

10 November 2017

Mr Chris Enright
Executive Director
Registered Organisations Commission
GPO Box 2983
MELBOURNE VIC 3001

By email: regorgs@roc.gov.au

Dear Mr Enright

CEPU EE&S Division – TASMANIA BRANCH
Operating Reports as at 31 December 2010 to 31 December 2016
– Reporting of Membership Numbers

I refer to the above and enclose by way of lodging:

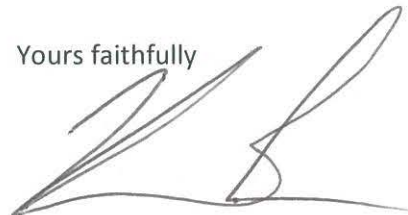
- Declaration correcting the membership figure reported in the operating reports for the reporting periods ending 31 December 2010 to 2016.

As you are aware, the CEPU has instigated independent audits of the membership figures reported in the annual branch committee of management operating reports for the past 7 years.

As a consequence of this audit, the Branch Executive, in a meeting held out of session on November 4 2017, authorised the submission of a declaration to the Registered Organisations Commission (ROC) to correct the figures reported in the branch operating reports for the total branch members for the reporting periods ending 31 December 2010 to 2016.

These amended figures have now been published to our website for the information of members.

Please do not hesitate to contact me should you wish to discuss this matter.

Yours faithfully


Michael Anderson
Acting Branch Secretary

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing
and Allied Services Union of Australia

Fair Work (Registered Organisations) Act 2009

**DECLARATION - CORRECTING REPORT TO
CEPU Electrical, Energy and Services Division – Tasmanian Branch
OPERATING REPORT**

lodged pursuant to s.268

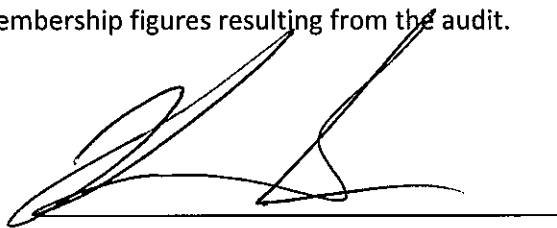
I, Michael Anderson, of 105 New Town Road, Newtown, in the state of Tasmania, 7008,
declare:

- I am the Acting Branch Secretary of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Electrical, Energy and Services Division – Tasmanian Branch (the branch), a branch of an organisation registered under the *Fair Work (Registered Organisations) Act 2009* (the Act).
- Pursuant to s.268 of the Act, for the periods ended 31 December 2010, 2011, 2012, 2013, 2014, 2015 and 2016, the full financial reports, including the operating reports, of the branch were lodged with the Fair Work Commission (FWC) in FR2010/2917, FR2011/2922, FR2012/611, FR2013/502, FR2014/450, FR2015/419 and FR2016/424 respectively.
- An independent audit into the membership figures reported in the branch committee of management operating reports for the reporting periods 31 December 2010 to 31 December 2016 found the following variances with the figures reported in the operating reports:

As at 31 Dec	2010	2011	2012	2013	2014	2015	2016
Reported	1,794	1,794	2,195	1,607	1,556	1,537	2,084
Audited	1,947	1,884	1,911	1,849	1,810	1,664	2,159
Variance	153	90	284	242	254	127	75

- On 4 November 2017, in response to the findings of the audit, the Branch Executive authorised the Acting Branch Secretary to amend the committee of management operating reports for the years ended 31 December 2010 to 31 December 2016 to reflect the membership figures resulting from the audit.

Signed:



Name: Mr Michael Anderson

Date: 10 11 17



Australian Government
Registered Organisations Commission

16 June 2017

Mr Trevor Gauld
Secretary, Tasmanian Divisional Branch
Electrical, Energy and Services Division
CEPU

By Email: trevor@ceputas.com.au

Dear Mr Gauld

Re: Lodgement of Financial Statements and Accounts – CEPU, Electrical, Energy and Services Division, Tasmanian Divisional Branch - for year ended 31 December 2016 (FR2016/424)

I refer to the financial report for the Tasmanian Divisional Branch of the Electrical, Energy and Services Division. The report was lodged with the Registered Organisations Commission ('the Commission') on 19 May 2017. A certificate in accordance with section 268 was received today.

The financial report has been filed based on a primary review. This involved confirming whether the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and Reporting Guidelines have been complied with. A primary review does not examine all disclosure requirements.

You are not required to take any action in relation to the report lodged but I make the following comment to assist when preparing the next report. Please note the next report may be subject to an advanced review.

New Format for Auditor's Statement

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

Reporting Requirements

On the Registered Organisations Commission website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The Commission recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained at <http://www.roc.gov.au/running-a-registered-organisation/financial-reporting>

Should you require further information on the financial reporting requirements of the Act, I may be contacted by email at stephen.kellett@roc.gov.au

Yours faithfully

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

Stephen Kellett
Financial Reporting

From: KELLETT,Stephen
Sent: Friday, 16 June 2017 2:29 PM
To: 'trevor@ceputas.com.au'
Cc: 'Josephine Crowe'
Subject: Financial reporting - y/e 31 December 2016 - filing [SEC=UNCLASSIFIED]

UNCLASSIFIED

Dear Trevor,

Please see attached my letter in relation to the above.

Yours faithfully

STEPHEN KELLETT
Senior Adviser
Financial Reporting
Registered Organisations Commission

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

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

www.roc.gov.au



Australian Government
Registered Organisations Commission

Please consider the environment before printing this message



CEPU ETAS FR2016
424 (primary final).pdf

From: Trevor Gauld [<mailto:trevor@ceputas.com.au>]
Sent: Friday, 16 June 2017 12:10 PM
To: KELLETT, Stephen
Cc: Josephine Crowe
Subject: RE: Lodgment - certificate [SEC=UNCLASSIFIED]

Stephen,

Attached as discussed.

Our BCOM was deferred until last night due to availability of members to ensure quorum.

Thanks,

Trevor Gauld
State Secretary
CEPU - Tasmania
M. 0400 981 024



P. (03) 6228 0098
F. (03) 6228 7557



20170616 FWC letter
Designated Officers (

16 June 2017



Regulatory Compliance Branch
Registered Organisations
Commission

via email: regorgs@roc.gov.au

Communications, Electrical,
Electronic, Energy, Information,
Postal, Plumbing and Allied Services
Union of Australia

Hobart

105 New Town Road
NEW TOWN TAS 7008

Ph. 03 62280098

Fax: 03 62287557

Email: info@ceputas.com.au

Website: www.ceputas.com.au

Section 268 Fair Work (Registered Organisations) Act 2009 (RO Act)

CERTIFICATE BY SECRETARY

I Trevor Gauld being the Secretary of the Communications, Electrical, Electronic, Energy, Information, Postal and Allied Services Union of Australia – Electrical, Energy and Services Tasmanian Divisional Branch, certify:

- that the documents lodged herewith are copies of the full report referred to in s.268 of the RO Act for the CEPU, Tasmanian Branch for the period 1 January 2016 to 31 December 2016; and
- That the full report was provided to members of the reporting unit on 26 May 2017.
- that the full report was presented to a Branch Committee of Management meeting of the CEPU, Electrical, Energy and Services Division, Tasmanian Divisional Branch on 15 June 2017 for the purposes of s.266 of the Act.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'Trevor Gauld', positioned above a horizontal line.

Trevor Gauld
Branch Secretary,
CEPU,
Electrical, Energy and Services division Tasmania

From: Josephine Crowe [<mailto:jo@ceputas.com.au>]
Sent: Friday, 19 May 2017 1:51 PM
To: ROC - Registered Org Commission
Subject: [Kellett] HPRM: ON CMS FR2016 424 CEPU EES - TAS Financial Statements for the year ended 31 December 2016

Please find attached the full Financial Report of the CEPU –Electrical, Energy and Services Division- Tasmanian Divisional Branch as at 31 December 2016.

Kind Regards,

Josephine Crowe
Office Manager



CEPU Tasmanian Branch
105 New Town Rd
New Town TAS 7008

Ph: (03) 6228 0098
Fax: (03) 6228 7557
Email: jo@ceputas.com.au
Web: www.ceputas.com.au

STRENGTH IS UNITY & UNITY IS STRENGTH
Communication Electrical & Plumbing Union

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CEPU-Electrical, 20170512 FWC letter
Energy and Services I Designated Officers (

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

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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

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

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**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA –
ELECTRICAL, ENERGY AND SERVICES DIVISION – 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 – Electrical, Energy and Services Division – Tasmanian Divisional Branch (the Union), which comprises the statement of financial position as at 31 December 2016, statement of profit and loss and other comprehensive income, statement of receipts and payments for recovery of wages and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes and the Committee of Management's declaration.

Committee of Management's Responsibility for the Financial Report

The Committee of Management of the Union is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009* and for such internal controls as the Committee of Management determine is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error. In Note 1, the Committee of Management also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

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

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

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

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of the Union for the year ended 31 December 2016 included on the Union's website. The Union's Committee of Management is responsible for the integrity of the Union's website. We have not been engaged to report on the integrity of this website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to / from these statements. If users of this report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

Independence

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

Declarations

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

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

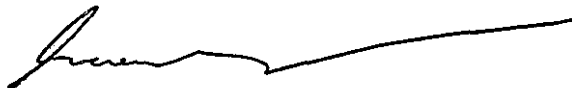
Auditor's Opinion

In our opinion:

- (1) The financial statements of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division – Tasmanian Divisional Branch are in accordance with the *Fair Work (Registered Organisations) Act 2009*, including:
 - (i) giving a true and fair view of the Union's financial position as at 31 December 2016 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards.
- (2) The financial report also complies with International Financial Reporting Standards as detailed in Note 1.
- (3) The Union has kept satisfactory accounting records for the financial year including records of:
 - (i) the sources and nature of the Union's income, including membership subscriptions and other income from members; and
 - (ii) the nature of and reasons for the Union's expenditure.
- (4) All the information and explanations that officers or employees of the Union were required to provide have been provided.
- (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 financial statements is appropriate.
- (7) The Union did not undertake wages recovery during the year.

M.C.I

MGI Audit (Q) Pty Ltd



G I Kent
Director

Launceston

12 May 2017

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

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

Operating Report

In accordance with section 254 of the *Fair Work (Registered Organisations) Act 2009* ("Act") the Committee of Management ("the Committee") presents its Operating Report on the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division – Tasmanian Divisional Branch ("Union"), for the year ended 31 December 2016.

Principal Activities

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

No significant change in the nature of these activities occurred during the year.

Operating Results

The surplus for the financial year amounted to \$258,713 (2015 deficit: \$197,794).²

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.

Significant Changes in the Unions Affairs

A review of the operations of the Branch during the financial year found that there was one significant change in the financial affairs of the Branch's operations during the year. On 11 August 2016 a transfer of net assets from the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia - Communications Division, Tasmanian Divisional Branch occurred (refer Note 14). As a result of this transfer, \$479,989 in net assets was provided into the Union, resulting in a significant credit to the profit and loss accounts.

Events Subsequent to the End of the Reporting Period

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.

Likely Developments and Expected Results of Operations

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 Regulation

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

Members Right to Resign

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

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

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

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

No officers or members of the Union hold a position of trustee or director of an entity, scheme or company as described in s.254 (2) (d) of the *Fair Work (Registered Organisations) Act 2009*, where a criterion of such entity is that the holder of such position must be a member or official of a registered organisation.

Number of Employees

The number of persons who were, at the end of the period to which the report relates, employees of the consolidated group, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis is 5.95 (2015: 6.9).

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: 2,084 (2015: 1,585). The 2015 Operating Report reported the membership as 1,537. After an independent audit this number was changed to 1,585).

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
Allen, Brian	1/01/2016 – 31/12/2016
Archer, Lee	1/01/2016 – 12/08/2016
Burns, Stephen	9/12/2016 – 31/12/2016
Dalzell, Jason	1/01/2016 – 31/12/2016
Gauld, Trevor	1/01/2016 – 31/12/2016
Gordon, Belinda	9/11/2016 – 31/12/2016
Kent, Natalie	12/8/2016 – 31/12/2016
Lynch, Michael	1/01/2016 – 31/12/2016
Onn, Craig	1/01/2016 – 14/08/2016
Mayes, Ken	1/01/2016 – 31/12/2016
Moore, David	9/11/2016 – 31/12/2016
Phillips, Marcus	1/01/2016 – 31/12/2016
Proverbs, Brett	1/01/2016 – 31/12/2016
Shotten, Allen	1/01/2016 – 31/12/2016

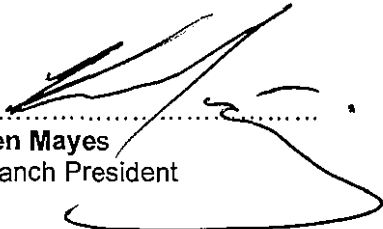
**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND
SERVICES DIVISION – TASMANIAN DIVISIONAL BRANCH**

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

Other Information

There is no other information that the Union considers relevant.

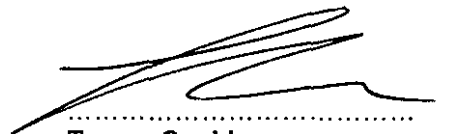
This report is made in accordance with a resolution of the Committee of Management and is signed for and on behalf of the Committee Members by:



.....
Ken Mayes
Branch President

12 May 2017

Launceston



.....
Trevor Gauld
Branch Secretary

12 May 2017

Launceston

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

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

On 12 May 2017, the Committee of Management of Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services 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 December 2016:

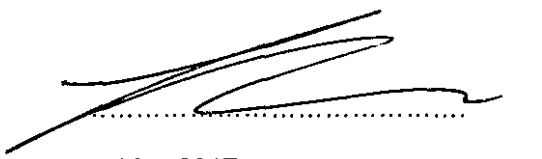
The Committee of Management declares in relation to the GPFR that in its opinion:

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

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

For the Committee of Management: Trevor Gauld
Title of Office held: Branch Secretary

Signature:



Date:

12 May 2017

accountants + auditors

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

As lead auditor for the audit of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division – Tasmanian Divisional Branch for the year ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

M.G.I

MGI Audit (Q) Pty Ltd



G I Kent
Director

Launceston

12 May 2017

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

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

	Note	2016 \$	2015 \$
Revenue	2	1,663,894	1,168,581
Employee benefits expense	3(l)	(733,559)	(713,898)
Depreciation and amortisation expenses	3(b)	(66,132)	(60,359)
Finance costs	3(a)	(6,535)	(10,345)
Affiliation fees	3(k)	(8,818)	(8,551)
Compulsory Levies	3(e)	-	-
Capitation Fees	3(h)	(110,030)	(100,521)
Administration expenses	3(f)	(298,370)	(253,039)
Grants & Donations	3(g)	(525)	(200)
Conference and meeting expenses	3(d)	(15,592)	(36,685)
Campaign expenses	3(c)	-	(13,147)
Legal expenses	3(i)	(75,479)	(113,641)
Consideration to employers for payroll deductions	3(m)	-	-
Penalties – via RO Act or RO Regulations	3(j)	-	-
Other expenses	3(n)	(90,141)	(55,989)
Surplus/ (deficit) before income tax		258,713	(197,794)
Income tax expense	1(a)	-	-
Surplus/ (deficit) for the year		<u>258,713</u>	<u>(197,794)</u>
Other Comprehensive Income			
Net gain on revaluation of land (net of income tax)		210,088	-
Total comprehensive income for the year		<u>468,801</u>	<u>(197,794)</u>
Surplus/ (deficit) attributable to:			
Members of the union		<u>258,713</u>	<u>(197,794)</u>
Total comprehensive income attributable to:			
Members of the union		<u>468,801</u>	<u>(197,794)</u>

The accompanying notes form part of these financial statements

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

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

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	332,689	556,895
Trade and other receivables	5	122,706	84,978
Other current assets	6	<u>33,361</u>	<u>32,988</u>
TOTAL CURRENT ASSETS		<u>488,756</u>	<u>674,861</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	<u>1,188,326</u>	<u>574,370</u>
TOTAL NON-CURRENT ASSETS		<u>1,188,326</u>	<u>574,370</u>
TOTAL ASSETS		<u>1,677,082</u>	<u>1,249,231</u>
CURRENT LIABILITIES			
Trade and other payables	8	86,091	86,341
Provisions	9	<u>101,589</u>	<u>117,803</u>
TOTAL CURRENT LIABILITIES		<u>187,680</u>	<u>204,144</u>
NON-CURRENT LIABILITIES			
Provisions	9	<u>1,260</u>	<u>25,746</u>
TOTAL NON-CURRENT LIABILITIES		<u>1,260</u>	<u>25,746</u>
TOTAL LIABILITIES		<u>188,940</u>	<u>229,890</u>
NET ASSETS		<u>1,488,142</u>	<u>1,019,341</u>
MEMBERS EQUITY			
Asset Revaluation Reserve	22	210,088	-
Retained Earnings		<u>1,278,054</u>	<u>1,019,341</u>
		<u>1,488,142</u>	<u>1,019,341</u>

The accompanying notes form part of these financial statements

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 January 2015	1,217,135	-	1,217,135
Deficit attributable to members of the Union	(197,794)	-	(197,794)
Other comprehensive income	-	-	-
Balance at 31 December 2015	<u>1,019,341</u>	<u>-</u>	<u>1,019,341</u>
Balance at 1 January 2016	1,019,341	-	1,019,341
Surplus attributable to members of the Union	258,713	-	258,713
Other comprehensive income	-	210,088	210,088
Balance at 31 December 2016	<u>1,278,054</u>	<u>210,088</u>	<u>1,488,142</u>

The accompanying notes form part of these financial statements

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 \$	2015 \$
Cash Flows from Operating Activities			
Receipts from Membership and Other Customers		1,251,194	1,119,942
Interest received		12,203	15,428
Payments to employees and suppliers		(1,511,463)	(1,414,934)
Net cash used in operating activities	10(b)	<u>(248,066)</u>	<u>(279,564)</u>
Cash Flows from Investing Activities			
Payment for property, plant & equipment		-	(49,252)
Proceeds from sale of property, plant & equipment		-	24,273
Cash transferred from CEPU – Communications Division – Tasmanian Divisional Branch		23,860	-
Net cash used in investing activities		<u>23,860</u>	<u>(24,979)</u>
Cash Flows from Financing Activities			
		-	-
Net decrease in cash held		(224,206)	(304,543)
Cash at beginning of financial year		<u>556,895</u>	<u>861,438</u>
Cash at end of financial year	10(a)	<u>332,689</u>	<u>556,895</u>

The accompanying notes form part of these financial statements

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

	Note	2016 \$	2015 \$
Cash assets in respect of recovery money at Beginning of year			
Receipts			
Amount recovered from employees in respect of wages		-	-
Interest received on recovered money		-	-
Total Receipts		<u>-</u>	<u>-</u>
Payments			
Deductions of amounts due in respect of membership for:			
- 12 months or less		-	-
- greater than 12 months		-	-
Deductions of donations or other contributions to accounts or funds of			
- the Union		-	-
- other entity		-	-
Deductions of fees or reimbursements of expenses		-	-
Payments to workers in respect of recovered money		-	-
Total Payments		<u>-</u>	<u>-</u>
Cash assets in respect of recovery money at end of year		<u>-</u>	<u>-</u>

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements cover the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division – 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 information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements are in Australian dollars and have been rounded to the nearest dollar.

The financial statements were authorised for issue on 12 May 2017 by the Committee of Management of the Union.

(a) Income Tax

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

(b) Property, Plant and Equipment

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

Property

Freehold land and buildings are carried at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties at arm’s length transition), based on periodic, but at least triennial, valuations by external independent valuers, less accumulated depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to the revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are recognised in profit and loss.

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Property, Plant and Equipment (Continued)

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

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

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

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	2.5% - 4%
Plant and Equipment	35% - 50%
Motor Vehicles	33%

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

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

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

(c) Cash and Cash Equivalents

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

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.

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments (Continued)

Classification and subsequent measurement (Continued)

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial Instruments (Continued)

Classification and subsequent measurement (Continued)

(iv) Available-for-sale financial assets

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

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

(v) Financial liabilities

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

Fair Value

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

Impairment

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

Derecognition

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

(e) Impairment of Assets

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

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Employee Benefits

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

Under the Unions rules, those employees who have undertaken 3 or more years of continuous service are entitled to have their Long Service Leave balance paid upon termination (on a pro-rata basis). The Union does not have an unconditional right to deferred settlement (for those employees with greater than 3 or more consecutive years of service), resulting in Long Service Leave entitlements to be reported at reporting date as current liabilities.

(g) Provisions

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

(h) Leases

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

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

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

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

(i) Revenue

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

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

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

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").

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Trade and Other Receivables

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

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

(k) Trade and Other Payables

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

(l) Borrowing Costs

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

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

(m) Goods and services tax (GST)

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

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

(n) Comparative Figures

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

(o) Critical accounting estimates and judgement

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

Key Estimates – Impairment

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Critical accounting estimates and judgement (Continued)

Key Judgements

Useful lives of property, plant and equipment

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

Provision for impairment of receivables

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

On-cost for employee entitlement provision

The Branch revised its estimate for on-costs for employee provision during the year to include superannuation, workcover and payroll tax.

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

(p) New, Revised or Amending Accounting Standards and Interpretations

The union has adopted all of the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

Any new revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(q) New Accounting Standards for application in Future Periods

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

AASB 9: Financial Instruments: AASB 9 (December 2014) is a new Principal standard which replaces AASB 139. This new Principal version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.

AASB 9 is effective for annual periods beginning on or after 1 January 2018. However, the standard is available for early application. The own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments.

AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139.

The main changes are described below:

- a. Financial assets that are debt instruments will be classified based on:
 - (1) the objective of the entity's business model for managing the financial assets;
 - (2) the characteristics of the contractual cash flows.

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

- b. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.
- c. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

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

Where the fair value option is used for financial liabilities, the change in fair value is to be accounted for as follows:

- The change attributable to changes in credit risk are presented in other comprehensive income (OCI)
- The remaining changes is presented in profit or loss

AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains or losses attributable to changes in the entity's own credit risk would be recognised in OCI. These amounts recognised in OCI are not recycled to profit or loss if the liability is ever repurchased at a discount.

The final version of AASB 9 introduced a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a timely basis.

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

The main changes introduced by the new Standard include:

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

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

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

(r) Gains

Sale of assets

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

(s) Capitation fees and levies

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

(t) Contingent Liabilities and Contingent Assets

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

(u) Going Concern

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

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Acquisition of Assets and Liabilities

As detailed at Note 14, the Union acquired a number of assets and 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).

(w) Recovery of Wages

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

(x) Fair Value Measurement

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

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

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

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

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

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) Fair Value Measurement

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

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Union determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Union has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

NOTE 2 – REVENUE	2016	2015
	\$	\$
Membership income	940,785	861,578
Capitation fees	-	-
Directors Fees	43,760	43,389
Grants and donations	-	-
Levies	-	-
EAP	6,422	9,245
Rental revenue	35,708	2,976
Interest income	11,694	14,178
Commission	101,552	108,662
Gain on disposal of asset	-	24,273
Transfer of net assets from CEPU - Communications Division, Tasmanian Divisional Branch (refer to Note 14)	479,989	-
Sponsorship income	21,591	-
Other income	22,393	104,280
	2(a)	
	<u>22,393</u>	<u>104,280</u>
	<u>1,663,894</u>	<u>1,168,581</u>

(a) Other Income

Other income comprises of the following:

Financial support -CEPU Electrical Division (ETU National)	-	100,521
Other income	22,393	3,759
	<u>22,393</u>	<u>104,280</u>

The Union did not receive any 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 DECEMBER 2016**

NOTE 3 – EXPENSES	2016	2015
	\$	\$
(a) Finance Costs – External (Bank fees and charges)	6,535	10,345
(b) Depreciation and amortisation expense		
- Motor vehicles	40,476	40,408
- Buildings	16,141	11,175
- Furniture, fittings and office equipment	9,515	8,776
	<u>66,132</u>	<u>60,359</u>
(c) Campaign expenses	-	13,147
(d) Conference and meeting expenses	15,592	36,685
(e) Compulsory Levies	-	-
(f) Administration expenses		
- Insurance	19,044	21,548
- Contractors	-	14,600
- Property expenses	47,159	72,223
- Office expenses	46,182	8,257
- Subscriptions	25,019	34,341
- Organiser Expenses	123,187	72,336
- Telephone Expenses	26,489	19,627
- Other	11,290	10,107
	<u>298,370</u>	<u>253,039</u>
(g) Grants and Donations		
- Grants	-	-
- Donations	525	200
Split of Grants and Donations:		
Grants:		
- Total paid that were \$1,000 or less	-	-
- Total paid that exceeded \$1,000	-	-
Donations:		
- Total paid that were \$1,000 or less	525	200
- Total paid that exceeded \$1,000	-	-
	<u>525</u>	<u>200</u>
(h) Capitation fees		
- National Office (CEPU –Electrical, Energy and Services Division)	110,030	100,521
(i) Legal Costs		
- Litigation	71,124	113,641
- Other Matters	4,355	-
	<u>75,479</u>	<u>113,641</u>
(j) Penalties – via RO Act or RO Regulations	-	-

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

NOTE 3 – EXPENSES (CONTINUED)	2016 \$	2015 \$
(k) Affiliation fees		
- Unions Tasmania	8,818	8,551
	<u>8,818</u>	<u>8,551</u>
(l) Employee benefits expense		
Holders of Office:		
- Salaries and wages	312,719	176,255
- Leave and other entitlements	22,035	46,104
- Superannuation	47,318	25,910
- Separation and redundancies	-	-
- Other employee expenses	-	-
	<u>382,072</u>	<u>248,269</u>
Employees other than office holders:		
- Salaries and wages	219,502	264,841
- Leave and other entitlements	28,513	100,855
- Superannuation	44,720	64,810
- Separation and redundancies	-	-
- Other employee expenses	-	-
	<u>292,735</u>	<u>430,506</u>
Add: Payroll and Fringe Benefits tax expense	58,752	35,123
	<u>733,559</u>	<u>713,898</u>
(m) Consideration to employers for payroll deductions	-	-
(n) Other Operating Expenses		
- External audit and accounting expenses (Note 12)	45,363	19,065
- Delegate expenses	16,680	2,166
- DMT fund payments	8,567	16,603
- Other expenses	19,531	18,155
	<u>90,141</u>	<u>55,989</u>
NOTE 4 – CASH AND CASH EQUIVALENTS		
Cash on hand	620	55
Cash at bank	<u>332,069</u>	<u>556,840</u>
	<u>332,689</u>	<u>556,895</u>

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

	2016	2015
NOTE 5 –TRADE AND OTHER RECEIVABLES	\$	\$
Receivables from other reporting units		
- CEPU- Electrical Division Victoria Branch	8,246	-
- CEPU- Communications National Office	263	-
- CEPU- Communications Division	-	6,875
	<u>8,509</u>	<u>6,875</u>
Less provision for doubtful debts	-	-
Total Receivable from other reporting units	<u>8,509</u>	<u>6,875</u>
Other receivables		
- Other Trade receivables	27,859	5,070
- Accrued membership/ Protect /Management fees	85,400	71,586
- Accrued interest	938	1,447
Total other receivables	<u>114,197</u>	<u>78,103</u>
Total trade and other receivables	<u>122,706</u>	<u>84,978</u>

Credit Risk – Trade and Other Receivables

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

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

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

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

	Gross Amount	Past due and impaired	Past due but not impaired (days overdue)			Within initial trade terms
2016	\$	\$	< 30	31-60	60+	\$
Receivables from other reporting units	8,509	-	-	-	-	8,509
Other trade receivables	114,197	-	-	-	-	114,197
Total	<u>122,706</u>	-	-	-	-	<u>122,706</u>
2015						
Receivables from other reporting units	6,875	-	-	-	-	6,875
Other trade receivables	78,103	-	-	-	-	78,103
Total	<u>84,978</u>	-	-	-	-	<u>84,978</u>

Collateral held as security

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

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

	2016	2015
	\$	\$
NOTE 6 – OTHER CURRENT ASSETS		
Prepayments	15,148	13,993
Merchandise	18,213	18,995
	<u>33,361</u>	<u>32,988</u>
 NOTE 7 – PROPERTY, PLANT AND EQUIPMENT		
Land:		
At cost	-	113,000
At Valuation	473,088	-
Total land	<u>473,088</u>	<u>113,000</u>
Buildings:		
At cost	-	447,000
At Valuation	767,000	-
Accumulated depreciation	(96,229)	(80,088)
total buildings	<u>670,771</u>	<u>366,912</u>
Furniture, fittings and office equipment:		
at cost	79,903	79,903
accumulated depreciation	(71,468)	(61,953)
total furniture, fittings and office equipment	<u>8,435</u>	<u>17,950</u>
Motor vehicles:		
At cost	203,486	203,486
Accumulated depreciation	(167,454)	(126,978)
Total motor vehicles	<u>36,032</u>	<u>76,508</u>
 Total property, plant & equipment	 <u>1,188,326</u>	 <u>574,370</u>

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

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	Furniture, Fittings and Office Equipment	Motor Vehicles	Total
Balance at 1 January 2015	113,000	378,087	20,020	74,370	585,477
Additions	-	-	6,706	42,546	49,252
Disposals	-	-	-	-	-
Depreciation expense	-	(11,175)	(8,776)	(40,408)	(60,359)
Carrying amount at 31 December 2015	113,000	366,912	17,950	76,508	574,370
Additions	-	-	-	-	-
Transfer of assets from CEPU – Communications Division – Tasmanian Branch	150,000	320,000	-	-	470,000
Revaluation	210,088	-	-	-	210,088
Disposals	-	-	-	-	-
Depreciation expense	-	(16,141)	(9,515)	(40,476)	(66,132)
Carrying amount at 31 December 2016	473,088	670,771	8,435	36,032	1,188,326

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

	Note	2016 \$	2015 \$
NOTE 8 – TRADE AND OTHER PAYABLES			
Trade payables to other reporting units		-	-
Other payables			
- Other trade payables and accruals		24,531	21,203
- GST payable		9,385	19,377
- Legal costs payable			
- Litigation		30,188	27,177
- Other Matters		-	-
- Superannuation payable		6,039	-
- Payroll Tax Payable		3,945	3,945
- Consideration to employers for payroll deductions		-	-
- PAYG withholding payable		12,003	14,639
		<u>86,091</u>	<u>86,341</u>
Total Trade and other Payables		<u>86,091</u>	<u>86,341</u>

NOTE 9 – PROVISIONS

	Annual Leave \$	Long Service Leave \$	Total \$
Opening balance at 1 January 2016	88,647	54,902	143,549
Additional provisions raised during the year	39,460	6,355	45,815
Amounts used	(58,573)	(27,942)	(86,515)
Balance at 31 December 2016	<u>69,534</u>	<u>33,315</u>	<u>102,849</u>
		\$	\$

Analysis of total provisions

Current

Provision for annual leave	69,534	88,647
Provision for long service leave	32,055	29,156
	<u>101,589</u>	<u>117,803</u>

Non-current

Provision for long service leave	1,260	25,746
	<u>1,260</u>	<u>25,746</u>

Non-current provisions represent long service leave entitlements owing to employees who have not completed 3 continuous years of service with the Union.

Holders of Office

- Annual leave	47,590	16,948
- Long service leave	26,237	29,156
- Separations and redundancies	-	-
- Other	-	-
	<u>73,827</u>	<u>46,104</u>

Employees other than office holders

- Annual leave	21,944	71,699
- Long service leave	7,078	25,746
- Separations and redundancies	-	-
- Other	-	-
	<u>29,022</u>	<u>97,445</u>

Total Provisions	<u>102,849</u>	<u>143,549</u>
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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	Note	2016 \$	2015 \$
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		620	55
Cash at bank		332,069	556,840
		<u>332,689</u>	<u>556,895</u>
(b) Reconciliation of Net Cash Provided by Operating Activities to Surplus after Income Tax			
Surplus/ (deficit) after income tax		258,713	(197,794)
Non cash flows in surplus after income tax			
- Depreciation & amortisation		66,132	60,359
- Transfer of net assets in from CEPU – Communications Division – Tasmanian Branch		(479,989)	-
- Net gain on disposal of property, plant & equipment		-	(24,979)
Changes in assets and liabilities			
(Increase)/ decrease in trade receivables		(37,728)	(40,493)
(Increase)/ decrease on other assets		(373)	-
Increase/ decrease on GST		(14,532)	-
Increase/ (decrease) in trade payables and accruals		411	(119,592)
Increase/ (decrease) in provisions		(40,700)	42,935
Net cash used in operating activities		<u>(248,066)</u>	<u>(279,564)</u>
(c) Non-cash financing and investing activities			
There were no non-cash financing or investing activities undertaken by the Union during the year (2015: Nil)			
ANZ Credit Card Facility			
Used facility		6,269	5,358
Unused facility		9,731	10,642
Total facility		<u>16,000</u>	<u>16,000</u>
ANZ Direct Debit Facility			
Used facility		-	-
Unused facility		65,000	65,000
Total facility		<u>65,000</u>	<u>65,000</u>

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

	Note	2016 \$	2015 \$
NOTE 10 – CASH FLOW INFORMATION (CONTINUED)			
(d) Cash flows to/from other reporting units			
Included in the statement of cash flows under operating activities are the following receipts and payments to other reporting units			
Receipts from other reporting units			
- CEPU - Electrical, Division SA Branch		517	-
- CEPU – Communications Division Tasmania Branch		7,102	103,936
- CEPU - Electrical, Division Victoria Branch		103,461	119,528
- CEPU – Communications Division (National Office)		10,306	-
- CEPU - Electrical, Division (National Office)		-	7,967
Total receipts from other reporting units		121,386	231,431
Payments to other reporting units			
- CEPU - Electrical, Division (National Office)		(140,484)	(134,184)
- CEPU - Electrical, Division Victoria Branch		(609)	-
- CEPU - Communications Division Tasmania Branch		(140)	(78,402)
Total Payments to other reporting units		(141,233)	(212,589)
Net cash paid to other reporting units		(19,847)	18,845

NOTE 11 – COMMITMENTS AND CONTINGENCIES

(a) Operating lease commitments – as lessee

Receivable – minimum lease payments			
- not later than 12 months		29,819	28,950
- between 12 months and 5 years		28,153	57,972
- greater than 5 years		-	-
Minimum lease payments		57,972	86,922

(b) Contingent liabilities and commitments

There are no material contingent liabilities or commitments.

(c) Capital expenditure commitments

There are no capital expenditure commitments at 31 December 2016 (2015: nil).

NOTE 12 – ACCOUNTANTS AND AUDITORS REMUNERATION

Amounts received or due and receivable by the auditor of the Union for:

(a) audit of the financial report of the Union			
- MGI Audit (Q) Pty Ltd (current year)		12,500	12,500
- MGI Audit (Q) Pty Ltd (completion of CEPU – Communications Division – Tasmania Branch audits)		6,900	-
		<u>19,400</u>	<u>12,500</u>
(b) other services			
- Sarah McCarthy & Associates		17,783	-
- Accounting and other services		-	4,345
- Tax and accounting services		8,180	2,255
		<u>45,363</u>	<u>19,100</u>

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

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 Divisions and Branches.

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

(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.

Note	2016 \$	2015 \$
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NOTE 14 – TRANSACTIONS WITH CEPU REPORTING UNITS

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) *National Office*

<i>- Revenue</i>		
Reimbursement of accommodation and travel costs	-	7,243
<i>- Expenditure</i>		
Sustentation fees	110,030	100,521
Reimbursement of National Journal costs	8,598	10,982
Reimbursement of wage costs	946	946
Other reimbursements		
Divisional Council & Officers Expenses	484	-
Subscription	4,170	2,727
Accommodation	3,485	891
Other	-	5,919

(b) *CEPU – Electrical Division Victoria Divisional Branch*

<i>- Revenue</i>		
Protection Insurance Commissions	101,552	108,662
<i>- Expenditure</i>		
Reimbursement of membership dues	159	-
Reimbursement of accommodation and travel costs	345	-
Other	50	-

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

	Note	2016 \$	2015 \$
NOTE 14 – TRANSACTIONS WITH CEPU REPORTING UNITS (CONTINUED)			
<i>(c) CEPU – Electrical South Australian Branch</i>			
- Revenue			
Reimbursement of accommodation and travel costs		470	-
<i>(d) CEPU – Communications Division Tasmania Branch</i>			
- Revenue			
Reimbursement of administration costs		6,456	55,227
Reimbursement of industrial costs		-	34,573
Reimbursement of occupancy costs		-	4,687
- Expenditure			
Transfer of membership dues		-	68,016
Proceeds on sale of shares		-	1,592
Payment of other sundry items		127	1,666
<i>(e) CEPU – Communications National Office</i>			
- Revenue			
Reimbursement of accommodation and travel costs		9,472	-
Other		136	-

Note: The above transactions are all exclusive of GST

Transfer of Assets from Communications Division, Tasmanian Branch

On 11 August 2016, the Fair Work Commission approved the alteration of the rules of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia. In addition a Memorandum of Understanding was agreed between the Electrical Division and the Communications Division detailing that the CEPU – Electrical, Energy and Services Division – Tasmanian Branch:

1. be responsible for all liabilities of Communications Division, Tasmanian Divisional Branch (both actual and any contingent) prior to 11 August 2016;
2. from 11 August 2016 be liable for the payment of accrued employee entitlements and well as payment of all future employment costs;
3. require all membership subscriptions are to be receipted into the Branch's authorised bank accounts; and
4. be responsible for the ongoing day-to-day operations of the Branch.

The net transfer of the assets from Communications Division, Tasmanian Divisional Branch occurred effective 11 August 2016. The assets and liabilities transferred included the following:

Cash and cash equivalents	23,860	-
Property, plant and equipment	470,000	-
Trade and other payables	(9,135)	-
GST liability (net)	(4,736)	-

The impact of the above transaction has resulted in a one off credit to the profit and loss accounts of \$479,989 (the net assets transferred to the Branch on 11 August 2016).

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

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

	Note	2016 \$	2015 \$
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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	334,754	222,359
Post-employment benefits	47,318	25,910
Other long-term benefits	-	-
	<u>382,072</u>	<u>248,269</u>

Note: Ms Lee Archer (former State Councillor), was appointed as an organiser of the Branch. Ms Archer did not resign from State Council until August 2016 and as result, her wage is incorporated within the key management personnel remuneration note above until she resigned from State Council.

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

(a) Key Management Personnel of the Union

The following persons were determined to be key management personnel of the Union during the year

Name	Position
Trevor Gaud	Branch Secretary
Ken Mayes	Branch President
Michael Anderson	Assistant Branch Secretary
All remaining members of the Committee of Management	

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.

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

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

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	2016 \$	2015 \$
Financial Assets			
Cash and cash equivalents	4	332,689	556,895
Trade and other receivables	5	<u>122,706</u>	<u>84,978</u>
Total financial assets		<u>455,395</u>	<u>641,873</u>
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	8	<u>86,091</u>	<u>86,341</u>
Total financial liabilities		<u>86,091</u>	<u>86,341</u>

Financial Risk Management Policies

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

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

(a) Credit Risk

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

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

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

Credit Risk Exposures

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

The Union has no significant concentration of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of Trade and Other Receivables are provided in Note 5.

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

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AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 17 – FINANCIAL RISK MANAGEMENT (CONTINUED)

(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 DECEMBER 2016

NOTE 17: FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial Liability and Financial Asset Maturity Analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$
Financial liabilities due for payment								
Trade and other payables	86,091	86,341	-	-	-	-	86,091	86,341
Total Financial Liabilities	86,091	86,341	-	-	-	-	86,091	86,341
Financial assets - cash flow realisable								
Cash and cash equivalents	332,689	556,895	-	-	-	-	332,689	556,895
Trade and other receivables	122,706	84,978	-	-	-	-	122,706	84,978
Total anticipated inflows	455,395	641,873	-	-	-	-	455,395	641,873
Net inflow of financial instruments	369,304	555,532	-	-	-	-	369,304	555,532

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

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		2016	2015
		2016	2015	\$	\$
		%	%		
Floating rate instruments					
Cash and cash equivalents		1.04	2.23	332,689	556,895

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.

Interest rate sensitivity analysis

	2016	2015
	\$	\$
Change in profit		
- Increase in interest rate by 1%	3,320	5,213
- Decrease in interest rate by 1%	(2,185)	(4,682)
Change in equity		
- Increase in interest rate by 1%	3,320	5,213
- Decrease in interest rate by 1%	(2,185)	(4,682)

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

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

NOTE 17 – FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Fair Values

Fair value estimation

The fair values of financial assets and liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties at an arm's length transaction.

Fair value may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair values is extracted from the market, with more reliable information available from markets that are actively traded.

In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Union. Most of these instruments, which are carried at amortised cost (i.e. accounts receivable), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the Union.

Fair Value Hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categories fair value measurement into one of the three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

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

NOTE 17 – FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Fair Values (continued)

The following provides an analysis of financial and non-financial assets and liabilities that are measured at fair value, by fair value hierarchy.

The following tables provide an analysis of financial and non-financial assets and liabilities that are measured at fair value, by fair value hierarchy.

Fair value hierarchy – 31 December 2016

	Note	Date of Valuation	Level 1	Level 2	Level 3
		\$	\$	\$	\$
Assets measured at fair value					
Freehold land and buildings	7	25 Feb 2016	-	1,160,000	-
Total financial assets recognised at fair value on a recurring basis			-	1,160,000	-

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

Fair value hierarchy – 31 December 2015

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

NOTE 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 Union operates from:

105 New Town Road
NEW TOWN TAS 7008

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

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 Commission:

- (1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) The reporting unit must comply with an application made under subsection (1).

The purposes for which the Union are established are:

- (a) To advance the trade interests of members and secure a proper classification of the workers in the industry.
- (b) To obtain adequate pay for its members and the institution and maintenance of the apprenticeship system.
- (c) To afford legal protection to its members in industrial matters.
- (d) To establish and maintain an employment bureau for electrical workers.
- (e) To publish a trade union journal or newspaper.
- (f) To establish a Branch or Branches of the Union and Sub-Branched of Branches and Agencies of Branches.
- (g) To organise the electrical workers into Branches or Sub-Branched of the Union throughout the Commonwealth of Australia.
- (h) To financially assist Branches and Sub-Branched.
- (i) To provide for the acquisition or leasing of property.
- (j) To secure preference of employment of Unionists.
- (k) To advance the living and working conditions of workers and their families, and to assist kindred Unions and to support other bodies having these objects, and such projects for the advancement of Labor as the Union may determine.
- (l) The abolition and prevention of contract and piecework schemes and the restriction and control of incentive and bonus systems in industry.
- (m) To establish funds to assist members in distress through sickness or accident or who are lawfully out of employment.
- (n) To make financial provision for carrying out the objects set out herein.

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

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

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

NOTE 21 – COMPULSORY LEVY FUNDS

The Union did not operate any funds where compulsory levies were raised during the year (2015: Nil).

NOTE 22 – RESERVES

- (a) Revaluation Surplus
The revaluation surplus records revaluations of non-current assets.



27 January 2017

Mr Trevor Gauld
Branch Secretary-Treasurer
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of
Australia-Electrical, Energy and Services Division - Tasmanian Divisional Branch
By Email: info@ceputas.com.au

Dear Mr Gauld,

**Re: Lodgement of Financial Report - [FR2016/424]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia-Electrical, Energy and Services Division - Tasmanian Divisional Branch (the reporting unit) ended on 31 December 2016.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date under s.268 of the RO Act, that being within 14 days after the meeting referred to in s.266 of the RO Act.

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

The new Registered Organisations Commission

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

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

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

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

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

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

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

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

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

Timelines

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

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

Fact sheets, guidance notes and model statements

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission (FWC) website. This includes a model set of financial statements which have been developed by the FWC. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. The model statements, Reporting Guidelines and other resources can be accessed through our website under [Financial Reporting](#) in the Running a Registered Organisation section.

Civil penalties may apply

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

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

Contact

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

Yours sincerely,



Marianne Kay
Adviser
Regulatory Compliance Branch