7 June 2018

Mr Michael Anderson
Secretary, Tasmanian Divisional Branch
Electrical, Energy and Services Division, CEPU

Sent via email:

Dear Mr Anderson

Re: – CEPU, Electrical, Energy and Services Division, Tasmanian Divisional Branch - financial report for year ending 31 December 2017 (FR2017/367)

I refer to the financial report of the Tasmanian Divisional Branch of the Electrical, Energy and Services Division. The documents were lodged with the Registered Organisations Commission ('the ROC') on 25 May 2018.

The financial report has now been filed. The financial report was 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 respect of the report lodged. Please note that the financial report for the year ending 31 December 2018 may be subject to an advanced compliance review.

Reporting Requirements

On the ROC website are a number of factsheets in relation to the financial reporting process and associated timelines. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The ROC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via this link.

Please note that new Reporting Guidelines will apply to organisations and branches with financial years *commencing* on or after 1 July 2017. Updates and information on the new guidelines will be provided through the ROC website and the subscription service.

Yours faithfully

Stephen Kellett
Financial Reporting
Registered Organisations Commission

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

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

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

I, Michael Anderson, being the Divisional Branch Secretary of the Tasmanian Branch of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Electrical, Energy and Services Division (the CEPU Electrical, Energy & Services Division, Tasmanian Branch) declare:

- that the documents lodged herewith are copies of the full report referred to in s.268 of the RO Act for the CEPU Electrical, Energy & Services Division, Tasmanian Branch, for the period ended 31 December 2017; and
- the full report was provided to members of the reporting unit on the 24 April 2018 in accordance with s.265 of the RO Act; and
- the full report was presented to the Branch State Council of the CEPU Electrical, Energy & Services Division, Tasmanian Branch on the 18 May 2018 in accordance with s.266(3) of the RO Act.

Signed:

Name: Mr Michael Anderson

Date: 22 May 2018

Office Held: Divisional Branch Secretary, CEPU Electrical, Energy & Services Division, Tasmanian Branch

Hobart: 105 New Town Road, NEW TOWN TAS 7008 | **Phone:** 03 6228 0098 | **Fax:** 03 6228 7557
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COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION – TASMANIA BRANCH

ABN 18 172 840 055

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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

COMMITTEE OF MANAGEMENT'S OPERATING REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

Operating Report

The Committee of Management presents its report on the operations of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division – Tasmania Branch (the Branch) for the financial year ended 31 December 2017.

Principal Activities

The principal activities of the Branch during the year fell in the following categories:

- Organising existing members and new members
- Bargaining, negotiating and arbitrating for improvements in wages and conditions of employment for members of the Branch.
- Representing members in work related grievances or other matters
- Undertaking training and development for delegates of the Branch.

Over the year the Branch negotiated many Collective Agreements delivering improvements in wages and conditions to CEPU – Electrical, Energy and Services Division – Tasmania Branch members.

There have been no changes in the principal activities of the Branch during the year.

Operating Result

The deficit for the financial year amounted to $172,618 (2016: Surplus - $258,713). No provision for tax was necessary as the Branch is considered exempt.

Significant Changes in Financial Affairs

There were no significant changes to the financial affairs of the Branch during the year.

After Balance Date Events

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

Future Developments

Likely developments in the operations of the Branch or 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 Branch.

Environmental Issues

The Branch'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 Branch is set out in the Rules of the CEPU – Electrical Division. A member may resign membership by written notice addressed and delivered to the Branch Secretary.

Number of Employees

The number of persons who were, at the end of the period to which the report relates, employees of the Branch, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis is 8.75 (2016: 5.95).

Number of Members

Total number of members at 31 December 2017: 2,155 (2016: 2,084)

Officer or Members who are superannuation Fund Trustees/ Directors of a Company that is a Superannuation fund Trustee

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

Members of the Committee of Management

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

Name	Position	Period of Office
Ken Mayes	Branch President	1/1/17 – 31/12/17
Brian Allan	Branch Vice President	1/1/17 – 31/12/17
Trevor Gauld	Branch Secretary	1/1/17 – 31/12/17*
Michael Lynch	Branch Executive Member	1/1/17 – 31/12/17
David Moore	Branch Executive Member	1/1/17 – 31/12/17
Brett Proverbs	Branch Executive Member	1/1/17 – 31/12/17
Steven Burns	Branch Councillor	1/1/17 – 31/12/17
Jason Dalzell	Branch Councillor	1/1/17 – 05/05/17
Belinda Gordon	Branch Councillor	1/1/17 – 31/12/17
Natalie Kent	Branch Councillor	1/1/17 – 31/12/17
Marcus Phillips	Branch Councillor	1/1/17 – 31/12/17
Allen Shotton	Branch Councillor	1/1/17 – 31/12/17

* Trevor Gauld resigned as Branch Secretary on 16 February 2018 and was replaced by Michael Anderson.

Indemnifying Officers or Auditors

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

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

Auditor's Independence Declaration

A copy of the auditor's independence declaration is set out on page 7.

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

....
Michael Anderson
Branch Secretary

23 April 2018

Hobart

accountants + auditors

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AUDITOR'S INDEPENDENCE DECLARATION TO THE COMMITTEE OF MANAGEMENT OF THE

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION – TASMANIA 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 – Tasmania Branch for the year ended 31 December 2017; I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

M.C.7

MGI Audit Pty Ltd

G I Kent

Director – Audit & Assurance

Hobart
23 April 2018

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/2

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

COMMITTEE OF MANAGEMENT STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

On 23 April 2018, the Committee of Management of the Branch passed the following resolution to the General Purpose Financial statements (GPFR) of the reporting unit for the financial year ended 31 December 2017.

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 Commissioner;

(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; and

(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 and

ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation;

iii. the financial records of the reporting unit have been kept and maintained in accordance with the *RO Act;*

iv. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to 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 the Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and

vi. there have been no orders for inspection of financial records made by the Fair Work Commission under section 273 of the RO Act during the year.

(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.

Name of Designated Officer: Michael Anderson

Title of Designated Officer: Branch Secretary

Signature: ....

Date: 23 April 2018

accountants + auditors

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Independent Audit Report to the Members of Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division – Tasmania Branch

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division – Tasmania Branch (the Branch), which comprises the statement of financial position as at 31 December 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division – Tasmania Branch as at 31 December 2017, and its financial performance and its cash flows for the year ended on that date in accordance with:

a) the Australian Accounting Standards; and

b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

We declare that management's use of the going concern basis in the preparation of the financial statements of the Branch is appropriate.

Basis for Opinion

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

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

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

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

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

Information Other than the Financial Report and Auditor's Report Thereon (Continued)

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

Responsibilities of Committee of Management for the Financial Report

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

In preparing the financial report, the Committee of Management is responsible for assessing the Branch's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Branch or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Branch's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.

- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Branch's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Branch to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Auditor's Responsibilities for the Audit of the Financial Report (Continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Branch to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Branch's audit. We remain solely responsible for our audit opinion.

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

Declaration

I declare that I am an approved auditor, a member of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

Opinion on the recovery of wages activity financial report

The scope of my work extended to the recovery of wages activity and we have audited the recovery of wages activity financial report for the year ended 31 December 2017.

In our opinion, the financial statements and notes and recovery of wages activity financial report properly and fairly report all information required by the reporting guidelines of the Commissioner, including:

a) any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and

b) any donations or other contributions deducted from recovered money.

Responsibilities

The Committee of Management is responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with the reporting guidelines of the Commission. Our responsibility is to express an opinion on the recovery of wages activity financial report, based on our audit conducted in accordance with Australian Auditing Standards.

M.C.I

MGI Audit Pty Ltd

G I Kent

Director – Audit & Assurance

Hobart
23 April 2018

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/2

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 $	2016 $
Revenue			
Membership subscription		**1,006,267**	940,785
Gain on sale of property, plant and equipment		**61,338**	-
Sustentation fees	3A	-	-
Levies	3B	-	-
Interest	3C	**6,061**	11,694
Commission income	3D	**94,680**	101,552
EAP income	3E	**4,603**	6,422
Rental income	3F	**30,406**	35,708
Directors fees	3G	**40,113**	43,760
Sponsorship income	3H	**20,500**	21,591
Grants or donations		-	-
Transfer of net assets from other reporting units	3I	-	479,989
Other revenue	3J	**850**	22,393
Total revenue		**1,264,818**	1,663,894
Expenses			
Employee expenses	4A	**(881,968)**	(733,559)
Sustentation fees	4B	**(136,260)**	(110,030)
Affiliation fees	4C	**(10,665)**	(8,818)
Audit and accounting fees	12	**(40,447)**	(45,363)
Legal costs	4D	-	(75,479)
Grants or donations	4E	**(3,000)**	(525)
Depreciation and amortisation	4F	**(56,767)**	(66,132)
Finance costs	4G	**(4,795)**	(6,535)
Administration expense	4H	**(231,099)**	(306,846)
Conference and meetings	4I	**(43,533)**	(32,272)
Other operating expense	4J	**(28,902)**	(19,622)
Total expenses		**(1,437,436)**	(1,405,181)
(Deficit)/ surplus for the year		**(172,618)**	258,713
Other comprehensive income			
Revaluation of land and buildings (net of income tax)		-	210,088
Total comprehensive income for the year		**(172,618)**	468,801

The above statement should be read in conjunction with the notes.

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

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Notes	2017 $	2016 $
ASSETS			
Current Assets			
Cash and cash equivalents	5A	**933,894**	332,689
Trade and other receivables	5B	**43,635**	122,706
Other current assets	5C	**22,117**	33,361
Total current assets		**999,646**	488,756
Non-Current Assets			
Land	6A	**150,000**	473,088
Buildings	6B	**302,234**	670,771
Furniture, fittings and office equipment	6C	**60,398**	8,435
Motor vehicles	6D	**8,774**	36,032
Total non-current assets		**521,406**	1,188,326
Total assets		**1,521,052**	1,677,082
LIABILITIES			
Current Liabilities			
Trade payables	7A	**62,165**	13,396
Other payables	7B	**54,831**	72,695
Employee provisions	8A	**74,646**	101,589
Total current liabilities		**191,642**	187,680
Non-Current Liabilities			
Employee provisions	8A	**13,886**	1,260
Total non-current liabilities		**13,886**	1,260
Total liabilities		**205,528**	188,940
Net assets		**1,315,524**	1,488,142
EQUITY			
Retained earnings		**1,105,436**	1,278,054
Asset revaluation reserve		**210,088**	210,088
Total equity		**1,315,524**	1,488,142

The above statement should be read in conjunction with the notes.

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Retained earnings $	Asset Revaluation Reserve $	Total equity $
Balance as at 1 January 2016		1,019,341	-	1,019,341
Surplus for the year		258,713	-	258,713
Other comprehensive income		-	210,088	210,088
Closing balance as at 31 December 2016		1,278,054	210,088	1,488,142
Deficit for the year		**(172,618)**	**-**	**(172,618)**
Other comprehensive income		**-**	**-**	
Closing balance as at 31 December 2017		**1,105,436**	**210,088**	**1,315,524**

The above statement should be read in conjunction with the notes.

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 $	2016 $
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units	9B	**147,960**	121,386
Receipts from other customers		**1,263,749**	1,129,808
Interest received		**6,035**	12,203
Cash used			
Finance Costs		**(4,795)**	(6,535)
Payments to employees and suppliers		**(1,337,989)**	(1,373,896)
Payments to other reporting units	9B	**(145,246)**	(131,032)
Net cash used in operating activities	9A	**(70,286)**	(248,066)
INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		**730,764**	-
Payments for property, plant and equipment		**(59,273)**	-
Cash transferred from CEPU –Communications Division (TAS Branch)		**-**	23,860
Net cash provided by investing activities		**671,491**	23,860
FINANCING ACTIVITIES		**-**	-
Net increase/ (decrease) in cash held		**601,205**	(224,206)
Cash & cash equivalents at the beginning of the reporting period		**332,689**	556,895
Cash & cash equivalents at the end of the reporting period	9A	**933,894**	332,689

The above statement should be read in conjunction with the notes.

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

RECOVERY OF WAGES ACTIVITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 $	2016 $
Cash assets in respect of recovered money at beginning of year	-	-
Receipts		
Amounts recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
Total receipts	-	-
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 reporting unit:		
name of account	-	-
name of fund	-	-
Name of other reporting unit of the organisation:		
name of account	-	-
name of fund	-	-
Name of other entity:		
name of account	-	-
name of fund	-	-
Deductions of fees or reimbursement of expenses	-	-
Payments to workers in respect of recovered money	-	-
Total payments	-	-
Cash assets in respect of recovered money at end of year	-	-
Number of workers to which the monies recovered relates	-	-
Aggregate payables to workers attributable to recovered monies but not yet distributed		
Payable balance	-	-
Number of workers the payable relates to	-	-
Fund or account operated for recovery of wages	-	-

The above statement should be read in conjunction with the notes.

Index to the Notes of the Financial Statements

Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division – Tasmania Branch (the Branch) is a not-for-profit entity.

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.

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

The following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Key Estimates

Impairment – general
The Branch assesses impairment at each reporting period by evaluation of conditions and events specific to the Branch that may be indicative of impairment triggers. Recoverable amounts of relevant assets are assessed using value-in-use calculations which incorporate various key assumptions.

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

Key Judgements

Useful lives of plant and equipment
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.

Note 1 Summary of significant accounting policies (Continued)

1.3 Significant accounting judgements and estimates (Continued)

Key Judgements (Continued)

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, workers compensation and payroll tax.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date stated in the standard.

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact on the Branch include:

- AASB 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

  The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting.

  The key changes that may affect the Branch on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of this Standard, the application of such accounting would be largely prospective.

  The Committee of Management does not believe the effects of AASB 9 will significantly affect the Branch.

Note 1 Summary of significant accounting policies (Continued)

1.4 New Australian Accounting Standards (Continued)

Future Australian Accounting Standards Requirements (continued)

- AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: Amendments to Australian Accounting Standards – Effective Date of AASB 15).

  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.

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

  The Committee of Management does not believe the effects of AASB 15 will significant affect the Branch.

1.5 Revenue

Revenue is measured at the fair value of the consideration received or receivable.

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

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Interest revenue is recognised on an accrual basis using the effective interest method.

1.6 Gains

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

1.7 Capitation fees and levies

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

Note 1 Summary of significant accounting policies (Continued)

1.8 Employee benefits

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

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. The reporting unit recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

Under the rules of the Union, 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 Branch 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.

1.9 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 Branch 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 Branch 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.

Note 1 Summary of significant accounting policies (Continued)

1.10 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

1.11 Financial instruments

Financial assets and financial liabilities are recognised when the Branch becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1.12 Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Note 1 Summary of significant accounting policies (Continued)

1.12 Financial assets (Continued)

Fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Note 1 Summary of significant accounting policies (Continued)

1.12 Financial assets (Continued)

Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Note 1 Summary of significant accounting policies (Continued)

1.12 Financial assets (Continued)

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Derecognition of financial assets

The Branch derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Note 1 Summary of significant accounting policies (Continued)

1.13 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Fair value through profit or loss

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The Branch derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Note 1 Summary of significant accounting policies (Continued)

1.14 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.

1.15 Plant and Equipment

Asset Recognition Threshold

Purchases of land, buildings, plant and equipment and motor vehicles are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

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 Branch Executive 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 Branch and the costs of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

Depreciable plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Note 1 Summary of significant accounting policies (Continued)

1.15 Plant and Equipment (Continued)

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2017	2016
Buildings	40 years	40 years
Office equipment	2 -3 years	2 -3 years
Motor vehicles	3 years	3 years

Derecognition

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

1.16 Impairment of non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Branch were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.17 Taxation

The Branch is exempt from income tax under section 50.1 of the *Income Tax Assessment Act 1997* however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

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

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

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

Note 1 Summary of significant accounting policies (Continued)

1.18 Fair value measurement

The Branch 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 land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 15.

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

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

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

Note 1 Summary of significant accounting policies (Continued)

1.18 Fair value measurement (continued)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Branch 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 Branch 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.

1.19 Going concern

The Branch is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

The Branch has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

Note 2 Events after the reporting period

There were no events that occurred after 31 December 2017, and/ or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Branch.

Note 3 Income

	2017	2016
	$	$
Note 3A: Sustentation fees	-	-
Total sustentation fees	-	-
Note 3B: Levies	-	-
Total levies	-	-
Note 3C: Interest		
Deposits	6,061	11,694
Total interest	6,061	11,694
Note 3D: Commission Income		
Income protection commissions	94,680	101,522
Total commission income	94,680	101,522
Note 3E: EAP Income		
Employee Assistance Program income	4,603	6,422
Total EAP income	4,603	6,422
Note 3F: Rental income		
Rental income at 94 Central Ave, Derwent Park	30,406	35,708
Total rental income	30,406	35,708
Note 3G: Directors fees		
Directors fees	40,113	43,760
Total directors fees	40,113	43,760

Staff and officials of the Branch sit on a number of boards, including the Safety, Rehabilitation and Compensation Commission and TAS Build.

	2017	2016
Note 3H: Sponsorship income		
Sponsorship income	20,500	21,591
Total sponsorship income	20,500	21,591

The Branch receives sponsorship income from a variety of sources, including CBUS Super, Hall Payne Lawyers and Protect.

	2017	2016
	$	$

Note 3 Income (Continued)

Note 3I: Transfer of net assets from other reporting units

CEPU – Communications Division (TAS Branch)	-	479,989
Total transfer of net assets from other reporting units	**-**	479,989

Refer Note 11 for additional information on the transfer of net assets from the CEPU – Communications Division (TAS Branch).

Note 3J: Other revenue

Merchandise income	**850**	1,254
Legal fees reimbursement	**-**	20,639
Other income	**-**	500
Total other revenue	**850**	22,393

Note 4 Expenses

Note 4A: Employee expenses

Holders of office:		
Wages and salaries	**253,660**	312,719
Superannuation	**40,925**	47,318
Leave and other entitlements	**32,287**	22,035
Separation and redundancies	**-**	-
Other employee expenses	**-**	-
Subtotal employee expenses holders of office	**326,872**	382,072
Employees other than office holders:		
Wages and salaries	**382,018**	219,502
Superannuation	**76,602**	44,720
Leave and other entitlements	**46,331**	28,513
Separation and redundancies	**-**	-
Other employee expenses	**-**	-
Subtotal employee expenses employees other than office holders	**504,951**	292,735
Add: Payroll tax expense/ FBT expense	**50,145**	58,752
Total employee expenses	**881,968**	733,559

Note 4B: Sustentation fees

CEPU – Electrical, Energy and Services Division	**136,260**	110,030
Total Sustentation fees	**136,260**	110,030

	2017	2016
	$	$
Note 4 Expenses (Continued)		
Note 4C: Affiliation fees		
Unions Tasmania	**10,665**	8,818
Total affiliation fees	**10,665**	8,818
Note 4D: Legal costs		
Litigation	-	71,124
Other legal matters	-	4,355
Total legal costs	-	75,479
Note 4E: Grants or 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	**1,000**	525
Total paid that exceeded $1,000	**2,000**	-
Total grants or donations	**3,000**	525
Note 4F: Depreciation and amortisation		
Depreciation		
Buildings	**22,199**	16,141
Furniture, fittings and office equipment	**7,310**	9,515
Motor vehicles	**27,258**	40,476
Total depreciation	**56,767**	66,132
Amortisation expense	-	-
Total depreciation and amortisation	**56,767**	66,132

	2017	2016
	$	$
Note 4 Expenses (Continued)		
Note 4G: Finance costs		
Interest expense	**23**	-
Bank fees and charges	**4,772**	6,535
Total finance costs	**4,795**	6,535
Note 4H: Administration expense		
Insurance	**26,800**	19,044
Property expenses	**31,386**	26,780
Motor vehicle expenses	**20,329**	27,512
Subscriptions	**29,694**	25,019
Organiser expenses	**64,203**	123,187
Telephone expenses	**21,226**	27,831
Stationery/ office equipment	**12,940**	11,290
Office expenses	**24,521**	46,183
Total administration expense	**231,099**	306,846
Note 4I: Conference and meetings expense		
Meetings expense	**21,338**	11,709
Branch conference	**11,279**	-
Delegates conference expense	**10,681**	16,680
Other conference/ meeting expenses	**235**	3,883
Total conference and meeting expense	**43,533**	32,272
Note 4J: Other Operating Expenses		
Penalties - via RO Act or RO Regulations	**-**	-
Levies – CEPU National Council	**2,024**	1,490
Consideration to employers for payroll deductions	**-**	-
Fees/allowances – meeting and conferences	**-**	-
Merchandise purchases	**25,860**	-
DMT Fund payments	**-**	8,567
Other operating expenses	**1,018**	9,565
Total other operating expenses	**28,902**	19,622

Levies
The CEPU National Council issued a levy during the year to assist in funding its day to day operations.

	2017	2016
	$	$
Note 5 Current Assets		
Note 5A: Cash and Cash Equivalents		
Cash at bank	**709,371**	113,529
Cash on hand	**154**	620
Term deposits	**224,369**	218,540
Total cash and cash equivalents	**933,894**	332,689
Note 5B: Trade and Other Receivables		
Receivables from other reporting units		
CEPU – Electrical, Energy and Services Division – Victoria Branch/ ETU Victoria	**8,223**	8,246
CEPU – Communications Division	**-**	263
Receivables from other reporting units (net)	**8,223**	8,509
Other receivables:		
Other trade receivables	**6,781**	27,859
Less: Provision for doubtful debtors	**-**	-
Accrued interest	**964**	938
Accrued membership income	**27,667**	85,400
Total other receivables	**35,412**	114,197
Total trade and other receivables (net)	**43,635**	122,706
Note 5C: Other Current Assets		
Prepayments	**15,879**	15,148
Merchandise	**6,238**	18,213
Total other current assets	**22,117**	33,361

	2017	2016
	$	$
Note 6 Non-current Assets		
Note 6A: Land		
Land:		
at valuation – 94 Central Ave, Derwent Park	-	323,088
at valuation – 105 New Town Road, New Town	**150,000**	150,000
accumulated depreciation	-	-
Total Land	**150,000**	473,088

Reconciliation of Opening and Closing Balances of Land

As at 1 January		
Gross book value	473,008	113,000
Accumulated depreciation and impairment	-	-
Net book value 1 January	473,008	113,000
Additions:		
By purchase	-	-
By transfer of assets from the CEPU – Communications Division (TAS Branch)	-	150,000
By revaluation	-	210,088
Depreciation expense	-	-
Disposals:		
By sale	**(323,008)**	-
Net book value 31 December	**150,000**	473,088
Net book value as of 31 December represented by:		
Gross book value	**150,000**	473,008
Accumulated depreciation and impairment	-	-
Net book value 31 December	**150,000**	473,008

	2017	2016
	$	$
Note 6B: Buildings		
Buildings:		
at valuation – 94 Central Ave, Derwent Park	-	447,000
at valuation – 105 New Town Road, New Town	**320,000**	320,000
accumulated depreciation	**(17,766)**	(96,229)
Total Buildings	**302,234**	670,771

Reconciliation of Opening and Closing Balances of Buildings

As at 1 January		
Gross book value	**767,000**	447,000
Accumulated depreciation and impairment	**(96,229)**	(80,088)
Net book value 1 January	670,771	366,912
Additions:		
By purchase	-	-
By transfer of assets from the CEPU – Communications Division (TAS Branch)	-	320,000
Depreciation expense	**(22,199)**	(16,141)
Disposals:		
By sale	**(346,338)**	-
Net book value 31 December	**302,234**	670,771
Net book value as of 31 December represented by:		
Gross book value	320,000	767,000
Accumulated depreciation and impairment	**(17,766)**	(96,229)
Net book value 31 December	**302,234**	670,771

	2017 $	2016 $
Note 6C: Furniture, Fittings and Office Equipment		
Furniture, fittings and office equipment:		
at cost	**139,176**	79,903
accumulated depreciation	**(78,778)**	(71,468)
Total Furniture, Fittings and Office Equipment	**60,398**	8,435

Reconciliation of Opening and Closing Balances of Furniture, Fittings and Office Equipment

As at 1 January		
Gross book value	**79,903**	79,903
Accumulated depreciation and impairment	**(71,468)**	(61,953)
Net book value 1 January	**8,435**	17,950
Additions:		
By purchase	**59,273**	-
Depreciation expense	**(7,310)**	(9,515)
Disposals:		
- By sale	**-**	-
Net book value 31 December	**60,398**	8,435
Net book value as of 31 December represented by:		
Gross book value	**139,176**	79,903
Accumulated depreciation and impairment	**(78,778)**	(71,468)
Net book value 31 December	**60,398**	8,435

	2017 $	2016 $
Note 6D: Motor Vehicles		
Motor Vehicles:		
at cost	**135,913**	203,486
accumulated depreciation	**(127,139)**	(167,454)
Total Motor Vehicles	**8,774**	36,032

Reconciliation of Opening and Closing Balances of Motor Vehicles

As at 1 January		
Gross book value	203,486	203,486
Accumulated depreciation and impairment	(167,454)	(126,978)
Net book value 1 January	36,032	76,508
Additions:		
By purchase	-	-
Depreciation expense	**(27,258)**	(40,476)
Disposals:		
By sale	-	-
Net book value 31 December	**8,774**	36,032
Net book value as of 31 December represented by:		
Gross book value	**135,913**	203,486
Accumulated depreciation and impairment	**(127,139)**	(167,454)
Net book value 31 December	**8,774**	36,032

	2017 $	2016 $
Note 7 Current Liabilities		
Note 7A: Trade payables		
Trade creditors and accrued expenses	**32,863**	13,396
Subtotal trade payables	**32,863**	13,396
Payables to other reporting units		
CEPU – Electrical, Energy and Services Division	**29,302**	-
Subtotal payables to other reporting units	**29,302**	-
Total trade payables	**62,165**	13,396

Settlement is usually made within 30 days.

Note 7B: Other payables

	2017 $	2016 $
Consideration to employers for payroll deductions	-	-
Legal costs		
Litigation	-	30,188
Other legal matters	-	-
Credit card liabilities	**2,102**	6,269
Superannuation payable	**11,485**	6,039
FBT payable	**3,706**	4,866
PAYG payable	**18,537**	12,003
Payroll tax payable	**5,036**	3,945
GST payable (net)	**13,135**	9,385
Other sundry payables	**830**	-
Total other payables	**54,831**	72,695
Total other payables are expected to be settled in:		
No more than 12 months	**54,831**	72,695
More than 12 months	-	-
Total other payables	**54,831**	72,695

	2017	2016
	$	$
Note 8 Provisions		
Note 8A: Employee Provisions		
Office Holders:		
Annual leave	**25,172**	26,417
Long service leave	**6,326**	26,237
Separations and redundancies	**-**	-
Other	**-**	-
Subtotal employee provisions—office holders	**31,498**	52,654
Employees other than office holders:		
Annual leave	**41,571**	43,118
Long service leave	**15,463**	7,077
Separations and redundancies	**-**	-
Other	**-**	-
Subtotal employee provisions—employees other than office holders	**57,034**	50,195
Total employee provisions	**88,532**	102,849
Current	**74,646**	101,589
Non-Current	**13,886**	1,260
Total employee provisions	**88,532**	102,849

	2017 $	2016 $
Note 9 Cash Flow		
Note 9A: Cash Flow Reconciliation		
Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement:		
Cash and cash equivalents as per:		
Cash flow statement	**933,894**	332,689
Statement of financial position	**933,894**	332,689
Difference	**-**	-
Reconciliation of surplus to net cash from operating activities:		
Deficit for the year	**(172,618)**	258,713
Adjustments for non-cash items		
Depreciation/ amortisation	**56,767**	66,132
Transfer of net assets from CEPU – Communications Division (TAS Branch)	**-**	(479,989)
Gain on disposal of property, plant and equipment	**(61,338)**	-
Changes in assets/liabilities		
(Increase)/ decrease in net receivables	**79,071**	(37,728)
(Increase)/ decrease in other current assets	**11,244**	(373)
Increase/ (decrease) in trade and other payables	**30,905**	(14,121)
Increase/ (decrease) in provisions	**(14,317)**	(40,700)
Net cash (used in)/ provided by operating activities	**(70,286)**	(248,066)

	2017	2016
	$	$
Note 9 Cash Flow (Continued)		
Note 9B: Cash flow information		
Cash inflows from other reporting units		
CEPU – Electrical, Energy and Services Division	**52,385**	-
CEPU – Electrical, Energy and Services Division (Victoria Branch)/ ETU Victoria	**95,575**	103,461
CEPU – Communications Division	-	10,306
CEPU – Communications Division (TAS Branch)	-	7,102
CEPU – Electrical, Energy and Services Division (South Australia Branch)/	-	517
Total cash inflows	**147,960**	121,386
Cash outflows to other reporting units		
CEPU – National Council	**2,226**	1,639
CEPU – Electrical, Energy and Services Division	**142,496**	128,644
CEPU – Electrical, Energy and Services Division (Victoria Branch)/ ETU Victoria	**524**	609
CEPU – Communications Division (TAS Branch)	-	140
Total cash outflows	**145,246**	131,032

Note: Cash flow information to/ from other reporting units disclosed include 10% GST on applicable transactions.

Note 9C: Credit standby arrangements and loan facilities

	2017	2016
<u>ANZ Mastercard Facility</u>		
Used facility	**2,102**	6,269
Unused facility	**13,898**	9,731
Total facility	**16,000**	16,000
<u>ANZ Direct Debit Facility</u>		
Used facility	-	-
Unused facility	**100,000**	65,000
Total facility	**100,000**	65,000

Note 9D: Non-cash transactions
There have been no non-cash financing or investing activities during the year (2016: Nil).

	2017	2016
	$	$

Note 10 Contingent Liabilities, Assets and Commitments

Note 10A: Commitments and Contingencies

Capital commitments

At 31 December 2017 the Branch did not have any capital commitments (2016: Nil).

Other contingent assets or liabilities (i.e. legal claims)

The Committee of Management is not aware of any contingent assets or liabilities that are likely to have a material effect on the results of the Branch.

Note 10B: Leasing Commitments

Operating Leases (as a lessor)

Non-cancellable operating leases contracted for but not capitalised in the financial statements.

	2017 $	2016 $
Receivable – Minimum lease payments		
not later than 12 months	-	29,819
between 12 months and 5 years	-	28,153
greater than 5 years	-	-
Minimum lease payments	-	57,972

The leases relate to rental of the property located at 94 Central Ave, Derwent Park

Operating Leases (as a lessee)

The Branch does not have any operating leases as a lessee at 31 December 2017 (2016: Nil).

Note 11 Related Party Disclosures

Note 11A: Related Party Transactions for the Reporting Period
Holders of office and related reporting units

For financial reporting purposes, under the *Fair Work (Registered Organisations) Act 2009*, the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia is divided into the following separate reporting units (and deemed related parties):

CEPU National Council

Electrical Division
CEPU – Electrical, Energy and Services Division
CEPU – QLD Electrical Branch
CEPU – NSW Electrical Branch
CEPU – VIC Electrical Branch
CEPU – TAS Electrical Branch
CEPU – WA Electrical Branch

Plumbing Division
CEPU – Plumbing Division
CEPU – QLD Plumbing Branch
CEPU – NSW Plumbing Branch
CEPU – VIC Plumbing Branch
CEPU – WA Plumbing Branch

Communications Division
CEPU – Communications Division
CEPU – QLD Communications Branch
CEPU – NSW Communications T&S Branch
CEPU – NSW Communications P&T Branch
CEPU – VIC Communications T&S Branch
CEPU – VIC Communications P&T Branch
CEPU – TAS Communications Branch (until 11 August 2016)
CEPU – SA/ NT Communications Branch
CEPU – WA Communications Branch

Note 11 Related Party Disclosures (Continued)

Note 11A: Related Party Transactions for the Reporting Period
Holders of office and related reporting units (Continued)

	2017	2016
	$	$
The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.		
Expenses paid to CEPU – National Council includes the following:		
Levies	**2,024**	1,490
Revenue received from CEPU –Electrical, Energy and Services Division includes the following:		
Reimbursement of travel expenses	**2,452**	
Reimbursement of wage expense	**44,320**	
Other operating expense reimbursement	**603**	
Expenses paid to CEPU – Electrical, Energy and Services Division includes the following:		
Sustentation fees	**136,260**	110,030
Reimbursement of wage costs	**2,360**	946
Reimbursement of national journal costs	**10,109**	8,598
Reimbursement of travel expenses	**1,993**	3,485
Subscriptions/ research	**5,560**	4,170
Other operating costs	**156**	484
Amounts owed to CEPU – Electrical, Energy and Services Division includes the following:		
Sustentation fees	**23,741**	-
Reimbursement of national journal costs	**5,561**	-
Revenue received from CEPU – Electrical, Energy and Services Division – VIC Branch/ ETU Victoria includes the following:		
Protect insurance commissions	**86,866**	101,552
Expenses paid to CEPU – Electrical, Energy and Services Division – VIC Branch/ ETU Victoria includes the following:		
Membership reimbursement	**524**	159
Reimbursement of travel expenses	**-**	345
Other operating costs	**-**	50
Amounts owed by CEPU – Electrical, Energy and Services Division – VIC Branch/ ETU Victoria includes the following:		
Protect insurance commissions	**8,223**	8,246

Note 11 Related Party Disclosures (Continued)

Note 11A: Related Party Transactions for the Reporting Period
Holders of office and related reporting units (Continued)

	2017	2016
	$	$
Revenue received from CEPU – Electrical, Energy and Services Division – SA Branch includes the following:		
Reimbursement of travel expenses	-	470
Revenue received from CEPU – Communications Division – TAS Branch includes the following:		
Reimbursement of administration expenses	-	6,456
Expenses paid to CEPU – CEPU – Communications Division – TAS Branch includes the following		
CEPU – Communications Division – TAS Branch		
Other operating costs	-	127
Revenue received from CEPU – Communications Division – includes the following:		
Reimbursement of travel expenses	-	9,472
Sundry income	-	136

Note 11 Related Party Disclosures (Continued)

Note 11A: Related Party Transactions for the Reporting Period
Holders of office and related reporting units (Continued)

	2017	2016
	$	$

Transfer of Assets from CEPU – Communications Division – TAS 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 CEPU - Communications Division – TAS 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 CEPU - Communications Division - TAS Branch occurred effective 11 August 2016. The assets and liabilities transferred included the following:

	2017	2016
Cash and cash equivalents	-	23,860
Property, plant and equipment	-	470,000
Trade and other payables	-	(9,135)
GST payable (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).

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2017, the Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2016: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates

Note 11 Related Party Disclosures (Continued)

Note 11A: Related Party Transactions for the Reporting Period
Holders of office and related reporting units (Continued)

	2017	2016
	$	$

Key Management Personnel

Key management personnel comprise those individuals who have the authority and responsibility for planning, directing and controlling the activities of the Branch. The Branch has determined key management personnel comprise of:

- Ken Mayes (Branch President)
- Trevor Gauld (Branch Secretary)
- Michael Anderson (Branch Assistant Secretary)
- All remaining members of the Committee of Management.

Note 11B: Key Management Personnel Remuneration for the Reporting Period

	2017	2016
Short-term employee benefits		
Salary (including annual leave taken)	**279,621**	308,517
Other	**-**	-
Total short-term employee benefits	**279,621**	308,517
Post-employment benefits:		
Superannuation	**40,925**	47,318
Total post-employment benefits	**40,925**	47,318
Other long-term benefits:		
Long-service leave	**6,326**	26,237
Total other long-term benefits	**6,326**	26,237
Termination benefits	**-**	-
Total	**326,872**	382,072

No other transactions occurred during the year with elected officers, close family members or other related parties than those related to their membership or employment and on terms no more favourable than those applicable to any other member of employee.

	2017 $	2016 $
Note 12 Remuneration of Auditors and Consultants		
Value of the services provided		
MGI Audit Pty Ltd and related entities		
Financial statement audit services	**13,000**	19,400
Other services	**-**	8,180
Total remuneration of auditors	**13,000**	27,580
Value of the services provided		
Sarah McCarthy & Associates		
Accounting and taxation services	**27,447**	17,783
Total remuneration of consultants	**27,447**	17,783
Total auditors and consultants remuneration	**40,447**	45,363

Note 13 Financial Instruments

Financial Risk Management Policy

The Committee of Management monitors the Branch's financial risk management policies and exposure and approves financial transactions entered into. It also reviews the effectiveness of internal controls relating to the counterparty credit risk, liquidity risk, market risk and interest rate risk. The Branch Committee of Management meets on a regular basis to review the financial exposure of the Branch.

(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 of the Branch. The Branch does not have any material credit risk exposures as its major source of revenue is the receipt of sustentation fees from state branches.

The maximum exposures to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of provisions) as presented in the statement of financial position.

The Branch 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 Branch.

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

The following table details the Branch'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 Branch 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 Branch.

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

Note 13 Financial Instruments (Continued)

Ageing of financial assets that were past due but not impaired for 2017

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	$	$	$	$	$
Trade and other receivables	8,223	-	-	-	8,223
Receivables from other reporting units	35,412	-	-	-	35,412
Total	**43,635**	-	-	-	**43,635**

Ageing of financial assets that were past due but not impaired for 2016

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	$	$	$	$	$
Trade and other receivables	8,509	-	-	-	8,509
Receivables from other reporting units	114,197	-	-	-	114,197
Total	122,706	-	-	-	122,706

The Branch has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties.

Credit risk related to balances with banks and other financial institutions is managed by the Committee of Management in accordance with approved policy. Such policy requires that surplus funds are only invested with counterparties with a strong reputation and backed by the Commonwealth Government's bank guarantee. At 31 December 2017, all funds were held by financial institutions backed by the Commonwealth Government's bank guarantee.

Collateral held as security

The Branch does not hold collateral with respect to its receivables at 31 December 2017 (2016: Nil).

Note 13 Financial Instruments (Continued)

(b) Liquidity Risk

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

- preparing forward looking cash flow estimates;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect an undiscounted contractual maturity analysis for non-derivative financial liabilities. The Branch does not hold directly any derivative financial liabilities.

Cash flows realised from financial assets reflect 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

Financial Instrument Composition and Maturity Analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	**2016**
	$	$	**$**	$	**$**	$	**$**	**$**
Financial liabilities due for payment								
Trade payables	**62,165**	13,396	-	-	-	-	**62,165**	13,396
Other payables	**54,831**	72,695	-	-	-	-	**54,831**	72,695
Total expected outflows	**116,996**	86,091	-	-	-	-	**116,996**	86,091
Financial assets – cash flow receivable								
Cash and cash equivalents	**933,894**	332,689	-	-	-	-	**933,894**	332,689
Trade and other receivables	**43,635**	122,706	-	-	-	-	**43,635**	122,706
Total anticipated inflows	**977,529**	455,395	-	-	-	-	**977,529**	455,395
Net inflow on financial instruments	**860,533**	369,304	-	-	-	-	**860,533**	369,304

Note 13 Financial Instruments (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 Branch is also exposed to earnings volatility on floating rate instruments.

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

	Weighted Average Effective Interest Rate			
	2017	2016	**2017**	**2016**
	%	%	**$**	**$**
Floating rate instruments				
Cash and cash equivalents	**0.65**	1.75	**933,894**	332,689

The Branch 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.

Sensitivity Analysis

The following table illustrates sensitivities to the Branch's exposures to changes in interest rates and equity prices. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit $	**Equity $**
Year ended 31 December 2017		
+1% in interest rates	**9,337**	**9,337**
-1% in interest rates	**(2,315)**	**(2,315)**
Year ended 31 December 2016		
+1% in interest rates	3,320	3,320
-1% in interest rates	(2,185)	(2,185)

No sensitivity analysis has been performed on foreign exchange risk as the Branch has no material direct exposures to currency risk. There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year

Note 13 Financial Instruments (Continued)

(c) Market Risk (continued)

ii. Foreign exchange risk
The Branch is not exposed to direct fluctuations in foreign currencies.

iii. Price risk
The Branch is not exposed to any material commodity price risk.

Note 14 Fair Value Measurements

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 Branch. 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 Branch.

Note 14 Fair Value Measurements (Continued)

The following table contains the carrying amounts and related fair values for the Branch's financial assets and liabilities:

	Footnote	2017 Carrying value	2017 Fair value	2016 Carrying value	2016 Fair value
		$	$	$	$
Financial assets					
Cash and cash equivalents	(i)	**933,894**	**933,894**	332,689	332,689
Accounts receivable and other debtors	(i)	**43,635**	**43,635**	122,706	122,706
Total financial assets		**977,529**	**977,529**	455,395	455,395
Financial liabilities					
Trade payables	(i)	**62,165**	**62,165**	13,396	13,396
Other payables	(i)	**54,831**	**54,831**	72,695	72,695
Total financial liabilities		**116,996**	**116,996**	86,091	86,091

The fair values disclosed in the above table have been determined based on the following methodologies:

(i) Cash and cash equivalents, accounts receivable and other debtors and accounts payable and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is outside the scope of AASB 139.

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 of liability, either directly or indirectly.

Note 14 Fair Value Measurements (Continued)

Fair Value Hierarchy (Continued)

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

The following 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 2017

	Note	Date of Valuation	Level 1	Level 2	Level 3
		$	$	$	$
Assets measured at fair value					
Land and Buildings – 105 New Town Road, New Town	**6A & 6B**	**25 Feb 2016**	**-**	**-**	**470,000**
Total			**-**	**-**	**470,000**

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

Fair value hierarchy – 31 December 2016

	Note	Date of Valuation	Level 1	Level 2	Level 3
		$	$	$	$
Assets measured at fair value					
Land and Buildings – 105 New Town Road, New Town	6A & 6B	25 Feb 2016	-	-	470,000
Land and buildings –94 Central Ave, Derwent Park	6A & 6B	25 Feb 2016	-	-	690,000
Total			-	-	1,160,000

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

Note 15 Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or Commission:

(1) A member of a reporting unit, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

(3) A reporting unit must comply with an application made under subsection (1).

Note 16 Branch Details

The registered office of the Branch is:

CEPU – Electrical Division – Tasmania Branch
105 New Town Road
NEW TOWN TAS 7008

Note 17 Segment Information

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

The Branch operates from one reportable geographical segment being the state of Tasmania.

Note 18 Other Acquisitions of Assets or Liabilities

During the financial year the Branch has not acquired an asset or liability as a result of:

(a) An amalgamation under Part 2 of Chapter 3 of the *Fair Work (Registered Organisations) Act 2009.*

(b) A restructure of Branches or Divisions of the organisation.

(c) A determination by the Commission under subsection 245(1) of the *Fair Work (Registered Organisations) Act 2009* of an alternative reporting structure for the organisation.

(d) A revocation by the Commission under subsection 249(1) of the *Fair Work (Registered Organisations) Act 2009* of a certificate issued to the organisation under subsection 241(1).

(e) A business combination.