

**From:** [KELLETT, Stephen](#)  
**To:** ["fedsec@spsf.asn.au"](mailto:fedsec@spsf.asn.au)  
**Cc:** ["gmostowska@cpsuvc.org"](mailto:gmostowska@cpsuvc.org)  
**Subject:** Financial report - y/e 30 June 2014 - filing  
**Date:** Wednesday, 5 November 2014 8:35:14 AM  
**Attachments:** [CPSU SPSF FR2014 84 \(primary final\).pdf](#)

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Dear Ms Batt,

Please see attached my letter in relation to the above.

Yours sincerely

STEPHEN KELLETT  
Senior Adviser, Regulatory Compliance Branch  
FAIR WORK COMMISSION

80 William Street  
EAST SYDNEY NSW 2011

(ph) (02) 6723 7237 / (02) 6746 3283  
(mob) 0429 462 979  
(em) [stephen.kellett@fwc.gov.au](mailto:stephen.kellett@fwc.gov.au)



5 November 2014

Ms Karen Batt  
Federal Secretary, SPSF Group  
CPSU, the Community and Public Sector Union  
PO Box Q1317, QVB  
SYDNEY NSW 1230  
by email: [fedsec@spsf.asn.au](mailto:fedsec@spsf.asn.au)

Dear Ms Batt,

**CPSU, the Community and Public Sector Union, SPSF Group - Financial Report for year ended 30 June 2014 - (FR2014/84)**

I refer to the financial report of the CPSU, the Community and Public Sector Union, SPSF Group ('the reporting unit') for the year ended 30 June 2014. The documents were lodged with the Fair Work Commission on 27 October 2014. The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that 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 2015 may be subject to an advanced compliance review.

If you have any queries regarding this letter, I may be contacted on (02) 6723 723 or by email at [stephen.kellett@fwc.gov.au](mailto:stephen.kellett@fwc.gov.au).

Yours sincerely

Stephen Kellett  
Senior Adviser, Regulatory Compliance Branch

cc. Ms Gosia Mostowska, Finance Manager

**From:** [Gosia Mostowska](#)  
**To:** [PFEIFFER, Robert](#); [Orgs](#); [SCHULTZ, Andrew](#)  
**Subject:** On CMS FR2014/84 CPSU/SPSF GROUP - FINANCIAL RETURN - ABN: 31 572 641 712  
**Date:** Monday, 27 October 2014 4:42:48 PM  
**Attachments:** [image001.png](#)  
[Financial Return documentation for year ended 30 June 2014.pdf](#)  
[final annual financial report 30 June 2014.pdf](#)  
[final Concise financial report for 30 June 2014.pdf](#)  
**Importance:** High

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To Whom It May Concern

Please find attached **three attachments**, which contain financial return for the year ended 30 June 2014 and accept the lodgement of CPSU/SPSF Group Financial Report return.

If you require any further information please contact me directly on 03 9413 6611. Please acknowledge receipt of the documentation.

Regards

**Gosia Mostowska | Finance Manager**

Community and Public Sector Union - Level 2 Rosella Complex 6 Palmer Parade, Cremorne, Victoria 3121  
PO Box 4355 Cremorne 3121 VIC - p: (03) 9639 1822 or 1800 810 153 (outside metro area) | f: (03) 9662 4591  
[gmostowska@cpsuVIC.org](mailto:gmostowska@cpsuVIC.org) | [www.cpsuVIC.org](http://www.cpsuVIC.org)



**CHOOSEYOUREMPLOYER**  
**VIC STATE ELECTION - 29 NOVEMBER 2014**

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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

27<sup>th</sup> October 2014

Attn: Robert Pfeiffer  
Senior Advisor  
Regulatory Compliance Branch  
**Fair Work Commission**  
Level 5  
11 Exhibition Street  
MELBOURNE VIC 3000

By Email: [robert.pfeiffer@fwc.gov.au](mailto:robert.pfeiffer@fwc.gov.au)

Dear Robert

RE: CPSU/SPSF GROUP – 2013 / 2014 Financial Report

Please find attached the Financial Report for the year ended 30 June 2014 for the CPSU/SPSF GROUP as required under section 268 of the Fair Work (Registered Organisations) Act 2009.

If you require any further information please contact Gosia Mostowska on 03 9639 1822.

Yours faithfully

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

Karen Batt

**Federal Secretary**



**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

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

**Certificate by Prescribed Designated Officer**

**Certificate for the period ended 30 June 2014**

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

- that the documents lodged herewith are copies of the full report and the concise report for the CPSU SPSF GROUP for the period ended 30<sup>th</sup> June 2014 referred to in section 268 of the Fair Work (Registered Organisations) Act 2009; and
- that members were advised on 24<sup>th</sup> October 2014 that the audited concise financial report and operating report had been published on the reporting unit's web site, [www.cpsu-spsf.asn.au](http://www.cpsu-spsf.asn.au); and
- that a full report was presented to a Committee of Management meeting of the reporting unit on 16<sup>th</sup> October 2014 in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

Signature:

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

Name:

KAREN BATT

Title:

Federal Secretary

Dated:

27<sup>th</sup> October 2014

**8.0 INFORMATION TECHNOLOGY AND COMMUNICATIONS SUB-COMMITTEE REPORT**

NIL

**9.0 FINANCIAL GOVERNANCE AND ADMINISTRATIVE SUB-COMMITTEE REPORT**

**9.2 FINANCE REPORT**

**9.2(a) 2014 FINAL FINANCIAL REPORT AND 2014 FINAL CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2014**

*Moved: K Batt*

*Seconded: L Oxlud*

*"That the Federal Executive notes the final Statements for the year ended 30<sup>th</sup> June 2014."*

**NOTED**

**10.0 BRANCH REPORTS**

**10.1 SOUTH AUSTRALIA**

**10.2 VICTORIA**

*Moved: L Oxlud*

*Seconded: K Batt*

*"That the Reports be noted."*

**NOTED**

**11.0 AGENDA ITEMS OF WHICH NOT LESS THAN FOURTEEN (14) DAYS NOTICE HAS BEEN GIVEN**

Verbal Reports

**WESTERN AUSTRALIA** – Forced redundancies – 1% efficiency dividends, 1,500 redundancies.

**TASMANIA** – Reported on pay rise freeze meetings across the State in an effort to save jobs and protect the IR System.

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

**ANNUAL CONCISE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2014**



COMMUNITY & PUBLIC SECTOR UNION  
STATE PUBLIC SERVICES FEDERATION GROUP

**Melbourne Office**

PO Box 4355, Richmond East VIC 3121  
Level 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12  
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**COMMUNITY & PUBLIC SECTOR UNION SPSF GROUP - FEDERAL FUND**  
**ABN 31 572 641 712**

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**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 2014. 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 18 September 2014 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 2014. 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 2014 financial report of Community and Public Sector Union SPSF Group – Federal Fund.

**Statement of comprehensive income**

The surplus attributable to members for the year was \$460,516 compared with a \$166,874 deficit last year. This was a direct result of significant cost cutting during the year.

Capitation fees income decreased by \$403,057 from \$1,708,385 in 2013 to \$1,305,328 in 2014. Other revenue increased when compared to last year by \$87,831. This was mainly due to directors fees and distributions received this year which did not occur last year.

Total expenses decreased by \$ 942,616 from \$1,962,138 in 2013 to \$1,019,522 in 2014. This is mainly due to the reduction of employee related expenses and the absence of the \$420,000 impairment charge that was made last year.

**Balance sheet**

Total assets increased by 27% or \$406,412 from \$1,490,777 in 2013 to \$1,897,189 this year mainly due to an increase in cash on hand. This was a direct result of the significant cost cutting.

Total liabilities decreased by \$54,104 or 19% from \$287,035 in 2013 to \$232,931 in 2014. The decrease was due to a decrease in trade creditors.

The net result was an overall increase in the Federal Fund of \$460,516.

**Statement of cash flows**

Net cash flows from operations increased by \$929,946 from a net outflow of (\$482,674) in 2013 to a net inflow of \$447,272 in 2014. The result was due to decrease of payments of expenses.

Overall cash balances increased by \$212,025 from last year with cash on hand and at banks at 30 June 2014 being \$257,090 (2013: \$45,065).

Signed in accordance with a resolution of the Federal Executive:

Signature of designated officer:



Name of designated officer:

Karen Batt

Title of designated officer:

Federal Secretary

Date:

18<sup>th</sup> September 2014

**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 2014.

**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:

<b><i>Name</i></b>	<b><i>Position</i></b>
K. Batt	Federal Secretary
J. McMahon	Federal President (elected on 19 August 2013)
J. Cahill	Federal President (term expired on 19 August 2013)
T. Lynch	Federal Senior Vice President – TAS (declared 29 October 2013)
J. McMahon	Federal Senior Vice President – SA (up to 19 August 2013)
S. Walsh	Federal Vice President – NSW (elected 25 July 2013)
C. Davies	Federal Vice President – VIC (elected 23 July 2013)
T. Walkington	Federal Vice President – WA
J. Welch	Federal Vice President – WAPOU (elected 21 November 2013)
S. Turner	NSW Branch Delegate (elected 25 July 2013)
L. Oxlad	SA Branch Delegate
G Ransley	Tasmanian Branch Delegate
P. Lillywhite	Victorian Branch Delegate
L. McKay	WA 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)**

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

The CPSU is a professional and industrial organisation, registered under the Fair Work (Registered Organisations Act) 2009, 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.

Capitation fees from the Queensland Branch totalling some \$924,000 still remain unpaid for the 2012 and 2013 years. CPSU is presently considering its options with respect to these fees in consultation with our legal advisers. Apart from this, no significant changes in the state of financial affairs of the CPSU occurred during the financial year.

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. The highlights of the year being the establishment of a number of industry groups from non teaching staff in schools, unsworn staff in Police, community corrections staff and members employed in designated areas covered by the NDIS, and ongoing work done by the national prisons division all made up of members across all states

During the reporting period the union was actively involved in representing its members across Australia in a range of industrial disputes, enterprise bargaining campaigns as well as broad community based activities aimed at highlighting the role our members play in the quality of life for the citizens of each State.

Highlights of the year have included completing enterprise bargaining for the AHPRA in South Australia, New South Wales and Tasmania and ongoing work in Queensland, Victoria, Western Australia, Northern Territory and the ACT. We were also involved in the enterprise bargaining at AHPRA in Brisbane. The work in the various states on enterprise bargaining saw over 28 EBA's being negotiated across the country but with the vast majority (20) being in Victoria given the referral of powers by the State Government of Victoria to the Commonwealth for State public sector and service industrial regulation. Bargaining was also undertaken at Acacia private prison in Western Australia for a new agreement. Assistance was provided to the Norfolk Island Public Service Association in their remuneration review with the Norfolk Island Administration, which resulted in public servants on the island being awarded salary increases of 7%.

Higher education activity was also a focus of the year with the federal office assisting the NSW Branch with matters at both Macquarie University and the University of NSW.

Extensive work was done to consolidate the unions coverage for entities that were privatised, corporatized or became federal system employers as a result of the use by the Commonwealth of the Corporations power of the Constitution .This includes but is not limited to work to amend our rules to facilitate the amalgamation of the Western Australian Prison Officers' Union (WAPOU) which was successfully completed early in 2014. We also provided assistance to the Branches on matters relating to the NSW disability sector, our coverage in Queensland generally, including private prisons specifically and to negotiate demarcation settlements with a number of unions in relation to matters such AHPRA members in Queensland.

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

**OPERATING REPORT (Continued)**

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

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

During the reporting period the CPSU (SPSF) has adopted a rigorous programme of improvements in governance systems including the completion of a book of governance policies and a total redraft of the CPSU (SPSF) rules in consultation with officers of the Fair Work Commission. It is anticipated that a complete redraft of the CPSU (SPSF) rules will be complete and an application for their acceptance by the Commission will be filed by the end of Calendar 2014

The union continues its participation in a range of ACTU activities and committees and nominated representatives to UniSuper and Government Skills Australia.

The union also re-engaged with its international body, the Public Services International (the PSI) and worked with them to establish a task force to monitor and review the use of impact investing models for the delivery of social services across all PSI affiliates.

The federal union is still working through its Queensland difficulties and hopes this may be addressed in the next financial year. The important note here was that the restructuring of the unions' finances to address the shortfall brought about by the Queensland dispute has been achieved without impacting on the union's reserves.

**Right of members to resign**

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

**Union Details**

*Number of employees*

The number of equivalent full time employees at 30 June 2014 was 2 (2013:2).

*Number of members*

The number of members across 6 branches at 30 June 2014 was 83,808 (2013: 85,297).

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

**OPERATING REPORT (Continued)**

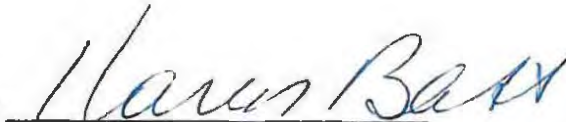
**Directorships of Superannuation Fund**

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

Name	Company/Board	Principal Activities	Reporting unit position	Status
<b>New South Wales</b>				
Suzanne Walsh	State Super Financial Services Australia Limited	Superannuation provider	No	Fed officer
Suzanne Walsh	State Super Trustee Corporation	Superannuation provider	No	Fed officer
<b>South Australia</b>				
Jan McMahon	South Australian Superannuation Board	Superannuation	No	Fed officer
Jan McMahon	Southern Select superannuation Corporation Board	Superannuation	No	Fed officer
Neville Kitchin	UniSuper	Superannuation	Yes	Fed officer
Mark Perica	UniSuper (alternate director to Neville Kitchin)	Superannuation	Yes	Fed employee

Signed in accordance with a resolution of the Federal Executive:

Signature of designated officer:



Name of designated officer:

Karen Batt

Title of designated officer:

Federal Secretary

Date:

18<sup>th</sup> September 2014

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

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2014**

	Notes	2014 \$	2013 \$
<b>Revenue from continuing operations</b>	3	<b>1,480,038</b>	1,795,264
<b>Expenses</b>			
Administrative and other expenses		<b>(287,784)</b>	(236,319)
Affiliation and capitation fees		<b>(67,447)</b>	(64,286)
Campaign and project expenses		<b>(16,909)</b>	(5,755)
Communication expenses		<b>(13,975)</b>	(34,663)
Employee related expenses		<b>(437,374)</b>	(1,033,173)
Meeting and conference expenses		-	(3,181)
Provision for impairment		-	(420,000)
Travel expenses		<b>(196,033)</b>	(164,761)
		<b><u>(1,019,522)</u></b>	<b><u>(1,962,138)</u></b>
<b>Surplus (Deficit) for the year</b>		<b><u>460,516</u></b>	<b><u>(166,874)</u></b>
<b>Surplus (Deficit) attributable to the members</b>		<b>460,516</b>	(166,874)
<b>Other comprehensive income</b>			
Changes in reserves		-	-
<b>Total comprehensive income (expense) for the year attributable to the members</b>		<b><u>460,516</u></b>	<b><u>(166,874)</u></b>

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

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

**BALANCE SHEET**  
**AS AT 30 JUNE 2014**

	2014 \$	2013 \$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	257,090	45,065
Held-to-maturity financial assets	1,435,247	1,200,000
Trade and other receivables	139,502	158,808
<b>Total current assets</b>	<b>1,831,839</b>	<b>1,403,873</b>
<b>Non-current assets</b>		
Property, plant and equipment	65,350	86,904
<b>Total non-current assets</b>	<b>65,350</b>	<b>86,904</b>
<b>Total assets</b>	<b>1,897,189</b>	<b>1,490,777</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	76,661	181,228
Provisions	150,778	105,807
<b>Total current liabilities</b>	<b>227,439</b>	<b>287,035</b>
<b>Non-current liabilities</b>		
Provisions	5,492	-
<b>Total non-current liabilities</b>	<b>5,492</b>	<b>-</b>
<b>Total liabilities</b>	<b>232,931</b>	<b>287,035</b>
<b>Net assets</b>	<b>1,664,258</b>	<b>1,203,742</b>
<b>FUNDS</b>		
Accumulated surplus	1,664,258	1,203,742
<b>Total funds</b>	<b>1,664,258</b>	<b>1,203,742</b>

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 2014**

	Accumulated surplus \$	Other funds \$	Total \$
<b>Balance at 1 July 2012</b>	1,370,616	-	1,370,616
Total comprehensive income for the year	(166,874)	-	(166,874)
Transfer from federal fund	-	-	-
<b>Balance at 30 June 2013</b>	<u>1,203,742</u>	<u>-</u>	<u>1,203,742</u>
<b>Balance at 1 July 2013</b>	1,203,742	-	1,203,742
Total comprehensive income for the year	460,516	-	460,516
Transfer from federal fund	-	-	-
<b>Balance at 30 June 2014</b>	<u>1,664,258</u>	<u>-</u>	<u>1,664,258</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 2014**

	2014 \$	2013 \$
<b>Cash flows from operating activities</b>		
Receipts from other reporting units (inclusive of GST)		
- PSA of NSW	656,723	669,092
- SA Branch	183,444	190,444
- TAS Branch	65,671	65,196
- VIC Branch	220,677	231,142
- WA Branch	265,227	262,710
- WAPOU Branch	43,401	-
Receipts from controlled entities	-	-
Sundry income	80,050	64
Payments to suppliers and employees (inclusive of GST)	(759,735)	(1,788,110)
Payments to other reporting units		
- PSA of NSW	(70,567)	(84,189)
- NSW Branch	-	(744)
- SA Branch	(5,293)	(18,960)
- TAS Branch	(29,416)	(13,052)
- VIC Branch	(182,069)	(23,089)
- WA Branch	(54,114)	(50,654)
- WAPOU Branch	(17,108)	-
Payments to controlled entities	-	-
Interest received	50,381	77,476
<b>Net cash inflow (outflow) from operating activities</b>	<b>447,272</b>	<b>(482,674)</b>
<b>Cash flows from investing activities</b>		
Payments for held-to-maturity investment	(235,247)	-
Payment for property, plant and equipment	-	(2,310)
<b>Net cash (outflow) from investing activities</b>	<b>(235,247)</b>	<b>(2,310)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>212,025</b>	<b>(484,984)</b>
Cash and cash equivalents at beginning of financial year	45,065	530,049
<b>Cash and cash equivalents at end of financial year</b>	<b>257,090</b>	<b>45,065</b>

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

**NOTES TO THE FINANCIAL STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2014**

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**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: Section 272 Fair Work (Registered Organisations) Act 2009**

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

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

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

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

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

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

**STATEMENT OF COMMITTEMENT MANAGEMENT**

---

**3: Revenue**

	Note	2014 \$	2013 \$
<b>From continuing operations</b>			
<i>Service revenue</i>			
Capitation fees	a	1,305,328	1,708,385
Levies		-	-
Membership subscriptions		-	-
Voluntary contributions and compulsory levies		-	-
		<u>1,305,328</u>	<u>1,708,385</u>
<i>Other revenue</i>			
Interest		47,553	65,066
Grants received		-	-
Donation received		-	-
Sublease income		19,060	-
Distribution received		54,384	-
Director fees		52,622	-
Financial support from another reporting unit		-	-
Write back of liabilities		-	21,749
Other revenue		1,091	64
		<u>174,710</u>	<u>86,879</u>
		<u>1,480,038</u>	<u>1,795,264</u>

**(a) Capitation fees**

	2014 \$	2013 \$
PSA of NSW	595,842	608,263
QLD Branch	-	420,000
SA Branch	166,148	172,620
TAS Branch	59,760	59,254
VIC Branch	200,559	208,903
WA Branch	240,749	239,345
WAPOU	42,270	-
	<u>1,305,328</u>	<u>1,708,385</u>

**STATEMENT OF COMMITTEMENT MANAGEMENT**

---

**4: Contingencies**

There are no known contingent assets or liabilities at 30 June 2014.

**5: Events occurring after reporting date**

Capitation fees due from the Queensland Branch for prior years continue to remain unpaid. This has continued to have a major effect on the cash flow of the Federal Fund. 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**

**STATEMENT OF COMMITTEMENT MANAGEMENT**

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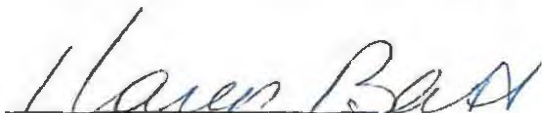
On 18 September 2014 the Committee of Management of the Community and Public Sector Union SPSF Group - Federal Fund passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the year ended 30 June 2014:

The Committee of Management declares that in its opinion;

1. the financial statements and notes comply with Australian Accounting Standards;
2. the financial statements and notes comply with the reporting guidelines of the General Manager;
3. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
4. there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
5. during the financial year to which the GPFR relates and since the end of that year:
  - a. meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of branches concerned; and
  - b. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - c. the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
  - d. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a manner consistent with each of the other reporting units of the organisation ; and
  - e. where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act, that information has been provided to the member or General Manager; and
  - f. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
6. No revenue has been derived from undertaking recovery of wages activity during the reporting period

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

Signature of designated officer



Name of designated officer: Karen Batt

Position held: Federal Secretary

Dated this

18<sup>th</sup> September 2014

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

### 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 2014, the statement of profit or loss and other 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 2014. 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 2014. We expressed an unmodified audit opinion on the financial report in our report dated 18 September 2014. 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*.



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

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.

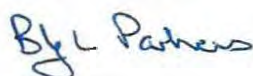
**Independence**

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

**Opinion**

In our opinion,

- (1) 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 2014 complies with Australian Accounting Standard AASB 1039 *Concise Financial Reports* and the *Fair Work (Registered Organisations) Act 2009*.
- (2) the Committee of Management's use of the going concern basis of accounting in the preparation of the entity's financial statements is appropriate



BGL Partners  
Chartered Accountants



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

18 September 2014  
Melbourne

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

**ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2014**



**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**

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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<sup>st</sup> Floor, 160 Clarence Street  
SYDNEY NSW 2000

The financial report was authorised for issue by the committee of management on 18 September 2014.

**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 2014.

**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:

<b><i>Name</i></b>	<b><i>Position</i></b>
K. Batt	Federal Secretary
J. McMahon	Federal President (elected on 19 August 2013)
J. Cahill	Federal President (term expired on 19 August 2013)
T. Lynch	Federal Senior Vice President – TAS (declared 29 October 2013)
J. McMahon	Federal Senior Vice President – SA (up to 19 August 2013)
S. Walsh	Federal Vice President – NSW (elected 25 July 2013)
C. Davies	Federal Vice President – VIC (elected 23 July 2013)
T. Walkington	Federal Vice President – WA
J. Welch	Federal Vice President – WAPOU (elected 21 November 2013)
S. Turner	NSW Branch Delegate (elected 25 July 2013)
L. Oxlad	SA Branch Delegate
G Ransley	Tasmanian Branch Delegate
P. Lillywhite	Victorian Branch Delegate
L. McKay	WA 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)**

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

The CPSU is a professional and industrial organisation, registered under the Fair Work (Registered Organisations Act) 2009, 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.

Capitation fees from the Queensland Branch totalling some \$924,000 still remain unpaid for the 2012 and 2013 years. CPSU is presently considering its options with respect to these fees in consultation with our legal advisers. Apart from this, no significant changes in the state of financial affairs of the CPSU occurred during the financial year.

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. The highlights of the year being the establishment of a number of industry groups from non teaching staff in schools, unsworn staff in Police, community corrections staff and members employed in designated areas covered by the NDIS, and ongoing work done by the national prisons division all made up of members across all states

During the reporting period the union was actively involved in representing its members across Australia in a range of industrial disputes, enterprise bargaining campaigns as well as broad community based activities aimed at highlighting the role our members play in the quality of life for the citizens of each State.

Highlights of the year have included completing enterprise bargaining for the AHPRA in South Australia, New South Wales and Tasmania and ongoing work in Queensland, Victoria, Western Australia, Northern Territory and the ACT. We were also involved in the enterprise bargaining at AHPRA in Brisbane. The work in the various states on enterprise bargaining saw over 28 EBA's being negotiated across the country but with the vast majority (20) being in Victoria given the referral of powers by the State Government of Victoria to the Commonwealth for State public sector and service industrial regulation. Bargaining was also undertaken at Acacia private prison in Western Australia for a new agreement. Assistance was provided to the Norfolk Island Public Service Association in their remuneration review with the Norfolk Island Administration, which resulted in public servants on the island being awarded salary increases of 7%.

Higher education activity was also a focus of the year with the federal office assisting the NSW Branch with matters at both Macquarie University and the University of NSW.

Extensive work was done to consolidate the unions coverage for entities that were privatised, corporatized or became federal system employers as a result of the use by the Commonwealth of the Corporations power of the Constitution .This includes but is not limited to work to amend our rules to facilitate the amalgamation of the Western Australian Prison Officers' Union (WAPOU) which was successfully completed early in 2014. We also provided assistance to the Branches on matters relating to the NSW disability sector, our coverage in Queensland generally, including private prisons specifically and to negotiate demarcation settlements with a number of unions in relation to matters such AHPRA members in Queensland.

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

**OPERATING REPORT (Continued)**

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

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

During the reporting period the CPSU (SPSF) has adopted a rigorous programme of improvements in governance systems including the completion of a book of governance policies and a total redraft of the CPSU (SPSF) rules in consultation with officers of the Fair Work Commission. It is anticipated that a complete redraft of the CPSU (SPSF) rules will be complete and an application for their acceptance by the Commission will be filed by the end of Calendar 2014

The union continues its participation in a range of ACTU activities and committees and nominated representatives to UniSuper and Government Skills Australia.

The union also re-engaged with its international body, the Public Services International (the PSI) and worked with them to establish a task force to monitor and review the use of impact investing models for the delivery of social services across all PSI affiliates.

The federal union is still working through its Queensland difficulties and hopes this may be addressed in the next financial year. The important note here was that the restructuring of the unions finances to address the shortfall brought about by the Queensland dispute has been achieved without impacting on the union's reserves.

**Right of members to resign**

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

**Union Details**

*Number of employees*

The number of equivalent full time employees at 30 June 2014 was 2 (2013:2)

*Number of members*

The number of members across 6 branches at 30 June 2014 was 83,808 (2013: 85,297).

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

**OPERATING REPORT (Continued)**

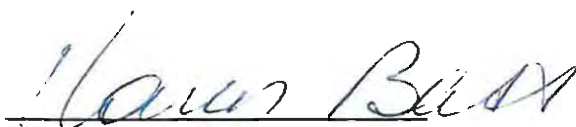
**Directorships of Superannuation Fund**

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

<b>Name</b>	<b>Company/Board</b>	<b>Principal Activities</b>	<b>Reporting unit position</b>	<b>Status</b>
<b>New South Wales</b>				
Suzanne Walsh	State Super Financial Services Australia Limited	Superannuation provider	No	Fed officer
Suzanne Walsh	State Super Trustee Corporation	Superannuation provider	No	Fed officer
<b>South Australia</b>				
Jan McMahon	South Australian Superannuation Board	Superannuation	No	Fed officer
Jan McMahon	Southern Select superannuation Corporation Board	Superannuation	No	Fed officer
Neville Kitchin	UniSuper	Superannuation	Yes	Fed officer
Mark Perica	UniSuper (alternate director to Neville Kitchin)	Superannuation	Yes	Fed employee

Signed in accordance with a resolution of the Federal Executive:

Signature of designated officer:



Name of designated officer:

Karen Batt

Title of designated officer:

Federal Secretary

Date:

18<sup>th</sup> September 2014

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

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2014**

	Notes	2014 \$	2013 \$
<b>Revenue from continuing operations</b>	4	<b>1,480,038</b>	1,795,264
<b>Expenses</b>			
Administrative and other expenses	6	(287,784)	(236,319)
Affiliation and capitation fees	7	(67,447)	(64,286)
Campaign and project expenses	8	(16,909)	(5,755)
Communication expenses		(13,975)	(34,663)
Employee related expenses	9	(437,374)	(1,033,173)
Meeting and conference expenses		-	(3,181)
Provision for impairment		-	(420,000)
Travel expenses		(196,033)	(164,761)
		<u>(1,019,522)</u>	<u>(1,962,138)</u>
<b>Surplus (Deficit) for the year</b>		<b>460,516</b>	(166,874)
<b>Surplus (Deficit) attributable to the members</b>		<b>460,516</b>	(166,874)
<b>Other comprehensive income</b>			
Changes in reserves		-	-
<b>Total comprehensive income (expense) for the year attributable to the members</b>		<b>460,516</b>	(166,874)

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

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

**BALANCE SHEET**  
**AS AT 30 JUNE 2014**

	Notes	2014 \$	2013 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	10	257,090	45,065
Held-to-maturity financial assets	11	1,435,247	1,200,000
Trade and other receivables	12	139,502	158,808
<b>Total current assets</b>		<u>1,831,839</u>	<u>1,403,873</u>
<b>Non-current assets</b>			
Property, plant and equipment	13	65,350	86,904
<b>Total non-current assets</b>		<u>65,350</u>	<u>86,904</u>
<b>Total assets</b>		<u>1,897,189</u>	<u>1,490,777</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	14	76,661	181,228
Provisions	15	150,778	105,807
<b>Total current liabilities</b>		<u>227,439</u>	<u>287,035</u>
<b>Non-current liabilities</b>			
Provisions	16	5,492	-
<b>Total non-current liabilities</b>		<u>5,492</u>	<u>-</u>
<b>Total liabilities</b>		<u>232,931</u>	<u>287,035</u>
<b>Net assets</b>		<u>1,664,258</u>	<u>1,203,742</u>
<b>FUNDS</b>			
Accumulated surplus	17	1,664,258	1,203,742
<b>Total funds</b>		<u>1,664,258</u>	<u>1,203,742</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 2014**

	Accumulated surplus \$	Other funds \$	Total \$
<b>Balance at 1 July 2012</b>	1,370,616	-	1,370,616
Total comprehensive income for the year	(166,874)	-	(166,874)
Transfer from federal fund	-	-	-
<b>Balance at 30 June 2013</b>	<u>1,203,742</u>	<u>-</u>	<u>1,203,742</u>
<b>Balance at 1 July 2013</b>	1,203,742	-	1,203,742
Total comprehensive income for the year	460,516	-	460,516
Transfer from federal fund	-	-	-
<b>Balance at 30 June 2014</b>	<u>1,664,258</u>	<u>-</u>	<u>1,664,258</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 2014**

	Note	2014 \$	2013 \$
<b>Cash flows from operating activities</b>			
Receipts from other reporting units (inclusive of GST)			
- PSA of NSW		656,723	669,092
- SA Branch		183,444	190,444
- TAS Branch		65,671	65,196
- VIC Branch		220,677	231,142
- WA Branch		265,227	262,710
- WAPOU Branch		43,401	-
Receipts from controlled entities		-	-
Sundry income		80,050	64
Payments to suppliers and employees (inclusive of GST)		(759,735)	(1,788,110)
Payments to other reporting units			
- PSA of NSW		(70,567)	(84,189)
- NSW Branch		-	(744)
- SA Branch		(5,293)	(18,960)
- TAS Branch		(29,416)	(13,052)
- VIC Branch		(182,069)	(23,089)
- WA Branch		(54,114)	(50,654)
- WAPOU Branch		(17,108)	-
Payments to controlled entities		-	-
Interest received		50,381	77,476
<b>Net cash inflow (outflow) from operating activities</b>	24	<u>447,272</u>	<u>(482,674)</u>
<b>Cash flows from investing activities</b>			
Payments for held-to-maturity investment		(235,247)	-
Payment for property, plant and equipment		-	(2,310)
<b>Net cash (outflow) from investing activities</b>		<u>(235,247)</u>	<u>(2,310)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>		212,025	(484,984)
Cash and cash equivalents at beginning of financial year		45,065	530,049
<b>Cash and cash equivalents at end of financial year</b>	10(a)	<u>257,090</u>	<u>45,065</u>

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

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**1: Summary of significant accounting policies (Continued)**

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

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

**(a) Basis of preparation**

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

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

*New and amended standards adopted by the CPSU*

A number of new and revised standards are effective for annual periods beginning on or after 1 January 2013. Information on these new standards is presented below.

*AASB 13 Fair Value Measurement*

AASB 13 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair-valued. The scope of AASB 13 is broad and it applies for both financial and non-financial items for which other Australian Accounting Standards require or permit fair value measurements or disclosures about fair value measurements except in certain circumstances. AASB 13 applies prospectively for annual periods beginning on or after 1 January 2013. Its disclosure requirements need not be applied to comparative information in the first year of application. CPSU has applied AASB 13 for the first time in the current year.

*Amendments to AASB 119 Employee Benefits*

The 2011 amendments to AASB 119 made a number of changes to the accounting for employee benefits, the most significant relating to defined benefit plans. The amendments:

- eliminate the 'corridor method' and requires the recognition of re-measurements (including actuarial gains and losses) arising in the reporting period in other comprehensive income;
- change the measurement and presentation of certain components of the defined benefit cost. The net amount in profit or loss is affected by the removal of the expected return on plan assets and interest cost components and their replacement by a net interest expense or income based on the net defined benefit asset or liability; and
- enhance disclosures, including more information about the characteristics of defined benefit plans and related risks.

Under the amendments, employee benefits 'expected to be settled wholly' (as opposed to 'due to be settled' under the superseded version of AASB 119) within 12 months after the end of the reporting period are short-term benefits, and are therefore not discounted when calculating leave liabilities. This change has had no impact on the presentation of annual leave as a current liability in accordance with AASB 101 *Presentation of Financial Statements*. These amendments have had no significant impact on the CPSU.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

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**1: Summary of significant accounting policies (Continued)**

**(a) Basis of preparation (Continued)**

*Early adoption of standards*

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

*Historical cost convention*

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

*Critical accounting estimates*

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

**(b) Revenue recognition**

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

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

Revenue is recognised for the major operating activities as follows:

*Capitation fees and levies*

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

*Interest income*

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

*Other revenue*

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

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

**(c) Income tax**

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

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**1: Summary of significant accounting policies (Continued)**

**(d) Cash and cash equivalents**

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

**(e) Investment in other financial assets**

***Classification***

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

***(i) Held-to-maturity financial assets***

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

***(ii) Loans and receivables***

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

***Recognition and derecognition***

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

***Fair value***

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014

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**1: Summary of significant accounting policies (Continued)**

**(e) Investment in other financial assets (Continued)**

***Impairment***

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

**(f) Fair value estimation**

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

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

Specific valuation techniques used to value financial instruments include:

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

**(g) Property, plant and equipment**

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

***Depreciation***

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

<b>Class of fixed asset</b>	<b>Depreciation rate</b>	<b>Depreciation basis</b>
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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

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**1: Summary of significant accounting policies (Continued)**

**(h) Trade and other payables**

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

**(i) Goods and Service Tax (GST)**

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

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

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

Commitments and contingencies are disclosed inclusive of GST.

**(j) Employee benefits**

*(i) Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits, annual leave, RDO and associated leave loading expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave, RDO and associated leave loading is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

*(ii) Other long-term employee benefit obligations*

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

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**1: Summary of significant accounting policies (Continued)**

**(k) Functional and presentation currency**

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

**(l) Comparative figures**

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

**(m) Impairment of assets**

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

**(n) New accounting standards and interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2014 reporting periods. The entity's assessment of the impact of these new standards and interpretations is set out below:

*(i) AASB 9 Financial Instruments (effective from 1 January 2017)*

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

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014

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**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 branches is based on the membership numbers reported but the constituent branches. The Queensland Branch did not provide this information for the previous 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.

**3: Section 272 Fair Work (Registered Organisations) Act 2009**

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

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

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

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

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



**COMMUNITY & PUBLIC SECTOR UNION SPSF GROUP - FEDERAL FUND  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**4: Revenue**

	Note	2014 \$	2013 \$
<b>From continuing operations</b>			
<i>Service revenue</i>			
Capitation fees	a	1,305,328	1,708,385
Levies		-	-
Membership subscriptions		-	-
Voluntary contributions and compulsory levies		-	-
		<u>1,305,328</u>	<u>1,708,385</u>
<i>Other revenue</i>			
Interest		47,553	65,066
Grants received		-	-
Donation received		-	-
Sublease income		19,060	-
Distribution received		54,384	-
Director fees		52,622	-
Financial support from another reporting unit		-	-
Write back of liabilities		-	21,749
Other revenue		1,091	64
		<u>174,710</u>	<u>86,879</u>
		<u>1,480,038</u>	<u>1,795,264</u>

**(a) Capitation fees**

	2014 \$	2013 \$
PSA of NSW	595,842	608,263
QLD Branch (refer note 2(a))	-	420,000
SA Branch	166,148	172,620
TAS Branch	59,760	59,254
VIC Branch	200,559	208,903
WA Branch	240,749	239,345
WAPOU	42,270	-
	<u>1,305,328</u>	<u>1,708,385</u>

**COMMUNITY & PUBLIC SECTOR UNION SPSF GROUP - FEDERAL FUND**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**5: Expenses**

	2014 \$	2013 \$
The surplus (deficit) for the year includes the following specific expenses:		
<i>Depreciation of non-current assets</i>		
Office furniture & equipment	15,149	19,818
Computer equipment	4,192	7,116
	<u>19,341</u>	<u>26,934</u>
<i>Provision for impairment</i>		
Branch receivables – Qld Branch	-	420,000
Loss on disposals of fixed assets	2,213	900

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

Accounting service – previous auditor	-	500
Audit of the financial report – current auditor	8,450	8,500
Accounting service – current auditor	1,975	4,656

**6: Administration and other expenses**

	2014 \$	2013 \$
Audit & accounting fee	10,425	13,656
Consideration to employers for payroll deduction	-	-
Fees/allowances – meeting and conferences	-	-
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Legal fees		
- litigation	2,613	-
- other legal matters	117,681	49,777
Depreciation	19,341	26,934
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	500	100
Occupancy expenses	75,378	75,444
Penalties – RO Act or RO Regulations	-	-
Other expenses	61,846	70,408
	<u>287,784</u>	<u>236,319</u>

**COMMUNITY & PUBLIC SECTOR UNION SPSF GROUP - FEDERAL FUND**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**7: Affiliation and capitation fees**

	2014	2013
	\$	\$
<i>Affiliation fee</i>		
APHEDA	2,418	2,418
PSI	15,589	61,430
AIER	-	250
Aust. Catalyst	-	23
AFTINET	-	165
ACTU	49,440	-
<i>Compulsory levies</i>	-	-
<i>Capitation fee</i>	-	-
	<u>67,447</u>	<u>64,286</u>

**8: Campaign and project expenses**

	2014	2013
	\$	\$
Campaign expenses	-	5,755
Research	16,909	-
	<u>16,909</u>	<u>5,755</u>

**9: Employee related expenses**

	2014	2013
	\$	\$
<i>Employees other than holders of office</i>		
- wages and salaries	237,082	743,232
- superannuation	43,860	117,166
- leave and other entitlements (net)	462	(125,206)
- separation and redundancies	-	158,085
- other employee expenses	-	-
<i>Holders of office</i>		
- wages and salaries	-	250,985
- superannuation	13,416	32,262
- leave and other entitlements (net)	-	(179,650)
- separation and redundancies	-	-
- other employee expenses	-	-
Professional development	1,850	467
Salary reimbursement	129,741	-
Other staff costs **	10,963	35,832
	<u>437,374</u>	<u>1,033,173</u>

\*\* Other staff costs primarily comprise payroll tax and workcover

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2014

**10: Current assets – Cash and cash equivalents**

	2014 \$	2013 \$
Cash at bank	<u>257,090</u>	<u>45,065</u>
	<u>257,090</u>	<u>45,065</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>257,090</u>	<u>45,065</u>
Balances per statement of cash flows	<u>257,090</u>	<u>45,065</u>

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

	2014 \$	2013 \$
Term deposits	<u>1,435,247</u>	<u>1,200,000</u>

*(i) Impairment and risk exposure*

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

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

**12: Current assets – Trade and other receivables**

	2014 \$	2013 \$
<i>Amount due from Branches:</i>		
- PSA of NSW	54,232	55,529
- QLD Branch	924,000	924,000
- SA Branch	14,861	15,543
- TAS Branch	5,508	5,442
- VIC Branch	18,486	18,547
- WA Branch	21,809	22,212
- WAPOU Branch	3,096	-
	<u>1,041,992</u>	<u>1,041,273</u>
Provision for impairment – QLD Branch	iii <u>(924,000)</u>	<u>(924,000)</u>
	<u>117,992</u>	<u>117,273</u>
Prepayments	13,521	19,822
Other receivables	7,989	21,713
	<u>139,502</u>	<u>158,808</u>

NOTES TO THE FINANCIAL STATEMENTS  
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**12: Current assets – Trade and other receivables (Continued)**

*(i) Classification as trade and other receivables*

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

*(ii) Fair values of trade and other receivables*

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

*(iii) Amount due from Queensland Branch*

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

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

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

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

	2014 \$	2013 \$
<b>Plant and equipment</b>		
Office furniture and equipment		
At cost	145,784	168,026
Less accumulated depreciation	<u>(85,986)</u>	<u>(92,061)</u>
	<u>59,798</u>	<u>75,965</u>
Computers		
At cost	63,273	113,012
Less accumulated depreciation	<u>(57,721)</u>	<u>(102,073)</u>
	<u>5,552</u>	<u>10,939</u>
<b>Total property, plant and equipment</b>	<u>65,350</u>	<u>86,904</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 2014

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

**(b) Movements in carrying amounts**

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

<b>2013</b>	<b>Office Furniture &amp; equipment \$</b>	<b>Computers \$</b>	<b>Total \$</b>
Opening net book amount	95,783	16,645	112,428
Additions	-	2,310	2,310
Re-classification	-	(900)	(900)
Depreciation	(19,818)	(7,116)	(26,934)
Closing net book amount	<u>75,965</u>	<u>10,939</u>	<u>86,904</u>
	<b>Office Furniture &amp; equipment \$</b>	<b>Computers \$</b>	<b>Total \$</b>
<b>2014</b>			
Opening net book amount	75,965	10,939	86,904
Disposals	(1,018)	(1,195)	(2,213)
Depreciation	(15,149)	(4,192)	(19,341)
Closing net book amount	<u>59,798</u>	<u>5,552</u>	<u>65,350</u>

**14: Current liabilities – Trade and other payables**

	<b>2014 \$</b>	<b>2013 \$</b>
<i>Unsecured:</i>		
Trade creditors	<b>39,036</b>	99,056
Legal fee payable	<b>20,255</b>	21,021
<i>Amount due to Branches:</i>		
- PSA of NSW	-	5,224
- TAS Branch	-	12,268
- VIC Branch	-	8,368
- WA Branch	<b>10,589</b>	35,291
	<u><b>10,589</b></u>	<u>61,151</u>
Payable to employers for making payroll deductions	-	-
Other payables and accruals	<b>6,781</b>	-
	<u><b>76,661</b></u>	<u>181,228</u>

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

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

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**NOTES TO THE FINANCIAL STATEMENTS  
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**15: Current liabilities – Provisions**

	2014	2013
	\$	\$
<b>Employee provisions:</b>		
<i>Office holders:</i>		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
	<u>-</u>	<u>-</u>
<i>Employees other than office holders:</i>		
Annual leave	57,163	60,556
Long service leave	43,615	45,251
Separations and redundancies	-	-
Other	-	-
	<u>100,778</u>	<u>105,807</u>
Total employee provisions	<u>100,778</u>	<u>105,807</u>
Other provision – legal fee	<u>50,000</u>	<u>-</u>
Total provision	<u>150,778</u>	<u>105,807</u>

**16: Non-current liabilities – Provisions**

	2014	2013
	\$	\$
<b>Employee provisions:</b>		
<i>Office holders:</i>		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
	<u>-</u>	<u>-</u>
<i>Employees other than office holders:</i>		
Annual leave	-	-
Long service leave	5,492	-
Separations and redundancies	-	-
Other	-	-
	<u>5,492</u>	<u>-</u>
Total employee provisions	<u>5,492</u>	<u>-</u>

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**17: Accumulated Surplus**

	2014	2013
	\$	\$
<i>Movements in the accumulated surplus were as follows:</i>		
Balance 1 July	1,203,742	1,370,616
Surplus (deficit) for the year	460,516	(166,874)
Balance 30 June	<u>1,664,258</u>	<u>1,203,742</u>

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

**18: Contingencies**

There are no known contingent assets or liabilities at 30 June 2014.

**19: Commitments**

	2014	2013
	\$	\$
<i>Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:</i>		
Within one year	18,744	7,300
Later than one year but no later than five years	<u>58,552</u>	<u>20,073</u>
	<u>77,296</u>	<u>27,373</u>

*General description of leasing arrangement:*

Leases are for photocopiers.

**20: Events occurring after reporting date**

Capitation fees due from the Queensland Branch for prior years continue to remain unpaid. This has continued to have a major effect on the cash flow of the Federal Fund. 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 2014**

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**21: Other information**

*(i) Going Concern*

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

*(ii) Financial Support*

No financial support has been provided to another reporting unit to ensure that it continues as a going concern.

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

The CPSU did not acquire any asset or a liability during the financial year as a result of:

- an amalgamation under part 2 of Chapter 3, of the RO Act;
- a restructure of the Branches of the organisation;
- a determination by the General Manager under s245(1) of the RO Act;
- a revocation by the General Manager under s249(1) of the RO Act;

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

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

*(v) Financial affairs administered by another entity*

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

- Provide finance and administration support. The total amount paid during the year in terms of this agreement was \$55,173 (2013: NIL).
- Compensate the CPSU SPSF Vic Branch for the time spent by the Branch Secretary on the affairs of the CPSU SPSF Federal Fund and in lieu of a salary payment for the position of Federal Secretary. The total amount paid during the year in terms of this agreement was \$74,568 (2013: NIL).

**22: Wage recovery activities**

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014

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**23: Related party transactions**

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

**Federal Council**

<i>Name</i>	<i>Position</i>
K. Batt	Federal Secretary
J. McMahon	Federal President (elected on 19 August 2013)
J. Cahill	Federal President (term expired on 19 August 2013)
T. Lynch	Federal Senior Vice President – TAS (declared 29 October 2013)
J. McMahon	Federal Senior Vice President - SA (up to 19 August 2013)
T. Walkington	Federal Vice President - WA
C. Davies	Federal Vice President – VIC (elected 23 July 2013)
S. Walsh	Federal Vice President – NSW (elected 25 July 2013)
L. Barclay-Hales	New South Wales Branch Delegate
W. Hurry	New South Wales Branch Delegate
N. Jess	New South Wales Branch Delegate
B Kellner	New South Wales Branch Delegate
M. McLoughlin-Fullick	New South Wales Branch Delegate
B. Webb	New South Wales Branch Delegate
L. Parissi	New South Wales Branch Delegate
S. Turner	New South Wales Branch Delegate
J. Singleton	New South Wales Branch Delegate
R. Davis	New South Wales Sub- Branch Delegate
C. Davies	Victoria Branch Delegate
P. Lillywhite	Victoria Branch Delegate
G. Greaves	Victoria Branch Delegate
A. Jones	Victoria Branch Delegate
E. Free	Victoria Branch Delegate
J. McMahon	South Australia Branch Delegate
L. Hughes	South Australia Branch Delegate
L. Oxlad	South Australia Branch Delegate
N. Kitchin	South Australia Branch Delegate
N. Brown	South Australia Branch Delegate
T. Walkington	Western Australia Branch Delegate
B. Dodds	Western Australia Branch Delegate
L. McKay	Western Australia Branch Delegate
D. Henden	Western Australia Branch Delegate
G. Richards	Western Australia Branch Delegate
T. Lynch	Tasmania Branch Delegate
R. Faulks	Tasmania Branch Delegate
M. Johnston	Tasmania Branch Delegate
G Ransley	Tasmania Branch Delegate

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014

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**23: Related party transactions (Continued)**

**Federal Executive**

<i><b>Name</b></i>	<i><b>Position</b></i>
K. Batt	Federal Secretary
J. McMahon	Federal President (elected on 19 August 2013)
J. Cahill	Federal President (term expired on 19 August 2013)
T. Lynch	Federal Senior Vice President – TAS (declared 29 October 2013)
J. McMahon	Federal Senior Vice President – SA (up to 19 August 2013)
S. Walsh	Federal Vice President – NSW (elected 25 July 2013)
C. Davies	Federal Vice President – VIC (elected 23 July 2013)
T. Walkington	Federal Vice President – WA
J. Welch	Federal Vice President – WAPOU (elected 21 November 2013)
S. Turner	NSW Branch Delegate (elected 25 July 2013)
L. Oxlad	SA Branch Delegate
G Ransley	Tasmanian Branch Delegate
P. Lillywhite	Victorian Branch Delegate
L. McKay	WA Branch Delegate

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2014

**23: Related party transactions (Continued)**

	2014	2013
	\$	\$
<b>(b) Key management personnel compensation</b>		
<i>Short-term employee benefits</i>		
Salary (including annual leave taken)	-	63,812
Annual leave accrued	-	5,678
<b>Total short-term employee benefits</b>	<u>-</u>	<u>69,490</u>
<b>Post-employment benefits:</b>		
Superannuation	13,416	32,262
<b>Total post-employment benefits</b>	<u>13,416</u>	<u>32,262</u>
<b>Other long-term benefits:</b>		
Long-service leave accrued	-	1,845
<b>Total other long-term benefits</b>	<u>-</u>	<u>1,845</u>
<b>Termination benefits</b>		
	-	-
	-	-
<b>Total</b>	<u>13,416</u>	<u>103,597</u>

**(c) Other transactions**

There were no transactions between the officers of the CPSU other than those relating to reimbursement by the CPSU in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which is reasonable to expect would have been adopted by parties at arm's length.

**(d) Loans to key management personnel**

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

**(e) Transactions with related parties**

	2014	2013
	\$	\$
<i>Purchases of goods and services:</i>		
Rent paid to PSA of NSW	57,239	54,515
Administration support to CPSU SPSF Vic Branch	55,173	-
Salary reimbursement (Federal Secretary) to CPSU SPSF Vic Branch	74,568	-
<i>Superannuation contributions</i>		
Superannuation contributions on behalf of employees	57,276	149,428

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

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**23: Related party transactions (Continued)**

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

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

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

**24: Cash flow information**

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

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Surplus (Deficit) for the year	<b>460,516</b>	(166,874)
<i>Non-cash flows in surplus (deficit)</i>		
Depreciation	<b>19,341</b>	26,934
Loss on disposal of fixed assets	<b>2,213</b>	900
Write back of liabilities	-	(21,749)
Provision for impairment	-	420,000
<i>Changes in assets and liabilities</i>		
Decrease (Increase) in trade and other receivables	<b>19,306</b>	(318,267)
(Decrease) in payables	<b>(104,566)</b>	(118,761)
Increase (Decrease) in provisions	<b>50,462</b>	(304,857)
Cash flows from operations	<b><u>447,272</u></b>	<b><u>(482,674)</u></b>

**25: Capital management**

CPSU manages its capital to ensure that it will be able to continue as a going concern while maximising the return on investments. The Federal Executive ensure that the overall risk management strategy is in line with this objective.

The capital structure of the entity consists of cash and cash equivalents and members' funds, comprising reserves and retained earnings.

The Federal Executive effectively manages the CPSU's capital by assessing the CPSU's financial risk and responding to changes in these risks and in the market. These responses may include the consideration of debts levels. There have been no changes to the strategy adopted by Federal Executive to control capital of the entity since the previous year. No operations of the entity are subject to external imposed capital requirements.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

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**26: Financial risk management**

The entity's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the entity. The entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, other price risks and aging analysis for credit risk.

Risk management is carried out by management under policies approved by Federal Executive. The Federal Executive identifies, evaluates and hedges financial risks as part of regular meetings. This identification and analysis includes an analysis of interest rate exposure and the evaluation of strategies in the context of most recent economic conditions.

**(a) Market risk**

*(i) Foreign exchange risk*

The entity is not exposed to foreign exchange risk.

*(ii) Price risk*

The entity is not exposed to foreign exchange risk.

*(iii) Cash flow and fair value interest rate risk*

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

**Sensitivity analysis**

As at 30 June 2014 the effect on the surplus as a result of changes in interest rates, with all other variables remaining constant, would be as follows:

	2014	2013
	\$	\$
<i>Effect on results:</i>		
Increase of interest rates by 2%	951	1,301
Decrease of interest rates by 2%	(951)	(1,301)

**(b) Credit risk**

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. Cash transactions are limited to high credit quality financial institutions. Currently the investments are held in Australian banks. The CPSU has no significant concentrations of credit risk.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets. The credit quality of financial assets can be assessed by reference to external credit ratings as follows:

	2014	2013
	\$	\$
Cash at bank		
AA- Rating	257,090	45,065
Term deposits		
AA- Rating	1,435,247	1,200,000

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**26: Financial risk management (Continued)**

**(c) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close-out market positions.

*Maturity profile of financial instruments*

The maturity profile of financial assets and liabilities held are detailed below:

**2014**

	Weighted Average Interest rate %	Floating Interest rate \$	1 year or less \$	1 to 2 years \$	2 to 5 years \$	Over 5 years \$	Non Interest bearing \$	Total \$
<b>Financial Assets</b>								
Cash at bank	1.0	257,090	-	-	-	-	-	257,090
Deposits at bank	3.5	-	1,435,247	-	-	-	-	1,435,247
Other receivables		-	-	-	-	-	125,981	125,981
		<u>257,090</u>	<u>1,435,247</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>125,981</u>	<u>1,818,318</u>
<b>Financial Liabilities</b>								
Other payables		-	-	-	-	-	76,661	76,661
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,661</u>	<u>76,661</u>
<b>Net Financial Assets</b>		<u>257,090</u>	<u>1,435,247</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,320</u>	<u>1,741,657</u>

**2013**

	Weighted Average Interest rate %	Floating Interest rate \$	1 year or less \$	1 to 2 years \$	2 to 5 years \$	Over 5 years \$	Non Interest bearing \$	Total \$
<b>Financial Assets</b>								
Cash at bank	1.0	45,065	-	-	-	-	-	45,065
Deposits at bank	4.52	-	1,200,000	-	-	-	-	1,200,000
Other receivables		-	-	-	-	-	138,986	138,986
		<u>45,065</u>	<u>1,200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>138,986</u>	<u>1,384,051</u>
<b>Financial Liabilities</b>								
Other payables		-	-	-	-	-	181,228	181,228
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>181,228</u>	<u>181,228</u>
<b>Net Financial Assets (Liabilities)</b>		<u>45,065</u>	<u>1,200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(42,242)</u>	<u>1,202,823</u>

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2014

27: Fair Value Measurements

(a) Financial assets and liabilities

Management of the entity assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 30 June 2014 was assessed to be insignificant
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the entity based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30 June 2014 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The following table contains the carrying amounts and related fair values for the entity's financial assets and liabilities:

	Note	2014		2013	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
		\$	\$	\$	\$
<b>Financial assets</b>					
Cash at banks	(i)	257,090	257,090	45,065	45,065
Trade and other receivables	(i)	125,981	125,981	138,986	138,986
Held to maturity financial assets		1,435,247	1,435,247	1,200,000	1,200,000
<b>Total financial assets</b>		<b>1,818,318</b>	<b>1,818,318</b>	<b>1,384,051</b>	<b>1,384,051</b>
<b>Financial liabilities</b>					
Trade and other payables	(i)	76,661	76,661	181,228	181,228
<b>Total financial liabilities</b>		<b>76,661</b>	<b>76,661</b>	<b>181,228</b>	<b>181,228</b>

- (i) Cash on hand, accounts receivable and other debtors, and accounts payable and other payables are short-term instruments in nature whose carrying amount is equivalent to fair value. Accounts payable and other payables exclude amounts relating to the provision for annual leave, which is outside the scope of AASB 139.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014

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**27: Fair Value Measurements (Continued)**

**(b) Fair value hierarchy**

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

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

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

*Valuation techniques*

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

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

The CPSU does not have any financial instruments included in Level 1, Level 2 and level 3.

There were no transfers between Levels 1 and 2 for assets measured at fair value on a recurring basis during the reporting period (2013: no transfers).

**(b) Disclosed fair value measurements**

The following assets and liabilities are not measured at fair value in the balance sheet but their fair values are disclosed in the notes:

- Accounts receivable and other debtors;
- government and fixed interest securities; and
- accounts payable and other payables

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

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

**COMMITTEE OF MANAGEMENT STATEMENT**

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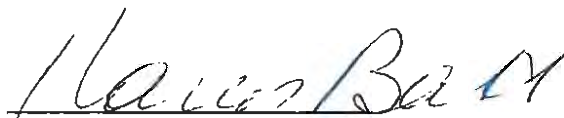
On 18 September 2014 the Committee of Management of the Community and Public Sector Union SPSF Group - Federal Fund passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the year ended 30 June 2014:

The Committee of Management declares that in its opinion;

1. the financial statements and notes comply with Australian Accounting Standards;
2. the financial statements and notes comply with the reporting guidelines of the General Manager;
3. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
4. there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
5. during the financial year to which the GPFR relates and since the end of that year:
  - a. meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of branches concerned; and
  - b. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - c. the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
  - d. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a manner consistent with each of the other reporting units of the organisation ; and
  - e. where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act, that information has been provided to the member or General Manager; and
  - f. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
6. No revenue has been derived from undertaking recovery of wages activity during the reporting period

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

Signature of designated officer



Name of designated officer: Karen Batt

Position held: Federal Secretary

Dated this

18<sup>th</sup> September 2014.

## 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 2014, the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Committee of Management Statement.

### Committee of Management's responsibility for the financial report

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

### Auditor's responsibility

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

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

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

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

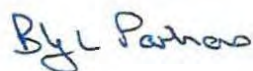
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
COMMUNITY & PUBLIC SECTOR UNION SPSF GROUP - FEDERAL FUND (Continued)****Independence**

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

**Opinion**

In our opinion:

- (1) the general purpose financial report of Community and Public Sector Union SPSF Group - Federal Fund presents fairly, in all material respects, the financial position of Community and Public Sector Union SPSF Group - Federal Fund as at 30 June 2014 and the results of its operations, its changes in equity and cash flows for the year then ended, in accordance with any of the following that apply to the entity:
  - a) the Australian Accounting Standards; and
  - b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.
- (2) the Committee of Management's use of the going concern basis of accounting in the preparation of the entity's financial statements is appropriate



BGL Partners  
Chartered Accountants



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

18 September 2014  
Melbourne





31 July 2014

Ms Karen Batt  
Joint National Secretary  
CPSU, the Community and Public Sector Union-SPSF Group  
Sent by email: [kbatt@cpsu.org](mailto:kbatt@cpsu.org.au)

Dear Ms Batt,

**Re: Lodgement of Financial Report - [FR2014/84]  
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the SPSF Group of the CPSU, the Community and Public Sector Union (the reporting unit) ended on 30 June 2014.

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, namely 15 January 2015 (being the expiry date of 6 months and 14 days from the end of the financial year), under s.268 of the RO Act.

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 and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. Further, the General Manager's updated Reporting Guidelines, that apply to all financial reports prepared on or after 30 June 2014, are also available on the website. For your convenience, our webinar video and slides on the Reporting Guidelines have also been placed on the website.

The Fair Work Commission has also developed a model set of financial statements. There is no requirement to use this model but it may be a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. All of the above information can be accessed through our website under [Financial Reporting](#).

The financial report and any statement of loans, grants or donations made during the financial year (statement must be lodged within 90 days of end of financial year) can be emailed to [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au). A sample statement of loans, grants or donations is available at [sample documents](#).

**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 \$51,000 for a body corporate and \$10,200 for an individual per contravention) being imposed upon an officer whose conduct led to the contravention and/or your organisation.

Should you seek any clarification in relation to the above, please contact me on (03) 8661 7936 or via email at [robert.pfeiffer@fwc.gov.au](mailto:robert.pfeiffer@fwc.gov.au).

Yours sincerely,

Robert Pfeiffer  
Senior Adviser  
Regulatory Compliance Branch

## TIMELINE/ PLANNER

Financial reporting period ending:	/ /	
Prepare financial statements and Operating Report.		
<p>(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.</p> <p>(b) A #designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).</p>	/ /	As soon as practicable after end of financial year
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	<p>Within a reasonable time of having received the GPFR</p> <p>(NB: Auditor's report must be dated on or after date of Committee of Management Statement</p>
<p>Provide full report free of charge to members – s265</p> <p>The full report includes:</p> <ul style="list-style-type: none"> <li>the General Purpose Financial Report (which includes the Committee of Management Statement);</li> <li>the Auditor's Report; and</li> <li>the Operating Report.</li> </ul>	/ /	<p>(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting.</p> <p>or</p> <p>(b) in any other case including where the report is presented to a Committee of Management meeting*, the report must be provided to members within 5 months of end of financial year.</p>
Present full report to:		
(a) General Meeting of Members - s266 (1),(2); OR	/ /	Within 6 months of end of financial year
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /	Within 6 months of end of financial year
Lodge full report with the Fair Work Commission, together with the #Designated Officer's certificate++ – s268	/ /	Within 14 days of meeting

\* the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

# The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.

++ The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.