948
<b>Total administration expenses</b>	<b>1,208,568</b>	<b>1,239,415</b>	<b>877,825</b>	<b>847,528</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
For the year ended 31 December 2019

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
<b>3. EXPENSES (CONT.)</b>				
<b>(e) Grants or donations</b>				
Grants:				
Total paid that were \$1,000 or less	55,200	51,045	2,000	9,750
Total paid that exceed \$1,000	-	5,000	-	5,000
<b>Total grants</b>	<b>55,200</b>	<b>56,045</b>	<b>2,000</b>	<b>14,750</b>
Donations:				
Total paid that were \$1,000 or less	3,975	7,210	3,975	7,210
Total paid that exceed \$1,000	891,100	1,091,665	866,100	1,091,665
<b>Total donations</b>	<b>895,075</b>	<b>1,098,875</b>	<b>870,075</b>	<b>1,098,875</b>
<b>Total grants or donations</b>	<b>950,275</b>	<b>1,154,920</b>	<b>872,075</b>	<b>1,113,625</b>
This amount excludes \$82,000 (FY 2018: \$89,000) of beneficiary payments made directly from a subsidiary trust to members of the union in relation to member hardship. The total donations including member hardship for the year was \$977,075 (FY 2018: \$1,187,875).				
<b>(f) Depreciation and amortisation</b>				
Depreciation				
Buildings	309,419	254,236	-	-
Furniture, fixtures and fittings	40,098	36,173	32,050	36,173
Improvements	531,759	550,988	169,572	213,997
Motor vehicles	303,953	305,509	253,143	254,967
Office equipment	32,815	59,010	32,760	35,616
Computer equipment	216,986	116,700	152,926	111,360
Other plant and equipment	-	-	-	-
<b>Total depreciation</b>	<b>1,435,030</b>	<b>1,322,615</b>	<b>640,451</b>	<b>652,112</b>
Amortisation				
Intangibles	114,530	121,198	114,530	121,198
<b>Total amortisation</b>	<b>114,530</b>	<b>121,198</b>	<b>114,530</b>	<b>121,198</b>
<b>(g) Legal costs</b>				
Litigation	424,289	288,652	424,289	288,652
Other legal matters	41,378	66,212	41,378	65,948
<b>Total legal costs</b>	<b>465,667</b>	<b>354,864</b>	<b>465,667</b>	<b>354,600</b>
<b>(h) Other expenses</b>				
Penalties - via RO Act or RO Regulations	-	-	-	-
Ambulance membership costs	484,980	376,534	-	-
Picket line expenses	189,454	60,936	189,454	60,936
Motor vehicle costs	359,129	362,504	301,966	300,163
Gift expense	-	-	8,550,000	-
Campaign expenses	1,608,456	2,380,990	1,608,456	2,380,990
Sundry expenses	3,893,786	3,143,957	1,584,051	1,275,599
Advertising and promotion	1,135,580	612,591	863,027	513,429
	<b>7,671,385</b>	<b>6,937,511</b>	<b>13,096,954</b>	<b>4,531,116</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**For the year ended 31 December 2019**

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
<b>4. CASH AND CASH EQUIVALENTS</b>				
Cash on hand	4,690	4,692	4,500	4,500
Cash at bank	13,509,333	9,511,574	2,622,101	2,691,792
	<u>13,514,023</u>	<u>9,516,266</u>	<u>2,626,601</u>	<u>2,696,292</u>
<b>5. TRADE AND OTHER RECEIVABLES</b>				
<b>Current</b>				
Trade receivables	652,481	601,467	155,226	116,493
Allowance for expected credit losses	-	-	-	-
	<u>652,481</u>	<u>601,467</u>	<u>155,226</u>	<u>116,493</u>
Receivable from other reporting units	-	-	-	-
Allowance for expected credit losses	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other receivables	903	3,903	-	1,002
Controlled entity receivable	-	-	3,475,706	2,989,382
Unpaid distributions	14,108	8,707,452	14,108	8,707,451
Accrued income	616,875	748,372	-	-
	<u>1,284,367</u>	<u>10,061,194</u>	<u>3,645,040</u>	<u>11,814,328</u>
<b>Non-current</b>				
Unpaid trust distributions	534,732	534,732	534,732	534,732
Other receivables	50,000	-	-	-
	<u>584,732</u>	<u>534,732</u>	<u>534,732</u>	<u>534,732</u>
<b>6. INVENTORIES</b>				
Finished goods	83,018	65,746	83,018	65,746
	<u>83,018</u>	<u>65,746</u>	<u>83,018</u>	<u>65,746</u>
<b>7. OTHER CURRENT ASSETS</b>				
Prepayments	238,802	194,031	136,405	136,409
	<u>238,802</u>	<u>194,031</u>	<u>136,405</u>	<u>136,409</u>
<b>8. FINANCIAL ASSETS</b>				
Fair value through other comprehensive income (a)	44,632,885	41,298,967	3	3
Held at amortised cost (c)	9,066,123	8,760,204	-	-
Other investments (b)	-	-	31,962,098	31,962,098
	<u>53,699,008</u>	<u>50,059,171</u>	<u>31,962,101</u>	<u>31,962,101</u>
(a) Fair value through other comprehensive income				
Listed investments	10,507,010	8,969,886	-	-
Unlisted investments	34,125,875	32,329,081	-	-
Shares in related parties	-	-	3	3
	<u>44,632,885</u>	<u>41,298,967</u>	<u>3</u>	<u>3</u>
(b) Other investments comprises				
- investment in subsidiaries	-	-	31,962,098	31,962,098
	<u>-</u>	<u>-</u>	<u>31,962,098</u>	<u>31,962,098</u>
(c) Held at amortised cost				
Term deposits	4,054,068	4,250,000	-	-
Fixed interest securities	5,012,055	4,510,204	-	-
	<u>9,066,123</u>	<u>8,760,204</u>	<u>-</u>	<u>-</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 31 December 2019

### 9. CONTROLLED ENTITIES

	Country of Incorporation	Percentage Owned (%) 2019	Percentage Owned (%) 2018
ETU - Victorian Branch Trust	Australia	100	100
ETU - (Victorian Branch) Distress, Hardship, Welfare & Training Fund	Australia	100	100
ETU (Distress, Mortality & Trading) Pty Ltd	Australia	100	100
ETU Arden Trust	Australia	100	100
ETU Swanston Trust	Australia	100	100
ETU Morwell Trust	Australia	100	100
ETU Comrades Trust	Australia	100	100
ETU (Victorian Branch) Pty Ltd	Australia	100	100
ETU (National) Pty Ltd	Australia	100	100
ETU Pty Ltd	Australia	100	100
Electrical Electronic Industry Training Ltd	Australia	100	100
Protect Services Pty Ltd	Australia	75	75

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
<b>10. PROPERTY, PLANT AND EQUIPMENT</b>				
<b>LAND AND BUILDINGS - AT FAIR VALUE</b>				
Land and buildings at fair value <sup>(i)</sup>	13,464,560	13,464,560	-	-
Accumulated depreciation	(762,745)	(508,472)	-	-
Improvements at fair value	7,792,464	5,795,089	2,014,300	2,014,300
Accumulated depreciation	(1,656,417)	(1,203,162)	(597,533)	(427,994)
<b>TOTAL LAND AND BUILDINGS - AT FAIR VALUE</b>	<b>18,837,862</b>	<b>17,548,015</b>	<b>1,416,767</b>	<b>1,586,306</b>

(i) The independent valuation conducted during the 2017 financial year for the financial year ending 31 December 2016.

### PLANT AND EQUIPMENT - AT COST

#### Furnitures, fixtures and fittings

At Cost	1,011,412	888,752	888,752	888,752
Accumulated depreciation	(617,590)	(522,346)	(554,396)	(522,346)
<b>Total Furnitures, fixtures and fittings</b>	<b>393,822</b>	<b>366,406</b>	<b>334,356</b>	<b>366,406</b>

#### Work in progress

At Cost	3,810,995	1,955,648	-	-
<b>Total Work in progress</b>	<b>3,810,995</b>	<b>1,955,648</b>	<b>-</b>	<b>-</b>

#### Motor Vehicles

At Cost	1,469,409	1,486,753	1,183,297	1,217,882
Accumulated depreciation	(340,164)	(392,192)	(253,326)	(291,184)
<b>Total Motor Vehicles</b>	<b>1,129,245</b>	<b>1,094,561</b>	<b>929,971</b>	<b>926,698</b>

#### Office equipment

At Cost	918,280	814,893	723,261	661,752
Accumulated depreciation	(521,083)	(458,140)	(395,742)	(362,982)
<b>Total Office equipment</b>	<b>397,197</b>	<b>356,753</b>	<b>327,519</b>	<b>298,770</b>

#### Computer equipment

At Cost	1,152,977	966,372	1,022,820	914,471
Accumulated depreciation	(978,008)	(791,117)	(921,187)	(768,228)
<b>Total Computer equipment</b>	<b>174,969</b>	<b>175,255</b>	<b>101,633</b>	<b>146,243</b>

#### Other property, plant and equipment

At Cost	2,500	2,500	-	-
<b>Total Other property, plant and equipment</b>	<b>2,500</b>	<b>2,500</b>	<b>-</b>	<b>-</b>

#### Right of use asset - Land and buildings

At Cost	-	-	-	-
Accumulated depreciation	-	-	-	-
<b>Total Computer equipment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>TOTAL PLANT AND EQUIPMENT</b>	<b>5,908,728</b>	<b>3,951,123</b>	<b>1,693,479</b>	<b>1,738,117</b>
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<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<b>24,746,590</b>	<b>21,499,138</b>	<b>3,110,246</b>	<b>3,324,423</b>
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**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**For the year ended 31 December 2019**

**10. PROPERTY, PLANT AND EQUIPMENT (Cont.)**

**Movements in Carrying Amounts**

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

**Consolidated**

	Buildings \$	Furniture, fixtures and fittings \$	Improvements \$	Works in progress \$	Motor Vehicles \$	Office Equipment \$	Computer Equipment \$	Other Plant and Equipment \$	Total \$
Balance at 1 January 2018	13,210,324	394,638	5,117,662	662,072	1,108,011	378,088	241,380	2,500	21,114,675
Additions	-	7,940	25,253	1,293,576	621,068	37,675	56,977	-	2,042,489
Disposals - written down value	-	-	-	-	(329,009)	-	(6,402)	-	(335,411)
Depreciation expense	(254,236)	(36,173)	(550,988)	-	(305,509)	(59,010)	(116,700)	-	(1,322,616)
Balance at 31 December 2018	12,956,088	366,405	4,591,927	1,955,648	1,094,562	356,753	175,255	2,500	21,499,138
Balance at 1 January 2019	12,956,088	366,405	4,591,927	1,955,648	1,094,562	356,753	175,255	2,500	21,499,138
Additions	55,146	67,515	146,529	3,784,697	706,720	73,259	224,414	-	5,058,280
Disposals - written down value	-	-	-	-	(368,085)	-	(7,714)	-	(375,799)
Depreciation expense	(309,419)	(40,098)	(531,759)	-	(303,953)	(32,815)	(216,986)	-	(1,435,030)
Transfers	-	-	1,929,350	(1,929,350)	-	-	-	-	-
Balance at 31 December 2019	12,701,815	393,822	6,136,047	3,810,995	1,129,245	397,197	174,969	2,500	24,746,590

**Parent**

	Buildings \$	Furniture, Fixtures and Fittings \$	Improvements \$	Works in Progress \$	Motor Vehicles \$	Office Equipment \$	Computer Equipment \$	Other Plant and Equipment \$	Total \$
Balance at 1 January 2018	-	394,638	1,800,303	-	915,944	325,798	224,314	-	3,660,997
Additions	-	7,941	-	-	614,996	8,588	31,977	-	663,501
Disposals - written down value	-	-	-	-	(349,275)	-	1,312	-	(347,963)
Depreciation expense	-	(36,173)	(213,997)	-	(254,967)	(35,616)	(111,360)	-	(652,112)
Balance at 31 December 2018	-	366,406	1,586,306	-	926,698	298,770	146,243	-	3,324,423
Balance at 1 January 2019	-	366,406	1,586,306	-	926,698	298,770	146,243	-	3,324,423
Additions	-	-	-	-	624,377	61,508	108,473	-	794,358
Disposals - written down value	-	-	-	-	(368,084)	-	-	-	(368,084)
Depreciation expense	-	(32,050)	(169,572)	-	(253,143)	(32,760)	(152,926)	-	(640,451)
Balance at 31 December 2019	-	334,356	1,416,734	-	929,848	327,518	101,790	-	3,110,246

## NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 31 December 2019

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
<b>11. INTANGIBLES</b>				
Computer software at cost:				
Purchased	398,490	343,590	343,590	343,590
Accumulated amortisation	(336,922)	(222,392)	(336,922)	(222,392)
Total computer software	<u>61,568</u>	<u>121,198</u>	<u>6,668</u>	<u>121,198</u>

### Movements in Carrying Amounts

Movement in carrying amounts for each class of intangibles between the beginning and the end of the current financial year:

	Computer software \$	Total \$	Computer software \$	Total \$
Balance at 1 January 2018	242,396	242,396	242,396	242,396
Additions	-	-	-	-
Amortisation expense	(121,198)	(121,198)	(121,198)	(121,198)
Balance at 31 December 2018	<u>121,198</u>	<u>121,198</u>	<u>121,198</u>	<u>121,198</u>
Balance at 1 January 2019	121,198	121,198	121,198	121,198
Additions	54,900	54,900	-	-
Amortisation expense	(114,530)	(114,530)	(114,530)	(114,530)
Balance at 31 December 2019	<u>61,568</u>	<u>61,568</u>	<u>6,668</u>	<u>6,668</u>

## 12. INVESTMENTS IN ASSOCIATES

### Investment in Associates

ElectNet (Aust) Pty Ltd	2	2	2	2
Protect Severance Scheme	-	-	-	-
Protect Severance Scheme No.2 Pty Ltd	2	2	2	2
Protect Severance Scheme No.2	3,868,918	-	3,868,918	-
IPP Property Trust	225,751	225,751	225,751	225,751
Provision for impairment	(196,000)	(196,000)	(196,000)	(196,000)
	<u>3,898,673</u>	<u>29,755</u>	<u>3,898,673</u>	<u>29,755</u>

### Details of investments in associates

Name of Associate	Principal place of activity	Ownership	
		2019 %	2018 %
ElectNet (Aust) Pty Ltd <sup>(i)</sup>	Australia	50%	50%
Protect Severance Scheme	Australia	<sup>(i)</sup>	<sup>(i)</sup>
Protect Severance Scheme No.2 Pty Ltd <sup>(ii)</sup>	Australia	50%	50%
Protect Severance Scheme No.2	Australia	<sup>(ii)</sup>	<sup>(ii)</sup>
IPP Property Trust	Australia	9% <sup>(iii)</sup>	9% <sup>(iii)</sup>

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**

**For the year ended 31 December 2019**

**12. INVESTMENTS IN ASSOCIATES (CONT.)**

(i) ElectNet (Aust) Pty Ltd is the trustee for Protect Severance Scheme. The entity acts solely as a trustee company and has no material assets and liabilities.

The Protect Severance Scheme was established to support employers, workers and their families in the electrical, manufacturing, maritime, rail and construction industries during any period of unemployment, illness, injury, personal difficulty, career transition or skill development. The Protect Severance Scheme is able to distribute excess funds at the discretion of the trustee.

The Electrical Trades Union – Victorian Branch has three representatives on the board of Protect Severance Scheme and thus is considered under AASB 128 Investment in Associates and Joint Venture to have significant influence over financial and operating decisions. Whilst the Electrical Trades Union – Victorian Branch has assessed that it does not have the power to direct the Protect Severance Scheme, the application of the requirements of AASB 128 result in the accounting for this interest in the Protect Severance Scheme as an interest in associate.

The Scheme is made up of four divisions of which the Electrical Trades Union - Victorian Branch is entitled to a distribution of 59.6% (FY 2018: 61.2%).

(ii) Protect Severance Scheme No.2 Pty Ltd is the trustee for Protect Severance Scheme No.2. The entity acts solely as a trustee company and has no material assets and liabilities.

The Protect Severance Scheme No.2 was established to support employers, workers and their families in the electrical, manufacturing, maritime, rail and construction industries during any period of unemployment, illness, injury, personal difficulty, career transition or skill development. The Protect Severance Scheme No. 2 is able to distribute excess funds at the discretion of the trustee.

The Electrical Trades Union – Victorian Branch has three representatives on the board of Protect Severance Scheme No.2 and thus is considered under AASB 128 Investment in Associates and Joint Venture to have significant influence over financial and operating decisions. Whilst the Electrical Trades Union – Victorian Branch has assessed that it does not have the power to direct the Protect Severance Scheme No. 2, the application of the requirements of AASB 128 result in the accounting for this interest in the Protect Severance Scheme No.2 as an interest in associate.

The Scheme is made up of four divisions of which the Electrical Trades Union - Victorian Branch is entitled to a distribution of 81.2% (FY 2018 : 61.2%).

(iii) ETU's investment in IPP Property Trust is not material for further disclosure for these financial statements.

**Protect Severance Scheme**

	<b>ETU Share 59.6%</b>	<b>Protect Severance Scheme 100%</b>	<b>ETU Share 61.2%</b>	<b>Protect Severance Scheme 100%</b>
	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Statement of financial position:</b>				
Assets	109,891,777	184,491,010	131,261,875	214,336,430
Liabilities	(108,257,558)	(181,747,414)	(130,419,198)	(212,960,430)
Net assets	1,634,219	2,743,596	842,677	1,376,000
<b>Statement of comprehensive income:</b>				
Income	10,091,945	16,942,789	6,672,501	10,895,471
Expenses	(2,307,095)	(3,873,250)	(2,425,346)	(3,960,327)
Income tax	(53,627)	(90,031)	55,136	90,031
Net surplus/(deficit)	<u>7,730,312</u>	<u>12,979,508</u>	<u>4,302,291</u>	<u>7,025,175</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
For the year ended 31 December 2019

**12. INVESTMENTS IN ASSOCIATES (CONT.)**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Reconciliation of the entity's carrying amount</b>				
Opening carrying amount	-	8,237,855	-	8,237,855
Share of net profit from associate(i)	3,979,953	2,969,597	3,979,953	2,969,597
Distributions paid	(3,979,953)	(11,207,452)	(3,979,953)	(11,207,452)
Closing carrying amount	-	-	-	-

(i) ETU's share of net profit from associate has been reduced by an amount of \$3,750,359 (2018: \$1,332,694) due to ElectNet (Aust) Pty Ltd as the trustee for Protect Severance Scheme distributing this amount directly to Protect Severance Scheme No.2.

Distributions received from associate was \$3,979,953 (2018: \$11,207,452). As at 31 December 2019, \$nil (FY 2018: \$8,707,451) was unpaid.

Associate had contingent liabilities and capital commitments as at 31 December 2019 of \$nil (2018: \$nil) and \$nil (2018: \$nil), respectively.

The Union has provided a three year facility agreement to the Associate. The available facility limit is up to \$15M initially with the limit decreasing by \$2.5M every six months, to October 2020. The facility has not been drawn upon by the Associate as at 31 December 2019.

**Protect Severance Scheme No.2**

	<b>ETU Share 81.2%</b>	<b>Protect Severance Scheme No. 2 100%</b>	<b>ETU Share 61.2%</b>	<b>Protect Severance Scheme No. 2 100%</b>
	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Statement of financial position:</b>				
Assets	97,427,022	119,923,817	40,102,311	65,482,732
Liabilities	(93,798,387)	(115,457,297)	(40,888,593)	(66,766,645)
Net assets	3,628,635	4,466,520	(786,282)	(1,283,913)
<b>Statement of comprehensive income:</b>				
Income	8,459,670	10,413,086	606,830	990,887
Expenses	(2,877,340)	(3,541,744)	(1,581,259)	(2,582,024)
Income tax	(924,978)	(1,138,564)	697,269	1,138,564
Net surplus/(deficit)	4,657,352	5,732,778	(277,160)	(452,573)
<b>Reconciliation of the entity's carrying amount</b>				
Share of net profit from associate	4,657,352	(277,160)	4,657,352	(277,160)
Adjustment to derecognise losses due to <b>limited</b> liability	-	277,160	-	277,160
Historical losses brought to account	(788,434)	-	(788,434)	-
Closing carrying amount	3,868,918	-	3,868,918	-

Distributions received from associate was \$0 (2018: \$nil).

Associate had contingent liabilities and capital commitments as at 31 December 2019 of \$nil (2018: \$nil) and \$nil (2018: \$nil), respectively.

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**For the year ended 31 December 2019**

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
<b>13. TRADE AND OTHER PAYABLES</b>				
Unsecured liabilities				
Trade payables (i)	966,704	1,495,511	276,228	1,261,392
Other payables	301,125	306,648	49,485	-
Accrued expenses - general	350,396	385,641	260,767	312,317
Legal costs payable - litigation	-	-	-	-
Legal costs payable - other legal matters	-	-	-	-
Members subscription in advance	1,900,717	1,953,553	1,900,717	1,953,553
Related party payables	-	38,338	-	-
Consideration to employers for payroll deductions	-	-	-	-
Deposit received in advance	-	-	-	-
	<b>3,518,942</b>	<b>4,179,691</b>	<b>2,487,197</b>	<b>3,527,262</b>
(i) Trade payables includes payables to other reporting units:				
CEPU - Communications Division	-	-	-	-
CEPU - General Fund	831,206	831,206	831,206	831,206
CEPU - Electrical Division WA Branch	15,035	12,889	15,035	12,889
CEPU - Electrical Div S.A. Branch	2,546	2,037	2,546	2,037
CEPU - Tasmania Branch	15,521	10,100	15,521	10,100
Total payables to other reporting units	<b>864,308</b>	<b>856,232</b>	<b>864,308</b>	<b>856,232</b>
<b>14. EMPLOYEE PROVISIONS</b>				
Current - employee entitlements provision	3,703,524	3,378,932	3,128,447	2,936,700
Non-Current - employee entitlements provision	134,248	185,463	77,620	149,530
	<b>3,837,772</b>	<b>3,564,395</b>	<b>3,206,068</b>	<b>3,086,230</b>
The above current and non-current employee entitlements contain the following amounts:				
<b>Office Holders</b>				
Annual Leave	150,045	114,796	150,045	114,796
Long Service Leave	292,188	430,641	292,188	430,641
Retirement Benefit / Redundancy	504,655	432,357	504,655	432,357
	<b>946,888</b>	<b>977,794</b>	<b>946,888</b>	<b>977,794</b>
<b>Non Office Holders</b>				
Annual Leave	952,798	983,206	650,810	780,002
Long Service Leave	1,068,866	827,120	739,149	552,159
Retirement Benefit / Redundancy	869,220	776,275	869,220	776,275
	<b>2,890,884</b>	<b>2,586,601</b>	<b>2,259,180</b>	<b>2,108,436</b>
<b>Total employee entitlements</b>	<b>3,837,772</b>	<b>3,564,395</b>	<b>3,206,068</b>	<b>3,086,230</b>

Other than the above kinds of employee benefits liabilities, there were no other employee benefits liabilities to either of office holders or non office holders.

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**For the year ended 31 December 2019**

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
<b>15. EQUITY - OTHER SPECIFIC DISCLOSURE FUNDS</b>				
Compulsory levy/voluntary contribution fund-if invested in assets	-	-	-	-
Other fund(s) required by rules	-	-	-	-
<b>Balance as at start of year</b>	-	-	-	-
Transferred to reserve	-	-	-	-
Transferred out of reserve	-	-	-	-
<b>Balance as at end of year</b>	-	-	-	-
<b>16. CASH FLOW INFORMATION</b>				
Net surplus/(deficit) for the year	3,975,177	200,323	(3,761,272)	274,777
Non-cash flows in profit				
- surplus on investment in associate	(7,843,845)	(4,302,291)	(7,735,506)	(4,302,291)
- depreciation	1,549,559	1,443,813	754,981	773,310
- net (gain)/loss on disposal of PPE	(37,948)	11,403	(36,054)	7,497
- net (gain)/loss on disposal of shares	78,759	82,531	-	-
Changes in assets and liabilities, net of the effect of purchase and disposal of controlled entities:				
- (increase)/decrease in trade and other receivables	80,483	(126,091)	(3,823,976)	(3,315,182)
- (increase)/decrease in inventories	(17,272)	14,133	(17,272)	14,133
- (increase)/decrease in other assets	(44,771)	100,865	4	104,207
- increase/(decrease) in trade and other payables	(690,936)	(1,198,544)	(1,037,013)	(996,529)
- increase/(decrease) in provisions	273,377	(142,124)	119,838	(167,731)
<b>Net cashflow from operating activities</b>	<b>(2,677,417)</b>	<b>(3,915,982)</b>	<b>(15,536,271)</b>	<b>(7,607,809)</b>

(a) Cash outflows to other reporting units in the current year were as follows: CEPU - Communications Division \$319,467 ,CEPU - General Fund \$2,696,596 ,CEPU - South Australia \$28,919 , SEPU Western Australia \$163,635 and CEPU Tasmania \$149,322. No cash inflows were received from other reporting units in the current year.

(b) There were no funds or accounts (if any) operated in respect of compulsory levies or voluntary contributions.

(c) There were no investment of monies raised by compulsory levies or voluntary contributions.

(d) There was no fund or account (other than general fund) required by rules of organisation.

(e) There were no transfers or withdrawals from any specific purpose fund, account or controlled entity.

**17. COMMITMENTS**

**Operating lease commitments - as lessee**

Future minimum rentals payable under non-cancellable operating leases as at 31 December are as follows:

Within one year	25,296	79,474	25,296	79,474
After one year but not more than five years	96,080	24,033	96,080	24,033
More than five years	19,344	-	19,344	-
	<b>140,720</b>	<b>103,507</b>	<b>140,720</b>	<b>103,507</b>

Operating lease commitments includes contracted amounts for office equipment and mobile phones under non-cancellable operating leases expiring within one to five years.

**Operating lease commitments - as lessor**

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

Within one year	456,572	423,483	-	-
After one year but not more than five years	1,369,715	2,157,943	-	-
More than five years	-	-	-	-
	<b>1,826,287</b>	<b>2,581,426</b>	<b>-</b>	<b>-</b>

Operating lease commitments are for the contracted rental of property under non-cancellable operating leases expiring within one to five years. In some instances, the leases have an option to be extended for a further five years or two further the three year periods, and a market review and cpi review may apply.

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**For the year ended 31 December 2019**

**18. KEY MANAGEMENT PERSONNEL COMPENSATION**

**(a) Compensation Practices**

The committee's policy for determining the nature and amount of compensation for key management for the economic entity is as follows: The compensation structure for key management personnel is governed by registered rules of the Electrical Division of Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia. This information is publicly available from other sources. For details of remuneration disclosures, refer to Note 3(a)(iii): Disclosure of remuneration of Elected Officials.

**(b) Key Management Personnel**

Names and positions held of key management personnel in office at any time during the financial year's are:

<b>Key Management Person</b>	<b>Position</b>
Troy Gray	State Secretary
Ivan Balta	Assistant State Secretary
Arron Harris	Assistant State Secretary
Daniel Filazzola	President
Graeme Watson	Treasurer
Paul Swann	Vice President
Jim Theodosiou	Branch Executive
Mark Baldi	Branch Executive
Paul Harman (resigned 28/08/2019)	Branch Executive
Kenneth Purdham	Branch Executive
Laura Birch (appointed 28/08/2019)	Branch Executive
Rodney Dalglish (resigned 05/07/2019)	General Manager Business Services

Key management personnel remuneration included within employee expenses for both year's is shown below:

	<b>2019</b>	<b>2018</b>
Short-term employee benefits	753,420	568,905
Post-employee benefits	125,752	100,266
Other long term benefits	<b>73,945</b>	<b>66,105</b>
	<b>953,116</b>	<b>735,276</b>

**19. RELATED PARTIES**

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

**(a) Identification of Related Parties Ultimate Parent Entity**

The ultimate parent entity of Electrical Trades Union of Australia — Victorian Branch is the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia

**(b) Related Parties**

The Economic Entity's main related parties are as follows:

*(i) Key management personnel:*

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

For details of remuneration disclosures relating to key management personnel, refer to Note 18: Key Management Personnel Compensation.

*(ii) Nominee related parties:*

One or more nominees of the Electrical Trades Union of Australia — Victorian Branch sits on the following board:

- ElecNet (Aust) Pty Ltd, as trustee of the Protect Severance Scheme
- Protect Severance Scheme No.2 Pty Ltd, as trustee of the Protect Severance Scheme No 2
- CoINVEST Ltd
- EPIC Industry Training Board
- Electrical Industry Foundation Trust
- Industrial Printing & Publishing Pty Ltd

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**For the year ended 31 December 2019**

19. RELATED PARTIES	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
(c) <b>Other Related Parties</b>				
There have been no transactions with parties where immediate family members of key management personnel hold control or significant influence over that party.				
(d) <b>Transactions with related parties</b>				
The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.				
<b>Director's fees received:</b>				
Industrial Printing & Publishing Pty Ltd			12,000	12,000
ColINVEST Ltd			42,611	41,082
ElecNet (Aust) Pty Ltd			159,421	154,178
<b>Loans receivable:</b>				
Industrial Printing & Publishing Pty Ltd			534,732	534,732
<b>Administration fees</b>				
Protect Severance Scheme			3,111,648	2,992,183

There was no expected credit losses provided for any of the above related party transactions.

The consolidated entity did not make any payments to former related parties in the current year.

No part of the consolidated entity's financial affairs were administered by another entity in the current year.

**20. AUDITOR'S REMUNERATION**

Remuneration of RSM Australia as the auditor of the parent entity for:

- audit of the financial statements	50,000	52,550	50,000	52,550
- other services	24,000	42,190	24,000	42,190

Remuneration of RSM Australia as the auditor of controlled entities for:

- audit of the financial statements of controlled entities	29,200	25,120	-	-
- other services	7,300	6,280	-	-
	<b>110,500</b>	<b>126,140</b>	<b>74,000</b>	<b>94,740</b>

**21. FINANCIAL RISK MANAGEMENT**

The main risks the consolidated entity are exposed to through their financial instruments are credit risk, market risk, and liquidity risk. The consolidated entity's financial instruments consist mainly of deposits with banks, long term and short-term investments, accounts receivable and payable.

The consolidated entity does not have any derivative instruments as at 31 December 2019 (FY 2018: nil).

**Financial risk management policies**

The committee of management has overall responsibility for the establishment of the consolidated entity's financial risk management framework. This includes the development of policies covering specific areas such as market risk (including price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to **minimise** potential adverse effects on the financial performance of the consolidated entity.

**Credit Risk**

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the consolidated statement of financial position.

The consolidated entity has no significant concentration of credit risk with any single counterparty or group of counterparties.



**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**For the year ended 31 December 2019**

**21. FINANCIAL RISK MANAGEMENT (CONT.)**

**Market Risk**

**Price risk**

Price risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Such factors may include changes in the performance of the economies, markets and securities in which the entity invests.

The consolidated entity is exposed to price risk through its investments in listed and unlisted shares and managed investment schemes. The entity manages price risk through diversification and careful selection of securities within the strategic asset allocation for each class of asset.

At reporting date, if the value of the entity's investment had been 10% higher or lower and all other variable held constant year end, the consolidated entity's net result and equity would change by \$4,463,288 (2018: \$4,129,896).

**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 economic entity is also exposed to earnings volatility on floating rate instruments. The impact on profit or loss of a 1% increase or decrease in interest rates, assuming all other variables remain constant, is set out below.

	Weighted Average Interest Rate %	Floating Interest Rate 2019 \$	Fixed Interest Rate 2019 \$
<b>Financial Assets</b>			
Term deposits	1.68%	4,054,068	-
Interest securities	10.50%	20,066,055	-
Bonds	3.55%	-	6,564,105
		<u>24,120,123</u>	<u>6,564,105</u>

At the reporting date, if interest rates had moved 1% up or down and all other variables were held constant, the consolidated entity's net result and equity would change by \$306,842.

	Weighted Average Interest Rate %	Floating Interest Rate 2018 \$	Fixed Interest Rate 2018 \$
<b>Financial Assets</b>			
Term deposits	2.74%	4,250,000	-
Interest securities	11.50%	19,844,704	-
Bonds	3.75%	-	6,834,529
		<u>24,094,704</u>	<u>6,834,529</u>

At the reporting date, if interest rates had moved 1% up or down and all other variables were held constant, the consolidated entity's net result and equity would change by \$309,292.

**Liquidity risk**

Liquidity risk arises from the possibility that the economic entity might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The consolidated entity manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financial activities which are monitored on a monthly basis;
- managing credit risk related to financial assets; and
- only investing surplus cash with major financial institutions.

Typically, the consolidated entity ensures that it has sufficient cash on demand to meet expected operational expenses.

**Remaining contractual maturities**

The following tables detail the economic entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**For the year ended 31 December 2019**

**21. FINANCIAL RISK MANAGEMENT (CONT.)**

		1 year or less	Over 1 year	Remaining contractual maturities
	Interest Rate %	2019	2019	2019
<b>Non-derivative (Non-interest bearing)</b>		\$	\$	\$
Trade payables	-	966,704	-	966,704
Other payables	-	301,125	-	301,125
		<u>1,267,829</u>	<u>-</u>	<u>1,267,829</u>
		1 year or less	Over 1 year	Remaining contractual maturities
	Interest Rate %	2018	2018	2018
<b>Non-derivative (Non-interest bearing)</b>		\$	\$	\$
Trade payables	-	1,495,511	-	1,495,511
Other payables	-	306,648	-	306,648
		<u>1,802,159</u>	<u>-</u>	<u>1,802,159</u>

**22. SEGMENT REPORTING**

The consolidated entity is organised into two operating segments: conducting of union activities and provision of administration services. These operating segments are based on the internal reports that are reviewed and used by the Committee in assessing performance and determining the allocation of resources. The operating segment analysis presented in these financial statements reflects operations analysis by business. It best describes the way the economic entity is managed and provides a meaningful insight into the business activities of the economic entity.

The following tables present details of revenue and operating profit by business segment as well as a reconciliation between the information disclosed for reportable segments and the aggregated information in the financial statements.

	Administration Services	Union Services	Intersegment Eliminations	Total
<b>2019</b>	\$	\$	\$	\$
Revenue from members	9,142,938	20,740,594	-	29,883,532
Intersegment revenue	-	200,705	(200,705)	-
Reportable segment profit before finance income and tax	674,489	(273,596)	213,906	614,799
Reportable segment assets	1,496,154	96,614,628	-	98,110,782
Reportable segment liabilities	1,081,855	6,274,859	-	7,356,714
<b>2018</b>				
Revenue from members	8,628,520	15,674,245	-	24,302,765
Intersegment revenue	-	198,325	(198,325)	-
Reportable segment profit before finance income and tax	273,757	751,875	(4,169,022)	(3,143,390)
Reportable segment assets	1,219,066	90,862,164	-	92,081,230
Reportable segment liabilities	985,293	6,758,793	-	7,744,086
<b>Reconciliation of reportable segment profit or loss</b>	<b>2019</b>	<b>2018</b>		
	\$	\$		
Total profit or loss for reportable segments	614,798	(3,143,390)		
Finance income	3,360,379	3,343,713		
Profit/(loss) before tax from continuing operations	<u>3,975,177</u>	<u>200,323</u>		

## **NOTES TO THE FINANCIAL STATEMENTS (CONT.)**

**For the year ended 31 December 2019**

### **23. FAIR VALUE**

Management of the reporting unit assessed that the carrying amounts for cash, trade receivables, trade payables, and other current liabilities approximate their fair values largely due to the short term maturities of these instruments.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

<b>At 31 December 2019</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial Assets</b>				
Listed investments - fair value	10,507,010	-	-	10,507,010
Unlisted investments - fair value	-	34,125,875	-	34,125,875
Land and buildings	-	-	18,837,862	18,837,862
<b>Total assets</b>	<b>10,507,010</b>	<b>34,125,875</b>	<b>18,837,862</b>	<b>63,470,747</b>
<b>Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 31 December 2018</b>				
<b>Financial Assets</b>				
Listed investments - fair value	8,969,886	-	-	8,969,886
Unlisted investments - fair value	-	32,329,081	-	32,329,081
Land and buildings	-	-	17,548,014	17,548,014
<b>Total assets</b>	<b>8,969,886</b>	<b>32,329,081</b>	<b>17,548,014</b>	<b>58,846,981</b>
<b>Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities. The basis of the valuation of land and buildings is fair value. The land and buildings were last revalued on 31 December 2016 based on independent assessments by a member of the Australian Property Institute having recent experience in the location and category of land and buildings being valued. The Committee of Management does not believe that there has been a material movement in fair value since the revaluation date. Valuations are based on current prices for similar properties in the same location and condition.

### **24. CONTINGENT LIABILITIES**

There were no contingent liabilities as at 31 December 2019 (FY 2018: \$nil).

### **25. EVENTS AFTER BALANCE DATE**

On 20 January 2020, the Chinese Government announced an outbreak of novel coronavirus (COVID-19) in the city of Wuhan in Hubei Province. The outbreak was declared a pandemic by the World Health Authority on 11 March 2020 and the Victorian Government declared a state of emergency on 16 March 2020.

Financial markets are currently experiencing dramatic negative movements. Financial assets held by the consolidated entity may suffer a material negative impact depending on the duration of the current market conditions, however an accurate estimate of the impact is unknown.

No other matters or circumstances have arisen since 31 December 2019 that have significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**For the year ended 31 December 2019**

**26. SECTION 272 FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009**

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), (2) and (3) of section 272 of Fair Work (Registered Organisations) Act 2009, which reads as follows:

Information to be provided to members or Commissioner:

(1) A member of a reporting unit, or the Commissioner, 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) A reporting unit must comply with an application made under subsection (1).

(3) A reporting unit must comply with an application made under

**27. UNION DETAILS**

The registered office of and principal place of business of the union is:  
Electrical Trades Union of Australia - Victorian Branch  
Level 1, 200 Arden Street, NORTH MELBOURNE, VIC 3051