



**Australian Government**  
**Registered Organisations Commission**

28 September 2020

Mr Neville Kitchin  
Branch Secretary  
CPSU, the Community and Public Sector Union  
SPSF Group, South Australian Branch

By e-mail: [enquiries@cpsu.asn.au](mailto:enquiries@cpsu.asn.au)

Dear Mr Kitchin

**CPSU, the Community and Public Sector Union**  
**SPSF Group, South Australian Branch**  
**Financial Report for the year ended 30 June 2020 - FR2020/81**

I acknowledge receipt of the financial report for the year ended 30 June 2020 for the CPSU, the Community and Public Sector Union, SPSF Group, South Australian Branch (**the reporting unit**). The financial report was lodged with the Registered Organisations Commission (**ROC**) on 28 August 2020.

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

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

Yours faithfully

A handwritten signature in black ink, appearing to read 'K. Morgan'.

**KEN MORGAN**  
**Financial Reporting Specialist**  
**Registered Organisations Commission**



# CPSU (SPSF GROUP) SA BRANCH

## CERTIFICATE OF SECRETARY

PERIOD ENDED 30TH JUNE 2020

### S268 Fair Work ( Registered Organisations ) Act 2009

I, Neville Kitchin being the Branch Secretary of the CPSU/(SPSF Group)  
– SA Branch certify;

- that the documents lodged herewith are copies of the full report for the CPSU (SPSF Group) – SA Branch for the period ended 30 June 2020 referred to in S268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members of the reporting unit on 5 August 2020; and
- that the full report was presented to the Annual General Meeting of members of the reporting unit on 28 August 2020, in accordance with S266 (1) of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer: .....

A handwritten signature in black ink, appearing to read 'N. Kitchin', is written over a dotted line.

Name of prescribed designated officer:

NEVILLE KITCHIN.....

Title of prescribed designated officer:

BRANCH SECRETARY.

Dated:

20/8/2020.....



# Independent Reasonable Assurance Report to the Directors of the State Public Service Federation of South Australia

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## Conclusion

In our opinion, in all material respects, the membership records of the State Public Service Federation of South Australia, being 10,188, has been prepared by State Public Service Federation of South Australia in accordance with Section 3 of the Rules of the CPSU, the Community and Public Sector Union Chapter C – SPSF Group Rules as at 30 June 2020.

### Information Subject to Assurance

Membership records of the State Public Service Federation of South Australia (“the Federation”) which state that the number of financial members as at 30 June 2020 is 10,188.

### Criteria Used as the Basis of Reporting

The Federation has submitted membership records to us which state the number of financial members as defined by Section 3 of the Rules of the CPSU, the Community and Public Sector Union Chapter C – SPSF Group Rules (“the criteria”).

### Basis for Our Conclusion

We conducted our work in accordance with Australian Standard on Assurance Engagements ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information. We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In accordance with the ASAE 3000 we have:

- used our professional judgement to assess the risk of material misstatement and plan and perform the engagement to obtain reasonable assurance that the membership records of the Federation as at 30 June 2020 is free from material misstatement, whether due to fraud or error;
- considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on their effectiveness; and
- ensured that the engagement team possesses the appropriate knowledge, skills and professional competencies.

### How We Define Reasonable Assurance and Material Misstatement

- Reasonable assurance is a high level of assurance, but is not a guarantee that it will always detect a material misstatement when it exists.
- Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the intended users taken on the basis of the membership records of the Federation as at 30 June 2020.



## Use of this Assurance Report

This report has been prepared for the Councillors of the Federation for the purpose of providing an assurance conclusion on the membership records of the Federation in accordance with Section 3 of the Rules of the CPSU, the Community and Public Sector Union Chapter C – SPSF Group Rules, and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Councillors of the Federation, or for any other purpose than that for which it was prepared.

### Management' Responsibility

Management are responsible for:

- determining that the criteria is appropriate to meet their needs;
- preparing and presenting the membership records of the Federation in accordance with the criteria; and
- establishing internal controls that enable the preparation and presentation of the membership records of the Federation as at 30 June 2020 that is free from material misstatement, whether due to fraud or error.

### Our Responsibility

Our responsibility is to perform a reasonable assurance engagement in relation to the membership records of the Federation as at 30 June 2020, and to issue an assurance report that includes our conclusion.

### Our Independence and Quality Control

We have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Australian Professional and Ethical Standards Board, and complied with the applicable requirements of Australian Standard on Quality Control 1 to maintain a comprehensive system of quality control.



KPMG

Sheenagh Edwards  
Partner

Adelaide

3 August 2020



# Independent Auditor's Report

To the Members of The Community and Public Sector Union / SPSF Group  
South Australia Branch

## Opinion

We have audited the **Financial Report** of The Community and Public Sector Union/SPSF Group South Australian Branch (the Branch).

In our opinion, the accompanying Financial Report presents fairly, in all material respects, the financial position of the Branch as at 30 June 2020, and of its financial performance and its cash flows for the year then ended, in accordance with *Australian Accounting Standards* and Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act) or any other requirements imposed by the Registered Organisations reporting guidelines.

The **Financial Report** comprises:

- Statement of financial position as at 30 June 2020;
- Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statements of cash flows for the year then ended;
- Notes including a summary of significant accounting policies;
- Committee of Management Statement;
- Subsection 255(2A) Report; and
- Officer Declaration Statement.

## Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report.

We are independent of the Branch in accordance with the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (including Independence Standards) (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

## Emphasis of matter – Restatement of comparative balances

We draw attention to Note 14 to the financial statements, which states that the amounts reported in the previously issued 30 June 2019 Financial Report have been restated and disclosed as comparatives in this Financial Report. Our opinion is not modified in respect of this matter.



## Other Information

Other Information is financial and non-financial information The Community and Public Sector Union/SPSF Group South Australian Branch's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Councillors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit 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. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

## Responsibilities of Councillors for the Financial Report

The Councillors are responsible for:

- the preparation and fair presentation of the Financial Report for the purpose of meeting the requirements of Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act) or any other requirements imposed by the Registered Organisations reporting guidelines.
- implementing necessary internal control to enable the preparation of a Financial Report that is free from material misstatement, whether due to fraud or error
- assessing the Branch's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Branch or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the Financial Report

Our objective 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. They 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.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our Auditor's Report.



## Restriction on use

The Financial Report has been prepared to assist The Community and Public Sector Union/SPSF Group South Australian Branch in meeting the requirements of Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act) or any other requirements imposed by the Registered Organisations reporting guidelines.

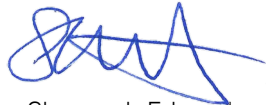
As a result, the Financial Report and this Auditor's Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Our report is intended solely for the Members of The Community and Public Sector Union/SPSF Group South Australian Branch and should not be used by parties other than the Members of The Community and Public Sector Union/SPSF Group South Australian Branch. We disclaim any assumption of responsibility for any reliance on this report, or on the Financial Report to which it relates, to any person other than the Members of The Community and Public Sector Union/SPSF Group South Australian Branch or for any other purpose than that for which it was prepared.

## Report on Other Legal and Regulatory Requirements

In our opinion, the Councillors' use of the going concern basis of accounting in the preparation of the financial report is appropriate.

  
KPMG



Sheenagh Edwards  
Partner

*Registered Company Auditor: Registration Number 424330*

*Member of the Institute of Chartered Accountants Australian New Zealand: Registration Number 496618*

*Registered Auditor under section 255A of the Fair Work (Registered Organisations) Act 2009: Registration Number AA201912*

Adelaide

3 August 2020

## Report by Council

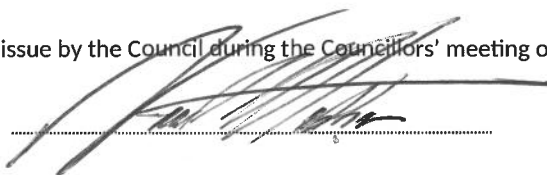
I, NEVILLE KITCHIN being the officer responsible for THE COMMUNITY AND PUBLIC SECTOR UNION / SPSF GROUP SOUTH AUSTRALIAN BRANCH, certify that as at 30 June 2020 the number of members of the Branch was 10,188 and do state on behalf of the Council, and in accordance with a resolution passed by the Council on 3 August 2020 that in relation to the General Purpose Financial Report (GPFR) of the reporting unit for the year ended 30 June 2020 that:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the general purpose financial report relates and since the end of that year:
  - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the (RO Act); and
  - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a manner consistent with each of the other reporting units of the organisation; and
  - (v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or Commissioner; and
  - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

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

The financial report was authorised for issue by the Council during the Councilors' meeting on 3 August 2020.

Signature of designated officer:



Name and Title of designated officer: Neville Kitchin, Branch Secretary

Dated:

3/8/2020



## Statement of Profit and Loss and Other Comprehensive Income

	Note	2020 \$	*Restated 2019 \$
Revenue-membership contributions received from;			
Public Service Association of SA Inc		259,743	261,589
<b>Total Revenue</b>		<b>259,743</b>	<b>261,589</b>
Audit fees		11,846	5,800
Affiliation Fees ACTU	8	69,790	68,416
Bank charges		570	108
Consulting		-	-
Grants or Donations		-	-
National Campaign Costs		-	-
EDP costs		5,579	5,579
Capitation fee paid to CPSU/SPSF Federal Office	9	170,457	179,917
<b>Total expenditure</b>		<b>258,242</b>	<b>259,820</b>
Financial income - interest received		76	144
<b>Net Finance Income</b>		<b>76</b>	<b>144</b>
<b>Profit for the year</b>		<b>1,577</b>	<b>1,913</b>
Other Comprehensive Income		-	-
<b>Total comprehensive income for the year</b>		<b>1,577</b>	<b>1,913</b>

\*Please refer to Note 14 Restatement of Comparative Balances  
The accompanying notes form part of these financial statements.

**Statement of Financial Position** At 30 June 2020

	Note	2020 \$	*Restated 2019 \$	*Restated 1 July 2019 \$
<b>Current Assets</b>				
Cash and cash equivalents	5	147,641	141,291	142,470
Trade and Other Receivables	6	1,810	240,036	210,447
<b>Total Assets</b>		<b>149,451</b>	<b>381,327</b>	<b>352,917</b>
<b>Current Liabilities</b>				
Trade and other payables	6a	20,883	254,336	227,839
<b>Total Liabilities</b>		<b>20,883</b>	<b>254,336</b>	<b>227,839</b>
<b>Net Assets</b>		<b>128,568</b>	<b>126,991</b>	<b>125,078</b>
<b>Equity</b>				
Retained earnings	7	128,568	126,991	125,078
<b>Total equity attributable to equity holders</b>		<b>128,568</b>	<b>126,991</b>	<b>125,078</b>

The accompanying notes form part of these financial statements.

\* Please refer to Note 14 Restatement of Comparative Balances.

## Statement of Changes in Equity

	Note	Retained Earnings \$	Total Equity \$
Balance as at 1 July 2018		125,078	125,078
Profit for the period		1,913	1,913
Balance as at 30 June 2019		126,991	126,991
Balance as at 1 July 2019		126,991	126,991
Profit for the period		1,577	1,577
Balance as at 30 June 2020		128,568	128,568

There are no other movements in equity arising from transactions with owners.

The accompanying notes form part of these financial statements.

## Statement of Cash Flows

	Note	2020 \$	2019 \$
<b>Cash flows from operating activities</b>			
Member receipts from associated body being the Public Service Association of SA Inc		528,680	232,000
Interest received		76	144
Payments to associated body CPSU/SPSF Federal Office and ACTU		(515,299)	(224,371)
Payments to suppliers		(7,107)	(8,952)
Net cash from /(used in) operating activities	4	6,350	(1,179)
<hr/>			
Increase in cash and cash equivalents		6,350	(1,179)
<hr/>			
Cash and cash equivalents at beginning of financial year		141,291	142,470
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Cash and cash equivalents at end of financial year	5	147,641	141,291

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

\*Please refer to Note 14 Restatement of Comparable Balances

## Notes to and forming part of the Financial Accounts

### Note 1 Statement of significant accounting policies

The Branch is a not for profit entity and domiciled in Australia. The Branch was Incorporated in Australia.

The address of the Branch's registered office is 122 Pirie Street, Adelaide South Australia.

The financial report was authorised for issue by the Council during the Councillors' meeting on 3 August 2020.

#### (a) Statement of Compliance

The financial report of the Branch is a Tier 1 general purpose financial report which has been prepared in accordance with Australian Accounting Standards – adopted by the Australian Accounting Standards Board (AASB) and Fair Work (Registered Organisations) Act 2009 (the RO Act).

#### (b) Basis of Preparation

The financial report is presented in Australian dollars. The financial report is prepared on the historical cost basis. The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by the Branch.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and the future periods if the revision affects both current and future periods.

The accounting policies set out below have been applied consistently to all periods presented in the financial report except for the following standards and amendments, which have been adapted for the first time this year:

- AASB 15 Revenue from Contracts with Customers, which replaces AASB 118 Revenue, and AASB 1058 Income of Not-for-Profit- Entities, which replaces in the income recognition requirements of AASB 1004 Contributions;
- AASB 16 Leases and amending standards, which replaces AASB 117 Leases. Application of the standard is discussed further below.

#### (c) Taxation

The branch is exempt from paying income tax due to being a trade union in terms of Section 50 (15) of the Income Tax Assessment Act 1997.

#### (d) Financial Assets

##### Financial Assets measured at amortised cost

A Financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- The asset is held within a business model whose objective is to hold asset to collect contractual cash flow; and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI")

The Branch 's cash and trade and other receivables are classified as financial assets at amortised cost. Amortised cost is the amount at which a financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

#### (e) Impairment

The Branch applies an ECL model to its financial assets. Loss allowances are measured on either following bases:

- \* 12 month ECL. These are ECL that result from possible default events within the 12 months after the reporting date; and
- \* Lifetime ECL. These are ECL that result from possible default events over the expected life of a financial instrument.

The Branch measures loss allowances at an amount equal lifetime ECL.

##### Measurement of ECL

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls ie the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Branch expects to receive. ECL are discounted at the effective interest rate of the financial asset.

At each reporting date, Branch assesses whether financial asset carried at amortised cost are credit – impaired. A financial asset is "credit – impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

When there is an event of impairment, the Branch recognises an impairment loss using an allowance account which is subsequently reversed if in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised.

The Branch has not recognised any allowance for impairment as at the 30 June 2020.

The carrying amounts of the Branch assets determine whether there is any indication of impairment.

If any such indication exists, the assets recoverable amount is estimated see note 1(e)

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the Statement of Comprehensive Income.

#### (i) Calculation of recoverable amount

The recoverable amount of the Branch receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate i.e. the effective interest rate computed at initial recognition of these financial assets. Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their net selling price and value in use. In the case of a non-current asset of a not-for-profit entity, "value in use" means "depreciated replacement cost" of an asset when the future economic benefits of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits.

Depreciated replacement cost is defined as the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. The current replacement cost of an asset is its cost measured by reference to the lowest cost at which the gross future economic benefits of that asset could currently be obtained in the normal course of business.

## (ii) Reversal of impairment

An impairment loss in respect of receivables carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## (f) Trade and Other Receivables

Trade and other receivables are stated at their cost less impairment losses. The cost of the receivables is the fair value of consideration receivable at the date of the transaction.

## (g) Trade and Other payables:

Trade and other payables are stated at cost. The cost of the payable is the fair value if the amount payable at the date of transaction.

## (h) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

## (i) Members' Subscriptions

Information regarding the revenue recognition policies and timing can be found under Changes in Accounting Policy note 1 (j)

## (j) Changes in Significant Accounting Policies

The new standards that have been adopted and apply to these financial statements include:

AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers

AASB 1058 establishes principles for not-for-profit entities that apply to revenue streams which are either not enforceable or do not have sufficiently specific performance obligations to fall within AASB 15. AASB 1058 also applies to:

- (a) transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives; and
- (b) the receipt of volunteer services. If the consideration provided to acquire an asset, including cash, is significantly less than the fair value of that asset, or if no consideration was provided, and the difference is principally to enable the entity to further its objectives, such a transaction is within the scope of this Standard.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed are net of goods and services tax (GST).

AASB 15 requires revenue to be recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration.

The Branch adopted AASB 15 and AASB 1058 using the modified retrospective method of adoption, with the date of initial application of 1 July 2019. In accordance with the Branch recognised the cumulative effect of applying these new standards as an adjustment in opening retained earnings at the date of initial application, i.e. 1 July 2019. Consequently the comparative information presented has not been restated and continues to be reported under the previous standards on revenue and income recognition.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers and the related revenue recognition policies.

Revenue stream	Revenue recognition under AASB 15/AASB 1058 (applicable after 1 July 2019)	Revenue recognition under AASB 118 (applicable before 1 January 2019)	Nature and timing of satisfaction of performance obligations, including significant payment terms under AASB 15
Membership Subscription	Membership subscriptions is recognised overtime during the subscriptions period.	Membership subscriptions are recognised on a straight line basis over the subscription period, net of goods and services tax (GST)	The performance obligations has been assessed as delivery of services or benefits to the member over the subscription period.

The adoption of AASB 15 and AASB 1058 did not have a material impact on the financial statements.

## AASB 16 Leases

AASB 16 Leases replaces existing lease standard AASB 117 Leases, including guidance IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-16 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

The Branch adopted AASB 16 for the first time from 1 July 2019 and has applied modified retrospective approach, under which the cumulative effect of initial application is recognised in retaining earnings as at 1 July 2019. Accordingly, the comparative information presented for the year ended 31 June 2019 is not restated and has been presented, as previously reported, under AASB 117 and retained interpretations.

The adoption of AASB 16 did not have a material impact on the financial statements as the Branch does not have any leases.

(k) The following disclosures are made for the purpose of Section 253 with paragraph numbers referring to the specific requirements under the Reporting Guidelines:

Paragraph 10 - The reporting unit's ability to continue as a going concern is not reliant on the agreed financial support of another reporting unit as defined under the Fair Work (Registered Organisations) Act 2009.

Paragraph 11 - The reporting unit pays capitation fees to the Federal Office of the State Public Services Federation Group, Community and Public Sector Union in accordance with the terms and conditions defined in the Rules of that organisation as registered by the Fair Work (Registered Organisations) Act 2009.

The reporting unit pays affiliation fees to the ACTU in accordance with the terms and conditions defined in the Rules of that organisation as registered by the Fair Work (Registered Organisations) Act 2009.

Paragraph 12 - No asset or a liability was acquired during the financial year as a result of:

- a) an amalgamation under Part 2 of Chapter 3, of the RO Act in which the organisation (of which the reporting unit form part) was the amalgamated organisation; or
- b) a restructure of the branches of the organisation; or
- c) a determination by the General Manager under subsection 245(1) of the RO Act of an alternative reporting structure for the organisation; or
- d) a revocation by the General Manager under subsection 249(1) of the RO Act of a certificate issued to an organisation under subsection 245(1).

Paragraph 13 - The following items were received during the year:

- a) Revenue is receipted from Public Service Association of SA Inc and not directly from members.
- b) A voluntary contribution was raised from the members for the furtherance of a particular purpose. The contribution was made to The Community and Public Sector Union State Public Services Federation Group for "Change the Rules" campaign.

Paragraph 13 - The following items were not received during the year:

- c) a capitation fee from another reporting unit of the organisation or any financial support from another reporting unit.
- d) donations and grants.
- e) any revenue derived from undertaking recovery of wages.

#### Statement of Profit or Loss and Other Comprehensive Income

##### Expense

Paragraph 14 - The following items were not incurred during the year:

- a) expenses incurred as consideration for employers making payroll deductions of membership subscriptions.
- b) compulsory levies imposed on the reporting unit, for each such levy.
- c) employee expenses related to holders of office of the reporting unit.
- d) employee expenses related to employees of the reporting unit including wages and salaries, superannuation, leave, separation/redundancies or other employee expenses occurred during the financial year.
- e) fees and/or allowances paid to persons in respect of their attendances as representatives of the reporting unit at conferences or other meetings.
- f) expenses incurred in connection with holding meetings of members of the reporting unit and any conferences or meetings of councils, committees, panels or other bodies for the holding of which the reporting unit was wholly or partly responsible;
- g) legal costs and other expenses related to:
  - i) litigation; and
  - ii) other legal matters;
  - iii) penalties imposed on the organisation under the RO Act with respect to conduct of the reporting unit.

#### Statement of Financial position

##### Assets

Paragraph 15

- a) there were no receivables or other right to receive cash which have been derived as a result of one or more transactions and/or other past events with another reporting unit of the organisation.
- b) there were no payables or other financial liabilities which have been incurred as a result of one or more transactions and/or other past events with another reporting unit of the organisation.

#### Statement of Financial position

##### Liabilities

Paragraph 16 - No amounts are payable in respect of:

- a) employers as consideration for the employers making payroll deductions of membership subscriptions;
- b) legal costs and other expenses related to litigation or other legal matters;
- c) employee provisions in respect of holders of offices in the reporting unit;
- d) employee provisions in respect of employees.

#### Statement of changes in equity

Paragraph 17 - No amounts are included in equity in respect of:

- a) compulsory levies raised by the reporting unit or voluntary contributions collected from members of the reporting unit;
- b) monies, or the balance of monies referred to in subparagraph (a) have been invested in any asset;
- c) fund or account, the operation of which is required by the rules of the organisation including the rules of a branch of the organisation;
- d) transfer(s) and/or withdrawal(s) to a fund, account or controlled entity, when any of these are kept for a specific purpose(s) by the reporting unit.

#### Statement of Cash Flows

Paragraph 18 - Amounts included in cash inflows or cash outflows are from another reporting unit and/or controlled entity of the organisation. The CPSU / SPSF Federal Office is another reporting unit.

#### Additional reporting requirements

Paragraph 19

- a) the financial affairs of the branch are administered by the Public Service Association of SA Inc which includes receipting of income from the PSA of SA Inc and payments of relevant expenses paid in the form of audit fees, affiliation fees to the ACTU, computer costs, capitation fees paid to CPSU Federal Office, BAS payments and bank charges.
- b) terms and conditions are such that the PSA of SA Inc will conduct, at no cost or obligation to the Branch, receipting and payment processes in the normal course of business and within the Branch's own accounts and set of accounts.

**Note 3 Information to be provided to members or Commissioner.**

In accordance with the requirements of the RO Act, the attention of members is drawn to the provision of subsections (1), (2), (3) of Section 272, which reads as follows;

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

<b>Note 4 Reconciliation of net cash provided by operating activities with operating profit</b>	<b>2020</b>	<b>Restated * 2019</b>
	<b>\$</b>	<b>\$</b>
Profit for the year	1,577	1,913
(Increase)/ Decrease in trade and other receivables	238,226	(29,589)
(Decrease)/ Increase in trade and other payables	(233,453)	26,497
<b>Net cash from operating activities</b>	<b>6,350</b>	<b>(1,179)</b>

\*Refer to Note 14 Restatement of Comparative Balances

<b>Note 5 Cash and cash equivalents</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	147,641	141,291

<b>Note 6 Trade and Other Receivables</b>	<b>2020</b>	<b>Restated * 2019</b>
	<b>\$</b>	<b>\$</b>
Outstanding Capitation Fees	1,810	240,036

<b>Note 6a Trade and Other Payables</b>	<b>2020</b>	<b>Restated * 2019</b>
	<b>\$</b>	<b>\$</b>
Audit fees	5,950	2,593
BAS Clearing Account	445	(936)
Capitation Fees	14,488	252,679
<b>Trade and Other Payables</b>	<b>20,883</b>	<b>254,336</b>

<b>Note 7 Retained earnings</b>	<b>2020</b>	<b>Restated * 2019</b>
	<b>\$</b>	<b>\$</b>
Balance at 1 July	126,991	125,078
Profit for the period	1,577	1,913
<b>Balance at 30 June</b>	<b>128,568</b>	<b>126,991</b>

\* Refer to Note 14 Restatement of Comparative Balances

<b>Note 8 Affiliation Fees</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
ACTU	69,790	68,416
<b>Total Affiliation fees</b>	<b>69,790</b>	<b>68,416</b>

<b>Note 9 Capitation Fees</b>	<b>2020</b>	<b>*Restated 2019</b>
	<b>\$</b>	<b>\$</b>
CPSU/SPSF Federal Office	170,457	179,917
<b>Total Capitation Fees</b>	<b>170,457</b>	<b>179,917</b>

\*Refer to Note 14 Restatement of Comparative Balances

**Note 10 Financial risk management**

## Overview

The Branch has exposure to the following risks from use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Branch exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout this financial report. The Council has overall responsibility for risk management and oversight of the Branch's investments.

Management policy has been established to identify and analyse the risk faced by the Branch, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

## Credit Risk

Credit risk is the risk of financial loss to the Branch if a customer fails to meet payment obligations, and arises principally from the Branch's receivables from customers.



**Trade receivables**

The Branch's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Branch's only customer is The Public Service Association of SA.

**Investments**

The Branch limits its exposure to credit risk by only investing in a Cheque Account with a regulated Financial Institution.

**Liquidity Risk**

Liquidity risk is the risk that the Branch will not be able to meet its financial obligations as they fall due. The Branch's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Branch's reputation. The Branch has no borrowings or overdraft facilities in place and is always in a position to meet expected operational expenses, including the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

**Market Risk**

Market risk is the risk that changes in interest rates will affect the Branch's income or the value of financial instruments.

**Interest Rate Risk**

The Branch adopts a policy of ensuring that investments are for fixed term with a fixed interest rate for that chosen term.

**Capital Management**

The Branch policy is to maintain a strong capital base so as to maintain member and creditor confidence and to sustain future development of the Branch. There were no changes in the Branch's approach to capital management during the year. The Branch is not subject to externally imposed capital requirements.

**Note 11 Financial instruments****Financial Instruments Credit Risk**

The carrying amount of the Branch's financial assets represents the maximum credit exposure.

The Branch's maximum exposure to credit risk at the reporting date was:

	Note	Carrying amount	
		2020	2019
		\$	\$
Cash and cash equivalents	5	147,641	141,291

The Branch's maximum exposure to credit risk at the reporting date was \$147,641 (2019 \$141,291)

The Branch's maximum exposure to credit risk for trade receivables at the reporting by geographic region was \$1,810 (2019: \$nil).

The Branch's only customer is the Public Service Association of SA Inc.

The Branch's receivables are 1,810 (2019: nil).

No impairment loss was recognised in current year (2019: nil).

There are no financial instruments for which the credit risk has significantly increased since initial recognition.

**Liquidity Risk**

The following are the contracted maturities of financial liabilities of the Branch:

	Note	Carrying Amount	Less than 6 months
			\$
30 June 2020			
Trade and other payables	12	20,883	20,883
		20,883	20,883

	Note	Carrying Amount	Less than 6 months
			\$
Restated* 30 June 2019			
Trade and other payables		254,336	254,336
		254,336	254,336

Trade creditor payments are made as per creditors' payment terms.

\*Refer to Note 14 Restatement of Comparative Balances

At reporting date the interest rate profile of the Branch interest bearing instruments was:

Interest Bearing Instruments	Note	Carrying amount	
		2020 \$	2019 \$
Financial assets	5	147,641	141,291
		147,641	141,291

## Cash flow sensitivity analysis for interest bearing instruments

A change of 100 basis points (i.e. 1%) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2019

	Profit or Loss		Equity	
	100bp increase \$	100bp decrease \$	100bp increase \$	100bp decrease \$
30 June 2019				
Interest Bearing Instruments	(48)	48	(48)	48
Cash flow sensitivity	(48)	48	(48)	48
30 June 2020				
Interest Bearing Instruments	(25)	25	(25)	25
Cash flow sensitivity	(25)	25	(25)	25

\* Refer to Note 14 Restatement of Comparative Balances

## Fair Values

## Fair values versus carrying amounts

The fair values of the financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

	Note	30 June 2020		*Restated 30 June 2019	
		Carrying Amount \$	Fair Value \$	Carrying Amount \$	Fair Value \$
Financial assets	Categories of Financial Instruments				
Cash & cash equivalents	Amortised costs 5	147,641	147,641	141,291	141,291
Trade and Other Receivables	Amortised costs 6	1,810	1,810	240,036	240,036
Financial Liability					
Trade and other payables	Other Financial Liabilities	(8,241)	(8,241)	(254,336)	(254,336)
		141,210	141,210	126,991	126,991

The Fair value of the cash and cash equivalents are determined to be Level 1. There have not been any changes in the fair value classification between levels during the year (2019: nil).

\* Refer to Note 14 Restatement of Comparative Balances

**Note 12 Related Party Disclosures****(a) Councillors**

The names of each person holding the position of councillor during the financial year are listed below.

The persons listed held the position for the whole year unless otherwise stated.

Angelakis	Anna	
Barnes	Michael	
Beck	Andrew	
Bell-Corkin	Patricia	
Brown	Amelia	
Brown	Natasha	
Correnti	Gemma	
Dawson	Raylene	
Grantham	Kym	
Griffiths	Michael	
Hagivassilis	Christian	
Henderson	Sharon	01/07/2019 - 17/07/2019
Hewish	Peter	
Juraja	Kristina	
Kitchin	Neville	
Mensforth	Noel	
Peak	Gayle	
Pettrey	Darren	15/09/2019 - 30/06/2020
Rozaklis	Lillia	
Stitt	Robyn	01/07/2019- 25/07/2019
Tonkin	Margaret	
Wallman	Miriam	15/07/2019 - 30/06/2020
Wasyluk	Daniel	01/07/2019 - 05/03/2020
Watson	Julie	

**(b) Councillors' remuneration**

No amounts were paid to councillors or Key Management Personnel during the financial year. All payments are paid through the PSA of SA inc.

**(c) Related Party Disclosure**

Members upon joining the Union are in fact joint members of the Public Service Association of SA Inc and the Community and Public Sector Union/SPSF Group South Australia Branch.

Member receipts are paid directly to the Public Service Association of SA Inc.

With the Public Service Association of SA ( PSA ) and the Branch sharing a common membership the PSA provides administrative support, including employment of staff who provide such support.

In view of the working relationship between the Public Service Association of SA Inc and the Branch, sustentation fees payable by the PSA of SA Inc to the Branch, are calculated on the basis of the actual costs of the Branch.

We have trade receivables and trade payable as at 30 June 2020 which relate to PSA.

The outstanding balances between the PSA of SA Inc and the Branch as at 30 June 2020 are as follows:

- Trade and other receivables \$1,810 (\* Restated 2019 \$240,036)

The payment of Capitation Fees to the Federal Office of the State Public Services Federation Group, Community and Public Sector Union in accordance with the terms and conditions defined in the Rules of that organisation as registered by the Fair Work (Registered Organisations) Act 2009 has been disclosed in Note 11. The outstanding balance as at 30 June 2020 is \$14,488 (\* Restated 2019:\$252,679).

\*Refer to Note 14 Restatement of Comparative Balances.

**Note 13 Subsequent events**

There have been no events subsequent to balance date.

**Note 14 Restatement of Comparative Balances**

During the year it was identified that capitation fees amounting to \$240,036 relating to the period April 2009 to June 2019 had not been paid by the CPSU to the Unions Federal Office. A private company was engaged in April 2009 to recruit members on behalf of the Union. This contract was for a set period April 2009 and September 2011 (two and half years). There was an understanding at the time that members recruited by this private company would not be included in calculation of Capitation fees payable. During the year ended 30 June 2020, it was identified that the initial understanding was incorrect and a payment to the Union's Federal Office was made.

The following disclosure summarises the impact of the restatement on the prior year balances:

Statement of Financial position	As previously reported 2019 \$	Adjustment \$	Restated 2019 \$
<b>Current Assets</b>			
Cash and cash equivalents	141,291	-	141,291
Trade and other Receivables	-	240,036	240,036
<b>Total Assets</b>	<b>141,291</b>	<b>240,036</b>	<b>381,327</b>
<b>Current Liabilities</b>			
Trade and other payables	14,300	240,036	254,336
<b>Total Liabilities</b>	<b>14,300</b>	<b>240,036</b>	<b>254,336</b>
<b>Net Assets</b>	<b>126,991</b>	<b>-</b>	<b>126,991</b>
<b>Equity</b>			
Retained earnings	126,991	-	126,991
<b>Total equity attributable to equity holders</b>	<b>126,991</b>	<b>-</b>	<b>126,991</b>
Revenue membership contributions received from Public Service Association	232,000	29,589	261,589
<b>Total Revenue</b>	<b>232,000</b>	<b>-</b>	<b>261,589</b>
Audit fees	5,800	-	5,800
Affiliation fees	68,416	-	68,416
Bank Charges	108	-	108
Edp Costs	5,579	-	5,579
Capitation fees paid to CPSU/SPSF Federal office	150,328	29,589	179,917
	230,231	-	259,820
Finance Income – Interest received	144	-	144
<b>Net Finance Income</b>	<b>144</b>	<b>-</b>	<b>144</b>
<b>Profit for the period</b>	<b>1,913</b>	<b>-</b>	<b>1,913</b>
Items that will be reclassified to Profit and Loss	-		-
<b>Total Comprehensive Income for period</b>	<b>1,913</b>		<b>1,913</b>

Statement of Financial position	As previously reported 2018 \$	Adjustment \$	Restated 2018 \$
<b>Current Assets</b>			
Cash and cash equivalents	142,470	-	142,470
Trade and other Receivables	-	210,447	210,447
<b>Total Assets</b>	<b>142,470</b>	<b>-</b>	<b>352,917</b>
<b>Current Liabilities</b>			
Trade and other payables	17,392	210,447	227,839
<b>Total Liabilities</b>	<b>17,392</b>	<b>-</b>	<b>227,839</b>
<b>Net Assets</b>	<b>125,078</b>	<b>-</b>	<b>125,078</b>
<b>Equity</b>			
Retained earnings	125,078	-	125,078
<b>Total equity attributable to equity holders</b>	<b>125,078</b>	<b>-</b>	<b>125,078</b>

There was no impact on the Statement of Profit or Loss and Other Comprehensive Income or the Statement of Cash Flows as a result of the restatement.

CPSU (SPSF GROUP) SA BRANCH

For the year ended 30 June 2020

CATEGORIES OF EXPENDITURE  
Sub-Section 255 (2a) of the RO Act.

2020-Expenditure as required under section 255 ( 2a) of the RO Act

	\$ 2020	\$ 2019
Categories of Expenditure		
Remuneration and other employment-related costs and expenses – employees	-	-
Advertising	-	-
Operating Costs	17,995	11,487
Donations to Political Parties	-	-
Legal Costs	-	-
Total	17,995	11,487

Note: Operating Costs include Audit fees \$11,846, EDP costs \$5,579 and Bank Charges \$570.

Note: Operating Costs include Audit fees \$5,800, EDP costs \$5,579 and Bank Charges \$108.(2019)

# CPSU (SPSF GROUP) SA BRANCH OPERATING REPORT

for period ended 30 June 2020



## S254 Fair Work (Registered Organisations) Act 2009

I, Neville Kitchin being the Branch Secretary of the CPSU/ (SPSF Group) – SA Branch, on behalf of the Council of the reporting unit for the financial year ended 30 June 2020, state;

(a) Principal activities during the year were of an Industrial nature including campaigning for improved wages and conditions. Activities are reviewed throughout the year, with no change deemed necessary to the nature of activities. The Branch has been successful in achieving its objectives.

(b) Financial affairs. No significant changes.

(c) Resignation procedure.

A member may resign from membership in accordance with Rule 8 by notice in writing to the Branch Secretary, 122 Pirie St. Adelaide SA 5000.

In accordance with S.174 of the RO Act two weeks notice shall apply for resignation, other than where the member leaves the industry in which case no notice period is required.

(d) Superannuation Trustees.

Neville Kitchin – UniSuper.

The position is held because the person was nominated by the reporting unit or peak council. Neville Kitchin resigned from this position on 20 February 2020.

(e) Number of members as at 30 June 2020 is 10,188

(f) Number of employees as at 30 June 2020 is nil

(g) Persons who have been a member of the Committee of Management of the reporting unit at any time during the reporting period, and the period of which they held the positions(Attached)

(h) Five Highest Paid Officers. Nil Report, no salaries paid. No cash benefit paid.

Officer and related party disclosure statement included however the salaries and other payments are paid from the Accounts of the Public Service Association of SA Inc. This declaration is enclosed as PSA members are also eligible CPSU/SPSF members under the rules of both organisations.

(I) Branch Committee of Management



Councillors

The names of each person holding the position of councillor during the financial year are listed below. The persons listed held the position for the whole year unless otherwise stated.

Angelakis	Anna	
Barnes	Michael	
Beck	Andrew	
Bell-Corkin	Patricia	
Brown	Amelia	
Brown	Natasha	
Correnti	Gemma	
Dawson	Raylene	
Grantham	Kym	
Griffiths	Michael	
Hagivassilis	Christian	
Henderson	Sharon	Resigned 17/07/2019
Hewish	Peter	
Juraja	Kristina	
Kitchin	Neville	
Mensforth	Noel	
Peak	Gayle	
Pettrey	Darren	Commenced 16/09/2019
Rozaklis	Lillia	
Stitt	Robyn	Resigned 25/07/2019
Tonkin	Margaret	
Wallman	Miriam	Commenced 15/07/2019
Wasyluk	Daniel	Resigned 5 March 2020
Watson	Julie	

year ended 30 June 2020

Signature of designated officer:.....

Name and title of designated officer: Neville Kitchin, Branch Secretary

Dated: 3/8/2020.....



### OFFICER DECLARATION STATEMENT

I, NEVILLE KITCHIN been the Branch Secretary of COMMUNITY & PUBLIC SECTOR UNION STATE PUBLIC SERVICES FEDERATION GROUP S.A. BRANCH, declare that the following activities did not occur during the reporting period ending 30 June 2020.

The reporting unit did not:

- . agree to provide financial support to another reporting unit to ensure they continue as going concern.
- . receive revenue by compulsory levies.
- . make a payment to a former related party of the reporting unit.

Signature of prescribed designated officer:

A handwritten signature in black ink, appearing to read "N. Kitchin", written over a horizontal line.

Name of prescribed designated officer:

NEVILLE KITCHIN

Title of prescribed designated officer:

BRANCH SECRETARY

Dated :

3/8/2020