



23 December 2015

Ms Karen Batt
Federal Secretary
Community and Public Sector Union-SPSF Group
Level 1, 160 Clarence Street
Sydney NSW 2000

By e-mail: kbatt@cpsuvic.org

Dear Ms Batt

**Community and Public Sector Union-SPSF Group
Financial Report for the year ended 30 June 2015 - FR2015/292**

I acknowledge receipt of the financial report for the year ended 30 June 2015 for the Community and Public Sector Union-SPSF Group. The financial report was lodged with the Fair Work Commission on 30 November 2015.

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

Whilst the 2015 report has been filed the following should be addressed in the preparation of the next financial report.

1. General Purpose Financial Report

Activities under Reporting Guidelines (RG) not disclosed

Item 17 of the Reporting Guidelines states that if the activities identified in item 16 have not occurred in the reporting period, a statement to this effect must be included in the notes to the GPFR. I note that no such disclosure has been made for:

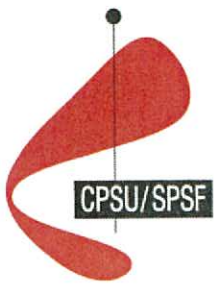
- RG16(i) - expenses incurred with holding meeting of members or any conferences or meeting of councils, committees, panels or other bodies

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8656 4685 or by email at ken.morgan@fwc.gov.au

Yours sincerely

A handwritten signature in black ink, appearing to read 'K. Morgan', with a stylized flourish at the end.

Ken Morgan
Financial Reporting Advisor
Regulatory Compliance Branch



COMMUNITY & PUBLIC SECTOR UNION
STATE PUBLIC SERVICES FEDERATION GROUP

Melbourne Office

All mail to:-

PO Box 18090 Collins Street East

VICTORIA 8003

Office Address:

Level 10, 128 Exhibition Street

MELBOURNE VIC 3000 AUSTRALIA

Tel: (03) 9631 6900 Fax: (03) 9631 6999

Sydney Office

PO Box Q1317, QVB Sydney NSW 1230

All mail redirected to Melbourne Office

Office Address:

1st Floor, 160 Clarence Street,
SYDNEY NSW 2000 AUSTRALIA

Tel: (02) 9299 5655 Fax: (02) 9299 7181

ABN 31 572 641 712

30th November 2015

Attn: Nick Salzberg

Regulatory Compliance Branch

Fair Work Commission

Level 5

11 Exhibition Street

MELBOURNE VIC 3000

By Email: nick.salzberg@fwc.gov.au

Dear Nick

RE: CPSU/SPSF GROUP – 2014 / 2015 Financial Report

Please find attached the Financial Report for the year ended 30 June 2015 for the CPSU/SPSF GROUP 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

Federal Secretary

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

Certificate by Prescribed Designated Officer

Certificate for the period ended 30 June 2015

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

- that the documents lodged herewith are copies of the full financial report for the CPSU SPSF GROUP for the period ended 30th June 2015 referred to in section 268 of the Fair Work (Registered Organisations) Act 2009; and
- that the audited full financial report and operating report had been published on 26th November 2015 on the reporting unit's web site, www.cpsu-spsf.asn.au; and
- that a full financial report was presented to a Committee of Management meeting of the reporting unit on 19th November 2015 in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

Signature:



Name:

KAREN BATT

Title:

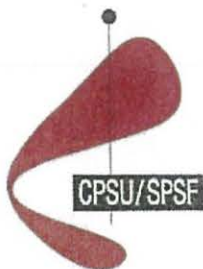
Federal Secretary

Dated:

30th November 2015

**COMMUNITY & PUBLIC SECTOR UNION SPSF GROUP - FEDERAL
FUND
ABN 31 572 641 712**

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**



**COMMUNITY & PUBLIC SECTOR UNION
STATE PUBLIC SERVICES FEDERATION GROUP**

Melbourne Office
All mail to:-
PO Box 18090 Collins Street East
VICTORIA 8003

Sydney Office
PO Box Q1317, QVB Sydney NSW 1230
All mail redirected to Melbourne Office

COMMUNITY & PUBLIC SECTOR UNION SPSF GROUP - FEDERAL FUND
ABN 31 572 641 712

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
Notes to the financial statements	5 – 29
Committee of management statement	30
Independent auditor's report	31

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

The Community and Public Sector Union SPSF Group - Federal Fund 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 - Federal Fund
1st Floor, 160 Clarence Street
SYDNEY NSW 2000

The financial report was authorised for issue by the committee of management on 13 October 2015.

**COMMUNITY & PUBLIC SECTOR UNION SPSF GROUP - FEDERAL FUND
ABN 31 572 641 712**

OPERATING REPORT

The Federal Executive presents their report on the Community and Public Sector Union SPSF Group - Federal Fund (The CPSU) for the financial year ended 30 June 2015.

Members of Federal Executive

The name of each person who has been a member of the Federal Executive at any time during or since the end of the financial year is as follows:

<i>Name</i>	<i>Position</i>
K. Batt **	Federal Secretary
J. McMahon **	Federal President & Federal Vice President – SA
T. Lynch **	Federal Senior Vice President – TAS
S. Walsh	Federal Vice President – NSW
C. Davies **	Federal Vice President – VIC
T. Walkington	Federal Vice President – WA
J. Welch	Federal Vice President – WAPOU
S. Turner	NSW Branch Delegate
L. Oxlad	SA Branch Delegate
G Ransley **	Tasmanian Branch Delegate
P. Lillywhite	Victorian Branch Delegate
B. Dodds **	WA Branch Delegate

** - Member of Finance, Administration and Governance Committee

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

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 CPSU is a professional and industrial organisation registered under the Fair Work (Registered Organisations Act) 2009 (Cth), comprised of a membership of State Government public sector workers across Australia. The CPSU is a democratic and federated structure, with offices in Sydney and Melbourne, in addition to its branches in every State of Australia.

The primary object of the CPSU is to protect and improve the professional and industrial interests of its members and to promote and defend Australia's high quality public service system. We do this by enacting strategies and campaigns which enhance the working conditions, living standards and professional rights of members.

The CPSU is a democratic, membership-focused organisation, always aiming to act in the best interests of members and the public service system. The union at all levels operates on principles of effective transparent governance and strong leadership, providing an effective voice for our members in Australia and internationally.

No significant changes in the state of financial affairs of the CPSU occurred during the financial year.

During the reporting period the CPSU has undertaken industrial, campaign and policy work to achieve its object of promoting and enhancing the working lives of its membership.

With respect to industrial work with employers, the CPSU has during the reporting period been a bargaining representative for four enterprise agreements, with two of these finalised during the period and two other still to be completed. Three of these agreements (two being for offices of the Australian Health Practitioner Regulation Agency and a third the Office of National Rail Safety Regulator) have related to constitutionally unique organizations that have arisen from State Government responsibilities but operated across State boundaries. Additionally, the CPSU has provided advice for its Branches with respect to the more than 100 federally registered enterprise agreements it is covered by across the country, either with respect to their negotiation, interpretation or enforcement.

The CPSU has also been directly or indirectly involved in a slew of industrial matters relating to individuals and their employments, has provided support and advice to its Branches on numerous industrial or governance issues, and professionally assisted like unaffiliated organizations both domestically (Norfolk Island) and internationally (Fiji). Furthermore, the CPSU has also undertaken work to reform and modernize its eligibility rules in order to be able to continue to enrol and represent persons who are currently members of the organisation after their employment moves out of the State public service and into the private or non-government sectors. Finally, the Federal Office drafted and filed a complaint against the NSW State Government for alleged breaches of its obligations under international labour obligations arising from its legislative barriers to free collective bargaining to the Freedom of Association Committee of the International Labour Organisation (ILO) in Geneva on behalf of the Public Service Association of NSW, the CPSU and the ACTU.

The CPSU's campaigning work during the reporting period has taken a number of forms and been performed in a number of forums. The CPSU employed a new National Campaigns Officer in January 2015 to undertake and coordinate research and campaigns for the federal union. Campaign plans have been developed around the whole-of-sector issues of privatisation and taxation reform, and campaign plans for two service-specific areas – corrections and disability services – are in development.

OPERATING REPORT (Continued)

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

The CPSU is also supporting the Centre for Policy Development (CPD), a progressive, independent think-tank, to produce evidence-based research pieces that show how the public sector requires immediate investment in capacity building and new resources to safeguard the provision of vital services for all Australians. To inform this research, CPD held a roundtable discussion in March 2015 for union, academic, business, and non-government sector stakeholders to discuss the role of government in service delivery; the CPSU was well represented at the roundtable and strongly advocated for publicly owned and run services.

The CPSU made submissions to a Productivity Commission inquiry into the Workplace Relations Framework, the House of Representative's Standing Committee on Health's Inquiry into Hepatitis C, and the federal government's Taxation Discussion Paper.

The ongoing improvement of internal governance processes has been continual focus for the organisation over the relevant reporting period. A complete redraft of the Chapter C rules of the CPSU (which is the part of the rules relevant to the SPSF) has been completed and approved by the Fair Work Commission. Also during the reporting period new governance rules have been put in place for the financial disclosure of SPSF Group Officials.

The administration and the finances of the union were over hauled and new operating systems were introduced as a means of streamlining the federal union's operations. Development of Governance codes along with a complete review of the financial position of the union has placed us in a stronger position going forward into the 2014-2015 reporting period.

The union continues its participation in a range of ACTU activities and committees and nominated new representatives to UniSuper and Government Skills Australia. This includes actively working with the ASU to have the then Federal Government commitment to rectifying the discrimination that exists as a result of the failure of Australia to ratify the ILO Convention and regulations that underpin the rights of public sector workers to bargain with the same protections as their private sector counter parts.

The union also has worked on its relationship with its international counterpart, Public Services International, and participated in a task force to monitor and review the use of impact investing models for the delivery of social services across all PSI affiliates.

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.

Union Details

Number of employees

The number of equivalent full time employees at 30 June 2015 was 4 (2014: 2)

Number of members

The number of members across 6 branches at 30 June 2015 was 81,276 (2014: 83,808).

**COMMUNITY & PUBLIC SECTOR UNION SPSF GROUP - FEDERAL FUND
ABN 31 572 641 712**

OPERATING REPORT (Continued)

Directorships of Superannuation Fund

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

Name	Company/Board	Principal Activities	Reporting unit position	Status
South Australia				
Jan McMahon	South Australian Superannuation Board	Superannuation	No	Fed officer
Jan McMahon	Southern Select superannuation Corporation Board	Superannuation	No	Fed officer
Neville Kitchin	UniSuper	Superannuation	Yes	Fed officer
Mark Perica	UniSuper (alternate director to Neville Kitchin)	Superannuation	Yes	Fed employee

Signed in accordance with a resolution of the Federal Executive:

Signature of designated officer:



Name of designated officer:

Karen Batt

Title of designated officer:

Federal Secretary

Date:

13th October 2015

COMMUNITY & PUBLIC SECTOR UNION SPSF GROUP - FEDERAL FUND
ABN 31 572 641 712

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 \$	2014 \$
Revenue from continuing operations	4	1,397,550	1,480,038
Expenses			
Administrative and other expenses	6	(309,631)	(287,784)
Affiliation and capitation fees	7	(30,015)	(67,447)
Campaign and project expenses	8	(113,200)	(16,909)
Communication expenses		(18,113)	(13,975)
Employee related expenses	9	(571,192)	(437,374)
Travel expenses		(205,897)	(196,033)
		<u>(1,248,048)</u>	<u>(1,019,522)</u>
Surplus for the year		<u>149,502</u>	<u>460,516</u>
Surplus attributable to the members		149,502	460,516
Other comprehensive income			
Changes in reserves		-	-
Total comprehensive income for the year attributable to the members		<u>149,502</u>	<u>460,516</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

COMMUNITY & PUBLIC SECTOR UNION SPSF GROUP - FEDERAL FUND
ABN 31 572 641 712

BALANCE SHEET
AS AT 30 JUNE 2015

	Notes	2015 \$	2014 \$
ASSETS			
Current assets			
Cash and cash equivalents	10	54,536	257,090
Held-to-maturity financial assets	11	1,541,365	1,435,247
Trade and other receivables	12	<u>227,603</u>	<u>139,502</u>
Total current assets		<u>1,823,504</u>	<u>1,831,839</u>
Non-current assets			
Property, plant and equipment	13	<u>214,505</u>	<u>65,350</u>
Total non-current assets		<u>214,505</u>	<u>65,350</u>
Total assets		<u>2,038,009</u>	<u>1,897,189</u>
LIABILITIES			
Current liabilities			
Trade and other payables	14	92,335	76,661
Provisions	15	<u>120,594</u>	<u>150,778</u>
Total current liabilities		<u>212,929</u>	<u>227,439</u>
Non-current liabilities			
Provisions	16	<u>11,320</u>	<u>5,492</u>
Total non-current liabilities		<u>11,320</u>	<u>5,492</u>
Total liabilities		<u>224,249</u>	<u>232,931</u>
Net assets		<u>1,813,760</u>	<u>1,664,258</u>
FUNDS			
Accumulated surplus	17	<u>1,813,760</u>	<u>1,664,258</u>
Total funds		<u>1,813,760</u>	<u>1,664,258</u>

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

COMMUNITY & PUBLIC SECTOR UNION SPSF GROUP - FEDERAL FUND
ABN 31 572 641 712

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Accumulated surplus \$	Other funds \$	Total \$
Balance at 1 July 2013	1,203,742	-	1,203,742
Total comprehensive income for the year	460,516	-	460,516
Transfer from federal fund	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 30 June 2014	<u>1,664,258</u>	<u>-</u>	<u>1,664,258</u>
Balance at 1 July 2014	1,664,258	-	1,664,258
Total comprehensive income for the year	149,502	-	149,502
Transfer from federal fund	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 30 June 2015	<u>1,813,760</u>	<u>-</u>	<u>1,813,760</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

COMMUNITY & PUBLIC SECTOR UNION SPSF GROUP - FEDERAL FUND
ABN 31 572 641 712

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
Cash flows from operating activities			
Receipts from other reporting units (inclusive of GST)			
- PSA of NSW		643,171	656,723
- SA Branch		176,258	183,444
- TAS Branch		64,836	65,671
- VIC Branch		226,766	220,677
- WA Branch		260,084	265,227
- WAPOU Branch		37,752	43,401
Member subscription received (inclusive of GST)		759	-
Receipts from controlled entities		-	-
Sundry income		58,987	80,050
Payments to suppliers and employees (inclusive of GST)		(1,102,836)	(759,735)
Payments to other reporting units			
- PSA of NSW		(62,333)	(70,567)
- SA Branch		(2,607)	(5,293)
- TAS Branch		(22,129)	(29,416)
- VIC Branch		(99,176)	(182,069)
- WA Branch		(30,038)	(54,114)
- WAPOU Branch		(36,901)	(17,108)
Payments to controlled entities		-	-
Interest received		46,549	50,381
Net cash inflow from operating activities	24	<u>159,142</u>	<u>447,272</u>
Cash flows from investing activities			
Payments for held-to-maturity investment		(106,118)	(235,247)
Payment for property, plant and equipment		(168,960)	-
Net cash (outflow) from investing activities		<u>(275,078)</u>	<u>(235,247)</u>
Cash flows from financing activities			
Loan advanced to NSW Branch		(86,618)	-
Net cash (outflow) from financing activities		<u>(86,618)</u>	<u>-</u>
Net (decrease) increase in cash and cash equivalents		(202,554)	212,025
Cash and cash equivalents at beginning of financial year		<u>257,090</u>	<u>45,065</u>
Cash and cash equivalents at end of financial year	10(a)	<u><u>54,536</u></u>	<u><u>257,090</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

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 separate financial statements for the Community and Public Sector Union SPSF Group - Federal Fund (CPSU).

(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 - Federal Fund 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.

New and amended standards adopted by the CPSU

The CPSU has applied the following standards and amendments for the first time for their annual reporting period commencing 1 July 2014:

- AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets
- AASB 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting
- Interpretation 21 Accounting for Levies
- AASB 2014-1 Amendments to Australian Accounting Standards

CPSU 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 2014. These standards did not result in changes to CPSU's accounting policies and had no effect on the amounts reported for current or prior year financial statements.

Early adoption of standards

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1: Summary of significant accounting policies (Continued)

(a) Basis of preparation (Continued)

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale 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 CPSU '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.

(b) Revenue recognition

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

The CPSU 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 CPSU's activities as described below. The amount of revenue is not considered to be reliably measurable until all relating contingencies have been resolved. The CPSU 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:

Capitation fees and levies

Capitation fees and levies are recognised when the right to receive the fee or levy has been established.

Interest income

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the CPSU 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.

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 CPSU is exempt from income tax.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1: Summary of significant accounting policies (Continued)

(d) 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.

(e) Investment in other financial assets

Classification

The CPSU classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date. The CPSU does not hold any investments in the following categories: financial assets at fair value through profit or loss and available-for-sale financial assets.

(i) Held-to-maturity financial assets

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the CPSU's management has the positive intention and ability to hold to maturity. If the CPSU were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

Recognition and derecognition

Regular purchases and sales of investments are recognised on trade-date - the date on which the CPSU commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the CPSU has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

Fair value

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the CPSU establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1: Summary of significant accounting policies (Continued)

(e) Investment in other financial assets (Continued)

Impairment

The CPSU assesses at each balance date whether there is objective evidence that a financial asset is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

(f) Fair value estimation

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the CPSU is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates.

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments

(g) 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 CPSU commencing from the time the asset is held ready for use.

Class of fixed asset	Depreciation rate	Depreciation basis
Computer equipment	40%	diminishing value
Leasehold improvements	10%	Straight line
Furniture and equipment	2.5 - 40%	diminishing value

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1: Summary of significant accounting policies (Continued)

(h) Trade and other payables

These amounts represent liabilities for goods and services provided to the CPSU prior to the end of the financial year and which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

(i) 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.

(j) 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1: Summary of significant accounting policies (Continued)

(k) 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 CPSU's functional and presentation currency.

(l) Comparative figures

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

(m) Impairment of assets

Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(n) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting periods. The entity's assessment of the impact of these new standards and interpretations is set out below:

(i) AASB 9 Financial Instruments (effective from 1 January 2018)

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. Since December 2013, it also sets out new rules for hedge accounting. When adopted, the standard will affect the CPSU's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. There will be no impact on the CPSU's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the CPSU does not have any such liabilities.

(ii) AASB 15 Revenue from Contracts with customers (effective from 1 January 2018)

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application (eg 1 January 2018), ie without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application. There will be no impact on the CPSU's financial report.

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 2015

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 CPSU and that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The CPSU makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

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

The following are the critical judgements that management has made in the process of applying the CPSU's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Employee entitlements

Management judgements is applies in determining the following key assumptions in the calculation of long service leave at balance date:

- future increase in wages and salaries;
- future on-costs rates; and
- experience of employees 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 of Fair Work Commission:

(1) a member of a reporting unit, or the General Manager of Fair Work Commission, 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).

COMMUNITY & PUBLIC SECTOR UNION SPSF GROUP - FEDERAL FUND
 ABN 31 572 641 712

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2015

4: Revenue

	Note	2015 \$	2014 \$
From continuing operations			
<i>Service revenue</i>			
Capitation fees	a	1,278,303	1,305,328
Levies		-	-
Membership subscriptions		690	-
Voluntary contributions and compulsory levies		-	-
		<u>1,278,993</u>	<u>1,305,328</u>
<i>Other revenue</i>			
Interest		49,599	47,553
Grants received		-	-
Donations received		-	-
Sublease income		10,154	19,060
Distribution received		13,142	54,384
Director fees		45,662	52,622
Financial support from another reporting unit		-	-
Other revenue		-	1,091
		<u>118,557</u>	<u>174,710</u>
		<u>1,397,550</u>	<u>1,480,038</u>

(a) Capitation fees

	2015 \$	2014 \$
PSA of NSW	584,111	595,842
SA Branch	159,991	166,148
TAS Branch	58,672	59,760
VIC Branch	205,016	200,559
WA Branch	236,099	240,749
WAPOU	34,414	42,270
	<u>1,278,303</u>	<u>1,305,328</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2015

5: Expenses

	2015 \$	2014 \$
The surplus for the year includes the following specific expenses:		
<i>Depreciation of non-current assets</i>		
Leasehold improvement	3,467	-
Office furniture & equipment	13,441	15,149
Computer equipment	2,897	4,192
	<u>19,805</u>	<u>19,341</u>

Loss on disposals of fixed assets	-	2,213
-----------------------------------	---	-------

During the year the following fees were paid or payable for services provided by the auditor and its related practices:

Audit of the financial report	7,800	8,450
Audit of the financial report – Qld Branch	5,500	-
Accounting service	-	1,975

6: Administration and other expenses

	2015 \$	2014 \$
Audit & accounting fee	13,300	10,425
Consideration to employers for payroll deduction	-	-
Fees/allowances – meeting and conferences	-	-
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Legal fees		
- litigation	30,570	2,613
- other legal matters	46,502	117,681
Depreciation	19,805	19,341
Donations:		
Total paid that were \$1,000 or less	500	500
Total paid that exceeded \$1,000	-	-
Occupancy expenses	107,274	75,378
Penalties – RO Act or RO Regulations	-	-
IT support	19,229	12,010
Records management	26,202	10,036
Subscription	9,008	13,779
Other expenses	37,241	26,021
	<u>309,631</u>	<u>287,784</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2015

7: Affiliation and capitation fees

	2015	2014
	\$	\$
<i>Affiliation fee</i>		
APHEDA	2,418	2,418
PSI	15,650	15,589
ACTU	11,947	49,440
<i>Compulsory levies</i>	-	-
<i>Capitation fee</i>	-	-
	<u>30,015</u>	<u>67,447</u>

8: Campaign and project expenses

	2015	2014
	\$	\$
Campaign expenses	200	-
Research	113,000	16,909
	<u>113,200</u>	<u>16,909</u>

9: Employee related expenses

	2015	2014
	\$	\$
<i>Employees other than holders of office</i>		
- wages and salaries	362,439	237,082
- superannuation	60,758	43,860
- leave and other entitlements (net)	16,992	462
- separation and redundancies	-	-
- other employee expenses	-	-
<i>Holders of office</i>		
- wages and salaries	-	-
- superannuation	13,416	13,416
- leave and other entitlements (net)	-	-
- separation and redundancies	-	-
- other employee expenses	-	-
Professional development	1,405	1,850
Salary reimbursement	97,732	129,741
Other staff costs **	18,450	10,963
	<u>571,192</u>	<u>437,374</u>

** Other staff costs primarily comprise payroll tax and workcover

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2015

10: Current assets – Cash and cash equivalents

	2015 \$	2014 \$
Cash at bank	<u>54,536</u>	<u>257,090</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	<u>54,536</u>	<u>257,090</u>
Balances per statement of cash flows	<u>54,536</u>	<u>257,090</u>

11: Current assets – Held-to-maturity financial assets

	2015 \$	2014 \$
Term deposits	<u>1,541,365</u>	<u>1,435,247</u>

(i) Impairment and risk exposure

None of the held-to-maturity investments are either past due or impaired.

All held-to-maturity investments are denominated in Australian dollars. As a result, there is no exposure to foreign currency risk. There is also no exposure to price risk as the investments will be held to maturity.

(ii) Security

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

12: Current assets – Trade and other receivables

	2015 \$	2014 \$
<i>Amount due from Branches:</i>		
- PSA of NSW	54,142	54,232
- QLD Branch	924,000	924,000
- SA Branch	14,593	14,861
- TAS Branch	5,211	5,508
- VIC Branch	19,090	18,486
- WA Branch	21,433	21,809
- WAPOU Branch	<u>3,199</u>	<u>3,096</u>
	1,041,668	1,041,992
Provision for impairment – QLD Branch	iii <u>(924,000)</u>	<u>(924,000)</u>
	117,668	117,992
Loan to NSW Branch	86,618	-
Prepayments	12,375	13,521
Other receivables	<u>10,942</u>	<u>7,989</u>
	<u>227,603</u>	<u>139,502</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2015

12: Current assets – Trade and other receivables (Continued)

(i) Classification as trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement within 30 days and therefore are all classified as current.

(ii) Fair values of trade and other receivables

Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value.

(iii) Amount due from Queensland Branch

There a dispute between the CPSU and Together Queensland, and the former officers of the Queensland Branch about monies that CPSU says are owing to it. CPSU is

- examining internal documents; and
- making demands that external parties produce further documents; and
- seeking legal advice

to determine the extent of the obligation of Together Queensland or any former officers of the Queensland Branch to remit monies that are owing to the CPSU. This process has not been finalised prior to the end of the reporting period. The calculation of capitation fees is based on the last membership numbers of the Queensland Branch in July 2011.

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

	2015	2014
	\$	\$
Plant and equipment		
Leasehold improvement		
At cost	118,227	-
Less accumulated amortisation	<u>(3,467)</u>	<u>-</u>
	<u>114,760</u>	<u>-</u>
Office furniture and equipment		
At cost	190,399	145,784
Less accumulated depreciation	<u>(99,427)</u>	<u>(85,986)</u>
	<u>90,972</u>	<u>59,798</u>
Computers		
At cost	69,391	63,273
Less accumulated depreciation	<u>(60,618)</u>	<u>(57,721)</u>
	<u>8,773</u>	<u>5,552</u>
Total property, plant and equipment	<u><u>214,505</u></u>	<u><u>65,350</u></u>

(a) Non-current assets pledged as security

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

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2015

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

(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:

	Leasehold improvement	Office Furniture & equipment	Computers	Total
	\$	\$	\$	\$
2014				
Opening net book amount	-	75,965	10,939	86,904
Disposals	-	(1,018)	(1,195)	(2,213)
Depreciation	-	(15,149)	(4,192)	(19,341)
Closing net book amount	-	59,798	5,552	65,350
2015				
Opening net book amount	-	59,798	5,552	65,350
Disposals	118,227	44,615	6,118	168,960
Depreciation	(3,467)	(13,441)	(2,897)	(19,805)
Closing net book amount	114,760	90,972	8,773	214,505

14: Current liabilities – Trade and other payables

	2015	2014
	\$	\$
<i>Unsecured:</i>		
Trade creditors	42,540	39,036
Legal fee payable – other matters	12,270	20,255
Legal fee payable – litigation	14,417	-
<i>Amount due to Branches:</i>		
- VIC Branch	9,019	-
- WA Branch	-	10,589
- WAPOU Branch	8,007	-
	17,026	10,589
Payable to employers for making payroll deductions	-	-
Other payables and accruals	6,082	6,781
	92,335	76,661

Trade payables are unsecured and are usually paid within 30 days of recognition.

The carrying amounts of trade and other payables are assumed to be the same as their fair values, due to their short-term nature

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2015

15: Current liabilities – Provisions

	2015	2014
	\$	\$
Employee benefit obligations:		
<i>Office holders:</i>		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
	<u>-</u>	<u>-</u>
<i>Employees other than office holders:</i>		
Annual leave	59,718	57,163
Long service leave	52,224	43,615
Separations and redundancies	-	-
Other	-	-
	<u>111,942</u>	<u>100,778</u>
Total employee provisions	<u>111,942</u>	<u>100,778</u>
Other provision – legal fee	-	50,000
Other provision – makegood	8,652	-
	<u>8,652</u>	<u>50,000</u>
Total provision	<u>120,594</u>	<u>150,778</u>

16: Non-current liabilities – Provisions

	2015	2014
	\$	\$
Employee benefit obligations:		
<i>Office holders:</i>		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
	<u>-</u>	<u>-</u>
<i>Employees other than office holders:</i>		
Annual leave	-	-
Long service leave	11,320	5,492
Separations and redundancies	-	-
Other	-	-
	<u>11,320</u>	<u>5,492</u>
Total employee benefit obligations	<u>11,320</u>	<u>5,492</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

17: Accumulated Surplus

	2015	2014
	\$	\$
<i>Movements in the accumulated surplus were as follows:</i>		
Balance 1 July	1,664,258	1,203,742
Surplus for the year	149,502	460,516
Balance 30 June	<u>1,813,760</u>	<u>1,664,258</u>

No specific funds or accounts have been operated or monies invested in any assets in respect of any compulsory levies or voluntary contributions.

18: Contingencies

There are no known contingent assets or liabilities at 30 June 2015.

19: Commitments

	2015	2014
	\$	\$
<i>Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:</i>		
Within one year	111,966	18,744
Later than one year but no later than five years	449,365	58,552
More than five years	607,837	-
	<u>1,169,168</u>	<u>77,296</u>

General description of leasing arrangement:

The leases are related to the rental of office equipment and offices under non-cancellable operating leases expiring within one to ten years. The leases have varying terms and renewal rights. On renewal, the terms of the leases are renegotiated.

20: Events occurring after reporting date

Capitation fees due from the Queensland Branch for prior years continue to remain unpaid. This has continued to have a major effect on the cash flow of the Federal Fund. These matters are still the subject of a FWC investigation into Queensland Branch. Apart from this, no matter or circumstance has arisen since the end of the financial year to the date of this report, that has or may significantly affect the activities of the CPSU, the results of those activities or the state of affairs of the CPSU in the ensuing or any subsequent financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

21: Other information

(i) Going Concern

Apart from the continued support of the branches, the CPSU Federal Fund's ability to continue as a going concern is not reliant on any particular financial support from another reporting unit.

(ii) Financial Support

During the year the CPSU paid expense on behalf of the Queensland Branch to ensure that it continues as a going concern. These matters are still the subject of a FWC investigation into Queensland Branch.

Further, CPSU also provided a loan of \$86,618 to the NSW Branch.

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

The CPSU 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 organisation;
- a determination by the General Manager under s245(1) of the RO Act;
- a revocation by the General Manager under s249(1) of the RO Act;

(iv) Acquisition of assets and liability as part of a business combination:

If assets and liabilities were acquired during the financial year as part of a business combination, the requirement of the Australian Accounting Standards will be complied with. No such acquisition has occurred during the financial year.

(v) Financial affairs administered by another entity

The CPSU SPSF Federal Fund has entered service agreements with CPSU SPSF Vic Branch to:

- Provide finance and administration support. The total amount paid during the year in terms of this agreement was \$23,164 (2014: 55,173).
- Compensate the CPSU SPSF Vic Branch for the time spent by the Branch Secretary on the affairs of the CPSU SPSF Federal Fund and in lieu of a salary payment for the position of Federal Secretary. The total amount paid during the year in terms of this agreement was \$74,568 (2014: 74,568).

22: Wage recovery activities

All wage recovery activity has resulted in payments being made directly to members by employers. The CPSU has not derived any revenue in respect of these activities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

23: Related party transactions

(a) The following persons have held office in the CPSU at any time during or since the end of the financial year are:

Federal Council

<i>Name</i>	<i>Position</i>
K. Batt	Federal Secretary
J. McMahon	Federal President
T. Lynch	Federal Senior Vice President – TAS
T. Walkington	Federal Vice President - WA
C. Davies	Federal Vice President – VIC
S. Walsh	Federal Vice President – NSW
L. Barclay-Hales	New South Wales Branch Delegate
W. Hurry	New South Wales Branch Delegate
N. Jess	New South Wales Branch Delegate
B Kellner	New South Wales Branch Delegate
B. Webb	New South Wales Branch Delegate
L. Parissi	New South Wales Branch Delegate
S. Turner	New South Wales Branch Delegate
J. Singleton	New South Wales Branch Delegate
K Cameron	New South Wales Branch Delegate
R. Davis	New South Wales Sub- Branch Delegate
C. Davies	Victoria Branch Delegate
P. Lillywhite	Victoria Branch Delegate
G. Greaves	Victoria Branch Delegate
A. Jones	Victoria Branch Delegate
E. Free	Victoria Branch Delegate
J. McMahon	South Australia Branch Delegate
L. Hughes	South Australia Branch Delegate
L. Oxlad	South Australia Branch Delegate
N. Kitchin	South Australia Branch Delegate
N. Brown	South Australia Branch Delegate
T. Walkington	Western Australia Branch Delegate
B. Dodds	Western Australia Branch Delegate
D. Henden	Western Australia Branch Delegate
G. Richards	Western Australia Branch Delegate
T Watson	Western Australia Branch Delegate
T. Lynch	Tasmania Branch Delegate
R. Faulks	Tasmania Branch Delegate
G Ransley	Tasmania Branch Delegate
J. Welch	WAPOU Delegate

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

23: Related party transactions (Continued)

Federal Executive

<i>Name</i>	<i>Position</i>
K. Batt	Federal Secretary
J. McMahon	Federal President
T. Lynch	Federal Vice President – TAS
J. McMahon	Federal Vice President – SA
S. Walsh	Federal Vice President – NSW
C. Davies	Federal Vice President – VIC
T. Walkington	Federal Vice President – WA
J. Welch	Federal Vice President – WAPOU
S. Turner	NSW Branch Delegate
L. Oxlad	SA Branch Delegate
G Ransley	Tasmanian Branch Delegate
P. Lillywhite	Victorian Branch Delegate
B Dodds	WA Branch Delegate

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2015

23: Related party transactions (Continued)

	2015	2014
	\$	\$
(b) Key management personnel compensation		
<i>Short-term employee benefits</i>		
Salary (including annual leave taken)	-	-
Annual leave accrued	-	-
Total short-term employee benefits	<u>-</u>	<u>-</u>
Post-employment benefits:		
Superannuation	13,416	13,416
Total post-employment benefits	<u>13,416</u>	<u>13,416</u>
Other long-term benefits:		
Long-service leave accrued	-	-
Total other long-term benefits	<u>-</u>	<u>-</u>
Termination benefits	<u>-</u>	<u>-</u>
Total	<u>13,416</u>	<u>13,416</u>

(c) Other transactions

There were no transactions between the officers of the CPSU other than those relating to reimbursement by the CPSU 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.

(d) Loans to key management personnel

There are no loans between key management personnel and the CPSU.

(e) Transactions with related parties

	2015	2014
	\$	\$
<i>Purchases of goods and services:</i>		
Rent paid to PSA of NSW	55,515	57,239
Administration support to CPSU SPSF Vic Branch	23,164	55,173
Salary reimbursement (Federal Secretary) to CPSU SPSF Vic Branch	74,568	74,568
Superannuation contributions on behalf of employees	74,174	57,276
Loan to the NSW Branch	86,618	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

23: 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.

Apart from the \$924,000 provision for impairment provision against the Queensland Branch debts for capitation fees raised in previous years, no further provision for impairment has been raised in relation to any of these outstanding balances and no expense has been recognised in respect of bad or doubtful debts due from related parties.

24: Cash flow information

(a) Reconciliation of cash flow from operations with the surplus for the year

	2015	2014
	\$	\$
Surplus for the year	149,502	460,516
<i>Non-cash flows in surplus</i>		
Depreciation	19,805	19,341
Loss on disposal of fixed assets	-	2,213
<i>Changes in assets and liabilities</i>		
(Increase) Decrease in trade and other receivables	(1,482)	19,306
Increase (Decrease) in payables	15,673	(104,566)
(Decrease) Increase in provisions	<u>(24,356)</u>	<u>50,462</u>
Cash flows from operations	<u>159,142</u>	<u>447,272</u>

25: 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 Federal Executive 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 Federal Executive 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 Federal Executive to control capital of the entity since the previous year. No operations of the entity are subject to external imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

26: 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 minimise 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 Federal Executive. The Federal Executive 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 entity is not exposed to foreign exchange risk.

(ii) Price risk

The entity is not exposed to foreign exchange risk.

(iii) Cash flow and fair value interest rate risk

The CPSU has no borrowings and is therefore not exposed to interest rate risk on liabilities. It has investments in a variety of interest-bearing assets and its income and operating cash flows are exposed to changes in market interest rates for assets.

(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 CPSU 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:

	2015	2014
	\$	\$
Cash at bank		
AA- Rating	54,536	257,090
Term deposits		
AA- Rating	1,541,365	1,435,247

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2015

26: 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:

2015

	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 at bank	0.1	54,536	-	-	-	-	-	54,536
Deposits at bank	2.7	-	1,541,365	-	-	-	-	1,541,365
Other receivables		-	-	-	-	-	215,228	215,228
		<u>54,536</u>	<u>1,541,365</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>215,228</u>	<u>1,811,129</u>
Financial Liabilities								
Other payables		-	-	-	-	-	92,335	92,335
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,335</u>	<u>92,335</u>
Net Financial Assets		<u>54,536</u>	<u>1,541,365</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>122,893</u>	<u>1,718,794</u>

2014

	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 at bank	0.1	257,090	-	-	-	-	-	257,090
Deposits at bank	3.5	-	1,435,247	-	-	-	-	1,435,247
Other receivables		-	-	-	-	-	125,981	125,981
		<u>257,090</u>	<u>1,435,247</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>125,981</u>	<u>1,818,318</u>
Financial Liabilities								
Other payables		-	-	-	-	-	76,661	76,661
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,661</u>	<u>76,661</u>
Net Financial Assets		<u>257,090</u>	<u>1,435,247</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,320</u>	<u>1,741,657</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2015

27: 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 2015 was assessed to be insignificant
- Fair value of available-for-sale 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 2015 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	2015		2014	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
		\$	\$	\$	\$
Financial assets					
Cash at banks	(i)	54,536	54,536	257,090	257,090
Trade and other receivables	(i)	215,228	215,228	125,981	125,981
Held to maturity financial assets		1,541,365	1,541,365	1,435,247	1,435,247
Total financial assets		1,811,129	1,811,129	1,818,318	1,818,318
Financial liabilities					
Trade and other payables	(i)	92,335	92,335	76,661	76,661
Total financial liabilities		92,335	92,335	76,661	76,661

- (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 139.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2015

27: Fair Value Measurements (Continued)

(b) Fair value hierarchy

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information according to the relevant level in the fair value hierarchy. This hierarchy categorises fair value measurements into one of three possible levels based on the lowest level that a significant input can be categorised into. The levels are outlined below:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

- *Market approach:* uses prices and other relevant information generated by market transactions involving identical or similar assets or liabilities.
- *Income approach:* converts estimated future cash flows or income and expenses into a single current (ie discounted) value.
- *Cost approach:* reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the entity gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data are not available and therefore are developed using the best information available about such assumptions are considered unobservable.

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 2015 and 30 June 2014:

Financial Assets	Level 1	Level 2	Level 3
	\$	\$	\$
30 June 2015			
Assets at fair value	-	-	-
Liabilities at fair value	-	-	-
Net fair value	-	-	-
30 June 2014			
Assets at fair value	-	-	-
Liabilities at fair value	-	-	-
Net fair value	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

27: Fair Value Measurements (Continued)

Non-financial Assets	Level 1	Level 2	Level 3
	\$	\$	\$
30 June 2015			
Assets at fair value	-	-	-
Liabilities at fair value	-	-	-
Net fair value	-	-	-
30 June 2014			
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 (2014: no transfers).

(b) 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;
- fixed interest securities; and
- accounts payable and other payables

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

COMMUNITY & PUBLIC SECTOR UNION SPSF GROUP - FEDERAL FUND
ABN 31 572 641 712

COMMITTEE OF MANAGEMENT STATEMENT

On th13 October 15 the Committee of Management of the Community and Public Sector Union SPSF Group - Federal Fund passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the year ended 30 June 2015:

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 the reporting guidelines of the General Manager;
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 of that year:
 - a. meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of branches 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 manner consistent 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 General Manager duly made under section 272 of the RO Act, that information has been provided to the member or 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.
6. No revenue has been derived from undertaking recovery of wages activity during the reporting period

This declaration is made in accordance with a resolution of the Committee of Management.

Signature of designated officer



Name of designated officer:

Karen Batt

Position held:

Federal Secretary

Dated this

13th October 2015.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNITY & PUBLIC SECTOR UNION SPSF GROUP - FEDERAL FUND

Report on the financial report

We have audited the accompanying general purpose financial report of the Community and Public Sector Union SPSF Group - Federal Fund, which comprises the balance sheet as at 30 June 2015, the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Committee of Management Statement.

Committee of Management 's responsibility for the financial report

The Committee of Management is responsible for the preparation of the financial report in accordance with Australian Accounting Standards and Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by the Committee of Management.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNITY & PUBLIC SECTOR UNION SPSF GROUP - FEDERAL FUND (Continued)

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Opinion

In our opinion:

- (1) the general purpose financial report of Community and Public Sector Union SPSF Group - Federal Fund presents fairly, in all material respects, the financial position of Community and Public Sector Union SPSF Group - Federal Fund as at 30 June 2015 and the results of its operations, its changes in equity and cash flows for the year then ended, in accordance with any of the following that apply to the entity:
 - a) the Australian Accounting Standards; and
 - b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.
- (2) the Committee of Management's use of the going concern basis of accounting in the preparation of the entity's financial statements is appropriate



BGL Partners
Chartered Accountants



I A Hinds - CA – Partner
Registered auditor with ASIC No: 56814
Chartered Accountants Australia and New Zealand
Membership number: 28696

13 October 2015
Melbourne