



30 August 2021

Ms Felicity Richards
President
Primary Employers Tasmania

By e-mail: primaryemployers@bigpond.com

Dear Ms Richards

Primary Employers Tasmania
Financial Report for the year ended 31 December 2020 - FR2020/275

I acknowledge receipt of the financial report for the year ended 31 December 2020 for the Primary Employers Tasmania (**the reporting unit**). The financial report was lodged with the Registered Organisations Commission (**ROC**) on 25 August 2021.

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

Whilst the 2020 report has been filed the following should be addressed in the preparation of the next financial report.

1. Non-compliance with previous requests

While we filed last year's financial report, we raised certain issues for the reporting unit to address in the preparation of future financial reports. I note that the same errors have appeared in the current report, namely disclosure of employee expenses, disclosure of employee provisions, reporting guideline nil activity disclosures, key management personnel and registered auditor details.

The ROC aims to assist reporting units comply with their obligations under the RO Act and reporting guidelines by providing advice about the errors identified in financial reports. Failure to address these issues may lead to the Commissioner exercising his powers under section 330 of the RO Act.

2. Timescale requirements

As you are aware, an organisation is required under the RO Act to undertake certain steps in accordance with specified timelines. Information about these timelines can be found on the ROC website. In particular, I draw your attention to the fact sheet titled 'Financial reporting process' which explains the timeline requirements, and the fact sheet titled 'Summary of financial reporting timelines' which sets out the timelines in diagrammatical format.

I note that the following timescale requirements were not met:

Reports must be presented to general meeting within 6 months after end of financial year

Under section 266(1) of the RO Act, the report must be presented to a general meeting of members within 6 months after the end of the financial year. The designated officer's certificate states that the financial report was presented to a general meeting of members on 18 August 2021.

If this date is correct, the reporting unit should have applied for an extension of time for the holding of the general meeting in accordance with section 265(5) of the RO Act.

Please note that in future financial years if an extension of time to hold the general meeting later than 6 months is required, a written request, signed by a relevant officer, including any reason for the delay, must be made *prior to* the expiry of the 6 month period.

Please note that subsection 266(1) is a civil penalty provision.

3. Designated officer's certificate

Multiple certificates included

The financial report included a 'Certificate for the year ended 31 December 2020' which has been used by the ROC to assess compliance against section 268 of the *Fair Work (Registered Organisations) Act 2009*. The report also included a second certificate 'Certificate by Prescribed Designated Officer'. To avoid confusion please ensure that only one designated officer's certificate is included with future reports.

Provision of full report to members

It is noted from the designated officer's certificate that the financial statements were provided to members on 29 April 2021 and the audit report was provided separately on 17 May 2021. Please ensure in future that the full report consisting of the auditor report, general purpose financial report and operating report is provided to members at the same time.

4. Subsection 255(2A) report

Subsection 255(2A) of the RO Act specifies the disclosure requirements for this report as follows:

- 255 (2A) The reporting guidelines for the purposes of section 253 and 270 must require a report that shows the total expenditure incurred by reporting units during the financial year in relation to each of the following:
- (a) remuneration, and other employment-related costs and expenses, in respect of employees;
 - (b) advertising;
 - (c) operating costs;
 - (d) donations to political parties;
 - (e) legal costs.

Note: The total expenditure may be shown in diagrammatic form, such as a pie chart.

In addition to the categories specified in subsection 255(2A) the reporting unit's expenditure report included an additional category 'Depreciation and low cost assets'. This additional category does not comply with the legislation and as such must not be included separately in future subsection 255(2A) reports.

In future, please also ensure that this report is signed and dated by a designated officer.

5. Committee of management statement

Date of resolution

Item 27 of the reporting guidelines requires that the committee of management statement be made in accordance with such resolution as is passed by the committee of management. Such statement must also specify the date of passage of the resolution. I note that the date of the resolution was not provided. In future, please ensure that the committee of management statement includes this date.

Passage of resolution

The committee of management statement states that the Treasurer of Primary Employers Tasmania passed the resolution. In future, please ensure that in accordance with the 18 March 2021 meeting minutes that this statement states that it is the committee of management that has passed the resolution in relation to the general purpose financial report.

6. General Purpose Financial Report (GPFR)

AASB 15 - Disaggregation of revenue from contracts with customers

Australian Accounting Standard AASB 15 *Revenue from Contracts with Customers* paragraph 114 requires an entity to disaggregate revenue from contracts with customers into categories that depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

It appears that no such disclosure has been made.

Please note that in future years the reporting unit's GPFR must include all relevant and required financial disclosures in accordance with AASB 15.

AASB 1058 - Disclosure of income of not-for-profit entities

Australian Accounting Standard AASB 1058 *Income of Not-for-Profit Entities* paragraph 23 requires an entity to disclose sufficient information to enable users to understand the effects of volunteer services and other transactions where an entity acquires an asset for consideration that is significantly less than fair value.

It appears that no such disclosure has been made.

Please note that in future years the reporting unit's GPFR must include all relevant and required financial disclosures in accordance with AASB 1058.

Key management personnel compensation

Australian Accounting Standard AASB 124 *Related Party Disclosures* paragraph 17 requires the general purpose financial report to disclose within the notes compensation paid to key management personnel.

This includes the total amount of compensation paid to all key management personnel, and then totals for each of the following categories:

- Short term employee benefits
- Post-employment benefits
- Other long term employee benefits

- Termination benefits
- Any share based payments.

The definitions for these categories can be found within accounting standard AASB 119 *Employee Benefits*.

The reporting unit's disclosure at Note 12 of the GPFR does not meet the disclosure requirements of this accounting standard.

Disclosure of employee expenses to office holders and other employees

The reporting guidelines 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 reporting guidelines 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.

The employee expense note to the financial statements does not separately disclose other employee expenses for other employees.

The reporting guidelines require that all employee and office holder expenses be detailed separately (refer to items 14(f) and 14(g)).

Item 21 of the reporting guidelines states that if any of the activities identified within items 10-20 of the reporting guidelines 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.

Disclosure of employee provisions to office holders and other employees

The reporting guidelines also require either the statement of financial position or the notes to disclose any liability for employee benefits in respect of office holders and other employees (items 16(c) and 16(d)). Item 16(c) and 16(d) of the reporting guidelines also requires these provisions to be separately disclosed as follows:

- Annual leave;
- Long service leave;
- Separation and redundancies; and
- Other employee provisions.

Note 11 to the GPFR discloses this liability but does not distinguish between provisions for office holders and other employees, nor does it separately disclose the employee provisions based on the categories indicated above.

The reporting guidelines require that all employee and office holder provisions be detailed separately (refer to items 16(c) and 16(d)).

Item 21 in the reporting guidelines states that if any of the activities identified within items 10-20 of the reporting guidelines 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.

Reporting guideline activities – not disclosed

Item 21 of the reporting guidelines states that if any activity described within items 10-20 of the reporting guidelines has not occurred in the reporting period, a statement to this effect must be included in the GPFR or in an officer's declaration statement.

The notes/officer's declaration statement contained nil activity information for all prescribed reporting guideline categories except the following:

- Item 14(h) – pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- Item 14(i) – incur expenses due to holding a meeting as required under the rules of the organisation
- Item 14(j)(i) – pay legal costs relating to litigation
- Item 14(j)(ii) – pay legal costs relating to other legal matters
- Item 14(k) – pay a penalty imposed under the RO Act or *Fair Work Act 2009*
- Item 16(a) – have a payable to employer as consideration for that employer making payroll deductions of membership subscriptions
- Item 16(b)(i) – have a payable in respect of legal costs relating to litigation
- Item 16(b)(ii) – have a payable in respect of legal costs relating to other legal matters
- Item 20 – make a payment to a former related party of the reporting unit

7. Auditor's statement

Auditor's registration number

Reporting guideline 29 b) ii. requires the auditor's statement to specify the registration number of the auditor. The registration number for Craig Preece is AA2017/246.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 9603 0707 or by email at ken.morgan@roc.gov.au

Yours faithfully



KEN MORGAN

Financial Reporting Specialist

Registered Organisations Commission

Primary Employers Tasmania
S.268 Fair Work (Registered Organisations) Act, 2009

Certificate for the Year ended 31 December, 2020

I, Felicity Richards, being the President of Primary Employers Tasmania certify:

- That the documents lodged herewith are copies of the full report for Primary Employers Tasmania for the period referred to in s.268 of the *Fair Work (Registered Organisations) Act, 2009*; and
- That the Financial Statements were provided to members of the reporting unit on 29 April, 2021, and
- That the Independent Audit Report was provided to members on 17 May, 2021.
- That the Financial Statements and the Audit Report were presented to a general meeting of members of the reporting unit on 18 August, 2021, in accordance with s.266 of the *Fair Work (Registered Organisations) Act, 2009*.



Signature of prescribed designated officer.

Name of prescribed designated officer; Felicity Richards

Title of prescribed designated officer: President

Dated: 24 August, 2021

Independent Audit Report to the Members of Primary Employers Tasmania Inc

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Primary Employers Tasmania Inc (the Reporting Unit), which comprises the statement of financial position as at 31 December 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2020, 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 my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Primary Employers Tasmania as at 31 December 2020, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) 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).

I declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Reporting Unit in accordance with 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

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

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information; I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Reporting Unit's ability 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 of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objective is 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

I communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I declare that I am an auditor registered under the RO Act.

Preece Accounting

A handwritten signature in black ink, appearing to read 'Craig Preece', enclosed within a large, loopy circular flourish.

Craig Preece
Principal

Launceston
14 May 2021

Registration number (as registered by the RO Commissioner under the RO Act): 271



Financial Statements

For the Year Ended 31 December 2020

Primary Employers Tasmania

Financial Statements

For the Year Ended 31 December 2020

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Primary Employers Tasmania

ABN: 95 330 573

Address: PO Box 3014, LAUNCESTON, TAS 7250 AUSTRALIA

Primary Employers Tasmania

Operating report

31 December 2020

The Committee of Management presents its operating report on the Reporting Unit for the year ended 31 December 2020.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year.

The principal activities of Primary Employers Tasmania during 2020 have been to represent the Workplace Relations interests of employers engaged in the agricultural, fruit growing, vineyard, livestock, dairying and vegetable industries situated in Tasmania.

This involves providing advice in respect of the *Fair Work Act 2009* and the new modern awards, including rates of pay and conditions, negotiations with the relevant unions, advocacy before Fair Work Ombudsman, the Fair Work Commission and Federal Court and negotiations/advice in respect of Workplace Health and Safety Legislation.

During the year the following changes occurred:

- Funding was received and development commenced for a pre-farm employment induction program called *AgCard*.
- Funding was obtained to deliver the *Recruitment, Training and Retention of Shearers and Wool Handlers in the Tasmanian Wool Industry Project*. The previous shearer training program ceased.
- The organisation decided to end its sublease agreement for the Garfield Street premises with staff and officers to operate from home and other flexible office/meeting spaces moving forward.

Other than the above, no significant change in the nature of these activities occurred during the year.

Significant changes in financial affairs

No significant changes in the Reporting Unit's financial state of affairs occurred during the year.

Right of members to resign

A member has the right to resign from the branch under s174 of the *Fair Work (Registered Organisations) Act 2009*, in accordance with rule 13 of the rules of the Association, which reads:

13.0 Membership Resignation

(13.1) A member of the Association may resign from membership by written notice addressed and delivered to the Executive Officer of the Association.

(13.2) A notice of resignation from membership of the Association takes effect:

- (a) where the member ceases to be eligible to become a member of the Association;
 - (i) on the day on which the notice is received by the Association; or
 - (ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member; whichever is later; or
- (b) in any other case:
 - (i) at the end of two (2) weeks after the notice is received by the Association; or
 - (ii) on the day specified in the notice; whichever is later

Primary Employers Tasmania

Operating report

31 December 2020

(13.3) Any dues payable but not paid by a former member of the Association, in relation to a period before the member's resignation from the Association took effect, may be sued for and recovered in the name of the Association, in a court of competent jurisdiction, as a debt due to the Association.

(13.4) A notice delivered to the Executive Officer of the Association shall be taken to have been received by the Association when it was delivered.

(13.5) A notice of resignation that has been received by the Association is not invalid because it was not addressed and delivered in accordance with Rule 13.1

(13.6) A resignation from membership of the Association is valid even if it is not affected in accordance with this Rule 13 if the member is informed in writing by or on behalf of the Association that the resignation has been accepted.

Officers & employees who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee

No officer held a position as a trustee or a director of a company that is a trustee of a superannuation entity during the reporting period.

Number of members

The number of persons/entities who, at the end of the reporting period, were recorded on the Register of members of the organisation was 480.

Number of employees

The organisation had 3 employees at the end of the reporting period.

Names of Committee of Management members and period positions held during the financial year

The names of committee members throughout the year and at the date of this report are:

Felicity Richards	President
Ben Grubb	Vice President
Melissa Ferguson	Treasurer
Marcus Dornauf	
Rick Ertler	
Ferdie Foster	
Sophie Greenacre	From 19 November, 2020
Michele Lawrence	Until 19 November, 2020
Warwick O'Connor	
Emma Sutherland	
Stephanie Terry	

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

Signing committee member signature:



Signing committee member name: Felicity Richards

Dated this 28th day of March, 2021

Primary Employers Tasmania

Certificate by Prescribed Designated Officer

The committee has determined that the Reporting Unit is a reporting entity and that this general purpose financial report should be prepared in accordance with Australian Accounting Standards.

In the opinion of the committee the financial report as set out on pages 5-16:

1. Presents fairly the results of the operations of Primary Employers Tasmania as at 31 December 2020 and the state of its affairs for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Primary Employers Tasmania will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:

President



.....

Treasurer



Dated: 28 March, 2021

Primary Employers Tasmania

Auditors Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Primary Employers Tasmania

Primary Employers Tasmania

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2020

	Note	2020 \$	2019 \$
Fee for Service		9,125	4,320
Sponsorship		-	2,000
Grant Income: Wool Industry Training		55	143,070
Interest Received		62	5,602
Other Income		100	4,275
Membership Subscriptions		177,884	179,933
Grant Income: Cash Flow Boost		100,000	-
Grant Income: AgCard		15,757	-
Total revenue		302,983	339,200
Advertising/Marketing		44,625	23,668
Agcard		15,757	-
Committee Expenses		6,563	10,175
Finance and Accounting		21,940	16,078
Insurance		6,837	7,315
Motor Vehicle		4,462	5,413
Office and Overheads		24,326	30,274
Shearer Training		27,236	172,631
Staff Expenses		160,920	159,084
Travel and Accommodation		1,905	10,837
Legal fees		1,000	-
Total expenses		315,571	435,475
Profit for the year		(12,588)	(96,275)

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 31 December 2020

	Note	2020 \$	2019 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	6	587,472	437,097
Trade and Other Receivables	7	218,434	114,596
Prepaid Expenses		4,637	3,739
Total Current Assets		810,543	555,432
Non-Current Assets			
Property, Plant and Equipment	8	4,851	8,964
Total Non-Current Assets		4,851	8,964
TOTAL ASSETS		815,394	564,396
LIABILITIES			
Current Liabilities			
Trade and Other Payables	9	46,376	18,619
Income in Advance	10	258,425	-
Employee Benefits	11	29,030	51,624
Total Current Liabilities		333,830	70,243
Non-Current Liabilities			
TOTAL LIABILITIES		333,830	70,243
NET ASSETS		481,564	494,153
EQUITY			
Reserves		133,730	78,669
Accumulated Funds		347,834	415,484
TOTAL EQUITY		481,564	494,153

Primary Employers Tasmania

Statement of Changes in Equity

For the Year Ended 31 December 2020

2020

	Accumulated surpluses	Training funds reserve	Total
Note	\$	\$	\$
1 January 2020	415,484	78,669	494,153
Net surplus/(deficit)	(12,588)	-	(12,588)
Transfers from accumulated surpluses	(55,061)	55,061	-
Balance at 31 December 2020	347,834	133,730	481,564

2019

	Accumulated surpluses	Training funds reserve	Total
Note	\$	\$	\$
1 January 2019	512,172	78,256	590,428
Net surplus/(deficit)	(96,275)	-	(96,275)
Transfers from accumulated surpluses	(413)	413	-
Balance at 31 December 2019	415,484	78,669	494,153

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 31 December 2020

		2020	2019
	Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		268,486	218,143
Payment to suppliers		(117,477)	(105,058)
Wages and salaries		(193,032)	(131,379)
Interest received		62	5,602
Grant income		257,931	19,894
Direct program expenses		(27,236)	(172,631)
GST Paid/remitted		(35,506)	(28,750)
Net cash provided by/(used in) operating activities	15	<u>153,228</u>	<u>(194,179)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Net cash provided by/(used in) investing activities		<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net cash provided by/(used in) financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents held		153,228	(194,179)
Cash and cash equivalents at beginning of year		434,180	628,359
Cash and cash equivalents at end of financial year	6	<u>587,408</u>	<u>434,180</u>

Notes to the Financial Statements

For the Year Ended 31 December 2020

1 Summary of Significant Accounting Policies

(a) Basis of preparation of the financial statements

The financial statements are general purpose financial statements and 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 Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the Reporting Unit is a not-for-profit entity.

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) Income Tax

The Reporting Unit is exempt from income tax under section 50.1 of the *Income Tax Assessment Act 1997*.

(c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Receivables for goods and services are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it related.

(d) Property, Plant and Equipment

Property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all property, plant and equipment is depreciated over the useful lives of the assets to the Reporting Unit commencing from the time the asset is held ready for use.

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Notes to the Financial Statements

For the Year Ended 31 December 2020

1 Summary of Significant Accounting Policies

(e) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Reporting Unit becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the Reporting Unit commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Classification and subsequent measurement

Financial instruments are subsequently measured at cost. The Reporting Unit has no assets or liabilities which are carried at fair value.

Financial risk management

The only financial instruments held by the Reporting Unit is cash in its bank accounts. It is not exposed to any significant risk from financial instruments in the form of either market risk, credit risk or liquidity risk. Accordingly, no quantitative disclosures in relation to these are required in the financial report.

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks.

For the purposes of the statement of cash flows, because all transactions of the entity have been in cash, the cash flow from operations is identical to the net profit, and so reconciliation is not necessary.

(g) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Provision is made for the Reporting Unit'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 expected to be settled more than twelve months after the end of the reporting period 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. Cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Notes to the Financial Statements

For the Year Ended 31 December 2020

1 Summary of Significant Accounting Policies

(g) Employee benefits

Employee benefits are presented as current liabilities in the statement of financial position if the Reporting Unit does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

Termination benefits

Termination benefits are those benefits paid to an employee as a result of either the entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

Termination benefits are recorded as a provision at the earlier of the following dates:

- When the entity can no longer withdraw the offer of those benefits; and
- When the entity recognises costs for a restructuring that is within the scope of AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and involves the payment of termination benefits.

(h) Critical accounting estimates and judgments

No significant estimates and judgements were required during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances. All transactions and balances are in cash, in relation to which there is no uncertainty.

(i) New and Pending Australian Accounting Standards

AASB 16 Leases

AASB 16 was issued in January 2016 and it replaces AASB117 *Leases*. AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

The office space lease agreement on the Garfield Street premises ceased on the 6th January 2021 and any future lease obligations relating to this at 31st December 2020 were immaterial and insignificant. The Reporting Unit does not have any other material lease obligations therefore the introduction of AASB 16 has had no effect on the 2020 reporting and disclosure obligations of the Reporting Unit.

Notes to the Financial Statements

For the Year Ended 31 December 2020

2 Retrospective Restatement

In compiling the financial statements, it was identified that the previous years' financial statements contained an error arising from differences in interpretation of the appropriate accounting method being:

(a) Prepaid expenses were incorrectly excluded from assets on the Statement of Financial Position, and insurance expense incorrectly included in the incorrect financial year.

The error has been corrected retrospectively in the periods to which they related. The aggregate effect of the error on the comparative figures is as follows:

	Previously stated \$	31 December 2019 Adjustments \$	Restated \$
Statement of Profit or Loss and Other Comprehensive Income			
Insurance expense	11,054	(3,739)	7,315
Statement of Financial Position			
Prepaid Expenses	-	3,739	3,739

3 Events Occurring After the Reporting Date

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

4 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) to (3) of section 272, 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).

Notes to the Financial Statements

For the Year Ended 31 December 2020

	2020	2019
	\$	\$
5 Employee Costs		
Office Holders		
Salary - Executive Officer	116,355	105,000
Superannuation - Executive Officer	11,054	9,213
Movements in Leave and Other Entitlements - Executive Officer	3,178	11,925
Fringe Benefits Tax	8,092	-
Separation and Redundancies	-	-
Other Director's Allowances	5,500	8,300
Total Office Holder Employee Costs	144,179	134,438
Other Employees	74,349	140,549
Wages and Salaries	4,525	13,861
Superannuation	-	-
Separation and Redundancies	(25,820)	21,015
Movements in Leave and Other Entitlements	53,054	175,425
Total Other Employee Costs	53,054	175,425
Total Employee Costs	197,233	309,863
6 Cash and Cash Equivalents		
Westpac - Cheque Account	429,301	357,819
Westpac - Member Card Payments	24,440	609
Westpac - Training Funds Reserve	133,731	78,669
	587,472	437,097
Reconciliation of Cash		
Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:		
Westpac Cash at bank	587,473	437,097
Westpac Mastercard	(65)	(2,917)
Balance as per statement of cash flows	587,408	434,180

Notes to the Financial Statements

For the Year Ended 31 December 2020

	2020 \$	2019 \$
7 Trade and Other Receivables		
Trade Debtors	217,328	4,400
Accrued Income	1,106	2,320
Trade Debtors - Grants	-	132,275
Provision for Doubtful Debts	-	(24,399)
	218,434	114,596
8 Property, Plant and Equipment		
Furniture and Equipment		
Furniture and Equipment at Cost	17,911	17,911
Accumulated Depreciation	(16,605)	(16,038)
Total Furniture and Equipment	1,306	1,873
Motor Vehicles		
Motor Vehicles at Cost	17,727	17,727
Accumulated Depreciation	(14,182)	(10,636)
Total Motor Vehicles	3,545	7,091
Total property, plant and equipment	4,851	8,964

(a) Movements in carrying amounts of property, plant and equipment

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

	Furniture and Equipment \$	Motor Vehicles \$	Total \$
Year ended 31 December 2020			
Opening Balance	1,873	7,091	8,964
Depreciation Expense	(568)	(3,545)	(4,113)
Balance at the end of the year	1,305	3,546	4,851

9 Trade and Other Payables		
Trade Creditors	13,195	2,202
Accrued Expenses	11,147	14,102
GST Clearing	21,970	(602)
Westpac Mastercard	65	2,917
	46,377	18,619

Notes to the Financial Statements

For the Year Ended 31 December 2020

	2020	2019
	\$	\$
10 Deferred Income		
CURRENT		
Grants in Advance	34,243	-
Subscriptions in Advance	224,182	-
	<u>258,425</u>	<u>-</u>
11 Employee Benefits		
Current Liabilities		
Annual Leave	23,236	34,627
Long Service Leave	5,794	16,997
	<u>29,030</u>	<u>51,624</u>
12 Key Management Personnel Disclosures		
The total remuneration paid to key management personnel of the Reporting Unit is \$ 135,501 (2019: \$ 114,213)		
13 Auditors' Remuneration		
Audit Fee	2,750	3,075
14 Related Party Transactions		
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. The following transactions occurred with related parties:		
Allowances to Office holder - paid to the President	4,000	8,300
Allowances to Office holder - paid to the Treasurer	500	-
Allowances to Office holder - paid to the Vice-President	1,000	-
	<u>5,500</u>	<u>8,300</u>

Notes to the Financial Statements

For the Year Ended 31 December 2020

2020	2019
\$	\$

15 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

Profit for the year	(12,588)	(96,275)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
Depreciation expense	4,113	4,113
Changes in assets and liabilities:		
Trade and other receivables	(103,839)	(80,838)
Other current assets	(898)	(3,739)
Trade and other payables	30,609	(4,835)
Employee provisions	(22,593)	32,940
Deferred income	258,424	(45,545)
Cashflows from operations	153,228	(194,179)

16 Administration of Financial Affairs by a Third Party

Name of the entity providing service: Synectic Accountants and Advisers Pty Ltd

Terms and conditions: The Reporting Unit engages Synectic Accountants and Advisers Pty Ltd to provide various accounting and bookkeeping services including assistance with preparation of annual financial reports, ATO activity statements, FBT returns, monthly board reports, committee reports and other general accounting and bookkeeping assistance as required. These services are provided on an hourly charge rate basis.

Nature of expenses/consultancy service: Preparation of annual financial reports, ATO activity statements, FBT returns, monthly board reports, committee reports and other general accounting assistance.

Accounting Fees	5,190	1,205
Bookkeeping Fees	12,590	-
Total	17,780	1,205

Primary Employers Tasmania

Expenditure Report

For the Year Ended 31 December 2020

The committee of management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 31 December 2020.

	2020	2019
	\$	\$
Remuneration and other employment -related costs and expenses	197,233	309,863
Advertising	50,395	26,788
Operating costs	62,829	94,710
Donations to political parties	-	-
Legal costs	1,000	-
Depreciation and low cost assets	4,113	4,113
Total	315,570	435,474

Primary Employers Tasmania
Officer Declaration Statement
31 December 2020

I, Melissa Ferguson, being the Treasurer of Primary Employers Tasmania, declare that the following activities did not occur during the reporting period ending 31 December 2020.

The Reporting Unit did not:

- agree to receive financial support from another Reporting Unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another Reporting Unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive capitation fees or any other revenue amount from another Reporting Unit
- receive revenue via compulsory levies
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay capitation fees or any other expense to another Reporting Unit
- pay affiliation fees to other entity
- pay compulsory levies
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- pay a donation that was \$1,000 or less
- pay a donation that exceeded \$1,000
- pay separation and redundancy to holders of office
- pay separation and redundancy to employees (other than holders of office)

Primary Employers Tasmania
Committee of Management Statement
31 December 2020

The Treasurer of Primary Employers Tasmania passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2020:

The Reporting Unit declares that in its opinion:

- the financial statements and notes comply with the Australian Accounting Standards;
- 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)*;
- the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Reporting Unit for the financial year to which they relate;
- there are reasonable grounds to believe that the Reporting Unit will be able to pay its debts as and when they become due and payable; and
- during the financial year to which the GPFR relates and since the end of that year:
 - meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - the financial affairs of the Reporting Unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - the financial records of the Reporting Unit have been kept and maintained in accordance with the RO Act; and
 - where the organisation consists of two or more Reporting Units, the financial records of the Reporting Unit have been kept, as far as practicable, in a consistent manner with each of the other Reporting Units of the organisation; and
 - where information has been sought in any request by a member of the Reporting Unit or the Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and
 - 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.

Signature of treasurer, Melissa Fergusson on 28 March, 2021

A handwritten signature in blue ink, appearing to read 'Melissa Fergusson', is written over a horizontal line of small, repeating characters.

**Independent Audit Report to the members of Primary Employers
Tasmania**

Location