



Fair Work
Commission

4 January 2024

Karen Batt
Branch Secretary
CPSU, the Community and Public Sector Union-SPSF Group, Victorian Branch
Sent via email: kbatt@cpsuVIC.org
CC: stephen@eddypartners.com.au

Dear Karen Batt

**CPSU, the Community and Public Sector Union-SPSF Group, Victorian Branch
Financial Report for the year ended 30 June 2023 – (FR2023/44)**

I acknowledge receipt of the financial report for the year ended 30 June 2023 for the CPSU, the Community and Public Sector Union-SPSF Group, Victorian Branch. The documents were lodged with the Fair Work Commission (the Commission) on 15 December 2023.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under sections 253, 265, 266 and 268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under section 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 2024 may be subject to an advanced compliance review.

Reporting Requirements

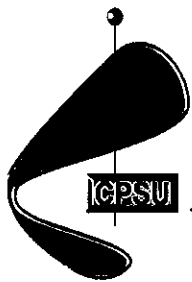
The Commission's website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the section 253 reporting guidelines and a model set of financial statements.

The Commission recommends that reporting units use these model financial statements to assist in complying with the RO Act, the section 253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please call 1300 341 665 or email regorgs@fwc.gov.au.

Yours sincerely

Fair Work Commission



15th December 2023

Registered Organisations Commission
Fair Work Australia
Level 5
11 Exhibition Street
MELBOURNE VIC 3000

By Email: regorgs@fwc.gov.au

To Whom It May Concern

RE: CPSU/SPSF Group, Victorian Branch – 2022 / 2023 Financial Report

Please find attached the Financial Report for the year ended 30 June 2023 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 2023

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 2023 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 21st November 2023 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 4th December 2023 in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

Signature:

Name:

KAREN BATT

Title:

State Secretary

Date:

15th December 2023

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

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**



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

TABLE OF CONTENTS

Operating Report	i - iv
Financial Report	
Statement of Profit or Loss and Other Comprehensive Income	1
Balance Sheet	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
Report required under subsection 255(2A)	5
Notes to the Financial Statements	6 – 38
Statement by Committee of Management	39
Independent Auditor's Report	40

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 17 November 2023.

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 2023.

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 Executive

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

Wayne Townsend – Assistant Branch Secretary
Mark Halden – Vice President

Branch Councillors

Catherine Baldwin	Patricia Harty	Kathleen Poel
Travis Batesmith	Greg Healy	Lee-Anne Raymond ¹
Jessica Brosnan ²	Maggie Laurie ³	Candice Sallama
Rheimia Cerezo ⁴	Adam Lehmann	Meaghan Smith
Chris Comerros	Aaron Letica	Eleanor Snowdon
Dean Crouch	Hilary Makepeace ⁵	Celia Tran ⁶
Aaron Crump	Aiden Marcucci	Aaron Van Winden
Ross Grant	Charlie Marmara	Stephen Walsh
Marina Grobisa	Stephen Patterson	
Leah Gullan	Chris Perry	

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

¹ Commenced 29-5-2023

² Resigned 24-10-2022

³ Resigned 25-7-2022

⁴ Resigned 31-1-2023

⁵ Resigned 24-2-2023

⁶ Resigned 29-5-2023

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 2022-2023. All formal health restrictions have now been removed. Hybrid working arrangements with union staff working partly from home and from our office continued during the year.

Monthly Branch Executive and Branch Council have been held via Zoom and via Onboard website for papers.

Activities

Karen Batt, Branch Secretary continues to represent the union on the Workcover Advisory Committee and the Occupational Health and Safety Committee, and the Equal Workplaces Advisory Council.

Karen was also reelected as VTHC Vice President. Our donation to the new VTHC statue to the equal pay pioneer, Zelda D'Aprano, came to fruition with the unveiling of the statue.

The union provided support and assistance to our members at the Victorian Building Authority following the tragic suicide of an employee due to unreasonable workload pressure. This has been a difficult issue for members and union staff. An independent reviewer identified a toxic workplace culture. A Worksafe investigation identified significant issues. In May the CEO resigned.

The Vicarious Trauma Toolkit Project funded under the WorkWell's Mental Health Improvement Fund was formally launched by Minister Ingrid Stitt and Chief Executive of WorkSafe, Colin Radford, on 28 September 2022. After four and a quarter years, Peter Lillywhite retired from the Vicarious Trauma team at the end of June 2023. Ms Shoshana Silverman will manage the project until its scheduled end in December 2023.

In June 2023 the Branch was part of a successful lobbying exercise to the Federal Parliament drawing attention to issues affecting child protection workers across the country. Our focus was on what the federal Government can do to assist States, so we had a number of asks regarding taxation (FBT and remote location incentives) education and training assistance, especially for social work and psychology degrees and assistance to have social work listed on the skills shortage list for permanent migration.

The Victorian State Election took place on 30 November 2022. The Andrews Labor Government was re-elected. Following the election the union embarked on a period of consultation with the new Ministry. A number of machinery of government changes were also implemented by the Government. In particular the new Department of Government Services was created.

The 2023-24 State Budget was delivered on 23 May 2023. The Victorian Government endorsed a range of budget initiatives which will necessitate reprioritisation of existing activities and resources across the Victorian Public Service (VPS). VPS job cuts of between 3000 and 4000 public servants in 2023-24 were announced. Since the Budget the union has been very active in dealing with the impact of the cuts. Other budget driven changes currently in discussions are the Governments proposal to slash access to Workers' Compensation for stress, anxiety and over work.

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)

Bargaining

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

- Australian Health Practitioner Regulation Agency Enterprise Agreement 2022- 2025
- Aware Super Services Enterprise Agreement 2022
- Dental Therapists, Dental Hygienists and Oral Health Therapists' (Victorian Public Sector) (Single Interest Employers) Enterprise Agreement 2022-2023
- Fulham Correctional Centre Enterprise Agreement 2023
- GWMWater Enterprise Agreement 2022
- HealthShare Victoria Enterprise Agreement 2022
- Ravenhall Correctional Centre Enterprise Agreement 2022
- Southern Rural Water (SRW) Enterprise Agreement 2022
- VicForests Enterprise Agreement 2020
- Victorian Government Schools Agreement 2022
- Victorian Institute of Teaching Enterprise Agreement 2021
- Zoos Victoria Salaried Staff Agreement 2022

Negotiations for the following employers commenced during the year but were not concluded by 30 June 2023

- Development Victoria
- Greyhound Racing Victoria
- Ministerial Staff
- Serco Traffic Camera Services
- Visit Victoria

Cases and notifications of change

During the reporting period the union received 86 notifications of change from various employers.

Between 1 July 2022 and 30 June 2023 we opened 732 industrial cases and closed 733. The Entitlements and Compliance team dealt with approximately 3600 enquires including by phone and email. The union dealt with 30 Workcover cases, and referred 95 cases to Union Assist at VTHC.

Industrial Organisers held 1916 meetings (an average of over 5 per day), covering 634 separate worksites, with over 9632 members and non-members attending.

**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 2023 was 57.8 (2022: 62.25).

The number of financial members, inclusive of the Retired Officers Division, at 30 June 2023 was 14,542 (2022: 14,873).

Right of members to resign

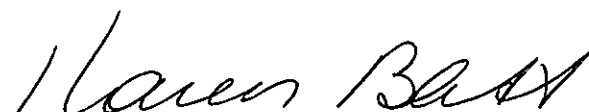
Rule 8 of Chapter C of Federal Rule sets out the terms under which a member of the Branch may resign. A member may resign from membership of the Union by notice in writing, addressed to the Branch Secretary, if the member cease to be eligible to become a member of the Union or the member give notice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

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

Name	Company/Board	Principal Activities	Reporting unit position
Travis Bates (ceased on 30-6-2023 on reconstitution of the Board)	Aware Super Pty Ltd	Superannuation	Yes

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

Signature of designated officer:



Name of designated officer:

KAREN BATT

Title of designated officer:

VICTORIAN BRANCH SECRETARY

Dated

17th NOVEMBER 2023

**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 2023**

	Note	2023 \$	2022 \$
Revenue from contracts with customers	4A	9,118,917	9,883,916
Other revenue	4B	852,595	943,272
Expenses			
Administration expenses		(322,739)	(335,323)
Affiliation and capitation fees	5	(503,221)	(508,723)
Amortisation and depreciation expenses		(909,967)	(905,925)
Communication expenses		(255,217)	(248,908)
Computer expenses		(59,440)	(63,545)
Employee benefits expenses	6	(6,976,946)	(7,007,641)
Grants expenses		(463,746)	(713,962)
Legal & professional fees	7	(59,344)	(130,308)
Library		(20,884)	(34,512)
Meetings		(69,216)	(33,976)
Motor vehicle expenses		(88,155)	(76,916)
Office operation and maintenance		(252,200)	(220,880)
Printing and publications		(104,093)	(84,019)
Training and campaigns		(402,338)	(523,339)
		<u>(10,487,506)</u>	<u>(10,887,977)</u>
(Deficit) attributable to members of the entity		(515,994)	(60,789)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive (loss) for the year attributable to members		<u>(515,994)</u>	<u>(60,789)</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 2023**

	Note	2023 \$	2022 \$
ASSETS			
Current assets			
Cash and cash equivalents	9	6,890,690	7,481,312
Trade and other receivables	10	463,565	323,344
Other assets	11	52,977	47,874
Inventory	12	96,141	82,367
Total current assets		<u>7,503,373</u>	<u>7,934,897</u>
Non-current assets			
Property, plant and equipment	13	5,675,734	6,528,474
Total non-current assets		<u>5,675,734</u>	<u>6,528,474</u>
Total assets		<u>13,179,107</u>	<u>14,463,371</u>
LIABILITIES			
Current liabilities			
Trade and other payables	14	407,355	538,178
Other liabilities	15	205,123	236,660
Borrowings	16	692,133	661,685
Employee benefit obligations	17	1,816,991	1,826,220
Total current liabilities		<u>3,121,602</u>	<u>3,262,743</u>
Non-current liabilities			
Borrowings	16	5,116,488	5,798,354
Provisions	18	150,279	95,542
Total non-current liabilities		<u>5,266,767</u>	<u>5,893,896</u>
Total liabilities		<u>8,388,369</u>	<u>9,156,639</u>
Net assets		<u>4,790,738</u>	<u>5,306,732</u>
MEMBERS' FUND			
Accumulated surplus	19	4,790,738	5,306,732
Total members' fund		<u>4,790,738</u>	<u>5,306,732</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 2023

	Accumulated surplus \$	Other Funds \$	Total \$
Balance at 1 July 2021	5,367,521	-	5,367,521
Comprehensive (loss) for the year	(60,789)	-	(60,789)
Transfer from accumulated surplus	-	-	-
Balance at 30 June 2022	<u>5,306,732</u>	<u>-</u>	<u>5,306,732</u>
Balance at 1 July 2022	5,306,732	-	5,306,732
Comprehensive (loss) for the year	(515,994)	-	(515,994)
Transfer from accumulated surplus	-	-	-
Balance at 30 June 2023	<u>4,790,738</u>	<u>-</u>	<u>4,790,738</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 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Membership fees and levies received (inclusive of GST)		9,985,516	10,827,572
Receipts from other reporting units (inclusive of GST)			
- CPSU/SPSF Group Adelaide Branch		24,548	24,548
- CPSU/SPSF Group Tasmanian Branch		11,784	9,391
- CPSU/SPSF Group Federal Fund		179,110	127,891
- PSA/CPSU		3,050	2,300
Receipts from controlled entities		-	-
Sundry receipts (inclusive of GST)		33,603	102,897
Grant receipts (inclusive of GST)		522,500	840,028
Payments to suppliers and employees (inclusive of GST)		(10,230,302)	(10,185,439)
Payments to other reporting units			
- CPSU/SPSF Group Federal Fund		(286,792)	(289,624)
- CPSU PSU Group		(5,280)	(5,280)
Payments to controlled entities		-	-
Interest paid		(184,670)	(202,624)
Interest received		66,072	26,140
Net cash inflow from operating activities	23	<u>119,139</u>	<u>1,277,800</u>
Cash flows from investing activities			
Proceed from sales of property, plant and equipment		-	3,764
Payment for property, plant and equipment		(58,343)	(251,790)
Net cash (outflow) from investing activities		<u>(58,343)</u>	<u>(248,026)</u>
Cash flows from financing activities			
Repayments of right-of-use liabilities		(627,884)	(582,204)
Receipt of equipment loan		-	48,565
Repayment of equipment loan		(24,283)	(8,094)
Net cash (outflow) from financing activities		<u>(652,167)</u>	<u>(541,733)</u>
Net (decrease) increase in cash and cash equivalents		(591,371)	488,041
Cash and cash equivalents at beginning of financial year		7,471,794	6,983,753
Cash and cash equivalents at end of financial year	9(a)	<u>6,880,423</u>	<u>7,471,794</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

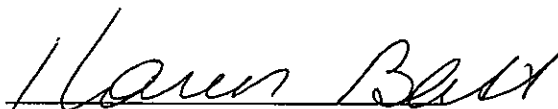
REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR YEAR ENDED 30 JUNE 2023

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 2023.

	2023	2022
	\$	\$
Categories of expenditure		
Remuneration and other employment-related costs and expenses - employees	7,183,789	7,497,454
Advertising	53,000	221,125
Operating costs	849,214	761,236
Donations to political parties	-	-
Legal costs	35,304	108,208

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:



Name of designated officer:

KAREN BATT

Title of designated officer:

VICTORIAN BRANCH SECRETARY

Dated

17th NOVEMBER 2023

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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 Standards 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 2022.

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 2023

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 2023

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 2023

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 2023

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 2023

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 2023

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 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 2023

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 2023

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 2023

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 2023

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:

- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments
- AASB 2021-3 Amendments to AASs – COVID-19-Related Rent Concessions beyond 30 June 2021

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 2023 reporting periods. The entity's assessment of the impact of these new standards and interpretations is set out below.

Title of Standard	AASB 2020-1 – 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 2023. 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 2023

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 General Manager:

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

4A: Revenue from contracts with customers

	Note	2023 \$	2022 \$
The table below also sets out a disaggregation of revenue by type of customer and funding source			
- member subscriptions		8,977,806	9,704,906
- capitation fee		-	-
- campaign levy (voluntary)		141,111	179,010
		<u>9,118,917</u>	<u>9,883,916</u>

4B: Other revenue

- interest		83,986	25,414
- training income		67,817	62,245
- administrative support income from other branches	24(g)	4,728	4,636
- administrative support income from Federal Fund	24(g)	132,894	120,242
- donation received		-	-
- grants received		548,405	692,835
- financial support from another reporting unit		-	-
- revenue from recovery of wages activity		-	-
- other revenue		14,765	37,900
		<u>852,595</u>	<u>943,272</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

5: Affiliation and capitation fees

	2023	2022
	\$	\$
<i>Affiliation fee</i>		
- Victorian Trades Hall Council	139,411	131,025
- Ballarat Trades & Labour Council	3,955	2,157
- Bendigo Trades Hall Council	4,002	2,760
- Council of State Retiree's Association, Victoria	321	-
- Geelong Trades Hall Council	8,290	7,823
- Gippsland Trades and Labour Council	3,096	2,288
- Goulburn Valley Trades and Labour Council	931	931
- North East Trades & Labour Council	1,182	840
- Prison Officers Association of Australasia	3,000	-
- South West Trades & Labour Council	668	543
- Sunraysia Trades & Labour Council	461	184
- ACTU	93,978	98,087
<i>Compulsory levy</i>	-	-
<i>Capitation fee</i>		
- CPSU SPSF Group – Federal Fund	243,926	262,085
	<u>503,221</u>	<u>508,723</u>

6: Employees benefits expenses

	2023	2022
	\$	\$
Holders of office:		
Wages and salaries	453,956	400,357
Superannuation	53,238	50,069
Leave and other entitlements	(31,391)	37,371
Separation and redundancies	-	-
Other employee expenses	-	-
	<u>475,803</u>	<u>487,797</u>
Employees other than holders of office:		
Wages and salaries	5,339,791	5,513,990
Superannuation	744,037	721,734
Leave and other entitlements	75,632	233,069
Separation and redundancies	-	-
Other employee expenses	-	-
	<u>6,159,460</u>	<u>6,468,793</u>
Other staff costs**	548,526	540,864
	<u>7,183,789</u>	<u>7,497,454</u>
Staff costs allocated to grants	(206,843)	(489,813)
	<u>6,976,946</u>	<u>7,007,641</u>

** Other staff costs primarily comprise payroll tax and workcover

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

7: Legal & professional fee

	2023 \$	2022 \$
Accounting fee	13,930	4,250
Auditor remuneration		
- audit of financial report – ex-auditor	-	16,500
- audit of financial report – current auditor	8,700	-
- other audits – ex-auditor	1,410	1,350
Legal fees		
- Litigation	-	-
- Other legal matters	35,304	108,208
	<u>59,344</u>	<u>130,308</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

8: Expenses

	2023	2022
	\$	\$
The results for the year includes the following specific items:		
<i>Depreciation of non-current assets</i>		
- Motor vehicles	36,278	38,106
- Office equipment	21,448	17,019
- Furniture & fixtures	5,898	3,776
- Computer equipment	20,026	21,657
- Right-of-use assets	748,052	748,052
	<u>831,702</u>	<u>828,610</u>
<i>Amortisation of non-current assets</i>		
- leasehold improvements	78,265	77,315
	<u>78,265</u>	<u>77,315</u>
Total depreciation and amortisation	<u>909,967</u>	<u>905,925</u>
<i>Defined contribution superannuation expense</i>	797,275	771,804
<i>Finance costs</i>		
- provisions: unwinding of discount	1,267	1,230
- interest and finance charges paid on bank loan	749	525
- interest right-of-use liabilities	183,921	202,099
Rental expenses on operating leases (minimum lease payments)	16,667	9,685
Conference and meeting allowances	-	-
Consideration to employers for payroll deductions	-	-
Penalties – via RO Act or RO Regulations	-	-
Donations:		
Total paid that were \$1,000 or less	500	537
Total paid that exceeded \$1,000	38,580	23,000
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Loss (Gain) on disposal of fixed assets	1,116	(1,984)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

9: Current assets – Cash and cash equivalents

	2023	2022
	\$	\$
Cash on hand	1,021	1,021
Cash at bank	5,449,016	6,334,447
Term deposit	1,440,653	1,145,844
	<u>6,890,690</u>	<u>7,481,312</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	6,890,690	7,481,312
Bank loan – line of credit	<u>(10,267)</u>	<u>(9,518)</u>
Balances per Statement of Cash Flows	<u>6,880,423</u>	<u>7,471,794</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 2023

10: Current assets – Trade and other receivables

	2023 \$	2022 \$
Receivable from other reporting units		
- CPSU SPSF Tasmanian Branch	401	651
- CPSU SPSF Group – Federal Fund	18,673	17,121
- PSA/CPSU	-	650
	<u>19,074</u>	<u>18,422</u>
Loss allowance	-	-
Net receivables from other reporting units	<u>19,074</u>	<u>18,422</u>
Trade receivables	452,947	314,922
Loss allowance	<u>(10,000)</u>	<u>(10,000)</u>
	<u>442,021</u>	<u>304,922</u>
Other receivables	1,544	-
	<u>463,565</u>	<u>323,344</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:

	2023 \$	2022 \$
At 1 July	10,000	10,000
Increase in loss allowance recognised in profit or loss during the year	-	-
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 2023

11: Current assets – Other assets

	2023 \$	2022 \$
Prepayments	<u>52,977</u>	<u>47,874</u>

12: Current assets – Inventory

	2023 \$	2022 \$
Inventory held for distribution	<u>96,141</u>	<u>82,367</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 2023 amounted to \$268,973 (30 June 2022: \$195,395)

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

	2023 \$	2022 \$
Leasehold improvements		
At cost	1,206,695	1,206,695
Less accumulated amortisation	<u>(809,120)</u>	<u>(730,855)</u>
	<u>397,575</u>	<u>475,840</u>
Plant and equipment		
Motor vehicles		
At cost	265,231	220,978
Less accumulated depreciation	<u>(142,940)</u>	<u>(106,662)</u>
	<u>122,291</u>	<u>114,316</u>
Office equipment	183,656	183,656
At cost	<u>(92,005)</u>	<u>(70,557)</u>
Less accumulated depreciation	<u>91,651</u>	<u>113,099</u>
Computer equipment		
At cost	75,600	80,372
Less accumulated depreciation	<u>(50,520)</u>	<u>(46,100)</u>
	<u>25,080</u>	<u>34,272</u>
Furniture and fixtures		
At cost	173,100	170,960
Less accumulated depreciation	<u>(144,453)</u>	<u>(138,555)</u>
	<u>28,647</u>	<u>32,405</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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

	2023	2022
	\$	\$
Right-of-use assets		
At cost	7,935,921	7,935,921
Less accumulated depreciation	<u>(2,925,431)</u>	<u>(2,177,379)</u>
	<u>5,010,490</u>	<u>5,758,542</u>
Total property, plant and equipment	<u>5,675,734</u>	<u>6,528,474</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:

2022	Leasehold improvements	Motor vehicles	Office equipment	Computer equipment	Furniture and fixtures	Right-of-use assets	Total
	\$	\$	\$	\$	\$		\$
Opening net book amount	433,655	152,422	43,562	28,698	19,458	6,506,594	7,184,389
Additions	119,500	-	88,336	27,231	16,723	-	251,790
Disposals	-	-	(1,780)	-	-	-	(1,780)
Depreciation/amortisation	(77,315)	(38,106)	(17,019)	(21,657)	(3,776)	(748,052)	(905,925)
Closing net book amount	<u>475,840</u>	<u>114,316</u>	<u>113,099</u>	<u>34,272</u>	<u>32,405</u>	<u>5,758,542</u>	<u>6,528,474</u>
2023	Leasehold improvements	Motor vehicles	Office equipment	Computer equipment	Furniture and fixtures	Right-of-use assets	Total
	\$	\$	\$	\$	\$		\$
Opening net book amount	475,840	114,316	113,099	34,272	32,405	5,758,542	6,528,474
Additions	-	44,253	-	11,950	2,140	-	58,343
Disposals	-	-	-	(1,116)	-	-	(1,116)
Depreciation/amortisation	(78,265)	(36,278)	(21,448)	(20,026)	(5,898)	(748,052)	(909,967)
Closing net book amount	<u>397,575</u>	<u>122,291</u>	<u>91,651</u>	<u>25,080</u>	<u>28,647</u>	<u>5,010,490</u>	<u>5,675,734</u>

(c) Right-of-use assets

	2023	2022
	\$	\$
Office	4,896,351	5,524,760
Equipment	<u>114,139</u>	<u>233,782</u>
	<u>5,010,490</u>	<u>5,758,542</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

14: Current liabilities – Trade and other payables

	2023	2022
	\$	\$
<i>Unsecured</i>		
Trade creditors	344,043	496,430
Payables to other reporting units		
- CPSU SPSF Group Federal Fund	22,794	22,914
Payable to employers for making payroll deductions of membership subscriptions	-	-
Legal fee due – other matters	6,593	-
Legal fee due – litigation	-	-
Net GST	33,925	18,834
	<u>407,355</u>	<u>538,178</u>

15: Current liabilities – Other liabilities

	2023	2022
	\$	\$
Subscription in advance	94,506	102,638
Grant funding in advance	110,617	134,022
	<u>205,123</u>	<u>236,660</u>

(a) Contract balances

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

	2023	2022
	\$	\$
Receivables	<u>-</u>	<u>-</u>
Total income received in advance	<u>205,123</u>	<u>236,660</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>236,600</u>	<u>346,183</u>
Increase due to cash received, excluding amounts recognised as revenue during the period	<u>(205,123)</u>	<u>(236,660)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

16: Borrowings

2022	Line-of-credit	Equipment loan	Right-of-use liabilities	Total
	\$	\$	\$	\$
Current	9,518	24,283	627,884	661,685
Non-current	-	16,188	5,782,166	5,798,354
	<u>9,518</u>	<u>40,471</u>	<u>6,410,050</u>	<u>6,460,039</u>
2023	Line-of-credit	Equipment loan	Right-of-use liabilities	Total
	\$	\$	\$	\$
Current	10,267	16,188	665,678	692,133
Non-current	-	-	5,116,488	5,116,488
	<u>10,267</u>	<u>16,188</u>	<u>5,782,166</u>	<u>5,808,621</u>

(a) Assets pledged as security - the Line-of-credit is secured by a \$684,613 term deposit.

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

	2023	2022
	\$	\$
As at 1 July	6,410,050	6,992,254
Interest	183,921	202,099
Payments	(811,805)	(784,303)
	<u>5,782,166</u>	<u>6,410,050</u>

(c) The movement of the carrying amounts of the equipment loan (unsecured and interest-free):

	2023	2022
	\$	\$
As at 1 July	40,471	-
Addition	-	48,565
Payments	(24,283)	(8,094)
	<u>16,188</u>	<u>40,471</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2023

17: Current liabilities – Employee benefit obligations

	2023 \$	2022 \$
<i>Holders of office:</i>		
Annual leave	44,106	88,928
Long service leave	194,525	181,094
Separations and redundancies	-	-
Other	-	-
	<u>238,631</u>	<u>270,022</u>
<i>Employees other than holders of office:</i>		
Annual leave	678,329	709,660
Long service leave	900,031	846,538
Separations and redundancies	-	-
Other	-	-
	<u>1,578,360</u>	<u>1,556,198</u>
	<u>1,816,991</u>	<u>1,826,220</u>

18: Non-current liabilities – Provisions

	2023 \$	2022 \$
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	96,505	43,035
Separations and redundancies	-	-
Other	-	-
	<u>96,505</u>	<u>43,035</u>
Makegood provision	53,774	52,507
	<u>150,279</u>	<u>95,542</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

18: Non-current liabilities – Provisions (Continued)

(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.

19: Accumulated surplus

	2023	2022
	\$	\$
Movements in the accumulated surplus were as follows:		
Balance 1 July	5,306,732	5,367,521
Net (deficit) for the year	<u>(515,994)</u>	<u>(60,789)</u>
Balance 30 June	<u>4,790,738</u>	<u>5,306,732</u>

20: 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 2023

21: Contingencies

There are no known contingent assets or liabilities at 30 June 2023.

22: Events occurring after the reporting date

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: Cash flow information

	2023	2022
	\$	\$
Reconciliation of cash flow from operations with (deficit) for the year		
(Deficit) for the year	(515,994)	(60,789)
<i>Non-cash flows in (deficit)</i>		
Depreciation and amortisation	909,967	905,925
Charges to provisions	1,267	1,230
Net loss (gain) on disposal of property, plant and equipment	1,116	(1,984)
<i>Changes in assets and liabilities</i>		
(Increase) Decrease in receivables	(145,324)	171,876
(Increase) Decrease in inventories	(13,774)	105
(Decrease) in payables	(162,360)	(9,003)
Increase in provisions	44,241	270,440
Cash flows from operations	<u>119,139</u>	<u>1,277,800</u>

(a) Financing arrangements

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

	2023	2022
	\$	\$
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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

23: Cash flow information (Continued)

(b) Liabilities from Financing Activities

	1 July 2022	Addition	Cash flows	Other	30 June 2023
	\$	\$	\$	\$	\$
Current interest-bearing loans and borrowings – line of credit	9,518	-	749	-	10,267
Current interest-bearing loans and borrowings	627,884	-	(627,884)	665,678	665,678
Current interest-free loans and borrowings	24,283	-	(24,283)	16,188	16,188
Non-current interest-bearing loans and borrowings	5,782,166	-	-	(665,678)	5,116,488
Non-current interest-free loans and borrowings	16,188	-	-	(16,188)	-
Total liabilities from financing activities	<u>6,460,039</u>	<u>-</u>	<u>(651,418)</u>	<u>-</u>	<u>5,808,621</u>

	1 July 2021	Addition	Cash flows	Other	30 June 2022
	\$	\$	\$	\$	\$
Current interest-bearing loans and borrowings – line of credit	9,993	-	(475)	-	9,518
Current interest-bearing loans and borrowings	582,204	-	(582,204)	627,884	627,884
Current interest-free loans and borrowings	-	48,565	(8,094)	(16,188)	24,283
Non-current interest-bearing loans and borrowings	6,410,050	-	-	(627,884)	5,782,166
Non-current interest-free loans and borrowings	-	-	-	16,188	16,188
Total liabilities from financing activities	<u>7,002,247</u>	<u>48,565</u>	<u>(590,773)</u>	<u>-</u>	<u>6,460,039</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

24: 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	Mark Halden – Vice President
Carol Bakker - Vice President	

	2023	2022
	\$	\$
(b) Key management personnel remuneration		
<i>Short-term employee benefits</i>		
Salary (including annual leave taken)	371,431	386,557
Annual leave accrued	40,467	40,491
Total short-term employee benefits	411,898	427,048
Post-employment benefits:		
Superannuation	53,238	50,069
Total post-employment benefits	53,238	50,069
Other long-term benefits:		
Long-service leave accrued	10,667	10,680
Total other long-term benefits	10,667	10,680
Termination benefits	-	-
Total	475,803	487,797

(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 2023

24: 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	2023	2022
	\$	\$
<i>Payments</i>		
Capitation fee paid to the CPSU SPSF Federal Fund	243,926	262,085
<i>Receipts</i>		
Computer support income from PSA/CPSU	2,364	2,318
Membership & computer support income from CPSU SPSF Tasmania Inc	<u>2,364</u>	<u>2,318</u>
	<u>4,728</u>	<u>4,636</u>
Administration support income from CPSU SPSF Federal Fund	39,820	25,958
Salary reimbursement (Federal Secretary) from CPSU SPSF Federal Fund	<u>93,074</u>	<u>94,284</u>
	<u>132,894</u>	<u>120,242</u>

25: 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 2023

25: Financial risk management (Continued)

Sensitivity analysis

As at 30 June 2023 the effect on the surplus as a result of changes in interest rates, with all other variables remaining constant, would be as follows:

	2023	2022
<i>Effect on results:</i>	\$	\$
Increase of interest rates by 2%	137,793	149,415
Decrease of interest rates by 2%	(137,793)	(149,415)

(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:

	2023	2022
	\$	\$
Cash at bank		
<i>AA- Rating</i>	1,617,968	2,272,332
<i>A- Rating</i>	-	3,765,447
<i>BBB+ Rating</i>	3,809,380	-
<i>BBB Rating</i>	21,668	296,668
Deposits at call		
<i>AA- Rating</i>	456,039	456,039
<i>BBB Rating</i>	984,614	689,805
	<u>6,889,669</u>	<u>7,480,291</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

25: Financial risk management (Continued)

(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:

2023	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	0.95	5,449,016	-	-	-	-	-	5,449,016
Deposits at bank	4.27	-	1,440,653	-	-	-	-	1,440,653
Other receivables		-	-	-	-	-	463,565	463,565
		<u>5,449,016</u>	<u>1,440,653</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>464,586</u>	<u>7,354,255</u>
Financial Liabilities								
Line-of-credit	8.88	10,267	-	-	-	-	-	10,267
Other payables		-	-	-	-	-	407,355	407,355
Right-of-use liabilities	3	-	665,678	603,394	2,101,707	2,411,387	-	5,782,166
Equipment loan	0	-	16,188	-	-	-	-	16,188
		<u>10,267</u>	<u>681,866</u>	<u>603,394</u>	<u>2,101,707</u>	<u>2,411,387</u>	<u>407,355</u>	<u>6,215,976</u>
Net Financial Assets (Liabilities)		<u>5,438,749</u>	<u>758,787</u>	<u>(603,394)</u>	<u>(2,101,707)</u>	<u>(2,411,387)</u>	<u>57,231</u>	<u>1,138,279</u>
2022								
2022	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	0.3	6,334,447	-	-	-	-	-	6,334,447
Deposits at bank	0.79	-	1,145,844	-	-	-	-	1,145,844
Other receivables		-	-	-	-	-	323,344	323,344
		<u>6,334,447</u>	<u>1,145,844</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>324,365</u>	<u>7,804,656</u>
Financial Liabilities								
Line-of-credit	5.38	9,518	-	-	-	-	-	9,518
Other payables		-	-	-	-	-	538,178	538,178
Right-of-use liabilities	3	-	627,884	665,678	1,951,035	3,165,453	-	6,410,050
Equipment loan	0	-	24,283	16,188	-	-	-	40,471
		<u>9,518</u>	<u>652,167</u>	<u>681,866</u>	<u>1,951,035</u>	<u>3,165,453</u>	<u>538,178</u>	<u>6,998,217</u>
Net Financial Assets (Liabilities)		<u>6,324,929</u>	<u>493,677</u>	<u>(681,866)</u>	<u>(1,951,035)</u>	<u>(3,165,453)</u>	<u>(213,813)</u>	<u>806,439</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

26: 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 2023 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 2023 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	2023		2022	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
		\$	\$	\$	\$
Financial assets					
Cash on hand	(i)	6,890,690	6,890,690	7,481,312	7,481,312
Trade and other receivables	(i)	463,565	463,565	323,344	323,344
Total financial assets		7,354,255	7,354,255	7,804,656	7,804,656
Financial liabilities					
Trade and other payables	(i)	407,355	407,355	538,178	538,178
Line of credit	(i)	10,267	10,267	9,518	9,518
Right-of-use liabilities	(i)	5,782,166	5,782,166	6,410,050	6,410,050
Equipment loan	(i)	16,188	16,188	40,471	40,471
Total financial liabilities		6,215,976	6,215,976	6,998,217	6,998,217

- (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 2023

26: 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 2023 and 30 June 2022:

Financial Assets	Level 1	Level 2	Level 3
	\$	\$	\$
30 June 2023			
Assets at fair value	-	-	-
Liabilities at fair value	-	-	-
Net fair value	-	-	-
30 June 2022			
Assets at fair value	-	-	-
Liabilities at fair value	-	-	-
Net fair value	-	-	-
Non-financial Assets	Level 1	Level 2	Level 3
	\$	\$	\$
30 June 2023			
Assets at fair value	-	-	-
Liabilities at fair value	-	-	-
Net fair value	-	-	-
30 June 2022			
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 (2022: 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

27: 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.

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

STATEMENT BY COMMITTEE OF MANAGEMENT

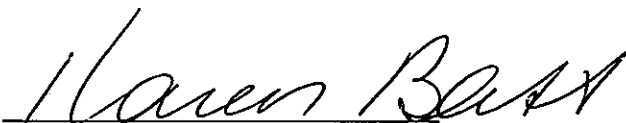
On 17 November 2023 the Committee of Management of the Community and Public Sector Union SPSF Group Victorian Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2023:

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 the General Manager duly made under section 272 of the RO Act has been provided to the member or the General Manager; 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:



Name of designated officer:

KAREN BATT

Title of designated officer:

VICTORIAN BRANCH SECRETARY

Dated

17th NOVEMBER 2023



Eddy Partners Accountants

Eddy Partners
Accountants and Auditors
ABN 87 382 183 920

Level 8,
501 LaTrobe Street,
Melbourne, Victoria 3000.

PO Box 13105,
Law Courts,
Melbourne, Victoria 8010.

Telephone: (03) 9602 5177

Facsimile: (03) 9602 5766

e-mail: info@eddypartners.com.au

Independent Auditor's Report to the Committee of Management and Members Community and Public Sector Union SPSF Group Victorian Branch General Purpose Financial Report – Year Ended 30th June 2023

Report on the Audit of the Financial Report

Audit Opinion

We have audited the accompanying General Purpose Financial Report of the Community and Public Sector Union SPSF Group Victorian Branch (“the Registered Organisation”) such report comprising Balance Sheet as at 30th June 2023 and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended together with Notes to the Financial Statements, Committee of Management Statement and subsection 255(2A) report.

In our opinion, the accompanying General Purpose Financial Report presents fairly, in all material respects, the financial position of the Registered Organisation as at 30th June 2023 and its financial performance, changes in equity, and cash flows for the year ended on that date in accordance with –

- (a) Australian Accounting Standards; and
- (b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (“the RO Act”).

We declare that the Committee of Management’s use of the going concern basis in the preparation of the financial report of the Registered Organisation 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 opinion.

Partners:

David J. Eddy CPA
Stephen J. Eddy CPA
Suzanne J. Eddy CPA



Audit Independence

We are independent of the Registered Organisation in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also complied with and fulfilled all applicable independence requirements and other ethical responsibilities in accordance with the Code and the RO Act.

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

The Committee of Management is responsible for the other information. The other information comprises the information included in the annual report of the Registered Organisation for the year ended 30th June 2023 and includes the Operating Report. Our opinion on the financial report does not cover the other information and accordingly we do not express any opinion or 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, to consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated. If, based on the work performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

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

In preparing the financial report, the Committee of Management is responsible for assessing the ability of the Registered Organisation to continue as a going concern and 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 Registered Organisation or to cease operations or have no realistic alternative but to do so. The Committee of Management is responsible for overseeing the financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes 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 the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations and/or the override of internal controls.

We 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 internal controls of the Registered Organisation.

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

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

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

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

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

We declare that the auditor is an Approved Auditor registered under the RO Act, a member of CPA Australia, and the holder of a current Public Practising Certificate.

Eddy Partners

Accountants and Auditors

Certified Practising Accountants

Level 8, 501 Latrobe Street, Melbourne, Victoria



Stephen Eedy B.Com CPA

Registered Company Auditor – No. 165946

Registered Organisations Approved Auditor AA2017/83

Holder of a Current Public Practice Licence - CPA Australia - Membership No. 1408419

Melbourne 17th November 2023