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

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

MGI Audit (Q) Pty Ltd

G I Kent
Director

Launceston

12 May 2017

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

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

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

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

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

The accompanying notes form part of these financial statements

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

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

The accompanying notes form part of these financial statements

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

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

The accompanying notes form part of these financial statements

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

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Preparation

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

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

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

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

(a) Income Tax

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

(b) Property, Plant and Equipment

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

Property

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

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

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

(b) Property, Plant and Equipment (Continued)

Plant and equipment

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

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

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

Depreciation

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

The depreciation rates used for each class of assets are:

Class of Fixed Asset	*Depreciation Rate*
Buildings	2.5% - 4%
Plant and Equipment	35% - 50%
Motor Vehicles	33%

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

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

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

(c) Cash and Cash Equivalents

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

Amortised cost is calculated as:

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

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

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments (Continued)

Classification and subsequent measurement (Continued)

(ii) Loans and receivables

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

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

(*iii) Held-to-maturity investments*

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

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial Instruments (Continued)

Classification and subsequent measurement (Continued)

(iv) Available-for-sale financial assets

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

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

(v) Financial liabilities

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

Fair Value

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

Impairment

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

Derecognition

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

(e) Impairment of Assets

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Employee Benefits

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

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

(g) Provisions

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

(h) Leases

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

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

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

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

(i) Revenue

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

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

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

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Trade and Other Receivables

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

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

(k) Trade and Other Payables

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

(l) Borrowing Costs

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

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

(m) Goods and services tax (GST)

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

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

(n) Comparative Figures

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

(o) Critical accounting estimates and judgement

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

Key Estimates – Impairment

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Critical accounting estimates and judgement (Continued)

Key Judgements

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

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

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

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

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

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

(q) New Accounting Standards for application in Future Periods

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

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

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

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

The main changes are described below:

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

b. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.

c. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

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

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

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

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

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

- AASB 2016-2: The standard amends AASB 107 *Statement of Cash Flows* (August 2015) to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

- AASB 2016-4: Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities. This standard amends AASB 136 to remove references to depreciated replacement cost as a measure of value in use for not-for-profit entities and clarify that not-for-profit entities holding non-cash-generating specialised assets at fair value in accordance with AASB 13 [under the revaluation model in AASB 116 and AASB 138] no longer need to consider AASB 136. Not –for-profit entities holding such assets at cost will determine recoverable amounts using current replacement cost in AASB 13.

- AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 January 2018).

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

The main changes introduced by the new Standard include:

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

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

(r) Gains

Sale of assets

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

(s) Capitation fees and levies

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

(t) Contingent Liabilities and Contingent Assets

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

(u) Going Concern

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Acquisition of Assets and Liabilities

As detailed at Note 14, the Union acquired a number of assets and liabilities during the year as a result of:

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

(w) Recovery of Wages

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

(x) Fair Value Measurement

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

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

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

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

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) Fair Value Measurement

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

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

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

(a) Other Income

Other income comprises of the following:		
Financial support -CEPU Electrical Division (ETU National)	-	100,521
Other income	22,393	3,759
	22,393	104,280

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

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

NOTE 3 – EXPENSES (CONTINUED)

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

NOTE 4 – CASH AND CASH EQUIVALENTS

	2016 $	2015 $
Cash on hand	620	55
Cash at bank	332,069	556,840
	332,689	**556,895**

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

Credit Risk – Trade and Other Receivables

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

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

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

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

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

Collateral held as security

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

	2016	2015
NOTE 6 – OTHER CURRENT ASSETS	**$**	**$**
Prepayments	15,148	13,993
Merchandise	18,213	18,995
	33,361	**32,988**

NOTE 7 – PROPERTY, PLANT AND EQUIPMENT

	2016	2015
Land:		
At cost	-	113,000
At Valuation	473,088	-
Total land	473,088	113,000
Buildings:		
At cost	-	447,000
At Valuation	767,000	-
Accumulated depreciation	(96,229)	(80,088)
total buildings	670,771	366,912
Furniture, fittings and office equipment:		
at cost	79,903	79,903
accumulated depreciation	(71,468)	(61,953)
total furniture, fittings and office equipment	8,435	17,950
Motor vehicles:		
At cost	203,486	203,486
Accumulated depreciation	(167,454)	(126,978)
Total motor vehicles	36,032	76,508
Total property, plant & equipment	**1,188,326**	**574,370**

NOTE 7 – PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Movement in Carrying Amounts

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

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

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

NOTE 8 – TRADE AND OTHER PAYABLES

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

NOTE 9 – PROVISIONS

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

	$	$
Analysis of total provisions		
Current		
Provision for annual leave	69,534	88,647
Provision for long service leave	32,055	29,156
	101,589	**117,803**
Non-current		
Provision for long service leave	1,260	25,746
	1,260	**25,746**

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

Holders of Office		
- Annual leave	47,590	16,948
- Long service leave	26,237	29,156
- Separations and redundancies	-	-
- Other	-	-
	73,827	46,104
Employees other than office holders		
- Annual leave	21,944	71,699
- Long service leave	7,078	25,746
- Separations and redundancies		-
- Other		-
	29,022	97,445
Total Provisions	**102,849**	**143,549**

	Note	2016 $	2015 $

NOTE 10 –CASH FLOW INFORMATION

(a) Reconciliation of Cash and Cash Equivalents

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

	2016 $	2015 $
Cash on hand	620	55
Cash at bank	332,069	556,840
	332,689	**556,895**

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

	2016 $	2015 $
Surplus/ (deficit) after income tax	258,713	(197,794)
Non cash flows in surplus after income tax		
- Depreciation & amortisation	66,132	60,359
- Transfer of net assets in from CEPU – Communications Division – Tasmanian Branch	(479,989)	-
- Net gain on disposal of property, plant & equipment	-	(24,979)
Changes in assets and liabilities		
(Increase)/ decrease in trade receivables	(37,728)	(40,493)
(Increase)/ decrease on other assets	(373)	-
Increase)/ decrease on GST	(14,532)	-
Increase/ (decrease) in trade payables and accruals	411	(119,592)
Increase/ (decrease) in provisions	(40,700)	42,935
Net cash used in operating activities	**(248,066)**	**(279,564)**

(c) Non-cash financing and investing activities

There were no non-cash financing or investing activities undertaken by the Union during the year (2015: Nil)

	2016 $	2015 $
ANZ Credit Card Facility		
Used facility	6,269	5,358
Unused facility	9,731	10,642
Total facility	**16,000**	**16,000**
ANZ Direct Debit Facility		
Used facility	-	-
Unused facility	65,000	65,000
Total facility	**65,000**	**65,000**

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

NOTE 11 – COMMITMENTS AND CONTINGENCIES

		2016 $	2015 $
(a) Operating lease commitments – as lessee			
Receivable – minimum lease payments			
- not later than 12 months		29,819	28,950
- between 12 months and 5 years		28,153	57,972
- greater than 5 years		-	-
Minimum lease payments		**57,972**	**86,922**

(b) Contingent liabilities and commitments

There are no material contingent liabilities or commitments.

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

NOTE 12 –ACCOUNTANTS AND AUDITORS REMUNERATION

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

		2016 $	2015 $
(a) audit of the financial report of the Union			
- MGI Audit (Q) Pty Ltd (current year)		12,500	12,500
- MGI Audit (Q) Pty Ltd (completion of CEPU – Communications Division – Tasmania Branch audits)		6,900	-
		19,400	12,500
(b) other services			
- Sarah McCarthy & Associates		17,783	-
- Accounting and other services		-	4,345
- Tax and accounting services		8,180	2,255
		45,363	**19,100**

NOTE 13 – RELATED PARTY TRANSACTIONS

The Union's main related parties are as follows:

(a) Key Management Personnel

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

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

(b) Other Related Parties

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

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

(c) Transactions with Related Parties

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

	Note	2016	2015
		$	$

NOTE 14 –TRANSACTIONS WITH CEPU REPORTING UNITS

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

(a) National Office

	2016	2015
- *Revenue*		
Reimbursement of accommodation and travel costs	-	7,243
- *Expenditure*		
Sustentation fees	110,030	100,521
Reimbursement of National Journal costs	8,598	10,982
Reimbursement of wage costs	946	946
Other reimbursements		
Divisional Council & Officers Expenses	484	-
Subscription	4,170	2,727
Accommodation	3,485	891
Other	-	5,919

(b) CEPU – Electrical Division Victoria Divisional Branch

	2016	2015
- *Revenue*		
Protection Insurance Commissions	101,552	108,662
- *Expenditure*		
Reimbursement of membership dues	159	-
Reimbursement of accommodation and travel costs	345	-
Other	50	-

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

Note: The above transactions are all exclusive of GST

Transfer of Assets from Communications Division, Tasmanian Branch

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

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

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

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

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

NOTE 15 – KEY MANAGEMENT PERSONNEL

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

	Note	2016 $	2015 $
Short-term employee benefits		334,754	222,359
Post-employment benefits		47,318	25,910
Other long-term benefits		-	-
		382,072	**248,269**

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

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

(a) Key Management Personnel of the Union
The following persons were determined to be key management personnel of the Union during the year

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

NOTE 16 – EVENTS AFTER BALANCE DATE

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

NOTE 17 – FINANCIAL RISK MANAGEMENT

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

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

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

Financial Risk Management Policies

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

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

(a) Credit Risk

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

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

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

Credit Risk Exposures

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

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

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

NOTE 17 – FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity Risk

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

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

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

NOTE 17: FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial Liability and Financial Asset Maturity Analysis

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

NOTE 17 – FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market Risk

i. Interest Rate Risk

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

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

	Note	Weighted Average Effective Interest Rate 2016 %	Weighted Average Effective Interest Rate 2015 %	2016 $	2015 $
Floating rate instruments					
Cash and cash equivalents		1.04	2.23	332,689	556,895

ii. Foreign Exchange Risk

The Union is not exposed to fluctuations in foreign currencies.

iii. Price Risk

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

(d) Net Fair Values

Fair value estimation

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

(e) Sensitivity Analysis

Interest rate risk

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

Interest rate sensitivity analysis

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

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

NOTE 17 – FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Fair Values

Fair value estimation

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

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

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

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

Fair Value Hierarchy

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

Level 1
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2
Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset of liability, either directly or indirectly.

Level 3
Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market 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.

NOTE 17 – FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Fair Values (continued)

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

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

Fair value hierarchy – 31 December 2016

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

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

Fair value hierarchy – 31 December 2015

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

NOTE 18 – SEGMENT INFORMATION

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

The Union operates from one reportable geographical segment being Australia.

NOTE 19 – UNION DETAILS

The Union operates from:

105 New Town Road
NEW TOWN TAS 7008

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

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

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

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

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

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

The purposes for which the Union are established are:

(a) To advance the trade interests of members and secure a proper classification of the workers in the industry.

(b) To obtain adequate pay for its members and the institution and maintenance of the apprenticeship system.

(c) To afford legal protection to its members in industrial matters.

(d) To establish and maintain an employment bureau for electrical workers.

(e) To publish a trade union journal or newspaper.

(f) To establish a Branch or Branches of the Union and Sub-Branches of Branches and Agencies of Branches.

(g) To organise the electrical workers into Branches or Sub-Branches of the Union throughout the Commonwealth of Australia.

(h) To financially assist Branches and Sub-Branches.

(i) To provide for the acquisition or leasing of property.

(j) To secure preference of employment of Unionists.

(k) To advance the living and working conditions of workers and their families, and to assist kindred Unions and to support other bodies having these objects, and such projects for the advancement of Labor as the Union may determine.

(l) The abolition and prevention of contract and piecework schemes and the restriction and control of incentive and bonus systems in industry.

(m) To establish funds to assist members in distress through sickness or accident or who are lawfully out of employment.

(n) To make financial provision for carrying out the objects set out herein.

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

(o) To make such provision for superannuation payments or retiring allowances and/or long service leave to full-time officers and/or employees of the Union as the Union may determine.

(p) To establish a fund for sustenance of members involved in industrial disputes.

(q) To establish an Electrical Workers' Award.

(r) To provide legal representation for:

  (i) A member in a compensation claim and/or action for damages arising out of injuries sustained in the course of his employment.

  (ii) Dependants of a deceased member at an inquest or inquiry in a compensation claim and/or action for damages arising from the death of a member.

NOTE 21 – COMPULSORY LEVY FUNDS

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

NOTE 22 – RESERVES

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