

Independent Auditor's Report to the members of Primary Employers Tasmania

Opinion

We have audited the financial report of Primary Employers Tasmania Inc (the Reporting Unit), which comprises the Statement of Financial Position as at 31 December 2022, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, subsection 255(2A) report, Officer's Declaration Statement.

In our opinion, the accompanying financial report presents fairly, in all material respects, the Reporting Unit's financial position as at 31 December 2022 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the Reporting Unit's Constitution and the requirements imposed by Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.

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

Basis for Opinion

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 Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

Other Information

The Committee of Management is responsible for the other information and accordingly we do not express any form of assurance conclusion thereon.

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

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 our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the Other Information obtained prior to the date of this auditor's report, we conclude that there is 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 Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009*, 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 are responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are 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 our 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 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the Committee of Management's use of the going

concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If 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 Reporting Unit to cease to continue as a going concern.

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

We communicate with the Committee of Management, 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.

Other

Andrew Gray is an approved auditor under section 256 of the *Fair Work (Registered Organisations) Act 2009*. He is a member of the Chartered Accountants Australia and New Zealand (CAANZ) and holds a current Public Practice Certificate.

Newton & Henry

Newton & Henry



Andrew Gray

Partner

Launceston

16 May 2023

RO Number: AA2022/13



Financial Report

**1 January 2022
to
31 December 2022**

Primary Employers Tasmania Financial Statements 2022

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Primary Employers Tasmania

Report required under subsection 255(2A)

for the year ended 31 December 2022

The committee of management presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 31 December 2022.

Descriptive form

Categories of expenditures	2022 (\$)	2021 (\$)
Remuneration and other employment-related costs and expenses – employees	201,662	213,189
Advertising	198	110
Operating costs	182,099	235,767
Donations to political parties	–	–
Legal costs	–	–

Signature of designated officer:..... 

Name and title of designated officer: BENJAMIN F GRUBB

Dated: 9 February 2023

PRIMARY EMPLOYERS TASMANIA

Operating report for the year ended 31 December 2022

The committee of management presents its operating report on the reporting unit for the year ended 31 December, 2022.

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

The principal activities for Primary Employers Tasmania during 2022 have been to represent the Workplace Relations interests of employers engaged in the agricultural, fruit growing, vineyard, livestock, dairying and vegetable industries situated in Tasmania, plus the provision of shearer/wool handler training and on-line workplace health and safety training.

This involves providing advice in respect of the *Fair Work Act 2009* and the awards, including rates of pay and conditions, negotiations with the relevant unions, advocacy before Fair Work Ombudsman and the Fair Work Commission, negotiations and advice in respect of Workplace Health and Safety Legislation and training for the Tasmanian Wool Industry.

Significant changes in financial affairs

There have not been any significant changes to the financial affairs of the Association during the year ended 31st December 2022.

Right of members to resign

The right of members to resign from the Association is in accord with Clause 13 of its Rules which states:

13.0 MEMBERSHIP RESIGNATION

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

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

(a) where the member ceases to be eligible to become a member of the Association:

*(i) on the day on which the notice is received by the Association;
or*

(ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;

whichever is later; or

(b) in any other case:

(i) at the end of 2 weeks after the notice is received by the Association; or

(ii) on the day specified in the notice; whichever is later.

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

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

13.5 A notice of resignation that has been received by the Association is not invalid because it was not addressed and delivered in accordance with Rule 13. 1.

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

Officers or members who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such position

The Association does not have any member of its staff or Committee of Management who is:

- (i) a Trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (ii) a Director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme; and

where a criterion for the officer being the trustee or director is that the officer or member is an officer or member of a registered organisation.

Number of members

Year		Year	
2022	485	2021	475

Number of employees

Year		Year	
2022	1.6 FTE	2021	1.6 FTE

Names of committee of management members and period positions held during the financial year

President:

From 1 January 2022 to 31 December, 2022 Ben Grubb

Vice President:

From 1 January 2022 to 31 December, 2022, Stephanie Terry

Treasurer:

From 1 January, 2022 to 31 December, 2022 Melissa Fergusson

Executive Committee:

From 1 January, 2022 to 31 January, 2022 Warwick O'Connor

From 9 June, 2022 to 31 December, 2022 Ailsa Hooper
Monique Lubiana

From 1 January, 2021 to 31 December, 2022 Marcus Dornauf
Katrina Gofton
Marcus James
Ferdie Foster
Melissa Fergusson
Ben Grubb
Stephanie Terry
Sophie Greenacre

Signature of designated officer: 

Name and title of designated officer: Ben Grubb,

Dated: 

PRIMARY EMPLOYERS TASMANIA

Committee of Management Statement

for the year ended 31 December, 2022

On 9 February, 2023 the Executive Committee of *Primary Employers Tasmania* passed the following resolution in relation to the General Purpose Financial Report (**GPFR**) for the year ended 31 December, 2022:

The Committee declares that in its opinion:

- a) the financial statements and notes comply with the Australian Accounting Standards;
- b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the **RO Act**);
- 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 including the rules of a branch concerned; and
 - ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - iii. the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - 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 with each of the other reporting units of the organisation; and
 - v. where information has been sought in any request by a member of the reporting unit or the Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and
 - vi. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

This declaration is made in accordance with a resolution of the committee of management.

Signature of designated officer:



Name and title of designated officer: Ben Grubb, President

Primary Employers Tasmania
Statement of comprehensive income
for the year ended 31 December 2022

	Notes	2022 \$	2021 \$
Revenue from contracts with customers			
Membership subscriptions*	3	214,955	222,064
Capitation fees and other revenue from another reporting unit*			-
Levies*			-
Revenue from recovery of wages activity*		-	-
Other sale of services to members		4,140	5,620
Total revenue from contracts with customers		219,095	227,684
Income for furthering objectives			
Grants and/or donations*	3A	93,036	138,659
Income recognised from volunteer services*			-
Total income for furthering objectives		93,036	138,659
Other income			
Revenue from recovery of wages activity*			-
Other income	3B	64,596	66,051
Total other income		64,596	66,051
Total income		376,727	432,394
Expenses			
Employee expenses*	4A	201,662	213,189
Capitation fees and other expense to another reporting unit*		-	-
Affiliation fees*	4B	6,000	6,000
Administration expenses	4C	67,493	82,854
Project expenses	4D	100,594	138,222
Grants or donations*	4E	1,200	1,200
Depreciation and amortisation	4F	4,110	4,851
Legal costs*		-	-
Audit fees	14	2,900	2,750
Total expenses		383,959	449,066
Surplus (deficit) for the year		(7,232)	(16,672)
Other comprehensive income		-	-
		(7,232)	(16,672)

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

Primary Employers Tasmania
Statement of financial position
as at 31 December 2022

ASSETS	Notes	2022	2021
		\$	\$
Current assets			
Cash and cash equivalents	5A	474,993	525,865
Trade and other receivables*	5B	9,290	75,448
Total current assets		484,283	601,313
Non-current assets			
Property, plant and equipment	6A	35,390	-
Total non-current assets		35,390	-
Total assets		519,673	601,313
LIABILITIES			
Current liabilities			
Trade payables*	7A	4,035	3,769
Other payables*	7B	57,056	25,300
Employee provisions	8A	16,154	32,212
Contract liabilities			76,340
Total current liabilities		77,245	137,621
Non-current liabilities			
Employee provisions	8A	-	-
Total non-current liabilities		-	-
Total liabilities		77,245	137,621
Net assets		442,428	463,692
EQUITY			
General fund/retained earnings		379,861	387,092
Reserves	9A	62,567	76,600
Total equity		442,428	463,692

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

Primary Employers Tasmania
Statement of changes in equity
for the year ended 31 December 2022

	Notes	General funds / reserves \$	Retained Earnings \$	Total equity \$
Balance as at 1 January 2021		76,600	387,092	463,692
Adjustment for errors		-	-	-
Adjustment for changes in accounting policies		-	-	-
Adjusted Balance as at 31 December 2021		76,600	387,092	463,692
Surplus / (deficit)				
Other comprehensive income		-	-	-
Transfer to/from		-	-	-
Transfer from retained earnings	9A	-	-	-
Closing balance as at 31 December 2021		-	-	-
		76,600	387,092	463,692
Adjustment for errors				
Surplus / (deficit)			(7,231)	(7,231)
Other comprehensive income		-		-
Transfer to/from scholarships	9A	(14,033)		(14,033)
Transfer from retained earnings		-	-	-
Closing balance as at 31 December 2021		-	-	-
		62,567	379,861	442,428

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

Primary Employers Tasmania
Statement of cash flows
for the year ended 31 December 2022

	Notes	2022	2021
OPERATING ACTIVITIES		\$	\$
Cash received			
Receipts from customers		260,568	268,217
Donations and Grants		136,247	143,500
Receipts from other reporting unit/controlled entity(s)*		396,815	-
Cash used			
Employees		162,162	213,189
Investing - Motor vehicle		39,500	
Suppliers		245,949	260,146
Payment to other reporting units/controlled entity(s)*		-	-
Net cash from (used by) operating activities	10A	<u>(50,796)</u>	<u>(61,618)</u>
Net increase (decrease) in cash held		<u>(50,796)</u>	<u>(61,618)</u>
Cash & cash equivalents at the beginning of the reporting period		<u>525,790</u>	<u>587,408</u>
Cash & cash equivalents at the end of the reporting period	5A	<u>474,994</u>	<u>525,790</u>

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

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* (**RO Act**). For the purpose of preparing the general purpose financial statements Primary Employers Tasmania a not-for-profit entity.

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. The financial statements have been prepared on a historical cost basis, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

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 estimate

There are no significant accounting judgements and estimates identified that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period during the financial year 1 January 2022 to 31 December 2022.

New Australian Accounting Standards

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

Impact on adoption of AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

1.4 Current versus non-current classification

Primary Employers Tasmania presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. Primary Employers Tasmania classifies all other liabilities as non-current.

1.5 Revenue

Primary Employers Tasmania enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, grants, and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Revenue from contracts with customers

Where Primary Employers Tasmania has a contract with a customer, Primary Employers Tasmania recognises revenue when or as it transfers control of goods or services to the customer. Primary Employers Tasmania accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

Membership subscriptions

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of *Primary Employers Tasmania*.

If there is only one distinct membership service promised in the arrangement, Primary Employers Tasmania recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect Primary Employers Tasmania promise to stand ready to provide assistance and support to the member as required.

For member subscriptions paid annually in advance, Primary Employers Tasmania has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from Primary Employers Tasmania at their standalone selling price, Primary Employers Tasmania accounts for those sales as a separate contract with a customer.

Income of Primary Employers Tasmania as a Not-for-Profit Entity

- Consideration is received by Primary Employers Tasmania to enable the entity to further its objectives Primary Employers Tasmania recognises each of these amounts of consideration as income when the consideration is received (which is when Primary Employers Tasmania obtains control of the cash) because, based on the rights and obligations in each arrangement the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and
- Primary Employers Tasmania recognition of the cash contribution does not give rise to any related liabilities
- Primary Employers Tasmania receives cash consideration from the following arrangements whereby that consideration is recognised as income upon receipt:
 - government grants.

Interest income

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

Rental income

Primary Employers Tasmania did not have any leases so did not receive any rental income during the year 1 January 2022 to 31 December 2022.

1.6 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 Primary Employers Tasmania 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. Primary Employers Tasmania 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.

1.7 Leases

Primary Employers Tasmania did not have any leases of any type during the reporting period 1 January 2022 to 31 December 2022.

1.8 Borrowing costs

Primary Employers Tasmania did not have any borrowing costs during the reporting period 1 January 2022 to 31 December 2022.

1.9 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.

1.10 Financial instruments

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

1.11 Financial assets

Primary Employers Tasmania did not have any contract financial assets during reporting period 1 January 2022 to 31 December 2022.

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, fair value through other comprehensive income, or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and Primary Employers Tasmania's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, Primary Employers Tasmania initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortized cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest' (**SPPI**) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Primary Employers Tasmania's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e. the date that Primary Employers Tasmania commits to purchase or sell the asset.

Primary Employers Tasmania measures financial assets at amortized cost if both of the following conditions are met:

1.12.1 Financial assets at fair value through profit or loss (including designated)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss

1.12.2 Trade receivables

For trade receivables that do not have a significant financing component Primary Employers Tasmania applies a simplified approach in calculating ECLs which requires lifetime ECLs to be recognised from initial recognition of the receivables.

Therefore, Primary Employers Tasmania] does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. Primary Employers Tasmania has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

1.12 Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortized cost or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortized cost, net of directly attributable transaction costs.

Primary Employers Tasmania's financial liabilities include trade and other payables.

1.13 Liabilities relating to contracts with customers

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before Primary Employers Tasmania transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when Primary Employers Tasmania performs under the contract (i.e. transfers control of the related goods or services to the customer).

1.14 Liabilities relating to contracts with customers

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before Primary Employers Tasmania transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when Primary Employers Tasmania performs under the contract (i.e. transfers control of the related goods or services to the customer).

1.15 Contingent liabilities and contingent assets

Primary Employers Tasmania did not have a contingent liabilities during the reporting period 1 January 2022 to December 2022, Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the relevant notes.

1.16 Impairment of non-financial assets

Primary Employers Tasmania did not have any impairment of non-financial assets during reporting period 1 January 2022 to 31 December 2022.

1.17 Taxation

Primary Employers Tasmania is exempt from income tax under section 50.1 of the *Income Tax Assessment Act 1997* however still has an 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 (**ATO**); 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 ATO is classified within operating cash flows.

1.18 Fair value measurement

Primary Employers Tasmania measures financial instruments, such as, financial assets as at fair value through profit or loss, financial assets at fair value through other comprehensive income, 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 amortized cost are disclosed in Note 16A *Financial assets and liabilities*.

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 Primary Employers Tasmania. 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.

1.19 Going concern

Primary Employers Tasmania is not reliant on the agreed financial support of any another entity to continue on a going concern basis.

Note 2 Events after the reporting period

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of Primary Employers Tasmania the results of those operations, or the state of affairs of Primary Employers Tasmania in subsequent financial period

Note 3 Revenue & Income

Disaggregation of revenue from contracts with customers

A disaggregation of Primary Employer Tasmania revenue by type of arrangement is provided on the face of the Statement of Comprehensive Income. The table below also sets out a disaggregation of revenue by type of customer.

	2022	2021
	\$	\$
Type of Customer		
Members	219,095	227,684
Government	93,036	138,659
Other Parties	64,598	66,051
Total revenue from contracts with customers	377,729	432,394

Note 3A: Grants and donations*

	2022	2021
	\$	\$
Grants	93,036	138,659
Donations	-	-
Total grants and donations	93,036	138,659

Note 3B: Other Income

	2022	2021
	\$	\$
Wool Development Project Management	5,384	15,000
AgCard non- grant 2022 funds	32,153	35,606
Wool Development Training	8,635	1,636
Advice to non-members	2,925	627
Sale of equipment (not on assets register)	-	2,000
Bank Interest	275	17
Newsletter sponsorship	13,256	11,165
Farmsafe Long Lunch funds	1,970	-
Total grants and donations	64,598	66,051

Note 4 Expenses

Note 4A: Employee expenses*

	2022 \$	2021 \$
Holders of Office	-	-
Wages & Salaries	-	-
Superannuation	-	-
Leave & other entitlements	-	-
Separation & redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses -holders of office	-	-
Employees other than office holders		
Wages & Salaries	181,561	187,431
Superannuation	20,107	19,583
Leave & other entitlements	(868)	1,134
Separation & redundancies	-	-
Other employee expenses	862	5,141
Subtotal employee other than office holders	201,662	213,189
Total Employee expenses	201,662	213,189

Note 4B: Affiliation fees*

	2022 \$	2021 \$
National Farmers Federation	5,500	5,500
Tasmanian Agricultural Productivity Group	500	500
Total grants and donations	6,000	6,000

Note 4C: Administration Expenses

	2022 \$	2021 \$
Compulsory levies*	-	-
Fees/allowances – meetings & conferences*	13,566	13,000
Conferences & meeting expenses*	10,512	5,547
Contractors / consultants	13,200	34,440
Office expenses	23,423	28,110
Information communication technology	6,792	1,757
Total administration expenses	67,493	82,854

Note 4D: Project Expenses

	2022 \$	2021 \$
Wool Development Grant expenses 2022	67,049	138,222
AgCard project expenses 2022	18,320	-
Newsletter expenses 2022	13,255	-
Farmsafe Long Lunch expenses	1,970	-
Total project expenses	100,594	138,222

Note 4E: Grants & donations *

	2022 \$	2021 \$
Grants		
Total expensed that were less than \$1,000	-	-
Total expensed that exceeded \$1,000	-	-
Donations		
Total expensed that were less than \$1,000	-	-
Total expensed that exceeded \$1,000	1,200	1,200
Total grants & donations	1,200	1,200

Note 4F: Depreciation

	2022 \$	2021 \$
Property plant & equipment-motor vehicle & furniture & fittings	4,110	4,851
Total depreciation	4,110	4,851

Note 4G: Legal costs*

	2022 \$	2021 \$
Litigation	-	-
Other legal costs	-	-
Total legal costs	-	-

Note 5 Current Assets**Note 5A: Cash & cash equivalents**

	2022 \$	2021 \$
Cash at bank	474,993	525,865
Total cash & cash equivalents	474,993	525,865

Note 5B: Trade & other receivables

	2022 \$	2021 \$
Receivables from other reporting units*	-	-
Less Allowance for expected credit losses*	-	-
Receivable from other reporting units	-	-
Other receivables		
GST receivable	-	-
Other	9,290	75,448
Total trade & other receivables net	9,290	75,448

Primary Employers Tasmania has recognized the following assets & liabilities related to contract with customers:	2022 \$	2021 \$
Receivables		
Receivables - current	9,290	75,448
Receivables – noncurrent	-	-

Note 6 – Non - Current Assets

Note 6A: Property, Plant & Equipment

	2022 \$	2021 \$
Property, Plant & Equipment		
Carrying amount	75,138	35,638
Accumulated depreciation	39,748	35,638
Total Property, Plant & Equipment	35,390	-

Reconciliation of opening & closing balances of property, plant & equipment

	2022 \$	2021 \$
Net book value 1 January	-	4,851
Depreciation expense	(4,110)	(4,851)
Other movement	39,500	-
Disposals	-	-
Other receivables		
GST receivable	-	-
Other	-	-
Net book value 31 December	35,390	-
Net book value 31 December represented by		
Gross book value	39,500	-
Accumulated depreciation & impairment	(4,110)	-
Net book value 31 December	35,390	-

Note 7 Current liabilities

Note 7A: Trade payables*

Primary Employers Tasmania settles trade creditors accounts within 30 days

	2022 \$	2021 \$
Trade creditors & accruals	4,035	3,769
Payables to other reporting units*	-	-
Total trade payables	4,035	3,769

Note 7B: Trade payables

	2022	2021
	\$	\$
Wages and salaries	-	-
Superannuation	7,255	5,444
Payable to employers for making payroll deductions of membership subscriptions*	-	-
Legal costs*	-	-
Litigation	-	-
Other legal costs	-	-
GST payable	2,919	1,750
Other	46,881	18,106
Total other payments	57,055	25,300
Total other payments are expected to be settled in:	-	
No more than 12 months	57,055	25,300
More than 12 months	-	-
Total other payments	57,055	25,300

Note 8 Provisions**Note 8A: Employee provisions***

	2022	2021
	\$	\$
Holders of Office	-	-
Annual leave	-	-
Long service leave	-	-
Separation & redundancies	-	-
Other	-	-
Subtotal employee provisions -holders of office	-	-
Employees other than office holders		
Annual leave	16,154	32,212
Long Service leave	-	-
Separation & redundancies	-	-
Other	-	-
Subtotal employee other than office holders	-	-
Total Employee provisions	16,154	32,212
Current	16,154	32,212
Non-current	-	-
Total Employee provisions	16,154	32,212

Note 9 Equity

Note 9A: General funds*

	2022	2021
	\$	\$
Training Reserve	76,600	133,730
Balance at the start of the year		
Transfer to general fund	-	-
Transfer out of general fund	(14,033)	(57,130)
Balance at the end of the year	62,567	76,600
Total general funds	62,567	76,600

Note 10– Cash Flow

Note 10A: Cash Flow reconciliation

Reconciliation of cash and cash equivalents as per balance sheet to cash flow statement:

	2022	2021
	\$	\$
Cash and cash equivalents as per:		
Cash flow statements	(50,796)	(61,618)
Balance Sheet	50,796	61,618
Difference	-	-

Reconciliation of profit/deficit to net cash from operating activities:

	2022	2021
	\$	\$
Profit/deficit for the year	(7,231)	(16,672)
Adjustment for nonprofit items	-	-
Depreciation	4,110	4,841
Purchase of assets	(39,500)	-
Training Reserve	(13,974)	-
Changes in assets & liabilities	-	-
(increase) /decrease in net receivables	67,078	145,328
(increase) /decrease in prepayments	(920)	3,278
(increase) /decrease in supplier payables	(44,290)	(201,575)
(increase) /decrease in employee provisions	(16,069)	3,182
Net cash from (used by) operating activities	(50,796)	(61,618)

Note 10B: Cash flow information*

	2022	2021
	\$	\$
Cash inflows		
Primary Employers Tasmania	396,815	411,696
Total cash inflows	396,815	411,696
Cash outflows		
Primary Employers Tasmania	447,611	473,314
Total cash outflows	447,611	473,314

Note 11 Related Party Disclosures**Note 11A: Related party transactions for the reporting period**

	2022	2021
	\$	\$
Revenue received from related parties	-	-
Expenses paid to related parties includes the following:	-	-
Allowances to Office Holders	9,000	13,000
Amounts owed by related parties	-	-
Amounts owed to related parties	-	-
Loans from/to related parties	-	-
Assets transferred from.to related parties	-	-
Net book value 31 December	9,000	13,000

Note 11B: Key management personnel remuneration for the reporting period

	2022	2021
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	133,486	125,071
Annual leave accrued	(868)	1,135
Superannuation	16,750	12,828
Total short-term employee benefits	149,368	139,034
Post-employment benefits		
Superannuation	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Total	149,368	139,034

Note 11C: Transactions with key management personnel and their close family members

	2022	2021
	\$	\$
Loans to/from key management personnel	-	-
Other transactions with key management personnel	-	-

Note 12: Remuneration of auditors - Preece Accounting

	2022	2021
	\$	\$
Value of the services provided		
Financial Statement audit services	2,900	2,750
Other services	-	-
Total remuneration of auditors	2,900	2,750

Note 13: Financial Instruments**Note 13A: Categories of Financial Instruments**

	2022	2021
	\$	\$
Financial assets		
Amortised cost through profit or loss:		
Cash	474,993	525,864
Receivables	9,290	75,448
Total	484,283	601,313
At amortised cost	-	-
Total	484,283	601,313
Amortised cost through other comprehensive income	-	-
Carrying amount of financial assets	484,283	601,313
Financial liabilities		
Amortised cost through profit or loss:		
Payables	57,055	25,300
Other financial liabilities	-	-
Carrying amount of financial liabilities	57,055	25,300
Net gain (loss) at fair value through profit or loss	-	-
Net gain (loss) at from financial liabilities	-	-

Note 13B: Credit risk

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2022	2021
	\$	\$
Financial assets		
Receivables	9,290	75,448
Total	9,290	75,448
Financial liabilities		
Payables	57,055	25,300
Total	57,055	25,300

Set out below is the information about the credit risk exposure on financial assets using a provision matrix:

	Trade & other receivables					
	Days past due					
31 December 2021	Current	<30 days	30-60 days	61-90 days	>91 days	Total
Expected credit loss rate	-	-	-	-	-	-
Estimate total gross	-	-	-	-	-	-
Carrying amount at default	-	-	-	-	-	-
Expected credit loss	-	-	-	-	-	-

31 December 2022						
Expected credit loss rate	-	-	-	-	-	-
Estimate total gross	-	-	-	-	-	-
Carrying amount at default	-	-	-	-	-	-
Expected credit loss	-	-	-	-	-	-

Primary Employers Tasmania's maximum exposure to credit risk for the components of the statement of financial position as at 31 December 2023 and 2022 is the carrying amounts as illustrated above. Primary Employers Tasmania collects receivables in 30 days or less and settles payables in less than 30 days.

Note 14– Administration of financial affairs by a third party

Name of entity providing service:	Synectic Group
Terms & conditions:	Commercial consulting
Nature of services:	Bookkeeping

	2022	2021
	\$	\$
Detailed Breakdown of revenues collected and/or expenses incurred		
Expenses		
Bookkeeping	3,040	18,650
Total	3,040	18,650

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 Commissioner:

- 1) A member of a reporting unit, or the Commissioner, may apply to Primary Employers Tasmania for specified prescribed information in relation to Primary Employers Tasmania 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) Primary Employers Tasmania must comply with an application made under subsection (1).