

20 March 2018

Mr Chris Enright
Executive Director & Delegate of the Commissioner
Registered Organisations Commission
GPO Box 2983, MELBOURNE VIC 3000



Dear Mr Enright,

**CEPU Communications Division, Tasmanian Branch
Operating Reports for periods ending 31 March 2010 to 2013 & 2016
- Reporting of Membership Numbers**

I refer to the above and your correspondence of 16 March 2017.

As a consequence of independent audits of the branch operating reports for the 7 years from 31 March 2010-2016, it is necessary to amend the figures reported for total membership in the operating reports of the Tasmanian Branch of the Communications Division, for the periods ended 31 March 2010 to 31 March 2013 and 31 March 2016. However, the changes have not been approved by a branch committee of management because the branch committee which originally approved the operating reports ceased to exist on 11 August 2016.

The changes are as follows:

As at 31 Mar	2010	2011	2012	2013	2016
Reported	712	675	562	555	481
Audited	445	452	467	553	482

Your faithfully

Allen Hicks
NATIONAL SECRETARY

NATIONAL OFFICE

Greg Rayner
National President

Allen Hicks
National Secretary

Suite 408, Level 4
30-40 Harcourt Parade
PO Box 380
Rosebery NSW 2018

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Email:
admin@etuaustralia.org.au



5 October 2016

Mr David Moore
Branch Secretary
CEPU Communications Division – Tasmanian Branch
105 New Town Road
New Town TAS 7008

By email: sharon@ceputas.com.au

Dear Mr Moore

**CEPU Communications Division – Tasmanian Branch
Financial Report for the year ended 31 March 2013 - FR2013/124**

I acknowledge receipt of the amended financial report for the year ended 31 March 2013 for the CEPU Communications Division – Tasmanian Branch (CEPU-CTAS). The financial report was lodged with the Fair Work Commission (FWC) on 30 September 2014.

In my letter of 19 May 2015 to CEPU-CTAS I requested that the FWC be provided with further information to support the financial report including:

1. An updated Committee of Management Statement to reflect the reporting unit's non-compliance with s.252 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) and Rules of the Branch.
2. Details of the bank account holding Branch funds referred to in the CEPU-CTAS letter of 1 April 2015.
3. Documentation to evidence the establishment of the new separate CEPU-CTAS bank account referred to in the CEPU-CTAS letter of 1 April 2015.

The CEPU-CTAS has not provided this information.

On 23 February 2016 the FWC commenced an investigation into the operations of the CEPU-CTAS under s.331 of the RO Act (INV2016/2). This investigation was concluded on 26 July 2016.

The CEPU-CTAS lodged its 31 March 2014 financial report with the FWC on 30 September 2014. This report appears to have been disclosed in accordance with the Australian Accounting Standards, the RO Act and the s.253 reporting guidelines.

Based on the 31 March 2014 financial report and the results of the FWC investigation into the CEPU-CTAS I am allowing this financial report to be closed.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8656 4685 or by email at ken.morgan@fwc.gov.au

Yours sincerely

A handwritten signature in black ink, appearing to read 'K. Morgan', with a large, stylized flourish at the end.

Ken Morgan
Financial Reporting Advisor
Regulatory Compliance Branch



communication workers union
CWUnion
Tasmania

Communications, Electrical, Electronic, Energy, Information,
Postal, Plumbing and Allied Services Union Australia
105 New Town Road NEW TOWN TAS 7008
Ph: 03 6228 0098 Fax: 03 6228 7557

Stephen Kellet
Statutory Services Branch
Fair Work Australia
Terrace Towers,
80 William Street,
EAST SYDNEY,
NSW 2011



Dear Sir,

***Lodgement of Financial Statements and Accounts – Tasmanian Branch, Communications Division,
CEPU – for year ending 31st March 2013***

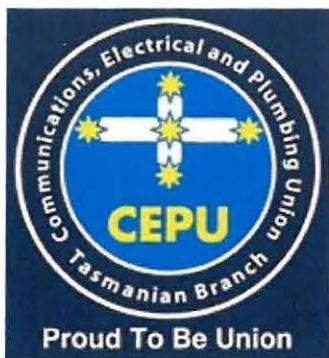
I refer you to a letter dated 17 June 2014 that I received from Joanne Fenwick FWC Financial Reporting Specialist Regulatory Compliance Branch requiring that I resubmit the Financial Statements and Accounts – Tasmanian Branch Communications Division, CEPU – for the year ending 31st March 2013 so that they meet the required reporting standards

I have attached revised documents performed by another auditor, MGI Assurance (South Queensland) Pty Ltd, which I engaged to conduct a full audit and revision of the original documentation.

I wish to withdraw the documentation submitted to you on the 5th February 2014 and submit the revised documentation.

Yours Sincerely,

Peter Miller
Branch Secretary
CEPU Communications Division
TAS Branch



communication workers union
CWUnion
Tasmania

Communications, Electrical, Electronic, Energy, Information,
Postal, Plumbing and Allied Services Union Australia
105 New Town Road NEW TOWN TAS 7008
Ph: 03 6228 0098 Fax: 03 6228 7557

Stephen Kellet
Statutory Services Branch
Fair Work Australia
Terrace Towers,
80 William Street,
EAST SYDNEY,
NSW 2011

26th September 2014

Dear Sir,

***Lodgement of Financial Statements and Accounts – Tasmanian Branch, Communications Division,
CEPU – for year ending 31st March 2013***

I, Peter Miller, being the Secretary of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, TAS branch certify:

- that the document lodged herewith is an original copy of the full Financial Report for the year ending 31st March 2013, referred to in s268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full Financial Report was sent to members on the 26th September 2014 via the Unions web page, email and social media notification; and
- that the full report was presented to the Branch Committee of Management on 24th September 2014, in accordance with section 266 of Fair Work (Registered Organisations) Act 2009

Yours Sincerely,

Peter Miller
Branch Secretary
CEPU Communications Division
TAS Branch

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC,
ENERGY, INFORMATION, POSTAL, PLUMBING AND
ALLIED SERVICES UNION OF AUSTRALIA - COMMUNICATIONS DIVISION,
TASMANIAN DIVISIONAL BRANCH**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA - COMMUNICATIONS DIVISION,
TASMANIAN DIVISIONAL BRANCH

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

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**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA - COMMUNICATIONS DIVISION,
TASMANIAN DIVISIONAL BRANCH**

Report on the Financial Report

We have audited the accompanying financial report of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Communications Division, Tasmanian Divisional Branch (the Union), which comprises the statement of financial position as at 31 March 2013, statement of comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes and the Committee of Management's declaration.

Committee of Management's Responsibility for the Financial Report

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, as well as evaluating the overall presentation of the financial report.

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

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of the Union for the year ended 31 March 2013 included on the Union's website. The Union's Committee of Management is responsible for the integrity of the Union's website. We have not been engaged to report on the integrity of this website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to / from these statements. If users of this report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

Independence

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

Declarations

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

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

Auditor's Opinion

In our opinion, the financial report of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Communications Division, Tasmanian Divisional Branch is in accordance with:

- (1) the *Fair Work (Registered Organisations) Act 2009*, including:
 - (i) giving a true and fair view of the Union's financial position as at 31 March 2013 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards.
- (2) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.
- (3) The Union has kept satisfactory accounting records for the financial year including records of:
 - (i) the sources and nature of the Union's income, including membership subscriptions and other income from members; and
 - (ii) the nature of and reasons for the Union's expenditure.
- (4) All the information and explanations that officers or employees of the Union were required to provide have been provided; and
- (5) There was no deficiency, failure or shortcoming in any matters referred to in (1) to (4) above.
- (6) The Union's use of the going concern basis of accounting used in the preparation of the Union's financial statements is appropriate, given the matter described in the paragraph titled inherent Uncertainty regarding continuation as a going concern and Note (u) in the financial report.

Emphasis of Matter – Previously Issued Financial Report

We draw attention to Note 1(x) to the financial statements which describes the requirements of the Union to reissue the 31 March 2013 financial statements. Our opinion is not modified in respect of this matter.

Inherent Uncertainty Regarding Continuation as a Going Concern

Without qualification to the opinion expressed above our opinion, we draw attention to Note 1(u) in the financial report, which indicates that the Union as of 31 March 2013 has current liabilities exceeded its current assets by \$31,874. This condition, along with other matters as set forth in Note 1(u) indicate the existence of a material uncertainty that may cast significant doubt about the Union's ability to continue as a going concern. Therefore, the Union may be unable to realise its assets and discharge its liabilities in the normal course of business in the absence of support by other reporting units or its members.

M.G.I

MGI Assurance (South Qld) Pty Ltd



G I Kent

Director

Chartered Accountant and holder of a certificate of Public Practice

Hobart

24 September 2014

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA - COMMUNICATIONS DIVISION,
TASMANIAN DIVISIONAL BRANCH**

**COMMITTEE OF MANAGEMENT OPERATING REPORT
FOR THE YEAR ENDED 31 MARCH 2013**

Operating Report

In accordance with section 254 of the *Fair Work (Registered Organisations) Act 2009* the Committee of Management ("the Committee") presents its Operating Report on the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Communications Division, Tasmanian Divisional Branch ("Union"), for the year ended 31 March 2013.

Principal Activities

The principal activities of the Union during the past year fell into the following categories:

- Implementation of the decisions of the National Council, Divisional Conference and Divisional Executive together with decisions of the Tasmanian Branch Committee of Management;
- Implementation of the Branch's organising agenda, visitation of work sites and meetings outside of work with individual members as and when required;
- Representation of individual member's grievances, advice on legal and legislative matters, workers compensation matters etc.;
- Training and provide assistance to authorised Union Representatives and Occupational Health and Safety Representatives as and when required;
- Represent Tasmanian members on local issues with relevant employer representatives; and
- Provide ongoing office based contract for members administration of member records, finances and correspondence.

Operating Results

The deficit for the financial year amounted to \$24,828 (2012 deficit: \$59,727).

Review of Operations

A review of the operations of the Union during the financial year found that there was no significant change in the nature or the results of the operations during the year.

After Balance Date Events

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

Future Developments

Likely developments in the operations of the Union are the expected result of those operations in future financial years have not been included in this report as such information is likely to result in unreasonable prejudice to the Union.

Environmental Issues

The Union's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Members Right to Resign

The right of members to resign from the Union is set out in the Rules of the Union and on the reverse side of the application to join form.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA - COMMUNICATIONS DIVISION,
TASMANIAN DIVISIONAL BRANCH**

**COMMITTEE OF MANAGEMENT OPERATING REPORT
FOR THE YEAR ENDED 31 MARCH 2013**

Membership of Superannuation Scheme

The Union does not have a person who holds a position of trustee or director of an entity, scheme or company as described in s.254 (2)(d) of Schedule 1B, where a criterion of such entity is that the holder of such position must be a member or official of a registered organisation.

Number of Employees

The number of persons who were, at the end of the period to which the report relates, employees of the Union, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis is 1.0 (2012: 1.5).

Wages Recovery

There were no wages recoveries for the year.

Number of Members

The number of persons that were, at the end of the financial year to which the report relates, recorded in the register of members for s.230 of the Act and who are taken to be members of the Union under s.244 of the Act is:

Total	556
Financial	546
Unfinancial	10

Members of the Committee of Management

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

Name	Period of appointment
Bugg, Paul	Whole Period
Colbeck, Greg	Whole Period
Graham, Michael	Whole Period
Gordon, Belinda	Whole Period
Hutt, Tim	Whole Period
Kerslake, Ian	Whole Period
Miller, Peter	Whole Period
Moore, David	Whole Period

Officers & employees who are directors of a company or a member of a board

No officers or employees of the Union are directors of a company or a member of a board throughout the year (outside of their membership on the Committee of Management of the Union) – 2012: Nil.

Indemnifying Officers or Auditors

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

- indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against liability for the costs or expenses to defend legal proceedings.

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA - COMMUNICATIONS DIVISION,
TASMANIAN DIVISIONAL BRANCH

COMMITTEE OF MANAGEMENT OPERATING REPORT
FOR THE YEAR ENDED 31 MARCH 2013

Other Information

There is no other information that the Union considers relevant.

This report is made in accordance with a resolution of the Committee of Management and is signed
for and on behalf of the Committee Members by:


.....
Ian Kerslake
President

24 September 2014

Hobart


.....
Peter Miller
Branch Secretary

24 September 2014

Hobart

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA - COMMUNICATIONS DIVISION,
TASMANIAN DIVISIONAL BRANCH**

**COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 31 MARCH 2013**

On 24 September 2014, the Committee of Management of Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Communications Division, Tasmanian Divisional Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 March 2013:

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

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned;
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned;
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the *RO Act*;
 - (iv) the financial records of the reporting unit have been kept, as far as practicable in a manner consistent with each of the other reporting units of the organisation;
 - (v) where information has been sought in any request of a member of the reporting unit or General Manager duly made under section 272 of the *RO Act*, that information has been provided to the member or General Manager; and
 - (vi) there have been no orders for inspection of financial records made by the Fair Work Commission under section 273 of the *Act*.

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

For Committee of Management: Peter Miller

Title of Office held: Branch Secretary

Signature:


.....

Date: 24 September 2014

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE COMMITTEE OF MANAGEMENT OF COMMUNICATIONS, ELECTRICAL, ELECTRONIC,
ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF
AUSTRALIA - COMMUNICATIONS DIVISION, TASMANIAN DIVISIONAL BRANCH**

As lead auditor for the audit of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Communications Division, Tasmanian Divisional Branch for the year ended 31 March 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

M.G.I

MGI Assurance (South Qld) Pty Ltd



G I Kent
Director

Hobart

24 September 2014

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA - COMMUNICATIONS DIVISION,
TASMANIAN DIVISIONAL BRANCH**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2013**

	Note	2013 \$	2012 \$
Revenue	3	171,382	267,334
Employee benefits expense	4(i)	(94,561)	(176,915)
Depreciation and amortisation expenses	4(a)	(15,259)	(2,624)
Affiliation fees	4(f)	(1,700)	-
Capitation fees	4(e)	(35,077)	(45,719)
Compulsory levies	4(c)	-	-
Conference and meeting expenses	4(b)	-	-
Consideration to employers for payroll deductions	4(j)	-	-
Fees/allowances – meetings and conferences	4(k)	-	-
Grants and donations	4(d)	-	(250)
Motor vehicle expenses		(5,000)	(4,095)
Legal expenses	4(g)	-	-
Penalties – via RO Act or RO Regulations	4(h)	-	-
Printing, postage and merchandise		(4,370)	(26,074)
Property expenses		(3,100)	(7,488)
Telephone expenses		(3,705)	(8,569)
Travel & accommodation expenses		(7,558)	(1,675)
Other expenses	4(l)	<u>(25,880)</u>	<u>(53,652)</u>
(Deficit)/Surplus before income tax		(24,828)	(59,727)
Income tax expense	1(a)	<u>-</u>	<u>-</u>
(Deficit)/Surplus for the year		<u>(24,828)</u>	<u>(59,727)</u>
Other Comprehensive Income			
Other comprehensive income (net of income tax)		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>(24,828)</u>	<u>(59,727)</u>
(Deficit)/Surplus attributable to:			
Members of the union		<u>(24,828)</u>	<u>(59,727)</u>
Total comprehensive income attributable to:			
Members of the union		<u>(24,828)</u>	<u>(59,727)</u>

The accompanying notes form part of these financial statements

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA - COMMUNICATIONS DIVISION,
TASMANIAN DIVISIONAL BRANCH

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2013

	Note	2013 \$	2012 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	-	276,288
Trade and other receivables	6	257,888	27,101
TOTAL CURRENT ASSETS		<u>257,888</u>	<u>303,389</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	590,830	586,031
TOTAL NON-CURRENT ASSETS		<u>590,830</u>	<u>586,031</u>
TOTAL ASSETS		<u>848,718</u>	<u>889,420</u>
CURRENT LIABILITIES			
Trade and other payables	8	217,951	198,311
Short-term provisions	9	71,811	102,665
TOTAL CURRENT LIABILITIES		<u>289,762</u>	<u>300,976</u>
NON-CURRENT LIABILITIES			
Long-term provisions	9	-	4,660
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	<u>4,660</u>
TOTAL LIABILITIES		<u>289,762</u>	<u>305,636</u>
NET ASSETS		<u>558,956</u>	<u>583,784</u>
MEMBERS EQUITY			
Asset Revaluation Reserve		-	459,750
Retained Earnings		558,956	124,034
		<u>558,956</u>	<u>583,784</u>

The accompanying notes form part of these financial statements

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
 PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA - COMMUNICATIONS DIVISION,
 TASMANIAN DIVISIONAL BRANCH

STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 31 MARCH 2013

	Reserves	Retained Earnings	Total
	\$	\$	\$
Balance at 1 April 2011	459,750	183,761	643,511
Deficit attributable to members of the Union	-	(59,727)	(59,727)
Other Comprehensive income	-	-	-
Balance at 31 March 2012	<u>459,750</u>	<u>124,034</u>	<u>583,784</u>
Balance at 1 April 2012	459,750	124,034	583,784
Deficit attributable to members of the Union	-	(24,828)	(24,828)
Transfer to retained earnings	(459,750)	459,750	-
Other Comprehensive income	-	-	-
Balance at 31 March 2013	<u>-</u>	<u>558,956</u>	<u>558,956</u>

The accompanying notes form part of these financial statements

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA - COMMUNICATIONS DIVISION,
TASMANIAN DIVISIONAL BRANCH**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2013**

	Note	2013 \$	2012 \$
Cash Flows from Operating Activities			
Receipts from members		84,057	224,811
Interest received		500	14,478
Other receipts		-	32,789
Payments to suppliers and employees		(95,477)	(293,728)
Net cash provided by/ (used in) operating activities	10(b)	<u>(10,920)</u>	<u>(21,650)</u>
Cash Flows from Investing Activities			
Payment for property, plant & equipment		(24,072)	-
Proceeds from sale of property, plant & equipment		5,000	-
Net cash used in investing activities		<u>(19,072)</u>	<u>-</u>
Cash Flows from Financing Activities			
Net payments to CEPU – Tasmania Branch		(246,296)	-
Net cash used in financing activities		<u>(246,296)</u>	<u>-</u>
Net decrease in cash held		(276,288)	(21,650)
Cash at beginning of financial year		<u>276,288</u>	<u>297,938</u>
Cash at end of financial year	10(a)	<u>-</u>	<u>276,288</u>

The accompanying notes form part of these financial statements

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA - COMMUNICATIONS DIVISION,
TASMANIAN DIVISIONAL BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements cover the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Communications Division, Tasmanian Divisional Branch (“Union”) as an individual entity. The Union is a trade union which is incorporated and domiciled in Australia.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Fair Work (Registered Organisations) Act 2009*. The Union is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow, have been prepared on an accruals basis and are based on historical costs, modified, where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements are in Australian dollars and have been rounded to the nearest dollar.

The financial statements were authorised for issue on 24 September 2014 by the Committee of Management of the Union.

(a) Income Tax

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

(b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less any accumulated depreciation and impairment losses.

Property, plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Committee of management to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with that item will flow to the Union and the costs of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA - COMMUNICATIONS DIVISION, TASMANIAN DIVISIONAL BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Property, Plant and Equipment (Continued)

Depreciation

The depreciable amount of all fixed assets including capitalised leased assets, is depreciated on a straight line basis over their estimated useful lives to the Union commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of assets are:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Buildings	2.50%
Plant and equipment	15.00%
Motor Vehicles	33.30%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income.

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown with financial liabilities in current liabilities on the statement of financial position.

(d) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Union becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Union commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value, plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at 'fair value through profit or loss', in which case, transactions costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA - COMMUNICATIONS DIVISION, TASMANIAN DIVISIONAL BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial Instruments (Continued)

Classification and subsequent measurement (Continued)

Finance instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

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

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

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

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

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial Instruments (Continued)

Classification and subsequent measurement (Continued)

(iii) Held-to-maturity investments (Continued)

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

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by the Committee of Management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after reporting date. (All other financial assets are classified as current assets).

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions.

Impairment

At the end of each reporting period, the Union assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Union no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit of loss.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Impairment of Assets

At each reporting date, the Union reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less cost to sell and value in use, is compared to the asset's carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the statement of comprehensive income.

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

(f) Employee Benefits

Provision is made for the Union's liability for employee benefits (Annual Leave and Long Service Leave and Vesting Sick Leave) arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

(g) Provisions

Provisions are recognised when the Union has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(h) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, that are transferred to the Union are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased asset or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Union will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any discounts and rebates allowed.

Revenue from membership contributions is recognised on an accruals basis, and is recorded as revenue in the year to which it relates.

Rental income is recognised when the right to receive rental income has been established per the rental agreements.

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

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

(j) Trade and Other Receivables

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

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

(k) Trade and Other Payables

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

(l) Borrowing Costs

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

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

(m) Goods and services tax (GST)

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

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

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Comparative Figures

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

(o) Critical accounting estimates and judgement

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

Key Estimates – Impairment

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

No impairment has been recognised in respect of the current year.

(p) Adoption of New and Revised Accounting Standards

During the current year, the Union has adopted all new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

There have been no new and revised Australian Accounting Standards and Interpretations that have come into effect during the current year which have impacted the financial statements of the Union.

(q) New Accounting Standards for Application in Future Periods

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

- AASB 9: Financial Instruments (December 2010) and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).

These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) New Accounting Standards for Application in Future Periods

- AASB 9: Financial Instruments (Continued)

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

These Standards were mandatorily applicable for annual reporting periods commencing on or after 1 January 2013. However, AASB 2012-6: Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures (issued September 2012) defers the mandatory application date of AASB 9 from 1 January 2013 to 1 January 2015. In light of this change to the mandatory effective date, the Union is expected to adopt AASB 9 and AASB 2010-7 for the annual reporting period ending 31 December 2015. The committee members anticipate that the adoption of AASB 9 and AASB 2010-7 will not have any material impact on the financial statements of the Union.

- AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements (applicable for annual reporting periods commencing on or after 1 July 2013).

AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

- Tier 1: Australian Accounting Standards; and
- Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

Fair Work Australia have provided guidance on the matter and indicated that all reporting units are Tier 1 reporting entities. Therefore the adoption of this standard will have no impact on the financial statements of the Union.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

- AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011) and AASB 128: Investments in Associates and Joint Ventures (August 2011) (as amended by AASB 2012–10: Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments), and AASB 2011–7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements (March 2008, as amended) and Interpretation 112: Consolidation – Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees.

The Union does not have any entities that require consolidation (either under the current AASB 127, or under the new AASB 10). Therefore the adoption of this new standard will not have any impact on the financial statements of the Union.

- AASB 13: Fair Value Measurement and AASB 2011–8: Amendments to Australian Accounting Standards arising from AASB 13 (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) to be measured at fair value.

These Standards are expected to result in more detailed fair value disclosures, but are not expected to significantly impact the amounts recognised in the Union's financial statements.

- AASB 119: Employee Benefits (September 2011) and AASB 2011–10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The Union does not have any defined benefit plans and so is not impacted by the amendments.

AASB 119 (September 2011).

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

- AASB 2012–2: Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 2012–2 principally amends AASB 7: Financial Instruments: Disclosures to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

This Standard is not expected to significantly impact the Union's financial statements.

- AASB 2012–3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard adds application guidance to AASB 132: Financial Instruments: Presentation to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

This Standard is not expected to significantly impact the Union's financial statements.

- AASB 2012–5: Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle (applicable for annual reporting periods commencing on or after 1 January 2013).

This Standard amends a number of Australian Accounting Standards as a consequence of the issuance of Annual Improvements to IFRSs 2009–2011 Cycle by the International Accounting Standards Board, including:

- AASB 1: First-time Adoption of Australian Accounting Standards to clarify the requirements in respect of the application of AASB 1 when an entity discontinues and then resumes applying Australian Accounting Standards;
- AASB 101: Presentation of Financial Statements and AASB 134: Interim Financial Reporting to clarify the requirements for presenting comparative information;
- AASB 116: Property, Plant and Equipment to clarify the accounting treatment of spare parts, stand-by equipment and servicing equipment;
- AASB 132 and Interpretation 2: Members' Shares in Co-operative Entities and Similar Instruments to clarify the accounting treatment of any tax effect of a distribution to holders of equity instruments; and
- AASB 134 to facilitate consistency between the measures of total assets and liabilities an entity reports for its segments in its interim and annual financial statements.

This Standard is not expected to significantly impact the Union's financial statements.

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

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Gains

Sale of assets

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

(s) Capitation fees and levies

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

(t) Contingent Liabilities and Contingent Assets

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

(u) Going Concern

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

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

Notwithstanding the Unions deficiency in net assets, the financial report has been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business.

As at the reporting date, current liabilities exceed current assets by \$31,874. Notwithstanding this, the Committee of Management has determined the financial report should be prepared on the going concern basis for the following reasons:

- \$207,824 of current liabilities relates to sustentation fees payable to the National Office. These sustentation fees relate to the fees payable to National Office for the period 2010-2013. The going concern assumption continues to remain appropriate on the basis that the National Office continues to support the Union by:
 - a) Not demanding immediate payment of the balance; and
 - b) Continue to not charge interest on the outstanding monies.No formal agreement has been entered into between the Union and the National Office.
- \$71,811 of current liabilities relates to employee leave entitlements of the Union's staff. The Committee of Management and the State Secretary do not anticipate that the entire amount will be paid out in the immediate financial year.

Having regard to these factors, the Committee of Management is of the opinion that the basis upon which the financial reports are presented is appropriate in the circumstances. Accordingly, no adjustments have been made relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Union not continue as a going concern.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Recovery of Wages

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

(w) Acquisition of Assets and Liabilities

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

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

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

(x) Previously Issued Financial Statements dated 30 January 2014

On advice provided by Fair Work Commission, the 31 March 2013 financial statements (signed by the Committee of Management dated 30 January 2014) required significant additional disclosure to comply with the requirements of the *Fair Work (Registered Organisations) Act 2009*. The Committee of Management were also concerned at the level of testing conducted on the financial report signed 30 January 2014. As a result the Committee of Management have taken the following approach:

- a) Have the 31 March 2013 financial statements re-audited by MGI Assurance (South Qld) Pty Ltd;
- b) Make any necessary adjustments to the financial report based on this new audit; and
- c) Prepare new financial statements that comply with the *Fair Work (Registered Organisations) Act 2009* and the reporting guidelines.

This has resulted in:

- 1) Net assets reducing from \$594,433 to \$558,956;
- 2) Surplus to reduce from \$10,649 to ad deficit of \$24,828; and
- 3) Significant additional disclosures throughout the entire financial report.

A reconciliation of surplus/(deficit) between the financial report dated 30 January 2014 to now includes:

Surplus/(deficit) from financial report dated 30/01/2014	\$10,649
<i>Adjustments</i>	
To correct employee leave entitlements in accordance with AASB 119	(\$14,785)
To accrue membership contributions in accordance with AASB 101 and the Fair Work Commission Reporting Guidelines	\$13,996
To accrue 2013 sustentation fees payable to the National Office in accordance with AASB 101	(\$35,077)
To accrue associated payroll liabilities in accordance with AASB 101	(\$4,127)
Other sundry adjustments	\$4,516
<i>Total Adjustments</i>	<u>(\$35,477)</u>
Surplus/(deficit) as shown in this financial report	<u>(\$24,828)</u>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) Previously Issued Financial Statements dated 30 January 2014 (Continued)

A reconciliation of net assets between the financial report dated 30 January 2014 is as follows:

Net Assets from financial report dated 30/01/2014	\$594,433
<i>Adjustments</i>	
To correct employee leave entitlements in accordance with AASB 119	(\$14,785)
To accrue membership contributions in accordance with AASB 101 and the Fair Work Commission Reporting Guidelines	\$13,996
To accrue 2013 sustentation fees payable to the National Office in accordance with AASB 101	(\$35,077)
To accrue associated payroll liabilities in accordance with AASB 101	(\$4,127)
Other sundry adjustments	\$4,516
<i>Total Adjustments</i>	<u>(\$35,477)</u>
Net Assets as shown in this financial report	<u>\$558,956</u>

NOTE 2 – CHANGE IN ACCOUNTING POLICY

The Union has changed its accounting policy with respect to the measurement of its land and buildings during the financial year ended 31 March 2013. Land and buildings were previously measured at fair value, which represents the price the Union would receive to sell the asset in the market place. It was determined by the Committee of Management that given their intention is to hold the land and buildings, a more appropriate accounting policy was to record the Unions land and buildings at cost less accumulated depreciation. The previous fair value was deemed to be the cost value attributable to the asset effective 1 April 2012. This change in accounting policy has been applied prospectively and therefore has no impact on the 2012 annual financial statements.

	Note	2013	2012
		\$	\$
NOTE 3 – REVENUE			
Membership income		169,896	221,227
Capitation fees		-	-
Compulsory levies		-	-
Grants and donations		-	5,742
Rental income		-	18,458
Interest income		500	14,478
Gain on disposal of property, plant and equipment		986	-
Sundry income		-	7,429
		<u>171,382</u>	<u>267,334</u>

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

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

	Note	2013 \$	2012 \$
NOTE 4 – EXPENSES			
(a) Depreciation and amortisation			
- Motor vehicles		2,998	1,745
- Buildings		10,625	-
- Furniture and fittings		1,636	879
		<u>15,259</u>	<u>2,624</u>
(b) Conference and meeting expenses		-	-
(c) Compulsory Levies		-	-
(d) Grants and Donations			
- Grants		-	-
- Donations		-	250
		<u>-</u>	<u>250</u>
(e) Capitation fees			
- Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Electrical Division (National Office)		35,077	45,719
(f) Affiliation fees			
- Unions Tasmania		1,700	-
(g) Legal Costs			
- Litigation		-	-
- Other Matters		-	-
		<u>-</u>	<u>-</u>
(h) Penalties – via RO Act or RO Regulations		-	-
(i) Employee benefits expense			
<i>Holder of Office:</i>			
- Salaries and wages		99,014	99,723
- Annual leave		(16,390)	(3,532)
- Long service leave		(19,281)	5,569
- Sick leave		9,345	(9,444)
- Superannuation		19,291	16,299
- Separation and redundancies		-	-
- Payroll tax		1,509	9,569
- Fringe benefits tax		1,073	(1,801)
		<u>94,561</u>	<u>116,383</u>
<i>Employees other than office holders:</i>			
- Salaries and wages		9,213	49,150
- Annual leave		(4,528)	375
- Long service leave		-	1,627
- Superannuation		-	6,080
- Separation and redundancy payments		(4,685)	3,300
		<u>-</u>	<u>60,532</u>
Total Employee benefits expense		<u>94,561</u>	<u>176,915</u>

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA - COMMUNICATIONS DIVISION, TASMANIAN DIVISIONAL BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

	Note	2013 \$	2012 \$
NOTE 4 – EXPENSES (CONTINUED)			
(j) Consideration to employers for payroll deductions		-	-
(k) Fees/allowances – meetings and conferences		-	-
(l) Other Expenses			
Other expenses comprise of the following:			
Accounting and audit fees		12,000	825
Allowances		-	11,668
Bad debts expense		-	9,577
Bank charges		1,650	2,978
Computer support		2,772	-
Electricity		1,500	5,661
Insurance		2,778	7,562
Prior period adjustments		-	9,565
Other		5,180	5,816
		<u>25,880</u>	<u>53,652</u>
NOTE 5 – CASH AND CASH EQUIVALENTS			
Cash on hand		-	-
Cash at bank and term deposits		-	276,288
		<u>-</u>	<u>276,288</u>
NOTE 6 – TRADE AND OTHER RECEIVABLES			
Receivables from other reporting unit			
- CEPU - Electrical, Energy Services & Plumbing Division		224,999	-
- Tasmanian Divisional Branch		-	-
		<u>224,999</u>	<u>-</u>
Less provision for doubtful debts		-	-
Total receivable from other reporting units		<u>224,999</u>	<u>-</u>
Other receivables			
- Other trade receivables		-	33,374
- Accrued income		13,996	-
- GST Receivable (net)		18,893	14,498
Total other receivables		<u>32,889</u>	<u>47,872</u>
Less provision for doubtful debts		-	(20,771)
Total trade and other receivables		<u>257,888</u>	<u>27,101</u>

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA - COMMUNICATIONS DIVISION, TASMANIAN DIVISIONAL BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

NOTE 6 –TRADE AND OTHER RECEIVABLES (CONTINUED)

Credit Risk – Trade and Other Receivables

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

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

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

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

	Gross Amount	Past due and impaired	Past due but not impaired (days overdue)			Within initial trade terms
	\$	\$	< 30	31-60	60+	\$
2013						
Trade receivables	224,999	-	-	-	-	224,999
Other receivables	32,889	-	-	-	-	32,889
Total	257,888	-	-	-	-	257,888
2012						
Trade receivables	33,374	20,771	-	-	-	12,603
Other receivables	14,498	-	-	-	-	14,498
Total	47,872	20,771	-	-	-	27,101

Collateral held as security

The Union does not hold collateral with respect to its receivables at 31 March 2013 (2012: nil)

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

	Note	2013 \$	2012 \$
NOTE 7 – PROPERTY, PLANT AND EQUIPMENT			
Land:			
At independent valuation		-	150,000
At Cost		150,000	-
Total land		<u>150,000</u>	<u>150,000</u>
Buildings:			
At independent valuation		-	425,000
At Cost		425,000	-
Accumulated depreciation		(10,625)	-
Total buildings		<u>414,375</u>	<u>425,000</u>
Furniture, fittings and office equipment:			
At cost		32,713	32,713
Accumulated depreciation		(29,328)	(27,692)
Total furniture, fittings and office equipment		<u>3,385</u>	<u>5,021</u>
Motor vehicles:			
At cost		24,073	39,896
Accumulated depreciation		(1,003)	(33,887)
Total motor vehicles		<u>23,070</u>	<u>6,009</u>
Total property, plant & equipment		<u>590,830</u>	<u>586,030</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013

NOTE 7 – PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Movement in Carrying Amounts

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

	Land	Buildings	Motor Vehicles	Furniture, Fittings and Office Equipment	Total
Balance at 1 April 2011	150,000	425,000	7,754	5,900	588,654
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Depreciation expense	-	-	(1,745)	(879)	(2,624)
Carrying amount at 31 March 2012	150,000	425,000	6,009	5,021	586,030
Additions	-	-	24,073	-	24,073
Disposals	-	-	(4,014)	-	(4,014)
Depreciation expense	-	(10,625)	(2,998)	(1,636)	(15,259)
Carrying amount at 31 March 2013	150,000	414,375	23,070	3,385	590,830

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

	Note	2013 \$	2012 \$
NOTE 8 – TRADE AND OTHER PAYABLES			
Trade payables			
- Trade payables and accruals		6,000	12,282
Other payables			
- PAYG payable		2,084	2,594
- Legal costs payable		-	-
- Consideration to employers for payroll deductions		-	-
- Income received in advance		-	12,420
- Other payables		2,043	1,776
		<u>4,127</u>	<u>16,790</u>
Payables to other reporting units			
- Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Communications Division (National Office)		207,824	169,239
Total Trade and other Payables		<u>217,951</u>	<u>198,311</u>

NOTE 9 – PROVISIONS

	Annual Leave/ Vesting Sick Leave \$	Long Service Leave \$	Separation & Redundancies \$	Total \$
Opening balance at 1 April 2012	49,418	53,222	4,685	107,325
Additional provisions raised During the year	15,829	2,500	-	18,329
Amounts used/paid	(27,377)	(21,781)	(4,685)	(53,843)
Balance at 31 March 2013	<u>37,870</u>	<u>33,941</u>	<u>-</u>	<u>71,811</u>

	Note	2013 \$	2012 \$
Analysis of total provisions			
Current			
Provision for annual and vesting sick leave		37,870	49,418
Provision for long service leave		33,941	48,562
Provision for separation and redundancies		-	4,685
		<u>71,811</u>	<u>102,665</u>
Non-current			
Provision for long service leave		-	4,660
		<u>-</u>	<u>4,660</u>

Non-current provisions represent long service leave entitlements owing to employees who have not completed 10 continuous years of service with the Union.

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA - COMMUNICATIONS DIVISION, TASMANIAN DIVISIONAL BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

	Note	2013 \$	2012 \$
NOTE 9 – PROVISIONS (CONTINUED)			
Officeholders			
- Annual leave		2,954	19,344
- Long service leave		33,941	48,562
- Separations and redundancies		-	-
- Other (vesting sick leave)		34,916	25,546
		<u>71,811</u>	<u>93,452</u>
Employees other than office holders			
- Annual leave		-	4,528
- Long service leave		-	4,660
- Separations and redundancies		-	4,685
- Other (vesting sick leave)		-	-
		<u>-</u>	<u>13,873</u>
Total Provisions		<u>71,811</u>	<u>107,325</u>

Note: For the purposes of this note disclosure, office holders include all members of the committee of management, and the state secretary.

NOTE 10 – CASH FLOW INFORMATION

(a) Reconciliation of Cash and Cash Equivalents

For the purposes of the Statement of cash flows, cash and cash equivalents includes cash on hand, at banks and deposits or any other cash held that can be readily convertible to known amount of cash and be subject to an insignificant risk of changes in value. Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the statement of financial position as follows:

Cash on hand	-	-
Cash at bank and term deposits	-	276,288
	<u>-</u>	<u>276,288</u>

(b) Reconciliation of Net Cash Provided by Operating Activities to Profit after Income Tax

(Deficit)/surplus after income tax	<u>(24,828)</u>	<u>(59,727)</u>
Non cash flows in profit after income tax		
- Depreciation & amortisation	15,259	2,624
- Other non-cash expenditure	20,312	-
Changes in assets and liabilities		
(Increase)/ decrease in trade and other receivables	(5,789)	4,493
Increase/ (decrease) in trade payables and accruals	19,640	33,067
Increase/ (decrease) in provisions	<u>(35,514)</u>	<u>(2,107)</u>
Net cash provided by/(used in) operating activities	<u>(10,920)</u>	<u>(21,650)</u>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

	Note	2013 \$	2012 \$
NOTE 10 – CASH FLOW INFORMATION (CONTINUED)			
(c) Non-cash financing and investing activities			
There were no non-cash financing or investing activities undertaken by the Union during the year (2012: nil)			
(d) Credit standby arrangements			
Credit Card Facilities			
Used facility		-	-
Unused facility		2,000	2,000
Total facility		<u>2,000</u>	<u>2,000</u>
(e) Cash flows to/from other reporting units			
Included in the statement of cash flows under operating activities are the following receipts and payments to other reporting units			
Receipts from other reporting units		-	-
Total receipts from other reporting units		<u>-</u>	<u>-</u>
Payments to other reporting units			
- CEPU - Electrical, Energy Services & Plumbing Division - Tasmanian Divisional Branch		246,296	-
Total Payments to other reporting units		<u>246,296</u>	<u>-</u>
Net cash paid to other reporting units		<u>246,296</u>	<u>-</u>

(f) Cash balances

During the 2013 financial year the Union transferred all of its cash balances to the CEPU - Electrical, Energy Services & Plumbing Division - Tasmanian Divisional Branch, creating an inter-branch loan. This has resulted in now only one administration and membership function, which is governed by service arrangement between both Divisions. Expenditure incurred for the operation of this arrangement are paid out of the CEPU - Electrical, Energy Services & Plumbing Division - Tasmanian Divisional Branch bank account and subsequently the Union's portion is recorded against this inter-branch loan. Membership contributions are collected, processed and recorded separately. For full details on the service agreement refer to Note 22.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

(a) Contingent liabilities and commitments

There are no material contingent liabilities or commitments

(b) Capital expenditure commitments

There are no capital expenditure commitments at 31 March 2013 (2012: nil)

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA - COMMUNICATIONS DIVISION, TASMANIAN DIVISIONAL BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

	Note	2013 \$	2012 \$
NOTE 12 – AUDITORS REMUNERATION			
Amounts received or due and receivable by the auditor of the Union for:			
(a) audit of the financial report of the Union and preparation of financial statements		6,000	5,500
(b) other services			
(i) assistance with accounting services		-	125
(ii) taxation services		-	-
		6,000	5,625

Audit fees listed in the statement of comprehensive income relate to payment for the current and former years audit.

NOTE 13 – RELATED PARTY TRANSACTIONS

The Union's main related parties are as follows:

(a) Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any committee of management member of the Union, is considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 15.

(b) Other Related Parties

Other related parties include other Communication, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia branches.

(c) Transactions with 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.

For details of the transactions with other related parties refer to Note 14.

NOTE 14 – INTER-BRANCH TRANSACTIONS

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

(a) CEPU – Electrical, Energy Services & Plumbing Division Tasmania Divisional Branch

Trade and other receivables

- beginning of the year	-	-
- funds transferred	246,296	-
- interest charged	-	-
- net cash payments made by the CEPU – Electrical, Energy Services & Plumbing Division – Tasmanian Divisional Branch on behalf of the Union	(21,297)	-
	224,999	-

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA - COMMUNICATIONS DIVISION, TASMANIAN DIVISIONAL BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

	2013 \$	2012 \$
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NOTE 14 – INTER-BRANCH TRANSACTIONS (CONTINUED)

(b) CEPU – National Office

Payments

Capitation fees

(This represents the capitation fees owing by the Branch to National office. No payments were actually made during the year (2012: Nil))

- -

(c) CEPU – National Office

Payments

Reimbursement of travel costs

(Physically paid by the Electrical/Plumbing Division on behalf of the Communications Division)

- -

NOTE 15 – KEY MANAGEMENT PERSONNEL

Key management personnel comprise those individuals who have the authority and responsibility for planning, directing and controlling the activities of the Union. During the year, the key management personnel of the Union were remunerated as follows:

Short-term employee benefits	99,014	99,722
Post-employment benefits	19,291	16,299
Other long-term benefits	-	-
	<u>118,305</u>	<u>116,021</u>

NOTE 16 – EVENTS AFTER BALANCE DATE

There are no events subsequent to the balance sheet date that have impacted on the values disclosed in the financial statements.

NOTE 17 – FINANCIAL RISK MANAGEMENT

The Union's financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable, loans to related entities and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows

	Note	2013 \$	2012 \$
Financial Assets			
Cash and cash equivalents	5	-	276,288
Receivables	6	257,888	27,101
Total financial assets		<u>257,888</u>	<u>303,389</u>
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	8	217,951	198,311
Total financial liabilities		<u>217,951</u>	<u>198,311</u>

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA - COMMUNICATIONS DIVISION, TASMANIAN DIVISIONAL BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

NOTE 17 – FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial Risk Management Policies

The Committee of Management monitors the Union's financial risk management policies and exposures and approves financial transactions entered into. It also reviews the effectiveness of internal controls relating to commodity price risk, counterparty credit risk, currency risk, financing risk and interest rate risk. The Committee of Management meets monthly to review the financial exposure of the Union.

The main risk the Union is exposed to through its financial instruments are credit risk, liquidity risk and market risk, consisting of interest rate risk.

(a) Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Union.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for the approval, granting and renewal of credit limits and monitoring the financial stability of significant customers and counterparties), ensuring to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms are generally 30 days from the invoice date.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating.

Credit Risk Exposures

The maximum exposure to credit risk is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The Union has no significant concentration of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of Trade and Other Receivables are provided in Note 6.

Credit risk relating to balances with banks and other financial institutions is managed by the Committee of Members.

(b) Liquidity Risk

Liquidity risk arises from the possibility that the Union might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Union manages liquidity risk by monitoring forecast cash flows, holding adequate cash reserves and ensuring that adequate finance facilities are maintained.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect the Committee of Management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that financing facilities will be rolled forward.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013

NOTE 17: FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial Liability and Financial Asset Maturity Analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$
Financial liabilities due for payment								
Trade and other payables	217,951	198,311	-	-	-	-	217,951	198,311
Total Financial Liabilities	<u>217,951</u>	<u>198,311</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>217,951</u>	<u>198,311</u>
Cash and cash equivalents	-	276,288	-	-	-	-	-	276,288
Trade and other receivables	257,888	27,101	-	-	-	-	257,888	27,101
Total anticipated inflows	<u>257,888</u>	<u>303,389</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>257,888</u>	<u>303,389</u>
Net inflow of financial instruments	<u>39,937</u>	<u>105,078</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,937</u>	<u>105,078</u>

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA - COMMUNICATIONS DIVISION, TASMANIAN DIVISIONAL BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

NOTE 17 – FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market Risk

i. Interest Rate Risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Union is also exposed to earnings volatility on floating rate instruments.

Interest rate risk is managed using a mixed of fixed and floating rate financial instruments. The effective interest rate exposure to interest rate financial instruments are as follows:

	Note	Weighted Average Effective Interest Rate		2013 \$	2012 \$
		2013	2012		
		%	%		
Floating rate instruments					
Cash and cash equivalents	5	-	4.32%	-	276,288

ii. Foreign Exchange Risk

The Union is not exposed to fluctuations in foreign currencies.

iii. Price Risk

The Union is not exposed to any material commodity price risk.

(d) Net Fair Values

Fair value estimation

No financial assets and financial liabilities are readily traded on organised markets. The net fair values of assets and liabilities approximate their carrying value. There are no financial assets where the carrying value exceeds net fair values.

(e) Sensitivity Analysis

Interest rate risk

The Union has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

NOTE 17 – FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Sensitivity Analysis (Continued)

Interest rate sensitivity analysis

	Note	2013 \$	2012 \$
Change in profit			
- Increase in interest rate by 1%		-	2,763
- Decrease in interest rate by 1%		-	(2,652)
Change in equity			
- Increase in interest rate by 1%		-	2,763
- Decrease in interest rate by 1%		-	(2,652)

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

NOTE 18 – SEGMENT INFORMATION

The Union operates solely in one reporting business segment being the provision of trade union services.

The Union operates from one reportable geographical segment being Australia.

NOTE 19 – UNION DETAILS

The principal place of the Unions activities is:

105 New Town Road
NEW TOWN TAS 7008

NOTE 20 - INFORMATION TO BE PROVIDED TO MEMBERS OR GENERAL MANAGER

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

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

- (1) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation 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 organisation.
- (3) The organisation must comply with an application made under sub section (1) above.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

NOTE 20 - INFORMATION TO BE PROVIDED TO MEMBERS OR GENERAL MANAGER (CONTINUED)

The objects for which the Union are established are:

- a) By the provision and distribution of funds and by all other lawful means:
 - (i) to improve and protect the economic conditions, job security, working conditions, the quality of life and other industrial concerns of members;
 - (ii) to improve and protect the relations between employees and employer and between employee and employee;
 - (iii) to promote the general and material welfare of members;
 - (iv) to pursue and assist kindred organisations by affiliation and other means in upholding the rights and privileges of workers by industrial, political and municipal action and to bring about the socialisation of production, distribution and exchange and the development and protection of effective enterprises;
 - (v) to provide legal assistance where deemed necessary, in the defence of the rights of members or in pursuance of the aspirations of members;
 - (vi) to endeavour by political and industrial action to secure social justice, and to establish and maintain journals and other publications containing matters of interest and information for members;
 - (vii) to achieve the establishment of one amalgamated union covering all workers in the communications industry;
 - (viii) to promote the policy of equality of status and opportunity for all members;
 - (ix) to acquire property of all kinds;
 - (x) to assist and permit branches in establishing incidental funds to assist members or their families when in distressed circumstances;
 - (xi) to assist in the establishment and/or maintenance of labour newspapers and other media;
 - (xii) to do all other things necessary for the proper functioning of the Union in accordance with the Rules;
 - (xiii) to promote and pursue equal opportunities and affirmative action.
- b) Payments made in furtherance of any of the objects shall be deemed to be part of the ordinary expenses of the Union and made in accordance with the provisions of the Act.

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA - COMMUNICATIONS DIVISION, TASMANIAN DIVISIONAL BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

NOTE 21 – INFORMATION REGARDING THE STATEMENT OF CHANGES IN EQUITY

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

No monies from the general fund have been invested in any assets.

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

	2013	2012
	\$	\$
Balance of the general fund	558,956	583,784

NOTE 22 – ADMINISTRATION OF FINANCIAL AFFAIRS

During the 2013 financial year the Union transferred all of its cash balances to the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy, Services and Plumbing Division, Tasmanian Divisional Branch (CEPU Electrical and Plumbing Division – Tasmanian Branch). This arrangement was formally agreed and adopted by both divisions during the year via a Deed of Agreement.

The purpose of the agreement is to establish the basis in which the CEPU – Electrical and Plumbing Division – Tasmanian Branch will provide the Union with administrative, governance and membership services. The terms of the Deed of Agreement include:

- Head office costs are to be allocated between each branch based on the number of financial members at 31 December of each year.
- The Agreement remains valid unless either Branch provides written notice at least three months before.

The services provided to the Union by the CEPU – Tasmanian Branch during the year include:

- Accounting services
- Administrative services relating to the Union's members including membership registers, and payment systems
- Membership services for members
- Marketing services
- Provision of office facilities and equipment including computer equipment, and telecommunications
- General administrative expenses such as postage, stationary and printing

Given that no bank account was maintained during the year, the entire income and expense balances as disclosed on the Statement of Comprehensive Income represents the transactions administrated under this Deed of Agreement during the year.

NOTE 23 – RESERVES

Asset Revaluation Reserve

The asset revaluation reserve records revaluations of non-current assets. During the year the asset revaluation reserve was transferred to retained earnings.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
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MEMBERSHIP - CERTIFICATE BY AUDITOR

FOR THE YEAR ENDED 31 MARCH 2013

We advise that we have audited the financial statements of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing, and Allied Services Union of Australia – Communications Division, Tasmanian Divisional Branch (“Union”) for the year ended 31 March 2013.

The financial statements disclose total membership of: 546 financial members and 10 unfinancial members as at 31 March 2013 which is consistent with the membership records maintained by the Union and audited by us.

M.G.I

MGI Assurance (South Qld) Pty Ltd



G I Kent
Director

24 September 2014

Hobart