



13 December 2021

Ms Karen Batt
Secretary
Community and Public Sector Union-SPSF Group, Victorian Branch

By e-mail: enquiry@cpsuVIC.org

Dear Ms Batt

Community and Public Sector Union-SPSF Group, Victorian Branch
Financial Report for the year ended 30 June 2021 - FR2021/75

I acknowledge receipt of the financial report for the year ended 30 June 2021 for the Community and Public Sector Union-SPSF Group, Victorian Branch (**the reporting unit**). The financial report was lodged with the Registered Organisations Commission (**ROC**) on 6 December 2021.

The financial report has now been filed.

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

Please note that the financial report for the year ending 30 June 2022 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these matters have been addressed prior to filing next year's report.

1. Rotation of registered auditor

You must rotate your registered auditor

Correspondence was provided to the reporting unit on 11 June 2021, which alerted you that your registered auditor is approaching their statutory limit on how many consecutive financial years they are permitted to audit your financial report. The financial report lodged identifies that Ian Hinds was the reporting unit's registered auditor for this financial year. Our records indicate that

you have now used your current registered auditor for five consecutive financial years, which is the statutory limit under section 256A.

Please ensure that Ian Hinds is not assigned to audit the financial report of the reporting unit for at least the following two financial years. Further information on the rotation of registered auditor requirement can be found on the ROC website.

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements. The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting guidelines and Australian Accounting Standards.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 9603 0707 or by email at ken.morgan@roc.gov.au

Yours faithfully

A handwritten signature in black ink, appearing to read 'K. Morgan', written in a cursive style.

KEN MORGAN
Financial Reporting Specialist
Registered Organisations Commission



3rd December 2021

Registered Organisations Commission

Fair Work Australia

Level 5

11 Exhibition Street

MELBOURNE VIC 3000

By Email: regorgs@roc.gov.au

To Whom It May Concern

RE: CPSU/SPSF Group, Victorian Branch – 2020 / 2021 Financial Report

Please find attached the Financial Report for the year ended 30 June 2021 for the CPSU/SPSF Group Victorian Branch as required under section 268 of the Fair Work (Registered Organisations) Act 2009.

If you require any further information, please contact Gosia Mostowska on 03 9639 1822.

Yours faithfully

Karen Batt

State Secretary

Section 268 of the Fair Work (Registered Organisations) Act 2009


Certificate by Prescribed Designated Officer

Certificate for the period ended 30 June 2021

I, Karen Batt, being the State Secretary of the Community and Public Sector Union, SPSF Group Victorian Branch certify:

- that the documents lodged herewith are copies of the full financial report for the CPSU SPSF Group Victorian Branch for the period ended 30th June 2021 referred to in section 268 of the Fair Work (Registered Organisations) Act 2009; and
- that the audited full financial report and operating report had been published on 26th November 2021 on the reporting unit's web site, www.cpsuvic.org ; and
- that a full financial report was presented to a Committee of Management at the 2nd meeting of the reporting unit on 29th November 2021 in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

Signature:



Name:

KAREN BATT

Title:

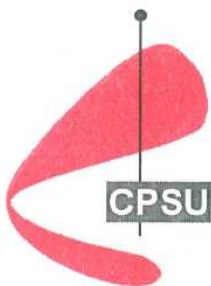
State Secretary

Date:

3rd December 2021

**COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN
BRANCH
ABN 38 968 067 748**

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**



COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH
ABN 38 968 067 748

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This financial report covers the Community and Public Sector Union SPSF Group Victorian Branch as an individual entity.
The financial report is presented in the Australian currency.

The Community and Public Sector Union SPSF Group Victorian Branch is a registered body under the *Fair Work (Registered Organisations) Act 2009* and is domiciled in Australia.

The principal place of business is:

Community and Public Sector Union SPSF Group Victorian Branch
Level 4,
128 Exhibition Street
MELBOURNE VIC 3000

The financial report was authorised for issue by the Branch Executive on 23 November 2021.

COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH
ABN 38 968 067 748

OPERATING REPORT

Your Branch Committee of Management present their report on the Community and Public Sector Union SPSF Group Victorian Branch (The Branch) for the financial year ended 30 June 2021.

Members of Branch Committee

The names of the members of the branch council in office at any time during or since the end of the financial year are:

Branch Councillors from 2020

Baldwin, Catherine	From 22-Dec-2020	Makepeace, Hilary	From 22-Dec-2020
Batesmith, Travis		Marcucci, Aiden	
Brosnan, Jessica	From 23-Feb-2021	Marmara, Charlie	From 22-Dec-2020
Cerezo, Rheimia		O'Brien, Anne	From 22-Dec-2020
Comeros, Chris		Patterson, Stephen	From 22-Dec-2020
Crouch, Dean	From 22-Dec-2020	Perry, Christopher	
Crump, Aaron		Poel, Kathleen	
Dann, Rachel		Sallama, Candice	From 22-Dec-2020
Francine Philip	From 22 Dec 2020 to 30 April 2021	Shepherd, Ashley	
Grant, Ross	From 22-Dec-2020	Smith, Meaghan	
Grobisa, Marina	From 23-Mar-2021	Snowdon, Eleanor	
Gullan, Leah	From 22-Dec-2020	Trait, Adrian	
Healy, Greg	From 23-Mar-2021	Tran, Celia	
Laurie, Maggie		Van Winden, Aaron	
Lehmann, Adam		Walsh, Stephen	From 23-Mar-2021
Letica, Aaron	From 22-Dec-2020		

Branch Councillors who left office

Ahlip, Jihad	Until 23 Feb 2021	Novoselek, Stephen	Until 22 Dec 2020
Forster, Lex	Until 22 Dec 2020	Sharples, Judy	Until 23 Feb 2021
Harrison, Jane	Until 23-Mar-2021	Silverman, Shosh	Until 23-Mar-2021
Milne, John	Until 8 April 2021	Wilkinson, Vicki	Until 22 Dec 2020

Branch Executive

Karen Batt – Branch Secretary
 Peter Lillywhite - President
 Carol Bakker - Vice President

Wayne Townsend – Assistant Branch Secretary
 Gary Greaves – Vice President until 22 Dec 2020
 Mark Halden – Vice President from 22 Dec 2020

Members have been in office since the start of the financial year to the date of this report unless otherwise stated

COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH
ABN 38 968 067 748

OPERATING REPORT (Continued)

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

The Covid19 pandemic continued to have a significant impact on the union's operations during 2020-2021. Since March 2021 the union has been required to operate remotely due to public health restrictions. Union employees and officials have been required to work from home. Workplace visits, meetings, negotiations, training, and dispute resolution processes have needed to be conducted remotely via various video meeting platforms including Zoom and Microsoft Teams. Work from the union office has only been possible for limited periods of time.

Monthly Branch Executive and Branch Council have been held via Zoom and via Onboard website for papers. Union elections were suspended by the Australian Electoral Commission (AEC). Uncontested Officer and Branch Council positions were able to be declared on 22 December 2020. Contested elections were concluded by 23 March 2021. Federal Council elections were concluded 21 July 2021.

During the year the union updated its phone system to VOIP to replace an obsolete phone system and give better functionality to facilitate remote working.

Victoria's response to the Covid 19 pandemic has had a far reaching impact on the work of the union's members. CPSU has been actively involved in representing members to address the challenges of responding to the pandemic.

Activities

CPSU and the Department of Justice and Community Safety have regular consulted about the quarantine hotel program as Victoria respond to the pandemic.

CPSU was successful in ensuring Prison Officers are recognised as essential workers in a critical industry during Covid response and their permits will reflect this while negotiating a higher duties payment for eligible prison officers and frontline youth justice staff who have completed specialist Infection Control and PPE training to either work within units dedicated to managing COVID inmates or where their role interacts with suspected or confirmed cases.

Occupational violence continues to be an issue for camera operators with Serco Traffic Camera Services approach to keeping camera operators safe inconsistent.

The State Government's provisional payments pilot commenced which allows eligible emergency workers to access payments for medical treatment and services while their compensation claim is being determined.

The Department of Health and Human Services was split into the Department of Health and the Department of Families, Fairness and Housing from 1 Feb 2021.

CPSU, in conjunction with G&C Mutual Bank, continue the tertiary scholarship program again this year, awarding \$1,000 per year to support those members and their families attempting a suitable tertiary course with a demonstrated need

CPSU works with the Office of the Victorian Skills Commission (OVSC) to develop nationally accredited courses in public sector skills through a training package for members.

The union received funding from Worksafe to identify and provide recommendations in relation to the employment experiences in the VPS for women of colour. Ms Shoshana Silverman was employed as a Project Officer to undertake this project. The Vicarious Trauma Prevention and Awareness Toolkit project which is being managed by the Branch President Mr Peter Lillywhite continued during the year.

COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH

ABN 38 968 067 748

OPERATING REPORT (Continued)

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

The union continued to participate in a range of consultative forums for Whole of Government activities such as the Occupational Health and Safety Advisory Committee, the Equal Workplaces Advisory Council including advice on the application of the NZ Gender Pay Principles into a Victorian setting to assist inform the Government on the Gender Equality Act.

The union maintained its partnership with the Government to continue the Youth Employment Program, Funding was provided by the Department of Jobs, Precincts and Regions to enable the union to employ 2 YEP support officers.

Bargaining

The following agreements were approved by the Fair Work Commission during the year

- Architects Registration Board of Victoria Enterprise Agreement 2020
- ColInvest Limited Enterprise Agreement 2019
- ESSSuper Enterprise Agreement 2020-2023
- Film Victoria Enterprise Agreement 2020
- Fulham Correctional Centre Enterprise Agreement 2020
- G4S Custodial Services Pty Ltd Victorian Prisoner Transport Services Enterprise Agreement 2021
- GRV Employee Enterprise Agreement 2019-2023
- Parliamentary Officers' (Non-Executive Staff -Victoria) Single Enterprise Agreement 2020
- Ravenhall Correctional Centre Enterprise Agreement 2021
- Serco Traffic Camera Services Employment Agreement 2020
- Victoria Legal Aid Enterprise Agreement 2020-2024
- Victorian Planning Authority Enterprise Agreement 2021
- Victorian Public Service Enterprise Agreement 2020

Negotiations for the following employers occurred during the year but were not concluded by 30 June 2021

- Accident Compensation Conciliation Service
- Victoria State Emergency Service
- National Gallery of Victoria
- State Library Victoria
- Museums Victoria
- Australian Centre for the Moving Image
- Shrine of Remembrance
- AMES Australia Administrative Staff
- Electorate Officers'
- State Trustees Limited
- Victorian WorkCover Authority (WorkSafe)

During the reporting period the union received 60 notifications of change from various employers.

Between 1 July 2020 and 30 June 2021 we opened 970 cases, comprising 270 enquiries (phone, email, walk-in), 698 industrial cases and 2 WorkCover cases. We closed 906 cases, comprising 276 enquiries (phone, email, walk-in), 630 industrial cases and 0 WorkCover cases. Due to staff absence the union was not able to provide Workcover support in the same manner as previous years.

**COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH
ABN 38 968 067 748**

OPERATING REPORT (Continued)

Union details

The number of full-time equivalents employees at 30 June 2021 was 53.31 (2020: 52.54)

The number of financial members, inclusive of the Retired Officers Division, at 30 June 2021 was 15,717 (2020: 14,667).

Right of members to resign

Rule 8 of Chapter C of Federal Rule sets out the terms under which a member of the Branch may resign. A member may resign from membership of the Union by notice in writing, addressed to the Branch Secretary, if the member cease to be eligible to become a member of the Union or the member give notice not less than two weeks before the resignation is to take effect.

Directorships of Superannuation Fund

To the best of our knowledge and belief, the following officer and employee of the CPSU is superannuation fund trustee(s) or a director of a company that is a superannuation fund trustee:

Name	Company/Board	Principal Activities	Reporting unit position
Alex Gagachef	ESSS – Director	Superannuation	Yes
Christopher Perry	ESSS – deputy director	Superannuation	Yes
Travis Bates	Aware Super Pty Ltd	Superannuation	Yes

Signed in accordance with a resolution of the Branch Committee of Management:

Signature of designated officer: *Karen Batt*

Name of designated officer: *KAREN BATT*

Title of designated officer: *BRANCH SECRETARY*

Dated *23RD NOVEMBER 2021*

**COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH
ABN 38 968 067 748**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
Revenue from contracts with customers	4A	9,014,843	8,509,999
Other revenue	4B	961,697	779,278
Expenses			
Administration expenses		(340,638)	(393,566)
Affiliation and capitation fees	5	(470,862)	(444,624)
Amortisation and depreciation expenses		(917,923)	(913,439)
Communication expenses		(220,966)	(239,213)
Computer expenses		(64,900)	(63,421)
Employee benefits expenses	6	(5,878,272)	(5,357,524)
Grants expenses		(676,290)	(399,293)
Legal & professional fees	7	(119,439)	(118,672)
Library		(27,626)	(21,895)
Meetings		(43,133)	(104,660)
Motor vehicle expenses		(74,141)	(85,432)
Office operation and maintenance		(221,533)	(216,161)
Printing and publications		(68,296)	(89,268)
Training and campaigns		(203,277)	(399,782)
		<u>(9,327,296)</u>	<u>(8,846,950)</u>
Surplus attributable to members of the entity		649,244	442,327
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year attributable to members		<u>649,244</u>	<u>442,327</u>

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

**COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH
ABN 38 968 067 748**

**BALANCE SHEET
AS AT 30 JUNE 2021**

	Note	2021 \$	2020 \$
ASSETS			
Current assets			
Cash and cash equivalents	9	6,993,746	5,966,405
Trade and other receivables	10	460,493	272,605
Other assets	11	82,601	48,931
Inventory	12	82,472	99,952
Total current assets		<u>7,619,312</u>	<u>6,387,893</u>
Non-current assets			
Property, plant and equipment	13	7,184,389	7,863,006
Total non-current assets		<u>7,184,389</u>	<u>7,863,006</u>
Total assets		<u>14,803,701</u>	<u>14,250,899</u>
LIABILITIES			
Current liabilities			
Trade and other payables	14	437,658	395,702
Other liabilities	15	346,183	227,694
Borrowings	16	592,197	606,629
Employee benefit obligations	17	1,583,183	1,342,144
Total current liabilities		<u>2,959,221</u>	<u>2,572,169</u>
Non-current liabilities			
Borrowings	18	6,410,050	6,890,763
Provisions	19	66,909	69,690
Total non-current liabilities		<u>6,476,959</u>	<u>6,960,453</u>
Total liabilities		<u>9,436,180</u>	<u>9,532,622</u>
Net assets		<u>5,367,521</u>	<u>4,718,277</u>
MEMBERS' FUND			
Accumulated surplus	20	5,367,521	4,718,277
Total members' fund		<u>5,367,521</u>	<u>4,718,277</u>

The above Balance Sheet should be read in conjunction with the accompanying notes.

COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH
ABN 38 968 067 748

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Accumulated surplus \$	Other Funds \$	Total \$
Balance at 1 July 2019	4,324,554	-	4,324,554
Adoption of AABS16	(48,604)	-	(48,604)
Comprehensive income for the year	442,327	-	442,327
Transfer from accumulated surplus	-	-	-
Balance at 30 June 2020	<u>4,718,277</u>	<u>-</u>	<u>4,718,277</u>
Balance at 1 July 2020	4,718,277	-	4,718,277
Comprehensive income for the year	649,244	-	649,244
Transfer from accumulated surplus	-	-	-
Balance at 30 June 2021	<u>5,367,521</u>	<u>-</u>	<u>5,367,521</u>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH
ABN 38 968 067 748

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Membership fees and levies received (inclusive of GST)		9,987,069	9,350,604
Receipts from other reporting units (inclusive of GST)			
- CPSU/SPSF Group Adelaide Branch		24,548	24,547
- CPSU/SPSF Group Tasmanian Branch		11,463	18,086
- CPSU/SPSF Group Federal Fund		140,692	133,541
- PSA/CPSU		2,600	2,600
Receipts from controlled entities		-	-
Government COVID-19 assistance		37,500	50,000
Sundry receipts (inclusive of GST)		61,051	112,649
Grant receipts (inclusive of GST)		609,646	438,933
Payments to suppliers and employees (inclusive of GST)		(8,655,811)	(8,225,058)
Payments to other reporting units			
- CPSU/SPSF Group Federal Fund		(277,599)	(261,084)
- CPSU/SPSF Group Adelaide Branch		-	(12,831)
- CPSU PSU Group		(1,870)	(440)
Payments to controlled entities		-	-
Interest paid		(210,679)	(233,955)
Interest received		37,585	56,508
Net cash inflow from operating activities	25	<u>1,766,195</u>	<u>1,454,100</u>
Cash flows from investing activities			
Proceed from sales of property, plant and equipment		16,366	7,727
Payment for property, plant and equipment		(153,408)	(123,164)
Net cash (outflow) from investing activities		<u>(137,042)</u>	<u>(115,437)</u>
Cash flows from financing activities			
Repayments of right-of-use liabilities		(598,884)	(545,985)
Net cash (outflow) from financing activities		<u>(598,884)</u>	<u>(545,985)</u>
Net increase in cash and cash equivalents		1,030,269	792,678
Cash and cash equivalents at beginning of financial year		5,953,484	5,160,806
Cash and cash equivalents at end of financial year	9(a)	<u>6,983,753</u>	<u>5,953,484</u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH
ABN 38 968 067 748

REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR YEAR ENDED 30 JUNE 2021

The Committee of Management presents the expenditure report as required under subsection 255(2A) of the *Fair Work (Registered Organisations) Act 2009* on the Reporting Unit for the year ended 30 June 2021.

	2021	2020
	\$	\$
Categories of expenditure		
Remuneration and other employment-related costs and expenses - employees	6,241,136	5,448,185
Advertising	37,745	130,826
Operating costs	814,445	927,135
Donations to political parties	-	-
Legal costs	99,229	98,662

Due to the specific requirements under subsection 255(2A) of the *Fair Work (Registered Organisations) Act 2009*, there will likely be some other costs incurred by the reporting unit which do not fall within the above categories. Accordingly the expenditure reported in this report may not represent 100% of the expenditure actually incurred by the reporting unit.

Signature of designated officer: Karen Batt

Name of designated officer: KAREN BATT

Title of designated officer: BRANCH SECRETARY

Dated 23RD NOVEMBER 2021

The above Report should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1: Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial report includes the financial statements for the Community and Public Sector Union SPSF Group Victorian Branch (The Branch) as an individual entity.

(a) Basis of preparation

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 Organisations) Act 2009*. The Community and Public Sector Union SPSF Group Victorian Branch is a not-for-profit entity for the purpose of preparing the financial statements.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, 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.

Early adoption of standards

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

New and amended standards adopted by the Branch

The Branch adopts all of the new and revised Standards and Interpretations issued by the Australian Accounting Board (AASB) that are relevant to the operations and effective for the current annual reporting period.

The Branch has assessed the impact of other new and amended standards that came into effect for the first time for the annual reporting period commencing 1 July 2020.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and financial assets and liabilities at fair value through profit or loss.

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the branch's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1: Summary of significant accounting policies (Continued)

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Branch recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Branch's activities as described below. The amount of revenue is not considered to be reliably measurable until all relating contingencies have been resolved. The Branch bases its estimates on historical results, taking into consideration the type of member, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major operating activities as follows:

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 the entity.

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

If there is more than one distinct good or service promised in the membership subscription, the entity allocates the transaction price to each performance obligation based on the relative standalone selling prices of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that the entity charges for that good or service in a standalone sale. When a performance obligation is satisfied, which is either when the customer obtains control of the good (for example, books or clothing) or as the service transfers to the customer (for example, member services or training course), the entity recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, the entity 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 the entity at their standalone selling price, the entity accounts for those sales as a separate contract with a customer.

Grant Income

Revenue is recognised when the Branch obtains control over the assets comprising the contributions. Control over granted assets is normally obtained upon when their receipt or upon prior notification that a grant has been secured, and the timing of commencement of control depends upon the arrangements that exist between the contributors and the Branch

Interest income

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, The Branch reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1: Summary of significant accounting policies (Continued)

(b) Revenue recognition (Continued)

Other revenue

Other revenue is recognised when the right to receive the revenue has been established

All revenue is stated net of the amount of Goods and Services Tax (GST).

(c) Income tax

In accordance with section 50-15 of the Income Tax Assessment Act, the Branch is exempt from income tax.

(d) Leases

The Branch assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Branch applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. It recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Branch recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received

Lease liabilities

At the commencement date of the lease, the Branch recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Branch and payments of penalties for terminating the lease, if the lease term reflects the Branch exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Branch uses the incremental borrowing rate if the implicit lease rate is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1: Summary of significant accounting policies (Continued)

(e) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(f) Inventory held for distribution

The Branch holds inventories for distribution in the future for no or nominal consideration. The future economic benefit or service potential of the inventory is reflected by the amount the Branch would need to pay to acquire the economic benefit or service potential if it were necessary to achieve the Branch's objectives. Where the economic benefit or service potential cannot be acquired in a market, the replacement cost is estimated.

(g) Financial instruments

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

(h) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), 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 the CPSU's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, CPSU 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 amortised cost or fair value through OCI, 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.

CPSU'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 market place (regular way trades) are recognised on the trade date, i.e., the date that CPSU commits to purchase or sell the asset.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1: Summary of significant accounting policies (Continued)

(h) Financial assets (Continued)

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

Financial assets at amortised cost

CPSU measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

CPSU's financial assets at amortised cost includes trade and other receivables.

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- CPSU has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - a) CPSU has transferred substantially all the risks and rewards of the asset, or
 - b) CPSU has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When CPSU has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, CPSU continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1: Summary of significant accounting policies (Continued)

(h) Financial assets (Continued)

Impairment

(i) Trade receivables

For trade receivables that do not have a significant financing component, CPSU applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, CPSU does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. CPSU 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.

(ii) Debt instruments other than trade receivables

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, CPSU recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the CPSU expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).
- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

CPSU considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, CPSU may also consider a financial asset to be in default when internal or external information indicates that CPSU is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(i) Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless 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 amortised cost, net of directly attributable transaction costs.

The CPSU's financial liabilities include trade and other payables.

Subsequent measurement

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1: Summary of significant accounting policies (Continued)

(i) Financial Liabilities

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

(j) Fair value measurement

CPSU measures financial instruments, such as, financial assets as at fair value through the profit and loss, financial assets at fair value through OCI, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 29.

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 CPSU. 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.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1: Summary of significant accounting policies (Continued)

(k) 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.

(l) Property, plant and equipment

Each class of property, plant and equipment is carried at historical cost less any accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of items.

Depreciation

The depreciable amount of all fixed assets including buildings are depreciated over their estimated useful lives to the Branch commencing from the time the asset is held ready for use.

Class of fixed asset	Depreciation rate	Depreciation basis
Leasehold improvement	10%	Straight Line
Motor vehicles	25%	Diminishing value
Office equipment	7.5 – 50%	Diminishing value
Furniture and Fittings	10 – 25%	Diminishing value
Computer equipment	37.5 – 66.67%	Diminishing value
Right-of-use assets	Over lease term	Straight line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Comprehensive Income. 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.

(m) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Comprehensive Income over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the Branch has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1: Summary of significant accounting policies (Continued)

(n) Provision

Provisions for legal claims, service warranties and make good obligations are recognised when the Branch has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(o) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave, RDO and associated leave loading expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave, RDO and associated leave loading is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(p) 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 the entity transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when the entity performs under the contract (i.e., transfers control of the related goods or services to the customer).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1: Summary of significant accounting policies (Continued)

(p) Liabilities relating to contracts with customers (Continued)

Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer. The entity's refund liabilities arise from customers' right of return. The liability is measured at the amount the entity's ultimately expects it will have to return to the customer. The entity updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

(q) Functional and presentation currency

Items included in the financial report are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial report is presented in Australian dollars, which is the Branch's functional and presentation currency.

(r) Comparative figures

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

(s) Goods and Service Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables in the balance sheet are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from, or payable to the ATO as classified as operating cash flow. Commitments and contingencies are disclosed inclusive of GST.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1: Summary of significant accounting policies (Continued)

(t) New accounting standards and interpretations

In the current year, the entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to their operation.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the entity include:

<i>Standard</i>	<i>Effective for annual reporting periods beginning on or after</i>
AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material	1 January 2020

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.

These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the branch.

(u) Future Australian Accounting Standards Requirements

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2021 reporting periods. The entity’s assessment of the impact of these new standards and interpretations is set out below.

Title of Standard	AASB 2021-1 – Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current
Nature of change	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period.
Application date	This Standard applies to annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

2: Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Branch and that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Branch makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. None of the estimates and assumptions are expected to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(b) Critical judgments in applying the entity's accounting policies

Employee entitlements

Management judgement is applied in determining the following key assumptions used in the calculation of long service leave at balance date:

- future increases in wages and salaries
- future on-cost rates; and
- experience of employee departures and period of service

3: 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 subsection (1) to (3) of sections 272, which read as follows:

Information to be provided to members or the Commissioner:

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

4A: Revenue from contracts with customers

	Note	2021 \$	2020 \$
The table below also sets out a disaggregation of revenue by type of customer and funding source			
- member subscriptions		8,839,574	8,358,827
- capitation fee		-	-
- campaign levy (voluntary)		175,269	151,172
		<u>9,014,843</u>	<u>8,509,999</u>

4B: Other revenue

- interest		38,329	55,838
- training income		57,754	31,464
- administrative support income from other branches	26(g)	4,728	13,073
- administrative support income from Federal Fund	26(g)	116,301	111,661
- donation received		-	-
- grants received		676,290	449,293
- financial support from another reporting unit		-	-
- revenue from recovery of wages activity		-	-
- Government COVID-19 assistance		37,500	62,500
- other revenue		30,795	55,449
		<u>961,697</u>	<u>779,278</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

5: Affiliation and capitation fees

	2021	2020
	\$	\$
<i>Affiliation fee</i>		
- Victorian Trades Hall Council	111,330	104,026
- Ballarat Trades & Labour Council	3,555	3,555
- Bendigo Trades Hall Council	2,760	2,760
- Geelong Trades Hall Council	7,186	7,186
- Gippsland Trades and Labour Council	2,332	2,332
- Goulburn Valley Trades and Labour Council	1,167	875
- North East Trades & Labour Council	900	900
- Prison Officers Association of Australasia	-	3,000
- South West Trades & Labour Council	357	408
- Sunraysia Trades & Labour Council	369	369
- ACTU	86,883	82,154
<i>Compulsory levy</i>	-	-
<i>Capitation fee</i>		
- CPSU SPSF Group – Federal Fund	<u>254,023</u>	<u>237,059</u>
	<u>470,862</u>	<u>444,624</u>

6: Employees benefits expenses

	2021	2020
	\$	\$
Holders of office:		
Wages and salaries	385,086	366,605
Superannuation	45,617	43,445
Leave and other entitlements	34,178	8,524
Separation and redundancies	-	-
Other employee expenses	-	-
	<u>464,881</u>	<u>418,574</u>
Employees other than holders of office:		
Wages and salaries	4,560,553	3,974,718
Superannuation	571,123	493,764
Leave and other entitlements	202,886	124,603
Separation and redundancies	-	-
Other employee expenses	-	-
	<u>5,334,562</u>	<u>4,593,085</u>
Other staff costs**	<u>441,693</u>	<u>436,526</u>
	<u>6,241,136</u>	<u>5,448,185</u>
Staff costs allocated to grants	<u>(362,864)</u>	<u>(90,661)</u>
	<u>5,878,272</u>	<u>5,357,524</u>

** Other staff costs primarily comprise payroll tax and workcover

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2021

7: Legal & professional fee

	2021 \$	2020 \$
Accounting fee	4,100	4,100
Auditor remuneration		
- audit of financial report	15,600	15,400
- other audits	510	510
Legal fees		
- Litigation	10,563	37,433
- Other legal matters	88,666	61,229
	<u>119,439</u>	<u>118,672</u>

8: Expenses

	2021 \$	2020 \$
The surplus for the year includes the following specific items:		
<i>Depreciation of non-current assets</i>		
- Motor vehicles	31,221	28,984
- Office equipment	6,471	4,974
- Furniture & fixtures	3,389	5,046
- Computer equipment	19,391	18,211
- Right-of-use assets	791,136	790,789
	<u>851,608</u>	<u>848,004</u>
<i>Amortisation of non-current assets</i>		
- leasehold improvements	66,315	65,435
Total depreciation and amortisation	<u>917,923</u>	<u>913,439</u>
<i>Defined contribution superannuation expense</i>	616,740	537,209
<i>Finance costs</i>		
- provisions: unwinding of discount	1,194	1,159
- interest and finance charges paid on bank loan	573	1,165
- interest right-of-use liabilities	210,107	232,790
Rental expenses on operating leases (minimum lease payments)	7,146	7,585
Conference and meeting allowances	-	48

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

8: Expenses (Continued)

	2021	2020
	\$	\$
Consideration to employers for payroll deductions	-	-
Penalties – via RO Act or RO Regulations	-	-
Donations:		
Total paid that were \$1,000 or less	977	-
Total paid that exceeded \$1,000	20,000	46,700
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Loss (Gain) on disposal of fixed assets	4,404	(1,816)

9: Current assets – Cash and cash equivalents

	2021	2020
	\$	\$
Cash on hand	1,021	1,021
Cash at bank	5,850,995	4,828,083
Term deposit	1,141,730	1,137,301
	<u>6,993,746</u>	<u>5,966,405</u>

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the Statement of Cash Flows as follows:

Balances as above	6,993,746	5,966,405
Bank loan – line of credit	<u>(9,993)</u>	<u>(12,921)</u>
Balances per Statement of Cash Flows	<u>6,983,753</u>	<u>5,953,484</u>

(b) Assets pledged as security

One of the term deposits is used as a bank guarantee for the rental properties.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

10: Current assets – Trade and other receivables

	2021 \$	2020 \$
Receivable from other reporting units		
- CPSU SPSF Tasmanian Branch	401	2,173
	<u>401</u>	<u>2,173</u>
Loss allowance	-	-
Net receivables from other reporting units	<u>401</u>	<u>2,173</u>
Trade receivables	462,912	273,236
Loss allowance	<u>(10,000)</u>	<u>(10,000)</u>
	<u>452,912</u>	<u>263,236</u>
Other receivables	7,180	7,196
	<u>460,493</u>	<u>272,605</u>

(i) Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore classified as current. No interest is charged on outstanding trade receivables. Trade receivables are recognised initially at the transaction amount. The entity holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method

In determining the recoverability of a trade receivable, the entity considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. Trade receivables consists of many customers, spread across diverse industries and geographical areas. The entity does not have any significant credit risk exposure to any single party or group of counter parties having similar characteristics and the maximum exposure to credit risk is equal to the value of the receivables. The movement in the allowance for impairment in respect of trade receivables is as follows.

(ii) Loss allowance

The union applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

(a) Loss allowance

Movements in the loss allowance is as follows:

	2021 \$	2020 \$
At 1 July	10,000	5,165
Increase in loss allowance recognised in profit or loss during the year	-	4,835
Unused amount reversed	-	-
At 30 June	<u>10,000</u>	<u>10,000</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2021

11: Current assets – Other assets

	2021 \$	2020 \$
Prepayments	<u>82,601</u>	<u>48,931</u>

12: Current assets – Inventory

	2021 \$	2020 \$
Inventory held for distribution	<u>82,472</u>	<u>99,952</u>

The inventory on hand at the end of the financial year consists primarily of merchandise such as T-shirts and notepads.

Inventories recognised as expense during the year ended 30 June 2021 amounted to \$129,311 (30 June 2020: \$246,201)

13: Non-current assets – Property, plant and equipment

	2021 \$	2020 \$
Leasehold improvements		
At cost	1,087,195	1,087,195
Less accumulated amortisation	<u>(653,540)</u>	<u>(587,225)</u>
	<u>433,655</u>	<u>499,970</u>
Plant and equipment		
Motor vehicles		
At cost	220,978	194,955
Less accumulated depreciation	<u>(68,556)</u>	<u>(99,524)</u>
	<u>152,422</u>	<u>95,431</u>
Office equipment		
At cost	99,977	76,372
Less accumulated depreciation	<u>(56,415)</u>	<u>(49,944)</u>
	<u>43,562</u>	<u>26,428</u>
Computer equipment		
At cost	53,142	91,894
Less accumulated depreciation	<u>(24,444)</u>	<u>(63,447)</u>
	<u>28,698</u>	<u>28,447</u>
Furniture and fixtures		
At cost	154,237	153,057
Less accumulated depreciation	<u>(134,779)</u>	<u>(131,390)</u>
	<u>19,458</u>	<u>21,667</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2021

13: Non-current assets – Property, plant and equipment
 (Continued)

	2021	2020
	\$	\$
Right-of-use assets		
At cost	7,935,921	8,225,523
Less accumulated depreciation	<u>(1,429,327)</u>	<u>(1,034,460)</u>
	<u>6,506,594</u>	<u>7,191,063</u>
Total property, plant and equipment	<u>7,184,389</u>	<u>7,863,006</u>

(a) Non-current assets pledged as security

None of the non-current assets are pledged as security.

(b) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the year:

2020	Leasehold improvements	Motor vehicles	Office equipment	Computer equipment	Furniture and fixtures	Right-of-use assets	Total
	\$	\$	\$	\$	\$		\$
Opening net book amount	502,262	99,160	22,215	29,900	23,803	-	677,340
Adoption of AASB 16	-	-	-	-	-	7,930,692	7,930,692
Additions	63,143	29,899	9,187	18,025	2,910	-	123,164
Additions – ROU assets	-	-	-	-	-	51,160	51,160
Disposals	-	(4,644)	-	(1,267)	-	-	(5,911)
Depreciation/amortisation	<u>(65,435)</u>	<u>(28,984)</u>	<u>(4,974)</u>	<u>(18,211)</u>	<u>(5,046)</u>	<u>(790,789)</u>	<u>(913,439)</u>
Closing net book amount	<u>499,970</u>	<u>95,431</u>	<u>26,428</u>	<u>28,447</u>	<u>21,667</u>	<u>7,191,063</u>	<u>7,863,006</u>
2021	Leasehold improvements	Motor vehicles	Office equipment	Computer equipment	Furniture and fixtures	Right-of-use assets	Total
	\$	\$	\$	\$	\$		\$
Opening net book amount	499,970	95,431	26,428	28,447	21,667	7,191,063	7,863,006
Additions	-	101,633	23,605	26,990	1,180	-	153,408
Additions – ROU assets	-	-	-	-	-	106,667	106,667
Disposals	-	(13,421)	-	(7,348)	-	-	(20,769)
Depreciation/amortisation	<u>(66,315)</u>	<u>(31,221)</u>	<u>(6,471)</u>	<u>(19,391)</u>	<u>(3,389)</u>	<u>(791,136)</u>	<u>(917,923)</u>
Closing net book amount	<u>433,655</u>	<u>152,422</u>	<u>43,562</u>	<u>28,698</u>	<u>19,458</u>	<u>6,506,594</u>	<u>7,184,389</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2021

14: Current liabilities – Trade and other payables

	2021 \$	2020 \$
<i>Unsecured</i>		
Trade creditors	329,745	337,119
Payables to other reporting units		
- CPSU SPSF Group Federal Fund	24,244	22,418
Payable to employers for making payroll deductions of membership subscriptions		-
Legal fee due – other matters	57,671	4,016
Legal fee due – litigation	-	-
Net GST	25,998	17,915
Other creditors	-	14,234
	<u>437,658</u>	<u>395,702</u>

15: Current liabilities – Other liabilities

	2021 \$	2020 \$
Subscription in advance	132,989	42,434
Grant funding in advance	213,194	185,260
	<u>346,183</u>	<u>227,694</u>

(a) Contract balances

The following table provides information about receivables and contract liabilities from contracts with customers

	2021 \$	2020 \$
Receivables	<u>165,000</u>	-
Total income received in advance	<u>346,183</u>	<u>227,694</u>

Income in advance represent advance consideration received from customers for which revenue is recognised in accordance with the satisfaction of performance obligations.

Significant changes in contract balances during the period are as follows:

Revenue recognised that would include in the subscription and fees received in advance balances at beginning of period.	<u>227,694</u>	<u>274,679</u>
Increase due to cash received, excluding amounts recognised as revenue during the period	<u>(346,183)</u>	<u>(227,694)</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2021

16: Current liabilities – Borrowings

		2021 \$	2020 \$
Secured - Line-of-credit	a	<u>9,993</u>	<u>12,921</u>
Unsecured - Right-of-use liabilities		<u>582,204</u>	<u>593,708</u>
Total Borrowings		<u>592,197</u>	<u>606,629</u>

(a) Assets pledged as security - the Line-of-credit is secured by a \$685,691 term deposit.

17: Current liabilities – Employee benefit obligations

		2021 \$	2020 \$
<i>Holders of office:</i>			
Annual leave		67,528	47,062
Long service leave		165,123	151,412
Separations and redundancies		-	-
Other		-	-
		<u>232,651</u>	<u>198,474</u>
<i>Employees other than holders of office:</i>			
Annual leave		591,556	436,262
Long service leave		758,976	707,408
Separations and redundancies		-	-
Other		-	-
		<u>1,350,532</u>	<u>1,143,670</u>
		<u>1,583,183</u>	<u>1,342,144</u>

18: Non-current liabilities – Borrowings

		2021 \$	2020 \$
<i>Unsecured</i>			
Right-of-use liabilities		<u>6,410,050</u>	<u>6,890,763</u>

The movement of the carrying amounts of the lease liabilities associated with the right of use assets:

As at 1 July	7,484,471	-
Adoption of AASB 16	-	7,979,296
Addition	106,667	51,160
Interest	210,107	232,790
Payments	<u>(808,991)</u>	<u>(778,775)</u>
	<u>6,992,254</u>	<u>7,484,471</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2021

19: Non-current liabilities – Provisions

	2021	2020
	\$	\$
Employee benefits obligations		
<i>Holders of office:</i>		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
<i>Employees other than holders of office:</i>		
Annual leave	-	-
Long service leave	15,632	19,608
Separations and redundancies	-	-
Other	-	-
	<u>15,632</u>	<u>19,608</u>
Makegood provision	<u>51,277</u>	<u>50,082</u>
	<u>66,909</u>	<u>69,690</u>

(a) Employee benefits – long service leave

Included in the employee benefits provision is a provision that has been recognised for future employee benefits relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on an assessment of the individual employee's circumstances. The measurement and recognition criteria for employee benefits has been included in Note 1.

The current provision for long service leave includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the Branch does not have an unconditional right to defer settlement.

(b) Makegood provision

The Branch is required to restore its leased premises to their original condition at the end of the lease term. A provision has been recognised for the present value of the estimated expenditure required to remove any leasehold improvements. The leasehold improvement costs have been capitalised as part of the cost of leasehold improvements and are amortised over the shorter of the term of the lease or the useful life of the assets.

20: Accumulated surplus

	2021	2020
	\$	\$
Movements in the accumulated surplus were as follows:		
Balance 1 July	4,718,277	4,324,554
Adoption of AABS16	-	(48,604)
Net surplus for the year	649,244	442,327
Balance 30 June	<u>5,367,521</u>	<u>4,718,277</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

21: Contingencies

There are no known contingent assets or liabilities at 30 June 2021.

22: Events occurring after the reporting date

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the Branch is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the Branch. Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Branch, the results of those operations, or the state of affairs of the Branch in subsequent financial periods.

23: Commitments

	2021	2020
	\$	\$
(a) Capital commitments		
Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows		
Leasehold improvement	99,652	-
Less deposit paid	<u>(29,896)</u>	<u>-</u>
	<u>69,756</u>	<u>-</u>

24: Other information

(i) Going Concern

The branch's ability to continue as a going concern is not reliant on financial support from another reporting unit.

(ii) Financial Support

No financial support has been provided to another reporting unit to ensure that it continues as a going concern.

(iii) Financial Affairs

The branch did not have another entity administer its financial affairs.

(iv) Acquisition of assets and liability under specific sections:

The branch did not acquire any asset or a liability during the financial year as a result of:

- an amalgamation under Part 2 of Chapter 3 of the RO Act;
- a restructure of the branches of the organization;
- a determination or revocation by the General Manager of the Fair Work Commission under subsections 245(1) or 249(1) of the RO Act .

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2021

25: Cash flow information

	2021 \$	2020 \$
Reconciliation of cash flow from operations with surplus for the year		
Surplus for the year	649,244	442,327
<i>Non-cash flows in surplus</i>		
Depreciation and amortisation	917,923	913,439
Charges to provisions	1,194	1,159
Write back of liabilities	(11,545)	-
Net loss (gain) on disposal of property, plant and equipment	4,404	(1,816)
Loss allowance	4,832	4,835
<i>Changes in assets and liabilities</i>		
(Increase) Decrease in receivables	(226,391)	17,776
Decrease (Increase) in inventories	17,480	(7,975)
Increase (Decrease) in payables	171,990	(48,773)
Increase in provisions	237,064	133,128
Cash flows from operations	<u>1,766,195</u>	<u>1,454,100</u>

(a) Financing arrangements

The branch had access to the following borrowing facilities at the end of the reporting period

	2021 \$	2020 \$
Floating rate – expiring within one year (line-of-credit)	<u>500,000</u>	<u>500,000</u>

The line-of-credit facilities may be drawn at any time and may be terminated by the bank without notice.

(b) Liabilities from Financing Activities

	1 July 2020 \$	Adoption of AASB 16 \$	Addition \$	Cash flows \$	Other \$	30 June 2021 \$
Current interest-bearing loans and borrowings – line of credit	12,921	-	-	(2,928)	-	9,993
Current interest-bearing loans and borrowings	593,708	-	106,667	(598,884)	480,713	582,204
Non-current interest-bearing loans and borrowings	6,890,763	-	-	-	(480,713)	6,410,050
Total liabilities from financing activities	<u>7,497,392</u>	-	106,667	(601,812)	-	<u>7,002,247</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

25: Cash flow information (Continued)

(b) Liabilities from Financing Activities (Continued)

	1 July 2019	Adoption of AASB 16	Addition	Cash flows	Other	30 June 2020
	\$	\$	\$	\$	\$	\$
Current interest-bearing loans and borrowings – line of credit	31,255	-	-	(18,334)	-	12,921
Current interest-bearing loans and borrowings	-	540,290	51,160	(545,985)	548,243	593,708
Non-current interest-bearing loans and borrowings	-	7,439,006	-	-	(548,243)	6,890,763
Total liabilities from financing activities	31,255	7,979,296	51,160	(564,319)	-	7,497,392

26: Related party transactions

(a) The members of the Branch Executive anytime during the year were:

Branch Executive

Karen Batt – Branch Secretary

Wayne Townsend – Assistant Branch Secretary

Peter Lillywhite - President

Gary Greaves – Vice President until 22 Dec 2020

Carol Bakker - Vice President

Mark Halden – Vice President from 22 Dec 2020

	2021	2020
	\$	\$
(b) Key management personnel remuneration		
<i>Short-term employee benefits</i>		
Salary (including annual leave taken)	370,851	328,276
Annual leave accrued	38,353	37,114
Total short-term employee benefits	409,204	365,390
Post-employment benefits:		
Superannuation	45,617	43,445
Total post-employment benefits	45,617	43,445
Other long-term benefits:		
Long-service leave accrued	10,061	9,739
Total other long-term benefits	10,061	9,739
Termination benefits	-	-
Total	464,882	418,574

(c) There were no loans between the key management personnel or the committee of management and the branch.

(d) There were no transactions between key management personnel or the committee of management and the branch other than those relating to their membership of the branch and reimbursement by the branch in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which is reasonable to expect would have been adopted by parties at arm's length.

(e) No payment is made to a former related party of the reporting unit.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

26: Related party transactions (Continued)

(f) Outstanding balances arising from sales and purchases of goods and services:

These balances are disclosed in the "Trade receivables" and "Trade payables" notes to the accounts.

(g) Transactions with related parties	2021	2020
	\$	\$
<i>Payments</i>		
Capitation fee paid to the CPSU SPSF Federal Fund	254,023	237,059
<i>Receipts</i>		
Computer support income from PSA/CPSU	2,364	2,364
Membership & computer support income from CPSU SPSF Tasmania Inc	2,364	10,709
	<u>4,728</u>	<u>13,073</u>
Administration support income from CPSU SPSF Federal Fund	25,509	25,601
Salary reimbursement (Federal Secretary) from CPSU SPSF Federal Fund	90,792	86,060
	<u>116,301</u>	<u>111,661</u>

27: Financial risk management

The entity's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the entity. The entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, other price risks and aging analysis for credit risk.

Risk management is carried out by management under policies approved by Committee of Management. The Committee of Management identifies, evaluates and hedges financial risks as part of regular meetings. This identification and analysis includes an analysis of interest rate exposure and the evaluation of strategies in the context of most recent economic conditions.

(a) Market risk

(i) Foreign exchange risk

The Branch is not exposed to foreign exchange risk.

(ii) Price risk

The Branch is not exposed to commodity price risk.

(iii) Cash flow and fair value interest rate risk

The Branch has a small line-of-credit facility and is therefore not exposed to interest rate risk on liabilities. The Branch has investments in a variety of interest-bearing assets which have fixed interest rate and therefore not subject to interest rate volatility.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2021

27: Financial risk management (Continued)

(b) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. Cash transactions are limited to high credit quality financial institutions. Currently the investments are held in Australian banks. The Branch has no significant concentrations of credit risk.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets. The credit quality of financial assets can be assessed by reference to external credit ratings as follows:

	2021	2020
	\$	\$
Cash at bank		
AA- Rating	1,998,830	902,023
BBB Rating	3,852,164	3,926,060
Deposits at call		
AA- Rating	456,039	456,039
BBB Rating	<u>685,692</u>	<u>681,262</u>
	<u>6,992,725</u>	<u>5,965,384</u>

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close-out market positions

Maturity profile of financial instruments

The maturity profile of financial assets and liabilities held are detailed below:

2021	Weighted Average Interest rate	Floating Interest rate	1 year or less	1 to 2 years	2 to 5 years	Over 5 years	Non Interest bearing	Total
	%	\$	\$	\$	\$	\$	\$	\$
Financial Assets								
Cash on hand		-	-	-	-	-	1,021	1,021
Cash at bank	0.39	5,850,995	-	-	-	-	-	5,850,995
Deposits at bank	0.66	-	1,141,730	-	-	-	-	1,141,730
Other receivables		-	-	-	-	-	460,493	460,493
		<u>5,850,995</u>	<u>1,141,730</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>461,514</u>	<u>7,454,239</u>
Financial Liabilities								
Line-of-credit	5.13	9,993	-	-	-	-	-	9,993
Other payables		-	-	-	-	-	437,658	437,658
Right-of-use liabilities	3	-	582,204	627,884	1,917,041	3,865,125	-	6,992,254
		<u>9,993</u>	<u>582,204</u>	<u>627,884</u>	<u>1,917,041</u>	<u>3,865,125</u>	<u>437,658</u>	<u>7,439,905</u>
Net Financial Assets (Liabilities)		<u>5,841,002</u>	<u>559,526</u>	<u>(627,884)</u>	<u>(1,917,041)</u>	<u>(3,865,125)</u>	<u>23,856</u>	<u>14,334</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

27: Financial risk management (Continued)

Maturity profile of financial instruments (Continued)

2020	Weighted Average Interest rate %	Floating Interest rate \$	1 year or less \$	1 to 2 years \$	2 to 5 years \$	Over 5 years \$	Non Interest bearing \$	Total \$
Financial Assets								
Cash on hand		-	-	-	-	-	1,021	1,021
Cash at bank	0.61	4,828,083	-	-	-	-	-	4,828,083
Deposits at bank	1.2	-	1,137,301	-	-	-	-	1,137,301
Other receivables		-	-	-	-	-	272,605	272,605
		<u>4,828,083</u>	<u>1,137,301</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>273,626</u>	<u>6,239,010</u>
Financial Liabilities								
Line-of-credit	5.13	12,921	-	-	-	-	-	12,921
Other payables		-	-	-	-	-	395,702	395,702
Right-of-use liabilities	3	-	593,708	638,703	1,738,966	4,513,094	-	7,484,471
		<u>12,921</u>	<u>593,708</u>	<u>638,703</u>	<u>1,738,966</u>	<u>4,513,094</u>	<u>395,702</u>	<u>7,893,094</u>
Net Financial Assets (Liabilities)		<u>4,815,162</u>	<u>543,593</u>	<u>(638,703)</u>	<u>(1,738,966)</u>	<u>(4,513,094)</u>	<u>(122,076)</u>	<u>(1,654,084)</u>

28: Capital management

CPSU manages its capital to ensure that it will be able to continue as a going concern while maximising the return on investments. The Branch Committee ensure that the overall risk management strategy is in line with this objective.

The capital structure of the entity consists of cash and cash equivalents and members' funds, comprising reserves and retained earnings.

The Branch Committee effectively manages the CPSU's capital by assessing the CPSU's financial risk and responding to changes in these risks and in the market. These responses may include the consideration of debts levels. There have been no changes to the strategy adopted by Branch Committee to control capital of the entity since the previous year. No operations of the entity are subject to external imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

29: Fair Value Measurements

(a) Financial assets and liabilities

Management of the entity assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 30 June 2021 was assessed to be insignificant
- Fair value of certain financial assets is derived from quoted market prices in active markets
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the entity based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30 June 2021 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

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

	Note	2021		2020	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
		\$	\$	\$	\$
Financial assets					
Cash on hand	(i)	6,993,746	6,993,746	5,966,405	5,966,405
Trade and other receivables	(i)	460,493	460,493	272,605	272,605
Total financial assets		7,454,239	7,454,239	6,239,010	6,239,010
Financial liabilities					
Trade and other payables	(i)	437,658	437,658	395,702	395,702
Line of credit	(i)	9,993	9,993	12,921	12,921
Right-of-use liabilities	(i)	6,992,254	6,992,254	7,484,471	7,484,471
Total financial liabilities		7,439,505	7,439,505	7,893,094	7,893,094

- (i) Cash on hand, accounts receivable and other debtors, and accounts payable and other payables are short-term instruments in nature whose carrying amount is equivalent to fair value. Accounts payable and other payables exclude amounts relating to the provision for annual leave, which is outside the scope of AASB 9.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

29: Fair Value Measurements (Continued)

(b) Financial and non-financial assets and liabilities fair value hierarchy

The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 30 June 2021 and 30 June 2020:

Financial Assets	Level 1	Level 2	Level 3
	\$	\$	\$
30 June 2021			
Assets at fair value	-	-	-
Liabilities at fair value	-	-	-
Net fair value	-	-	-
30 June 2020			
Assets at fair value	-	-	-
Liabilities at fair value	-	-	-
Net fair value	-	-	-
Non-financial Assets	Level 1	Level 2	Level 3
	\$	\$	\$
30 June 2021			
Assets at fair value	-	-	-
Liabilities at fair value	-	-	-
Net fair value	-	-	-
30 June 2020			
Assets at fair value	-	-	-
Liabilities at fair value	-	-	-
Net fair value	-	-	-

There were no transfers between Levels 1 and 2 for assets measured at fair value on a recurring basis during the reporting period (2020: no transfers).

(c) Disclosed fair value measurements

The following assets and liabilities are not measured at fair value in the balance sheet but their fair values are disclosed in the notes:

- Accounts receivable and other debtors;
- accounts payable and other payables

There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the financial statements.

COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH
ABN 38 968 067 748

STATEMENT BY COMMITTEE OF MANAGEMENT

On 23RD NOVEMBER 2021 the Committee of Management of the Community and Public Sector Union SPSF Group Victorian Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2021:

The Committee of Management declares that in its opinion:

1. the financial statements and notes comply with Australian Accounting Standards;
2. 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);
3. 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;
4. 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
5. during the financial year to which the GPFR relates and since the end that year:
 - a. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - b. 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
 - c. the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - d. 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
 - e. where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
 - f. 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: Karen Batt

Name of designated officer: KAREN BATT

Title of designated officer: BRANCH SECRETARY

Dated 23RD NOVEMBER 2021.

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Trading as BGL Partners

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH

Report on Audit of the Financial Report

Opinion

We have audited the financial report of the Community and Public Sector Union SPSF Group Victorian Branch which comprises the balance sheet as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statement including a summary of significant accounting policies, the Committee of Management Statement and the subsection 255(2A) report.

In our opinion:

- (i) the accompanying financial report of Community and Public Sector Union SPSF Group Victorian Branch:
- a) presents fairly, in all material respects, the financial position of Community and Public Sector Union SPSF Group Victorian Branch as at 30 June 2021 and the results of its operations, its changes in equity and cash flows for the year then ended; and
 - b) complying the Australian Accounting Standards; and
 - c) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.
- (ii) the Committee of Management's use of the going concern basis of accounting in the preparation of the entity's financial statements 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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BGL & Associates Pty Ltd

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Trading as BGL Partners

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH (Continued)

Independence

We are independent of the Branch in accordance with auditor independent requirements the Accounting Professional and Ethical Standards Board's APES110 Code of Ethics for Professional Accountants (the "Code") that are relevant to our audit of the financial report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

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

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

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

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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Committee of Management 's responsibility for the financial report

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



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH (Continued)

Auditor 's responsibility 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management s' use of the going concern basis of accounting in the preparation of the financial report. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events and conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the disclosures in the financial report about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial report. However, future events or conditions may cause an entity 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 statements represent the underlying transactions and events in a manner that achieves fair presentation



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH (Continued)

Auditor's responsibility for the audit of the financial report (Continued)

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

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

I declare that I am an auditor registered under the RO Act. .

BGL Partners
Chartered Accountants

I. A. Hinds - C.A. – Partner

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/87)

Melbourne

23 November 2021

CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND