



29 November 2013

Ms Karen Batt
Federal Secretary
Community and Public Sector Union - State Public Services Federation Group
1st Floor, 160 Clarence Street
SYDNEY NSW 2000

Dear Ms Batt,

Community and Public Sector Union State Public Services Federation Group Financial Report for the year ended 30 June 2012 - [FR2012/238]

I acknowledge receipt of the financial report of the Community and Public Sector Union State Public Services Federation Group (the reporting unit). The documents were lodged with Fair Work Commission (FWC) on 25 March 2013.

The financial report has now been filed. This financial report was filed based on a preliminary review. You are not required to take any further action in respect of the report lodged.

Please note that the reporting unit financial report for the year ending 30 June 2013 may be subject to a full compliance audit.

I acknowledge the circumstances facing the reporting unit which contributed to the late lodgement of this financial report.

Changes to the legislation and reporting guidelines

I note with the change of legislation, references to Fair Work Australia will need to be updated to the Fair Work Commission.

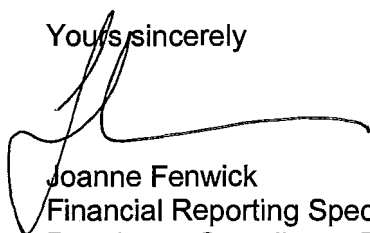
Additionally, a third edition to the General Manager's s.253 reporting guidelines was gazetted on 26 June 2013. These guidelines will apply to all financial reports that end on or after 30 June 2013. Fair Work Commission has also developed a model set of financial statement for the 2012-2013 financial year. There is no requirement to use this model but it may be a useful resource to ensure compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 reporting guidelines and the Australian Accounting Standards.

The guidelines and model financial statements are available on the website here:
<http://www.fwc.gov.au/index.cfm?pagename=regorgsfrguidelines#finance>

As stated previously, this financial report was filed based on a preliminary review. The financial report for the year ending 30 June 2013 may be subject to a full compliance audit.

If you have any queries regarding this letter, please contact me on (03) 8661 7886 or via email at joanne.fenwick@fwc.gov.au.

Yours sincerely



Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch



COMMUNITY & PUBLIC SECTOR UNION
STATE PUBLIC SERVICES FEDERATION GROUP

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Certificate of Secretary or Other Authorised Officer

Section 268 of Schedule 1 of the Fair Work (Registered Organisations) Act 2009

I, Karen Batt, being the Federal Secretary of the CPSU/ SPSF Group certify:

- that the documents lodged herewith are copies of the full report referred to in section 268 of the Fair Work (Registered Organisations) Act 2009; and
- that these documents were presented to a Committee of Management meeting on 1st March 2013; and
- that members were advised on 21st March 2013 that the audited concise financial report and operating report had been published on the reporting unit's web site, www.cpsu-spsf.asn.au on 21st March 2013; and
- that a full report was presented to a Committee of Management meeting of the reporting unit on 21st March 2013 in accordance with section 266 (3) of the Fair Work (Registered Organisations) Act 2009.

Signature:

A handwritten signature in black ink that reads 'Karen Batt'.

Signed At:

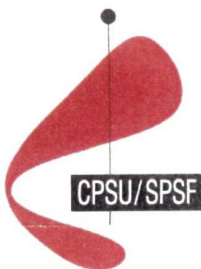
Sydney

Date:

25th March 2013

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

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2012**



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STATE PUBLIC SERVICES FEDERATION GROUP

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

TABLE OF CONTENTS

Operating Report	1 – 3
Financial Report	
Statement of comprehensive income	4
Balance sheet	5
Statement of changes in equity	6
Statement of cash flows	7
Notes to the financial statements	8 – 24
Committee of management statement	25
Independent auditor's report	26

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

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

The principal place of business is:

Community and Public Sector Union SPSF Group - Federal Fund
1/F., 160 Clarence Street
SYDNEY NSW 2000

The financial report was authorised for issue by the committee of management on 1st March 2013.

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

OPERATING REPORT

The Federal Executive presents their report on the Community and Public Sector Union SPSF Group - Federal Fund (The CPSU) for the financial year ended 30 June 2012.

Members of Federal Executive

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

<i>Name</i>	<i>Position</i>
D. Carey	Federal Secretary (resigned 28 November 2012)
K. Batt	Federal Secretary (elected 28 November 2012)
J. Cahill	Federal President
	Federal Vice President - NSW
A. Scott	Senior Federal Vice President – QLD (resigned 30 Aug 2012)
K. Batt	Federal Vice President – VIC (re-elected 19 Mar 2012)
J. McMahon	Federal Vice President – SA (re-elected 6 June 2012)
T. Walkington	Federal Vice President - WA
T. Lynch	Federal Vice President - TAS
V. Doogan	QLD Branch Delegate (resigned 29 Aug 2012)
J. Gaines	WA Branch Delegate
P. Lillywhite	Victorian Branch Delegate
L. Oxlad	SA Branch Delegate (re-elected 6 June 2012)
S. Walsh	NSW Branch Delegate
G Ransley	Tasmanian Branch Delegate

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

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

OPERATING REPORT (Continued)

Significant changes in state of financial affairs

Capitation fees from the Queensland Branch totalling some \$420,000 remain unpaid. Their recovery is subject to legal proceedings. Apart from this, no significant changes in the state of financial affairs of the CPSU occurred during the financial year.

Review of principal activities and results of operations

The CPSU is a professional and industrial organisation, registered under the Fair Work (Registered Organisations Act) 2009, representing public sector workers across Australia. The CPSU is a democratic, federated structure, with a Federal Office, based in Sydney, and branches in every state of Australia.

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

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

Results of activities

During the financial period the CPSU has successfully campaigned for enhanced and support the professional status of CPSU members in public sector through professional development and training and conferences, representation of members on professional bodies and to employers; made submissions and appeared before Commonwealth of Australia Parliamentary Committee and various federal Inquiries; protected and enhanced the industrial rights of CPSU members with CPSU Branches through industrial representation and negotiation of collective agreements.

After balance date events

Capitation fees due from the Queensland Branch continue to remain unpaid. This has had a major effect on the cash flow of the Federal Fund. Apart from this, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the CPSU, the results of those operations, or the financial affairs of the CPSU in future financial years.

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

OPERATING REPORT (Continued)

Right of members to resign

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

Membership and employee numbers

The number of equivalent full time employees at 30 June 2012 was 8.5 (2011: 7.6)

The number of members across 7 branches at 30 June 2012 was 91,601 (2011: 123,240).

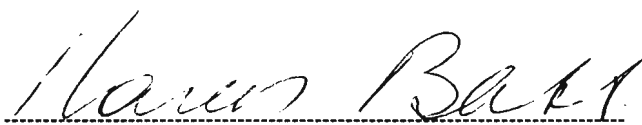
Superannuation trustees

To the best of the Federal Executive's belief and knowledge, no officer or member of the organisation, by virtue of their office or membership of the Community and Public Sector Union SPSF Group - Federal Fund is:

- (i) a trustee of a superannuation entity or exempt public sector superannuation scheme: or
- (ii) a director of a company that is a trustee of a superannuation entity or exempt public sector superannuation scheme: and
- (iii) where the criterion for the officer or member being a trustee or director is that the officer or member is an officer or member of a registered organisation.

Signed in accordance with a resolution of the Federal Executive:

Designated Officer



Karen Batt – Federal Secretary

Dated this 1st March 2013

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012**

	Notes	2012 \$	2011 \$
Revenue from continuing operations	4	1,884,169	1,889,080
Expenses			
Administrative and other expenses	6	234,061	385,023
Affiliation fees and levies	7	174,452	216,351
Campaign and project expenses	8	128,921	188,307
Communication expenses		37,153	39,530
Employee related expenses	9	1,275,933	1,010,341
Meeting and conference expenses		13,748	10,872
Provision for impairment		420,000	-
Travel expenses		202,638	200,494
		<u>2,486,906</u>	<u>2,050,918</u>
(Deficit) for the year		<u>(602,737)</u>	<u>(161,838)</u>
(Deficit) attributable to the members		(602,737)	(161,838)
Other comprehensive (expense)			
Changes in reserves		-	-
Total comprehensive (expense) for the year attributable to the members		<u>(602,737)</u>	<u>(161,838)</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

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

BALANCE SHEET
AS AT 30 JUNE 2012

	Notes	2012 \$	2011 \$
ASSETS			
Current assets			
Cash and cash equivalents	10	530,049	167,354
Held-to-maturity financial assets	11	1,200,000	-
Trade and other receivables	12	<u>260,541</u>	<u>238,800</u>
Total current assets		<u>1,990,590</u>	<u>406,154</u>
Non-current assets			
Held-to-maturity financial assets	13	-	1,876,579
Property, plant and equipment	14	<u>112,428</u>	<u>129,186</u>
Total non-current assets		<u>112,428</u>	<u>2,005,765</u>
Total assets		<u>2,103,018</u>	<u>2,411,919</u>
LIABILITIES			
Current liabilities			
Trade and other payables	15	321,738	142,587
Provisions	16	<u>410,664</u>	<u>295,979</u>
Total current liabilities		<u>732,402</u>	<u>438,566</u>
Total liabilities		<u>732,402</u>	<u>438,566</u>
Net assets		<u>1,370,616</u>	<u>1,973,353</u>
FUNDS			
Federal fund	17	<u>1,370,616</u>	<u>1,973,353</u>
Total funds		<u>1,370,616</u>	<u>1,973,353</u>

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

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012

	Federal Fund \$
Balance at 1 July 2010	2,135,191
Total comprehensive income for the year	(161,838)
Transfer from federal fund	<u>-</u>
Balance at 30 June 2011	<u>1,973,353</u>
Balance at 1 July 2011	1,973,353
Total comprehensive income for the year	(602,737)
Transfer from federal fund	<u>-</u>
Balance at 30 June 2012	<u>1,370,616</u>

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

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
Cash flows from operating activities			
Receipts of capitation fees (inclusive of GST)		1,531,023	1,941,606
Sundry income		2,741	-
Payments to suppliers and employees (inclusive of GST)		(1,926,658)	(2,187,571)
Interest received		<u>103,638</u>	<u>129,758</u>
Net cash (outflow) from operating activities	22	<u>(289,256)</u>	<u>(116,207)</u>
Cash flows from investing activities			
Redemption of investment		676,579	72,966
Payment for property, plant and equipment		<u>(24,628)</u>	<u>(79,090)</u>
Net cash inflow (outflow) from investing activities		<u>651,951</u>	<u>(6,124)</u>
Net increase (decrease) in cash and cash equivalents		362,695	(122,331)
Cash and cash equivalents at beginning of financial year		<u>167,354</u>	<u>289,685</u>
Cash and cash equivalents at end of financial year	10(a)	<u><u>530,049</u></u>	<u><u>167,354</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

1: Summary of significant accounting policies

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

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

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the requirements of the *Fair Work (Registered Organisations) Act 2009*. The Community and Public Sector Union SPSF Group - Federal Fund is a not-for-profit entity for the purpose of preparing the financial statements.

Compliance with Australian Accounting Standards – Reduced Disclosure Requirements

The financial statements of the Branch comply with the Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

New and amended standards adopted by the CPSU

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2011 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods. However, the adoption of the revised AASB 124 *Related Party Disclosures* resulted in the disclosure of additional related party transactions and required the restatement of some comparative information in note 21, and the adoption of AASB 1054 *Australian Additional Disclosures* and AASB 2011-1 *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project* enabled the removal of certain disclosures in relation to commitments and the franking of dividends.

Early adoption of standards

The CPSU has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2011.

Historical cost convention

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

Critical accounting estimates

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

1: Summary of significant accounting policies (Continued)

(b) Revenue recognition

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

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

Revenue is recognised for the major operating activities as follows:

Capitation fees and levies

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

Interest income

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

Other revenue

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

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

(c) Income tax

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

(d) Cash and cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

1: Summary of significant accounting policies (Continued)

(e) Investment in other financial assets

Classification

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

(i) Held-to-maturity financial assets

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

(ii) Loans and receivables

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

Recognition and derecognition

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

Fair value

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

Impairment

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

1: Summary of significant accounting policies (Continued)

(f) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

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

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the CPSU for similar financial instruments.

(g) Property, plant and equipment

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

Depreciation

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

Class of fixed asset	Depreciation rate	Depreciation basis
Computer equipment	40%	diminishing value
Furniture and equipment	2.5 - 40%	diminishing value

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

(h) Trade and other payables

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

1: Summary of significant accounting policies (Continued)

(i) Goods and Service Tax (GST)

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

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

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

Commitments and contingencies are disclosed inclusive of GST.

(j) Employee benefits

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in provision for employee benefits in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(k) Functional and presentation currency

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

(l) Comparative figures

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

1: Summary of significant accounting policies (Continued)

(m) Impairment of assets

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

2: Critical accounting estimates and judgements

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

(a) Critical accounting estimates and assumptions

The CPSU makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below

Capitation fee from the Queensland Branch

Capitation fees income from the Queensland Branch was based on the membership numbers reported but the constituent branches. The Queensland Branch did not provide this information for the current year and therefore estimates based on the last reported membership numbers were used to determine the fees due.

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

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

Employee entitlements

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

- future increase in wages and salaries;
- future on-costs rates; and
- experience of employees departures and period of service.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2012

3: Information to be provided to members or General Manager of the Fair Work Commission

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsection (1), (2) and (3) of section 272 which read as follows:

(1) a member of a reporting unit, or the General Manager of Fair Work Commission, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) the application must be made 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).

4: Revenue

	Note	2012 \$	2011 \$
From continuing operations			
<i>Service revenue</i>			
Capitation fees	a	<u>1,790,064</u>	<u>1,755,595</u>
		<u>1,790,064</u>	<u>1,755,595</u>
<i>Other revenue</i>			
Interest		91,528	125,151
Other revenue		<u>2,577</u>	<u>8,334</u>
		<u>94,105</u>	<u>133,485</u>
		<u>1,884,169</u>	<u>1,889,080</u>

(a) Capitation fees

	2012 \$	2011 \$
NSW Branch	662,395	609,151
QLD Branch (refer note 2(a))	420,276	451,531
SA Branch	193,975	193,987
TAS Branch	61,266	63,135
VIC Branch	217,193	205,373
WA Branch	<u>234,959</u>	<u>232,418</u>
	<u>1,790,064</u>	<u>1,755,595</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

5: Expenses

	2012 \$	2011 \$
The (deficit) for the year includes the following specific expenses:		
<i>Depreciation of non-current assets</i>		
Office furniture & equipment	31,815	8,230
Computer equipment	9,571	14,125
	<u>41,386</u>	<u>22,355</u>
<i>Provision for impairment</i>		
Branch receivables – Qld Branch	420,000	-
<i>Sponsorship & Donations (total of individual amounts more than \$1,000)</i>	12,500	105,000

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

Audit of the financial report – previous auditor	8,400	8,000
Accounting service – previous auditor	4,000	-
Audit of the financial report – current auditor	7,000	-

6: Administration and other expenses

	2012 \$	2011 \$
Audit fee	19,400	8,000
Legal fees	22,672	104,031
Depreciation	41,386	23,355
Donations (>\$1,000 each)	12,500	105,000
Donations (<\$1,000 each)	-	500
Occupancy expenses	90,307	76,998
Other expenses	47,796	67,139
	<u>234,061</u>	<u>385,023</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

7: Affiliation fees & levies

	2012 \$	2011 \$
APHEDA	2,418	-
PSI	128,884	135,328
Evatt Foundation	-	9,000
AIER	3,000	-
Amalgamation WA Prison Officer	-	31,873
Austra Catalyst	40,000	40,000
AFTINET	150	150
	<u>174,452</u>	<u>216,351</u>

8: Campaign and project expenses

	2012 \$	2011 \$
Campaign expenses	23,921	37,800
Campaign levy – ACTU	-	116,270
Research	105,000	34,237
	<u>128,921</u>	<u>188,307</u>

9: Employee related expenses

	2012 \$	2011 \$
Wages and salaries – staff	734,951	637,308
Wages and salaries – holders of office	176,892	166,787
Superannuation – staff	130,948	116,801
Superannuation – holders of office	57,495	48,958
Professional development	735	1,355
Temporary staff	29,039	-
Long service leave – staff	119	(3,565)
Long service leave – holders of office	12,988	8,412
Recreation leave – staff	68,668	9,293
Recreation leave – holders of office	32,910	3,303
Other employee expenses	31,188	21,689
	<u>1,275,933</u>	<u>1,010,341</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2012

10: Current assets – Cash and cash equivalents

	2012 \$	2011 \$
Cash on hand	300	300
Cash at bank	<u>529,749</u>	<u>167,054</u>
	<u>530,049</u>	<u>167,354</u>

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

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

Balances as above	<u>530,049</u>	<u>167,354</u>
Balances per statement of cash flows	<u>530,049</u>	<u>167,354</u>

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

	2012 \$	2011 \$
Term deposits	<u>1,200,000</u>	<u>-</u>

12: Current assets – Trade and other receivables

	2012 \$	2011 \$
<i>Amount due from Branches:</i>		
- NSW Branch	55,532	50,779
- QLD Branch	462,000	36,694
- SA Branch	16,105	-
- TAS Branch	5,459	5,211
- VIC Branch	19,896	17,487
- WA Branch	<u>21,643</u>	<u>19,636</u>
	580,635	129,807
Provision for impairment – QLD Branch	<u>(462,000)</u>	<u>-</u>
	<u>118,635</u>	<u>129,807</u>
Prepayments	89,546	73,754
Other receivables	<u>52,360</u>	<u>35,239</u>
	<u>260,541</u>	<u>238,800</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

13: Non-current assets – Held-to-maturity financial assets

	2012 \$	2011 \$
Term deposits	<u>-</u>	<u>1,876,579</u>

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

	2012 \$	2011 \$
Plant and equipment		
Office furniture and equipment		
At cost	168,026	195,479
Less accumulated depreciation	<u>(72,243)</u>	<u>(122,324)</u>
	<u>95,783</u>	<u>73,155</u>
 Computers		
At cost	113,333	122,220
Less accumulated depreciation	<u>(96,688)</u>	<u>(66,189)</u>
	<u>16,645</u>	<u>56,031</u>
 Total property, plant and equipment	 <u>112,428</u>	 <u>129,186</u>

(a) Non-current assets pledged as security

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

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2012

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

(b) Movements in carrying amounts

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

	Office Furniture & equipment	Computers	Total
	\$	\$	\$
2011			
Opening net book amount	23,345	49,106	72,451
Additions	58,040	21,050	79,090
Depreciation	<u>(8,230)</u>	<u>(14,125)</u>	<u>(22,355)</u>
Closing net book amount	<u>73,155</u>	<u>56,031</u>	<u>129,186</u>
	Office Furniture & equipment	Computers	Total
	\$	\$	\$
2012			
Opening net book amount	73,155	56,031	129,186
Additions	20,537	4,091	24,628
Re-classification	33,906	(33,906)	-
Depreciation	<u>(31,815)</u>	<u>(9,571)</u>	<u>(41,386)</u>
Closing net book amount	<u>95,783</u>	<u>16,645</u>	<u>112,428</u>

15: Current liabilities – Trade and other payables

	2012	2011
	\$	\$
<i>Unsecured:</i>		
Trade creditors	203,318	103,127
Legal fee payable	11,575	-
<i>Amount due to Branches:</i>		
- NSW Branch	24,818	-
- SA Branch	13,264	-
- TAS Branch	13,052	-
- VIC Branch	9,318	-
- WA Branch	25,182	-
	<u>85,634</u>	<u>-</u>
Other payables and accruals	21,211	39,460
	<u>321,738</u>	<u>142,587</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2012

16: Current liabilities – Provisions

	2012 \$	2011 \$
Employee benefits	<u>410,664</u>	<u>295,979</u>

(a) Employee benefits - long service leave

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

	Employee entitlement \$
Balance at 1 July 2010	278,536
Charged to income statement	17,443
Balance at 30 June 2011	<u>295,979</u>
Charged to income statement	114,685
Balance at 30 June 2012	<u>410,664</u>

(b) Employee benefits – holder of office

Included in the employee benefits provision is an amount relating to holder of office of \$179,650.

17: Federal fund

	2012 \$	2011 \$
<i>Movements in the federal fund were as follows:</i>		
Balance 1 July	1,973,353	2,135,191
Net (deficit) for the year	<u>(602,737)</u>	<u>(161,838)</u>
Balance 30 June	<u>1,370,616</u>	<u>1,973,353</u>

18: Contingencies

Contingent liabilities

After the end of the financial year an un-resolved matter in relation to a potential claim regarding a superannuation liability has arisen. The matter is not currently subject to legal action and will be vigorously defended if necessary. In the circumstances, it has been determined that a provision for this claim is not required particularly as the amount of the potential claim is not currently capable of reliable measurement.

Contingent assets

There are no other known contingent assets or liabilities at 30 June 2012.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

19: Commitments

	2012	2011
	\$	\$
<i>Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:</i>		
Within one year	7,300	-
Later than one year but no later than five years	<u>27,373</u>	<u>-</u>
	<u>34,673</u>	<u>-</u>

General description of leasing arrangement:

Leases are for photocopier.

20: Events occurring after reporting date

Capitation fees due from the Queensland Branch continue to remain unpaid. This has had a major effect on the cash flow of the Federal Fund. Apart from this, no matter or circumstance has arisen since the end of the financial year to the date of this report, that has or may significantly affect the activities of the CPSU, the results of those activities or the state of affairs of the CPSU in the ensuing or any subsequent financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

21: Related party transactions

(a) Key management personnel

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

Federal Council

<i>Name</i>	<i>Position</i>
D. Carey	Federal Secretary (resigned 28 November 2012)
K. Batt	Federal Secretary (elected 28 November 2012)
J. Cahill	Federal President
A. Scott	Federal Vice President - QLD (resigned 30 Aug 2012)
K. Batt	Federal Vice President- VIC (re-elected 19 March 2012)
J. McMahon	Federal Vice President - SA (re-elected 6 June 2012)
T. Lynch	Federal Vice President - TAS
T. Walkington	Federal Vice President - WA
J Cahill	Federal Vice President - NSW
B. Webb	New South Wales Branch Delegate
S. Walsh	New South Wales Branch Delegate
A. Harris	New South Wales Branch Delegate
S. O'Brien	New South Wales Branch Delegate
G. Delprado	New South Wales Branch Delegate
R. Drummond	New South Wales Branch Delegate
C. Wetherall	New South Wales Branch Delegate
L. Parissi	New South Wales Branch Delegate
S. Turner	New South Wales Branch Delegate
R. Davis	New South Wales Branch Delegate
A. Scott	Queensland Branch Delegate (resigned 30 Aug 2012)
V. Doogan	Queensland Branch Delegate (resigned 29 Aug 2012)
P. Devey	Queensland Branch Delegate (resigned 3 Aug 2012)
P Cattach	Queensland Branch Delegate (resigned 3 Aug 2012)
R Miles	Queensland Branch Delegate (resigned 3 Aug 2012)
K Flanders	Queensland Branch Delegate (resigned 3 Aug 2012)
J Hunt	Queensland Branch Delegate (resigned 3 Aug 2012)
P O'Driscoll	Queensland Branch Delegate (resigned 3 Aug 2012)
K. Batt	Victoria Branch Delegate (re-elected 28 May 2012)
C. Davies	Victoria Branch Delegate (re-elected 28 May 2012)
P. Lillywhite	Victoria Branch Delegate (re-elected 28 May 2012)
J. Walton	Victoria Branch Delegate (re-elected 28 May 2012)
M. Nestor	Victoria Branch Delegate (re-elected 28 May 2012)
J. McMahon	South Australia Branch Delegate (re-elected 6 June 2012)
L. Hughes	South Australia Branch Delegate (re-elected 6 June 2012)
L. Oxlad	South Australia Branch Delegate (re-elected 6 June 2012)
M. Warner	South Australia Branch Delegate (re-elected 6 June 2012)
N. Kitchin	South Australia Branch Delegate (re-elected 6 June 2012)
T. Walkington	Western Australia Branch Delegate
J. Gaines	Western Australia Branch Delegate
M. Cohen	Western Australia Branch Delegate

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

21: Related party transactions (Continued)

(a) Key management personnel (Continued)

Federal Council

<i>Name</i>	<i>Position</i>
D. Henden	Western Australia Branch Delegate
G Richards	Western Australia Branch Delegate
T. Lynch	Tasmania Branch Delegate
L. Jones	Tasmania Branch Delegate
M. Johnston	Tasmania Branch Delegate
G Ransley	Tasmania Branch Delegate

Federal Executive

<i>Name</i>	<i>Position</i>
D. Carey	Federal Secretary (resigned 13 December 2012)
K. Batt	Federal Secretary (elected 13 December 2012)
J. Cahill	Federal President
	Federal Vice President - NSW
A. Scott	Senior Federal Vice President – QLD (resigned 30 Aug 2012)
K. Batt	Federal Vice President – VIC (re-elected 19 Mar 2012)
J. McMahon	Federal Vice President – SA (re-elected 6 June 2012)
T. Walkington	Federal Vice President - WA
T. Lynch	Federal Vice President - TAS
V. Doogan	QLD Branch Delegate (resigned 29 Aug 2012)
J. Gaines	WA Branch Delegate
P. Lillywhite	Victorian Branch Delegate
L. Oxlad	SA Branch Delegate (re-elected 6 June 2012)
S. Walsh	NSW Branch Delegate
G Ransley	Tasmanian Branch Delegate

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2012

21: Related party transactions (Continued)

(a) Key management personnel (Continued)

(ii) The aggregate compensation made to key management personnel is as follows:

	2012 \$	2011 \$
Short term benefits	<u>280,285</u>	<u>227,460</u>

(b) Transactions with related parties

	2012 \$	2011 \$
<i>Purchases of goods and services:</i>		
Rent paid to a related party	85,144	72,757
<i>Superannuation contributions</i>		
Superannuation contributions on behalf of employees	188,443	165,759

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

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

Apart from the \$420,000 provision for impairment provision against the Queensland Branch from Capitation fees due, no provision for impairment has been raised in relation to any of these outstanding balances and no expense has been recognised in respect of bad or doubtful debts due from related parties.

22: Cash flow information

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

	2012 \$	2011 \$
(Deficit) for the year	(602,737)	(161,838)
<i>Non-cash flows in (deficit)</i>		
Depreciation	41,386	22,355
Provision for impairment	420,000	-
<i>Changes in assets and liabilities</i>		
(Increase) Decrease in trade and other receivables	(483,941)	535
Increase in payables	221,351	5,298
Increase in provisions	114,685	17,443
Cash flows from operations	<u>(289,256)</u>	<u>(116,207)</u>

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

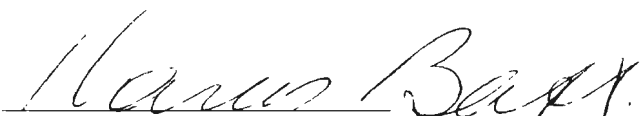
COMMITTEE OF MANAGEMENT STATEMENT

On 1st March 2013 the Committee of Management of the Community and Public Sector Union SPSF Group - Federal Fund passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2012:

The Committee of Management declares that in its opinion;

1. the financial statements and notes comply with Australian Accounting Standards;
2. the financial statements and notes comply with the reporting guidelines of the General Manager of Fair Work Commission;
3. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
4. there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
5. during the financial year to which the GPFR relates and since the end of that year:
 - a. meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of branches concerned; and
 - b. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - c. the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - d. the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - e. the information has been furnished to any member of the reporting unit or to the General Manager of the Fair Work Commission, as the case may be, where information sought by the member or the General Manager of the Fair Work Commission was duly made under section 272 of the RO Act; and
 - f. No order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act during the period.
6. the reporting unit has not engaged in recovery of wages activity which has resulted in the derivation of revenue in respect of such activity

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

Signature of designated officer 

Name of designated officer: Karen Batt

Position held: Federal Secretary

Dated this 1st March 2013



B.G.L. & Associates Pty. Ltd.

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Incorporating BGL & Associates

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Professional Standards Legislation

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

Report on the financial report

We have audited the accompanying general purpose financial report of the Community and Public Sector Union SPSF Group - Federal Fund, which comprises the balance sheet as at 30 June 2012, the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Committee of Management Statement.

Committee of Management 's responsibility for the financial report

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

Auditor's responsibility

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

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

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

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





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

Independence

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

Emphasis of matter

Without modifying our opinion, we would like to draw attention to Note 18 of financial report relating to an unresolved matter concerning a potential claim regarding a superannuation liability. The impact on the financial report cannot be reliably determined at this point in time.

Opinion

In our opinion the general purpose financial report of Community and Public Sector Union SPSF Group - Federal Fund is presented fairly in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the requirements imposed by Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.

BGL & Associates
Chartered Accountants

I. A. Hinds - A.C.A. - Partner

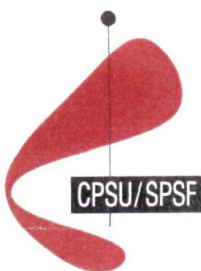
Member of The Institute of Chartered Accountants in Australia and
holder of current Public Practice Certificate

1 March 2013
Melbourne



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

**ANNUAL CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2012**



COMMUNITY & PUBLIC SECTOR UNION
STATE PUBLIC SERVICES FEDERATION GROUP

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

TABLE OF CONTENTS

Discussion and analysis of financial statements	1
Operating Report	2 – 4
Financial Report	
Statement of comprehensive income	5
Balance sheet	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9 – 10
Committee of management statement	11
Independent auditor's report	12

Relationship of the concise financial report to the full financial reports

The concise financial report is an extract from the full financial report for the year ended 30 June 2012. The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report.

The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of Community and Public Sector Union SPSF Group - Federal Fund as the full financial report. Further financial information can be obtained from the full financial report.

The full financial report and auditor's report will be sent to members on request, free of charge. Please contact Community and Public Sector Union SPSF Group Federal Fund's office and a copy will be forwarded to you. Alternatively, you can access both the full financial report and the concise report via the internet at our Members' Centre on our website.

The committee of management has resolved on 1 March 2013 that this concise report be provided in accordance with s265 (2) of the *Fair Work (Registered Organisations) Act 2009*.

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

DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS

Information on Community and Public Sector Union SPSF Group – Federal Fund’s concise financial report

The concise financial report is an extract of the full financial report for the year ended 30 June 2012. The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report.

This discussion and analysis is provided to assist members in understanding the concise financial report. The discussion and analysis is based on Community and Public Sector Union SPSF Group – Federal Fund financial statements and the information contained in the concise financial report has been derived from the full 2012 financial report of Community and Public Sector Union SPSF Group – Federal Fund.

Statement of comprehensive income

The deficit attributable to members for the year was \$602,737 compared with a \$161,838 deficit last year. This was a direct result of the loss of capitation fees from the Queensland branch.

Capitation fees income increased by \$34,469 from \$ 1,755,595 in 2011 to \$ 1,790,064 in 2012. This however includes the estimated capitation fee due from the Queensland branch of \$ 420,000 which may not be fully collectible. Overall revenue decreased by \$4,911 in 2012 due to a reduction in interest income.

Total expenses increased by \$ 435,988 from \$2,050,918 in 2011 to \$2,486,906 in 2012. This is mainly due to the \$420,000 bad debt provision raised against the Queensland branch's capitation fee debt.

Balance sheet

Total assets decreased by 12% or \$308,901 from \$2,411,919 in 2011 to \$2,103,018 this year mainly due to a decrease in cash on hand. This was a direct result of the loss of income from the Queensland branch.

Total liabilities increased by \$293,836 or 67% from \$438,566 in 2011 to \$732,402 in 2012. The increase was due to an increase in both employee provisions and trade creditors.

The net result was an overall decrease in the Federal Fund of \$602,737.

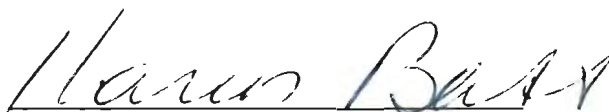
Statement of cash flows

Net cash flows from operations decreased by \$ 173,049 from (\$116,207) in 2011 to (\$289,256) in 2012. The result was due to decrease of receipt of interest and capitation fee receipts.

Overall cash balances increased by \$362,695 from last year due to a part-redemption of the term deposits, with cash on hand and at banks at 30 June 2012 being \$ 530,049 (2011: \$167,354).

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

Designated Officer



Karen Batt – Federal Secretary

Dated this 1 March 2013

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

OPERATING REPORT

The Federal Executive presents their report on the Community and Public Sector Union SPSF Group - Federal Fund (CPSU) for the financial year ended 30 June 2012.

Members of Federal Executive

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

<i>Name</i>	<i>Position</i>
D. Carey	Federal Secretary (resigned 28 November 2012)
K. Batt	Federal Secretary (elected 28 November 2012)
J. Cahill	Federal President
	Federal Vice President - NSW
A. Scott	Senior Federal Vice President – QLD (resigned on 30 Aug 2012)
K. Batt	Federal Vice President – VIC (re-elected 19 Mar 2012)
J. McMahon	Federal Vice President – SA (re-elected 6 June 2012)
T. Walkington	Federal Vice President - WA
T. Lynch	Federal Vice President - TAS
V. Doogan	QLD Branch Delegate (resigned on 29 Aug 2012)
J. Gaines	WA Branch Delegate
P. Lillywhite	Victorian Branch Delegate
L. Oxlad	SA Branch Delegate (re-elected 6 June 2012)
S. Walsh	NSW Branch Delegate
G Ransley	Tasmanian Branch Delegate

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

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

OPERATING REPORT (Continued)

Significant changes in state of financial affairs

Capitation fees from the Queensland Branch totalling some \$420,000 remain unpaid. The circumstances relating to the unpaid capitation fees is currently under review. Apart from this, no significant changes in the state of financial affairs of the CPSU occurred during the financial year.

Review of principal activities and results of operations

The CPSU is a professional and industrial organisation, registered under the *Fair Work (Registered Organisations Act) 2009*, representing public sector workers across Australia. The CPSU is a democratic, federated structure, with a Federal Office, based in Sydney, and branches in every state of Australia.

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

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

Results of activities

During the financial period the CPSU has successfully campaigned for enhanced and support the professional status of CPSU members in public sector through professional development and training and conferences, representation of members on professional bodies and to employers; made submissions and appeared before Commonwealth of Australia Parliamentary Committee and various federal Inquiries; protected and enhanced the industrial rights of CPSU members with CPSU Branches through industrial representation and negotiation of collective agreements.

After balance date events

Capitation fees due from the Queensland Branch continue to remain unpaid. This has had a major effect on the cash flow of the Federal Fund. Apart from this, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the CPSU, the results of those operations, or the financial affairs of the CPSU in future financial years.

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

OPERATING REPORT (Continued)

Right of members to resign

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

Membership and employee numbers

The number of equivalent full time employees at 30 June 2012 was 8.5 (2011: 7.6)

The number of members across 7 branches at 30 June 2012 was 91,601 (2011: 123,240).

Superannuation trustees

The Federal Secretary (Mr. David Carey) during the reporting period held a position as Trustee of the UniSuper Board nominated by the ACTU in his capacity as Federal Secretary.

Apart from the above, to the best of the Federal Executive's belief and knowledge, no other officer or member of the organisation, by virtue of their office or membership of the Community and Public Sector Union SPSF Group - Federal Fund is:

- (i) a trustee of a superannuation entity or exempt public sector superannuation scheme: or
- (ii) a director of a company that is a trustee of a superannuation entity or exempt public sector superannuation scheme: and
- (iii) where the criterion for the officer or member being a trustee or director is that the officer or member is an officer or member of a registered organisation.

Signed in accordance with a resolution of the Federal Executive:

Designated Officer



Karen Batt – Federal Secretary

Dated this 1st March 2013

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
Revenue from continuing operations	3	1,884,169	1,889,080
Expenses			
Administrative and other expenses		234,061	385,023
Affiliation fees and levies		174,452	216,351
Campaign and project expenses		128,921	188,307
Communication expenses		37,153	39,530
Employee related expenses		1,275,933	1,010,341
Meeting and conference expenses		13,748	10,872
Provision for impairment		420,000	-
Travel expenses		202,638	200,494
		<u>2,486,906</u>	<u>2,050,918</u>
(Deficit) for the year		<u>(602,737)</u>	<u>(161,838)</u>
(Deficit) attributable to the members		(602,737)	(161,838)
Other comprehensive (expense)			
Changes in reserves		-	-
Total comprehensive (expense) for the year attributable to the members		<u>(602,737)</u>	<u>(161,838)</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

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

BALANCE SHEET
AS AT 30 JUNE 2012

	2012 \$	2011 \$
ASSETS		
Current assets		
Cash and cash equivalents	530,049	167,354
Held-to-maturity financial assets	1,200,000	-
Trade and other receivables	260,541	238,800
Total current assets	<u>1,990,590</u>	<u>406,154</u>
Non-current assets		
Held-to-maturity financial assets	-	1,876,579
Property, plant and equipment	112,428	129,186
Total non-current assets	<u>112,428</u>	<u>2,005,765</u>
Total assets	<u>2,103,018</u>	<u>2,411,919</u>
LIABILITIES		
Current liabilities		
Trade and other payables	321,738	142,587
Provisions	410,664	295,979
Total current liabilities	<u>732,402</u>	<u>438,566</u>
Total liabilities	<u>732,402</u>	<u>438,566</u>
Net assets	<u>1,370,616</u>	<u>1,973,353</u>
FUNDS		
Federal fund	1,370,616	1,973,353
Total funds	<u>1,370,616</u>	<u>1,973,353</u>

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

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012

	Federal Fund \$
Balance at 1 July 2010	2,135,191
Total comprehensive income for the year	(161,838)
Transfer from federal fund	<u>-</u>
Balance at 30 June 2011	<u>1,973,353</u>
Balance at 1 July 2011	1,973,353
Total comprehensive income for the year	(602,737)
Transfer from federal fund	<u>-</u>
Balance at 30 June 2012	<u>1,370,616</u>

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

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
Cash flows from operating activities		
Receipts of capitation fees (inclusive of GST)	1,531,023	1,941,606
Sundry income	2,741	-
Payments to suppliers and employees (inclusive of GST)	(1,926,658)	(2,187,571)
Interest received	103,638	129,758
Net cash (outflow) from operating activities	<u>(289,256)</u>	<u>(116,207)</u>
Cash flows from investing activities		
Redemption for investment	676,579	72,966
Payment for property, plant and equipment	(24,628)	(79,090)
Net cash inflow (outflow) from investing activities	<u>651,951</u>	<u>(6,124)</u>
Net increase (decrease) in cash and cash equivalents	362,695	(122,331)
Cash and cash equivalents at beginning of financial year	<u>167,354</u>	<u>289,685</u>
Cash and cash equivalents at end of financial year	<u><u>530,049</u></u>	<u><u>167,354</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

1: Summary of significant accounting policies

(a) Basis of preparation

The concise financial reports have been prepared in accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009* and Accounting Standard AASB 1039 *Concise Financial Reports*.

A full general purpose financial report has been prepared for the Community and Public Sector Union SPSF Group - Federal Fund (CPSU). The financial statements and specific disclosures included in the concise financial report have been derived from the general purpose financial report of the Branch. The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the the CPSU as the general purpose financial report of the the CPSU.

(b) Basis of accounting

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Fair Work (Registered Organisations) Act 2009*.

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

The accounting policies adopted have been consistently applied to all years presented, unless otherwise stated.

(c) Presentation currency

The presentation currency used in this concise financial report is Australian dollars.

2: Information to be provided to members or General Manager of the Fair Work Commission

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsection (1), (2) and (3) of section 272 which read as follows:

(1) a member of a reporting unit, or the General Manager of Fair Work Commission, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) the application must be made in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

(3) a reporting unit must comply with an application made under subsection (1).

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2012

3: Revenue

	Note	2012 \$	2011 \$
From continuing operations			
<i>Service revenue</i>			
Capitation fees	a	<u>1,790,064</u>	<u>1,755,595</u>
		<u>1,790,064</u>	<u>1,755,595</u>
<i>Other revenue</i>			
Interest		91,528	125,151
Other revenue		<u>2,577</u>	<u>8,334</u>
		<u>94,105</u>	<u>133,485</u>
		<u>1,884,169</u>	<u>1,889,080</u>

(a) Capitation fees

		2012 \$	2011 \$
NSW Branch		662,395	609,151
QLD Branch	b	420,276	451,531
SA Branch		193,975	193,987
TAS Branch		61,266	63,135
VIC Branch		217,193	205,373
WA Branch		<u>234,959</u>	<u>232,418</u>
		<u>1,790,064</u>	<u>1,755,595</u>

(b) Capitation fees – Qld Branch

This amount is still due and an impairment provision of \$420,000 has been raised against it.

4: Contingencies

Contingent liabilities

After the end of the financial year an un-resolved matter regarding a potential claim regarding a superannuation liability has arisen. The matter is not currently subject to legal action and will be vigorously defended if necessary. In the circumstances, it has been determined that a provision for this claim is not required particularly as the amount of the potential claim is not currently capable of reliable measurement.

Contingent assets

There are no other known contingent assets or liabilities at 30 June 2012.

5: Events occurring after reporting date

Capitation fees due from the Queensland Branch continue to remain unpaid. This has had a major effect on the cash flow of the Federal Fund. Apart from this, no matter or circumstance has arisen since the end of the financial year to the date of this report, that has or may significantly affect the activities of the CPSU, the results of those activities or the state of affairs of the CPSU in the ensuing or any subsequent financial year.

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

COMMITTEE OF MANAGEMENT STATEMENT


On 1st March 2013 the Committee of Management of the Community and Public Sector Union SPSF Group - Federal Fund passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2012:

The Committee of Management declares that in its opinion;

1. the financial statements and notes comply with Australian Accounting Standards;
2. the financial statements and notes comply with the reporting guidelines of the General Manager of Fair Work Commission;
3. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
4. there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
5. during the financial year to which the GPFR relates and since the end of that year:
 - a. meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of branches concerned; and
 - b. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - c. the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - d. the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - e. the information has been furnished to any member of the reporting unit or to the General Manager of the Fair Work Commission, as the case may be, where information sought by the member or the General Manager of the Fair Work Commission was duly made under section 272 of the RO Act; and
 - f. No order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act during the period.
6. the reporting unit has not engaged in recovery of wages activity which has resulted in the derivation of revenue in respect of such activity

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

Signature of designated officer



Name of designated officer: Karen Batt

Position held: Federal Secretary

Dated this 1st March 2013



B.G.L. & Associates Pty. Ltd.

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Incorporating BGL & Associates

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

Liability limited by a scheme approved under
Professional Standards Legislation

Report on the concise financial report

We have audited the accompanying concise financial report of the Community And Public Sector Union SPSF Group – Federal Fund comprises the balance sheet as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and related notes, derived from the audited financial report of the Community And Public Sector Union SPSF Group – Federal Fund for the year ended 30 June 2012. The concise financial report also includes discussion and analysis of results and Statement by Committee of Management. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

Committee of Management 's responsibility for the concise financial report

The Committee of Management is responsible for the preparation of the concise financial report in accordance with Australian Accounting Standards AASB 1039 *Concise Financial Reports* and the *Fair Work (Registered Organisations) Act 2009* and for such internal control as the Committee of Management determine is necessary to enable the preparation of the concise financial report.

Auditor's responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit procedures which were conducted in accordance with ASA 810 *Engagements to Report on Summary Financial Statements*. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of Community And Public Sector Union SPSF Group – Federal Fund for the year ended 30 June 2012. We expressed an unmodified audit opinion on the financial report in our report dated 1 March 2013. The Australian 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 for the year is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the concise financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the concise financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the concise financial report 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 controls. Our procedures included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of audit evidence supporting the amounts, discussion and analysis of results, and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with AASB 1039 *Concise Financial Reports* and whether the discussion and analysis complies with the requirements laid down in AASB 1039 *Concise Financial Reports*.

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

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





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

Independence

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

Emphasis of matters

Without modifying our opinion, we would like to draw attention to Note 18 of financial report relating to an unresolved matter concerning a potential claim regarding a superannuation liability. The impact on the financial report cannot be reliably determined at this point in time.

Opinion

In our opinion, the concise financial report, including the discussion and analysis of results and the Statement of Committee Management of the Community And Public Sector Union SPSF Group – Federal Fund for the year ended 30 June 2012 complies with Australian Accounting Standard AASB 1039 *Concise Financial Reports* and the *Fair Work (Registered Organisations) Act 2009*.

BGL & Associates
Chartered Accountants

I. A. Hinds - A.C.A. - Partner

Member of The Institute of Chartered Accountants in Australia and
holder of current Public Practice Certificate

1 March 2013
Melbourne





FAIR WORK
AUSTRALIA

17 December 2012

Ms Karen Batt
Joint National Secretary
SPSF Group
CPSU, the Community and Public Sector Union
PO Box Q1317
QVB SYDNEY NSW 1230

By email: mark@spsf.asn.au

Dear Ms Batt

Request for an extension of time for provision of documents to members for year ended 30 June 2012 - FR2012/238

I refer to your letter of 13 December 2012 in which you advised that the Federal Office of the SPSF Group of the CPSU, the Community and Public Sector Union will be unable to provide copies of a full report to members of the reporting unit by 30 November 2012, being the date prescribed by paragraph 265(5)(b) of the *Fair Work (Registered Organisations) Act 2009* (RO Act) where the full report is to be presented to a meeting of Federal Council. You have requested an extension of time under subsection 265(5) in which to provide the full report to members.

Having considered the submissions outlined in your letter, I grant an extension of time until 31 December 2012 for provision of the full report to members of the Federal Office reporting unit, being the maximum extension that is permissible under subsection 265(5) of the RO Act.

Yours sincerely

Ailsa Carruthers
Delegate of the General Manager
Fair Work Australia



In reply please quote
reference number:

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

Federal Office
PO Box Q1317, QVB Sydney NSW 1230
1st Floor, 160 Clarence Street, Sydney NSW
2000
AUSTRALIA
Tel: (02) 9299 5655
Fax: (02) 9299 7181
ABN 31 572 641 712

Thursday 13 December 2012

Ms Ailsa Carruthers
Delegate of the General Manager
Fair Work Australia
11 Exhibition Street
Melbourne Victoria 3000

URGENT AND BY E-MAIL

Dear Ms Carruthers,

**DELAY IN THE PRODUCTION AND PUBLICATION FOR THE 2011/12 FINANCIAL
REPORTS FOR THE CPSU (SPSF GROUP)**

**APPLICATION FOR AN EXTENSION OF TIME TO PUBLISH THE FINANCIAL
STATEMENTS TO MEMBERS UNDER S265 (5) OF THE RO ACT**

I refer to my letter to the General Manager dated Wednesday 28 November 2012 and to our meeting held at FWA Melbourne on Friday 7 December 2012.

You will recall from my earlier letter that:

- I formally took office as Joint National Secretary of the CPSU on Wednesday 28 November 2012 ;
- since I took office I have been endeavouring to satisfy myself that the draft general purpose financial report prepared by my predecessor was a “true and fair view of the financial position and performance of the CPSU(SPSF Group)”;
- for a number of reasons I have been unable to satisfy myself that the draft meets that standard.

Action taken since the 7 December 2012 meeting

Since our meeting on 7 December 2012 I have taken the following steps to further investigate the financial position of the reporting unit:

- Myself and other members of the Federal Executive have perused the financial records of the reporting unit;
- My Victorian accounting staff, and the SPSF Group Federal Office accounting staff, have been reviewing financial records and reporting to me orally and in writing;
- I have only recently sighted, for the first time, a draft management letter and audit report for the year ended 30 June 2012 by the previously appointed auditor, Bryan Rush & Co. It is dated 17 September 2012 and is not on a letterhead. I have doubts as to the adequacy of this draft on the basis of what I now know about the financial systems in the Federal Office of the CPSU(SPSF) (a copy of which I attach).
- I am in the process of securing the appointment of a new auditor who will be charged with making recommendations about the inadequate financial management systems in the Federal Office of the CPSU (SPSF).
- Despite further detailed investigation the liabilities associated with the payout of the entitlements of my predecessor are still indeterminate.

I am now firmly of the opinion that I cannot, at this stage, warrant that the draft general purpose financial report meets the requisite statutory standard of being a true and fair view of the financial position and performance of the CPSU (SPSF Group).

It follows that I will require more time to consider the documents I have at my disposal and for further investigation to be undertaken by a newly appointed auditor.

Application for an extension of time to publish the general purpose financial report under s265 (5) of the RO Act

It is clear that neither myself, nor the Federal Executive of the CPSU (SPSF Group), will be able to comply with the deadline for the provision of the general purpose financial report or the auditor's report for the 2011/12 financial year to the Federal Council of the CPSU (SPSF Group) in accordance with s265.

We therefore request an extension of a full month until the end of December 2012 for the publication of auditors and general purpose financial reports to the Federal Council.

In the interests of full transparency you should be aware that, even with this extension, it is my assessment that we will still not be able to comply with the extended deadline.

At the moment I anticipate that we will be unable to either produce the auditor's or general purpose financial reports, or notify the relevant members of a Federal Council meeting in accordance with our rules, before the end of February.

We wish to formally make the application so that the extent of our non-compliance is more limited and in order to fully appraise you of our position. We therefore request the extension of time under s265.

Once the general purpose financial report has been prepared, and the auditors report is complete, these will be put to a Federal Council in late February. Once the Federal Council has met and adopted those documents we fully intend to file those documents with FWA within the 14 day deadline prescribed under s268

Should yourself or any of your team wish to contact me please do so on either kbatt@cpsuVIC.org or my mobile which is 0418 55 29 25.

Yours Sincerely



Karen Batt

Joint National Secretary CPSU