



30 August 2016

Mr Neville Kitchin  
Secretary, South Australian Branch  
CPSU, SPSF Group

Sent by email: [dem@cpsu.asn.au](mailto:dem@cpsu.asn.au)

Dear Mr Kitchin

**Re: Lodgement of financial accounts and statements – CPSU, SPSF Group, South Australian Branch - year ended 30 June 2016 (FR2016/215)**

I acknowledge receipt of the financial report for the year ended 30 June 2016 for the South Australian Branch, SPSF Group. The documents were lodged with the Fair Work Commission on 26 August 2016.

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

Please note that the financial report for the year ending 30 June 2017 may be subject to an advanced compliance review. You are not required to take any further action in respect of the 2016 report lodged but I make the following comment to assist you when preparing the next report. The FWC will confirm this matter has been addressed prior to filing next year's report.

Revenue recognition

The Australian Accounting Standard *AASB 101 Presentation of Financial Statements* paragraph 117 and *AASB 118: Revenue* paragraph 35(a) requires that the entity must disclose the measurement basis or bases used in recognising revenue. The relevant accounting policy information for member subscriptions was not disclosed.<sup>1</sup>

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use

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<sup>1</sup> It is noted that the financial report for 2013 disclosed that membership subscriptions were accounted for on the accrual basis (see <https://www.fwc.gov.au/documents/documents/organisations/registered-orgs/090v/090vsas-fr2013-144.pdf>) but that the subsequent reports for 2014 and 2015 did not make such disclosure.

this model as it assists in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).<sup>2</sup>

If you require further information on the financial reporting requirements of the Act, I may be contacted on (02) 6746 3283 or by email at [stephen.kellett@fwc.gov.au](mailto:stephen.kellett@fwc.gov.au).

Yours sincerely

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Stephen Kellett  
Senior Adviser  
Regulatory Compliance Branch

cc. Mr Don McColl, Accountant

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<sup>2</sup> <https://www.fwc.gov.au/registered-organisations/compliance-governance/financial-reporting>

**From:** KELLETT, Stephen

**Sent:** Tuesday, 30 August 2016 10:49 AM

**To:** 'dem@cpsu.asn.au'

**Subject:** Attention Mr Neville Kitchin - financial reporting - SA Branch SPSF Group - y/e 30 June 2016  
- filing

Dear Mr McColl,

Please see attached my letter to the Secretary, in relation to the above.

Yours sincerely

STEPHEN KELLETT  
Regulatory Compliance Branch  
FAIR WORK COMMISSION

80 William Street  
EAST SYDNEY NSW 2011

(ph) (02) 6746 3283

(email) [stephen.kellett@fwc.gov.au](mailto:stephen.kellett@fwc.gov.au)



CPSU SPSF SA  
FR2016 215 (primary)

**From:** Don McColl [<mailto:dem@cpsu.asn.au>]

**Sent:** Friday, 26 August 2016 3:54 PM

**To:** Orgs

**Subject:** [Kellett] On CMS FR2016/215 Lodgement Financial Report FR2016/215

Good Afternoon,

Please find attached the Financial Report FR2016/215 for the Financial Year end to 30 June 2016 for the Community and Public Sector Union - SPSF Group, South Australian Branch ( the reporting unit ).

Yours Sincerely

Don McColl  
Accountant



Financialreport20162  
017.pdf



## **Independent auditor's report to the members of Community and Public Sector Union/SPSF Group South Australia Branch**

### **Report on the financial report**

We have audited the accompanying financial report of Community and Public Sector Union/SPSF Group South Australia Branch (the Branch), which comprises the statement of financial position as at 30 June 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes 1 to 14 comprising a summary of significant accounting policies and other explanatory information and the Statement by the Committee of Management.

#### *Councillors' responsibility for the financial report*

The Councillors of the Branch are responsible for the preparation of the financial report that presents fairly 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 Councillors 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. These Auditing 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 judgement, 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 presents fairly 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 directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Fair Work (Registered Organisations) Act 2009* and Australian Accounting Standards, which is consistent with our understanding of the Branch's financial position and of its performance and cash flows.

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



*Independence*

In conducting our audit, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board.

*Auditor's opinion*

In our opinion the financial report of Community and Public Sector Union/SPSF Group South Australia Branch presents fairly, in all material respects, in accordance with Australian Accounting Standards, Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 and Registered Organisations reporting guidelines, the Branch's financial position as at 30 June 2016 and its financial performance and its cash flows for the year ended on that date.

*Report on Other Legal and Regulatory Requirements*

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

KPMG

Paul Cenko  
Partner

*Registered Company Auditor: Registration Number 332222*

*Member of the Institute of Chartered Accountants Australian New Zealand:  
Registration Number 87480*

Adelaide

1 August 2016

THE COMMUNITY AND PUBLIC SECTOR UNION / SPSF GROUP

SOUTH AUSTRALIAN BRANCH

COMMITMENT BY MANAGEMENT

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, 2016 the number of members of the Branch was 11,922, and do state on behalf of the Council, and in accordance with a resolution passed by the Council on the 1<sup>st</sup> August 2016 that in relation to the General Purpose Financial Report ( GPFR ) of the reporting unit for the year ended 30 June 2016 that:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (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 General Manager duly made under section 272 of the RO Act, that information has been provided to the member or General Manager; 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.
- (f) in relation to recovery of wages activity:

There has been no recovery of wages activity undertaken by the reporting unit for the financial year.

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

Signature of designated officer:



Name and Title of designated officer:

NEVILLE KITCHIN  
BRANCH SECRETARY

Dated:

1/8/2016

THE COMMUNITY AND PUBLIC SECTOR UNION / SPSF GROUP

SOUTH AUSTRALIAN BRANCH

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
Revenue-membership contributions received from; Public Service Association of SA Inc	231,000	221,000
Total Revenue	<u>231,000</u>	<u>221,000</u>
Audit fees	5,175	5,020
Affiliation Fees ACTU	8 62,834	48,628
Bank charges	168	115
Consulting	-	-
Grants or Donations	9 -	-
EDP costs	5,579	5,579
Capitation fee paid to CPSU/SPSF Federal Office	10 155,668	160,235
Total expenditure	<u>229,424</u>	<u>219,577</u>
Financial income - interest received	138	260
Net Finance Income	<u>138</u>	<u>260</u>
Profit for the period	<u>1,714</u>	<u>1,683</u>
Items that will not be reclassified to profit or loss:	-	-
Total comprehensive income for the period	<u>1,714</u>	<u>1,683</u>

The accompanying notes form part of these financial statements.



THE COMMUNITY AND PUBLIC SECTOR UNION / SPSF GROUP

SOUTH AUSTRALIAN BRANCH

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2016

		2016 \$	2015 \$
<b>Current Assets</b>			
Cash and cash equivalents from Public Service Association of SA Inc	5	139,373	137,678
Debtors	6	72	-
<b>Total Assets</b>		<u>139,445</u>	<u>137,678</u>
<b>Current Liabilities</b>			
Trade and other payables		<u>4,834</u>	<u>4,781</u>
<b>Total Liabilities</b>		<u>4,834</u>	<u>4,781</u>
<b>Net Assets</b>		134,611	132,897
<b>Equity</b>			
Retained earnings	7	<u>134,611</u>	<u>132,897</u>
<b>Total equity attributable to equity holders</b>		<u>134,611</u>	<u>132,897</u>

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

	Retained earnings	Total Equity
Balance as at 1 July 2014	<u>131,214</u>	<u>131,214</u>
Profit for the period	1,683	1,683
Balance as at 30 June 2015	<u>132,897</u>	<u>132,897</u>
Balance as at 1st July 2015	<u>132,897</u>	<u>132,897</u>
Profit for the period	1,714	1,714
Balance as at 30 June 2016	<u>134,611</u>	<u>134,611</u>

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

The accompanying notes form part of these financial statements.

THE COMMUNITY AND PUBLIC SECTOR UNION / SPSF GROUP

SOUTH AUSTRALIAN BRANCH

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2016

		2016 \$	2015 \$
Cash flows from operating activities			
Member receipts from associated body being the Public Service Association of SA Inc		231,118	221,302
Interest received		138	260
Payments to associated body CPSU/SPSF Federal Office and ACTU		(224,541)	(216,085)
Payments to suppliers		<u>(5,020)</u>	<u>(4,850)</u>
Net cash from/(used in) operating activities	4	<u>1,695</u>	<u>627</u>
Increase/(decrease) in cash and cash equivalents		1,695	627
Cash and cash equivalents at beginning of financial year		<u>137,678</u>	<u>137,051</u>
Cash and cash equivalents at end of financial year	5	139,373	137,678

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

**THE COMMUNITY AND PUBLIC SECTOR UNION / SPSF GROUP**  
**SOUTH AUSTRALIAN BRANCH**  
**NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

**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 on 1 August 2016.

(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.

(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.

(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) Trade and Other Receivables

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

(e) Trade and Other Payables

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

(f) 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.

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash at call.

(h) Members' Subscriptions

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.

**THE COMMUNITY AND PUBLIC SECTOR UNION / SPSF GROUP**  
**SOUTH AUSTRALIAN BRANCH**  
**NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

**2. General requirements for presentation and disclosures in GPFR**

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 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 No asset or liability was acquired during the financial year as part of a business combination.

**Statement of Profit or Loss and Other Comprehensive Income**  
**Revenue**

Paragraph 14 The following items were received during the year:

- a) Revenue is receipted from Public Service Association of SA Inc and not directly from members.

Paragraph 15 The following items were not received during the year:

- b) a capitation fee from another reporting unit of the organisation.
- c) compulsory levies raised from the members or appeals for voluntary contribution (including whip rounds) for the furtherance of a particular purpose.
- d) donations and grants; and
- e) receipt of any other financial support from another reporting unit of the organisation.

THE COMMUNITY AND PUBLIC SECTOR UNION / SPSF GROUP

SOUTH AUSTRALIAN BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2016

**Statement of Profit or Loss and Other Comprehensive Income**  
**Expense**

Paragraph 17 The following items were not incurred during the year:

- a) expenses incurred as consideration for employers making payroll deductions of membership subscriptions.
- c) fees and periodic subscriptions paid in respect of its affiliation to any political party, any federation, congress council or group of organisations, or any international body having an interest in industrial matters.
- d) compulsory levies imposed on the reporting unit, for each such levy.
- e) grants or donations.
- f) employee expenses related to holders of office of the reporting unit.
- g) employee expenses related to employees of the reporting unit including wages, superannuation, leave, separation/redundancies or other employee expenses occurred during the financial year.
- h) fees and/or allowances paid to persons in respect of their attendances as representatives of the reporting unit at conferences or other meetings.
- i) 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;
- j) legal costs and other expenses related to:
  - i. litigation; and
  - ii. other legal matters;
- k) penalties imposed on the organisation under the RO Act with respect to conduct of the reporting unit.

**Statement of Financial position**  
**Assets**

Paragraph 19

- 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 derived as a result of one or more transactions and/or other past events with another reporting unit of the organisation.

**THE COMMUNITY AND PUBLIC SECTOR UNION / SPSF GROUP**  
**SOUTH AUSTRALIAN BRANCH**  
**NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

**Statement of Financial position**  
**Liabilities**

Paragraph 21 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 23 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.
- e) the general fund.

**Statement of Cash Flows**

Paragraph 25 No amounts included in cash inflows or cash outflows are from another reporting unit and/or controlled entity of the organisation.

**Recovery of Wages activity Financial Report**

No recovery of wages activity has occurred in the reporting period.

**Additional reporting requirements**

- Paragraph 31
- 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.

**THE COMMUNITY AND PUBLIC SECTOR UNION / SPSF GROUP**  
**SOUTH AUSTRALIAN BRANCH**  
**NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

3. Information to be provided to members or General Manager

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

	2016	2015
	\$	\$
4. Reconciliation of net cash provided by operating activities with operating profit		
Profit for the year	1,714	1,683
Decrease / (increase) in trade and other receivables	(72)	-
(Decrease)/ Increase in trade and other payables	53	(1,056)
Net cash from operating activities	1,695	627
5. Cash and cash equivalents		
Cash at bank	139,373	137,678
6. Debtors	72	-
7. Retained earnings		
Balance at 1 July 2015	132,897	131,214
Profit for the period	1,714	1,683
Balance at 30 June 2015	134,611	132,897
8 Affiliation Fees		
ACTU	62,834	48,628
Total Affiliation fees	62,834	48,628
9. Grants or Donations		
Grants		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000.	-	-
Donations		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000.	-	-
Total Grants and Donations	-	-
10 Capitation Fees		
CPSU/SPSF Federal Office	155,668	160,235
Total Capitation Fees	155,668	160,235

**THE COMMUNITY AND PUBLIC SECTOR UNION / SPSF GROUP**  
**SOUTH AUSTRALIAN BRANCH**  
**NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

11. 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.



THE COMMUNITY AND PUBLIC SECTOR UNION / SPSF GROUP  
 SOUTH AUSTRALIAN BRANCH  
 NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS  
 FOR THE YEAR ENDED 30 JUNE 2016

12 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 2016 \$	2015 \$
Cash and cash equivalents from Public Service Association of SA Incorporated	5	139,373	137,678

The Branch's maximum exposure to credit risk at the reporting date was \$139,373 (2015: \$137,678)

The Branch's maximum exposure to credit risk for trade receivables at the reporting by geographic region was \$72: (2015: nil).

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

The Branch's receivables are current (2015: nil).

No impairment loss was recognised in current year (2015: nil).

THE COMMUNITY AND PUBLIC SECTOR UNION / SPSF GROUP

SOUTH AUSTRALIAN BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2016

Liquidity Risk

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

	Carrying amount \$	6 mths or less \$
30 June 2016		
Trade and other payables	4,834	4,834
	<u>4,834</u>	<u>4,834</u>

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

	Carrying amount \$	6 mths or less \$
30 June 2015		
Trade and other payables	4,781	4,781
	<u>4,781</u>	<u>4,781</u>

Interest rate risk

Profile

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

	Note	Carrying amount 2016 \$	2015 \$
Interest Bearing Instruments			
Financial assets received from PSA of SA Inc	5	139,373	137,678
		<u>139,373</u>	<u>137,678</u>

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 2015.

	Profit or Loss		Equity	
	100bp increase \$	100bp decrease \$	100bp increase \$	100bp decrease \$
30 June 2016				
Interest Bearing Instruments	(46)	46	(46)	46
Cash flow sensitivity	<u>(46)</u>	<u>46</u>	<u>(46)</u>	<u>46</u>
30 June 2015				
Interest Bearing Instruments	(87)	87	(87)	87
Cash flow sensitivity	<u>(87)</u>	<u>87</u>	<u>(87)</u>	<u>87</u>

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 Jun 2016 Carrying amount \$	Fair value \$	30 Jun 2015 Carrying amount \$	Fair value \$
Cash & cash equivalents	5	139,373	139,373	137,678	137,678
Debtors	6	72	72	-	-
Trade and other payables		(4,834)	(4,834)	(4,781)	(4,781)
		<u>134,611</u>	<u>134,611</u>	<u>132,897</u>	<u>132,897</u>

**THE COMMUNITY AND PUBLIC SECTOR UNION / SPSF GROUP**  
**SOUTH AUSTRALIAN BRANCH**  
**NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

13. 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.

Barnes	Michael	20/07/2015-30/06/2016
Beck	Andrew	
Bellew	Mary-Jo	02/06/2016-30/06/2016
Bell-Corkin	Patricia	
Brown	Natasha	
Burford	Lesley	
Callaghan	Stephen	01/07/2015-30/06/2016
Dawson	Raylene	
Griffiths	Michael	
Hall	Christopher	01/07/2015-30/06/2016
Henderson	Sharon	
Hewish	Peter	
Howell	Bernadette	01/07/2015-28/08/2015
Hughes	Lesley	01/07/2015-30/06/2016
Johnson	Anne	
Kelton	Neville	01/07/2015-30/06/2016
Kitchin	Neville	
Leverington	Monte	01/07/2015-02/06/2016
Martin	Jo-anne	
McMahon	Jan	01/07/2015-09/12/2015
Oxiad	Lindsay	01/07/2015-30/06/2016
Prakash	Sharin	
Reilly	Peter	01/07/2015-30/06/2016
Rozaklis	Lillia	
Snowball	Carl	
Stitt	Robyn	
Tonkin	Margaret	
Wilson	Rosanne	01/07/2015-30/06/2016

(b) Councillors' remuneration

No amounts were paid to councillors or Key Management Personnel during the financial year.

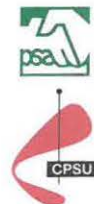
(c) Related Party Disclosure

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. There were no outstanding balances between the PSA of SA Inc and the Branch as at 30 June 2016.

14. Subsequent events

There have been no events subsequent to balance date.



## **CPSU (SPSF GROUP) SA BRANCH**

### **OPERATING REPORT**

**for period ended 30 June 2016**

#### **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 2016, 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.

- (e) Board Membership and Company Directorship.

Neville Kitchin

Health Partners - private health insurance.

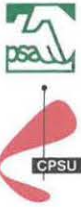
The above position is not held because the person was nominated by the reporting unit or peak council.

City Community Children's Centre – child care.

The above position is held because the person was nominated by the reporting unit.

Asbestos Diseases Society of South Australia Inc

The above position is not held because the person was nominated by the reporting unit or peak council.



## **CPSU (SPSF GROUP) SA BRANCH**

### **OPERATING REPORT**

for period ended 30 June 2016

#### **S254 Fair Work (Registered Organisations) Act 2009**

(e) Board Membership and Company Directorship. (cont)

Natasha Brown

Asbestos Diseases Society of South Australia Inc

The above position is not held because the person was nominated by the reporting unit or peak council.

(f) Number of members as at 30 June 2016 is 11,922.

(g) Number of employees as at 30 June 2016 is nil.

(h) 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 position (Attached).

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

Signature of designated officer :



Name and title of designated officer :

NEVILLE KITCHIN  
BRANCH SECRETARY

Dated:

1.8.2016



# Public Service Association of SA Inc

Community and Public Sector Union • SA Branch • SPSF Group

## CPSU (SPSF GROUP) SA BRANCH

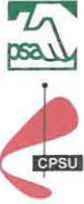
For the year ended 30 June 2016

### 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.

Barnes	Michael	20/7/2015-30/06/2016
Beck	Andrew	
Bellew	Mary-Jo	2/06/2016-30/06/2016
Bell-Corkin	Patricia	
Brown	Natasha	
Burford	Lesley	
Callaghan	Stephen	1/07/2015-30/06/2016
Dawson	Raylene	
Griffiths	Michael	
Hall	Christopher	1/07/2015-30/06/2016
Henderson	Sharon	
Hewish	Peter	
Howell	Bernadette	1/07/2015-28/08/2015
Hughes	Lesley	1/07/2015-30/06/2016
Johnson	Anne	
Kelton	Neville	1/07/2015-30/06/2016
Kitchin	Neville	
Leverington	Monte	1/07/2015-02/06/2016
Martin	Jo-anne	
McMahon	Jan	1/07/2015-09/12/2015
Oxlad	Lindsay	1/07/2015-30/06/2016
Prakash	Sharin	
Reilly	Peter	1/07/2015-30/06/2016
Rozaklis	Lillia	
Snowball	Carl	
Stitt	Robyn	
Tonkin	Margaret	
Wilson	Rosanne	1/07/2015-30/06/2016



# CPSU (SPSF GROUP) SA BRANCH

## CERTIFICATE OF SECRETARY

PERIOD ENDED 30TH JUNE 2016

### 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 2016 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 1 August 2016; and
- that the full report was presented to the Annual General Meeting of members of the reporting unit on 26 August 2016, in accordance with S266 (1) of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer:

Name of prescribed designated officer:

.....NEVILLE KITCHIN.....

Title of prescribed designated officer:

... . BRANCH SECRETARY.....

Dated:

*29/8/2016*



15 July 2016

Mr Neville Kitchin  
Branch Secretary  
The Community and Public Sector Union-SPSF Group, South Australian Branch  
By email: [enquiries@cpsu.asn.au](mailto:enquiries@cpsu.asn.au)

Dear Mr Kitchin,

**Re: Lodgement of Financial Report - [FR2016/215]  
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the CPSU, the Community and Public Sector Union-SPSF Group, South Australian Branch (the reporting unit) ended on 30 June 2016.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date under s.268 of the RO Act, that being within 14 days after the meeting referred to in s.266 of the RO Act.

### **Timelines**

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

### **Fact sheets, guidance notes and model statements**

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. This includes a model set of financial statements which have been developed by the FWC. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. The model statement, Reporting Guidelines and other resources can be accessed through our website under [Financial Reporting](#) in the Compliance and Governance section.

### **Loans, grants and donations: our focus this year**

Also you are reminded of the obligation to prepare and lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 requires this statement to be lodged with the FWC within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2016. A sample statement of loans, grants or donations is available at [sample documents](#).

Over the past year we have noted issues in organisations' financial reports relating to timelines and how loans, grants and donations are reported. We will be focusing closely on these areas this year. Please find attached below fact sheets relating to these requirements or alternatively visit our website for information regarding [financial reporting timelines](#) and [loans, grants and donations](#).

It is requested that the financial report and any Statement of Loans, Grant or Donations be lodged electronically by emailing [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au).

11 Exhibition Street  
Melbourne VIC 3000  
GPO Box 1994  
Melbourne VIC 3001

Telephone : (03) 8661 7777  
Email : [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au)  
Internet : [www.fwc.gov.au](http://www.fwc.gov.au)



## Civil penalties may apply

**It should be noted that s.268 is a civil penalty provision.** Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

## Contact

Should you wish to seek any clarification in relation to the above, email [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au).

Yours sincerely,

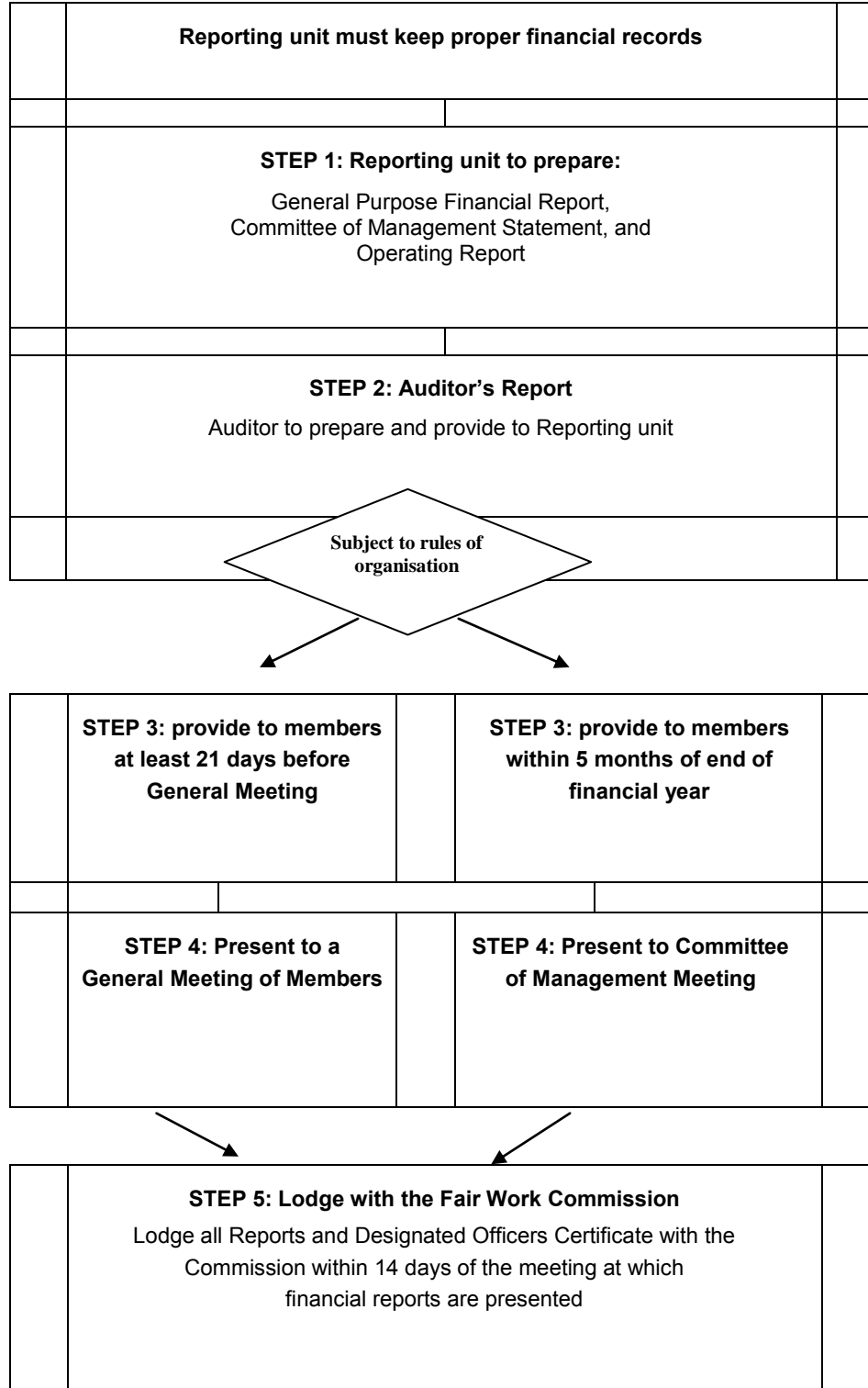


Anastasia Kyriakidis  
Adviser  
Regulatory Compliance Branch

# Financial reporting timelines

Financial reports are to be lodged with the Fair Work Commission (the Commission) within 14 days of the meeting at which the financial reports have been presented, by completing the steps as outlined below.

See Fact sheet—Financial reporting for an explanation of each of these steps.



# Fact Sheet - Loans, Grants & Donations

## The Loans, Grants & Donations Requirements

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the General Manager's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

## The Loans, Grants & Donations Statement

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceed \$1000. The following information must be supplied to the Commission for each relevant loan, grant or donation:

the amount,

the purpose,

the security (if it is a loan),

the name and address of the person to whom it was made,\* and







the arrangements for repaying the loan.\*

\*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the Commission has a [Template Loans, Grants and Donations Statement](#) on its website. The Commission encourages branches and organisations to lodge the statement even if all of the figures are NIL.

## Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
 Only reporting units must lodge the Statement.	 All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
 Employees can sign the Statement.	 The statement must be signed by an elected officer of the relevant branch.
 Statements can be lodged with the financial report.	 The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.

## Grants & Donations within the Financial Report

Item 16(e) of the [General Manager's Reporting Guidelines](#) requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines.

In the [Commission's Model Statements](#) the note appears as follows:

### Note 4E: Grants or donations\*

Grants:	2016	2015
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
<b>Total grants or donations</b>	<b>-</b>	<b>-</b>

Item 17 of the General Manager's Reporting Guidelines requires that these line items appear in the financial report even if the figures are NIL.

### Implications for filing the Financial Report

During their review of the 2016 financial report staff of the Commission will confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their 2015 financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the [Commission's website](#).

### Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the Regulatory Compliance Branch on [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au)