



30 September 2019

Thomas Lynch
Tas Branch Secretary
CPSU, the Community and Public Sector Union-SPSF Group, Tasmanian Branch

Sent via email: cpsu@tas.cpsu.com.au
CC: jdoyle@wlf.com.au

Dear Thomas,

**CPSU, the Community and Public Sector Union-SPSF Group, Tasmanian Branch
Financial Report for the year ended 30 June 2019 – (FR2019/84)**

I acknowledge receipt of the financial report of the CPSU, the Community and Public Sector Union-SPSF Group, Tasmanian Branch. The documents were lodged with the Registered Organisations Commission (**the ROC**) on 5 September 2019.

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 (**RGs**) 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 2020 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these concerns have been addressed prior to filing next year's report.

General purpose financial report

Officer's declaration statement – to include all nil activity disclosures not elsewhere disclosed

Item 21 of the RGs states that if any of the activities identified within items 10-20 of the RGs have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement. I note that the officer's declaration statement includes the following nil activity disclosures for which there was already an equivalent form of disclosure in the body of the notes:

- “Agree to receive financial support from another reporting unit to continue as a going concern” is disclosed in both note 1 (s) and the officer’s declaration statement;
- “Receive capitation fees from another reporting unit” is disclosed in both note 7 and the officer’s declaration statement;
- “Receive revenue via compulsory levies” is disclosed in both note 8 and the officer’s declaration statement;
- “Receive donations or grants” is disclosed in both the statement of comprehensive income and the officer’s declaration statement;
- “Receive revenue from undertaking recovery of wages activity” is disclosed in both note 9 and the officer’s declaration statement;
- “Incur fees as consideration for employers making payroll deductions of membership subscriptions” and “have a payable to employer as consideration for that employers making payroll deductions of membership subscriptions” are disclosed in both note 13 and the officer’s declaration statement;
- “Pay compulsory levies”, “pay a grant that was \$1,000 or less”, “pay a grant that exceeded \$1,000” are disclosed in both the statement of comprehensive income and the officer’s declaration statement;
- “Pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit” and “incur expenses due to holding a meeting as required under the rules of the organisation” and disclosed in both the statement of comprehensive income and the officer’s declaration statement;
- “Pay legal costs relating to litigation”, “pay legal costs relating to other legal matters” and “pay a penalty imposed under the RO Act or the *Fair Work Act 2009*” are disclosed in both the statement of comprehensive income and the officer’s declaration statement
- “Make a payment to a former related party of the reporting unit” is disclosed in both note 14 and the officer’s declaration statement.

Please note that nil activities only need to be disclosed once.

References to legislation and the ROC

Following the enactment of the *Fair Work (Registered Organisations) Amendment Act 2016*, the ROC is the new regulator for registered organisations, with effect from 1 May 2017. All references to the Fair Work Commission and General Manager must be changed to the Registered Organisations Commission and Commissioner except in relation to declaration (e)(vi) in the committee of management statement.

I note that item (e)(vi) in the committee of management statement refers to the Registered Organisations Commission. Please ensure in future years that item (e)(vi) in the committee of management statement refers to the Fair Work Commission or the General Manager.

Inconsistency in disclosure of financial information

The statement of cash flows discloses a cash outflow to the CPSU Federal Group of \$57,366 for the 2019 financial year (2018: \$56,941). The officer’s declaration statement, however includes a nil activity disclosure in relation to providing cash flows to another reporting unit and/or controlled entity.

In future years, please ensure that items within the financial report are disclosed consistently.

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 RGs and a model set of financial statements.

The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 RGs and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0764 or via email at kylie.ngo@roc.gov.au.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Kylie', written over a horizontal line.

Kylie Ngo
Registered Organisations Commission



Community and Public Sector Union

CPSU (State Public Services Federation Tasmania) Inc. - CPSU (SPSF Group, Tasmanian Branch)

4 September 2019

Commissioner
Registered Organisations Commission
GPO Box 1994
MELBOURNE VIC 3001

Dear Sir

**FR2019/84
CPSU (SPSF Group, Tasmanian Branch) 2018/19 Financial Report**

Please find attached the Financial Report for the year ending 30 June 2019 for the CPSU (SPSF Group, Tasmanian Branch) as required under section 268 of the Fair Work (Registered Organisations) Act 2009.

If you required any further information, please contact me on 03 62341708.

Yours faithfully

Thomas Lynch
Branch Secretary
Community and Public Sector Union
(SPSF Group, Tasmanian Branch)

**PROUD to
be PUBLIC**



**CPSU Members protect and
improve public services for all
Tasmanians and the working
lives of those who deliver them.**



Community and Public Sector Union

CPSU (State Public Services Federation Tasmania) Inc. - CPSU (SPSF Group, Tasmanian Branch)

Certificate by Prescribed Designated Officer or other Authorised Officer¹

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

Certificate for the period ending 30 June 2019

I, Thomas Lynch being the Branch Secretary of the Community and Public Sector Union (SPSF Group, Tasmanian Branch) certify:

- that the documents lodged herewith are copies of the full report referred to in section 268 of the Fair Work (Registered Organisations) Act 2009; and
- that members were advised by email prior to 9 August 2019 that the full report for 2018/2019 would be published on the reporting unit's web site, www.cpsu.com.au on 9 August 2019; and
- that members who do not have email addresses were advised by post prior to 9 August 2019; that the full report for 2018/2019 would be published on the reporting unit's web site on 9 August 2019 and that printed copies would be sent out if requested; and
- that the full report was presented to a general meeting of members of the reporting unit on 30 August 2019; in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

Thomas Lynch
Branch Secretary
Community and Public Sector Union (SPSF Group, Tasmanian Branch)

Dated: 4 September 2019

**PROUD to
be PUBLIC**



**CPSU Members protect and
improve public services for all
Tasmanians and the working
lives of those who deliver them.**



CPSU (SPSF Group,
Tasmanian Branch)

Financials

30 June 2019

COMMITTEE OF MANAGEMENT STATEMENT

The Committee of Management Statement has been made in accordance with a resolution passed by the Committee on 24 July 2019

On 24 July 2019 the Committee of Management of the Community and Public Sector Union (SPSF Group, Tasmanian Branch) passed the following resolution in relation to the General Purpose Financial Report (GPFR) of the reporting unit for the financial year ended 30 June 2019:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of the branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of the branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the (RO)Act; and
 - (iv) as the organisation consists of 2 or more reporting units, the financial records of the reporting units have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation.; and
 - (v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act, has been provided to the member or Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Registered Organisations Commission under section 273 of the RO Act, there has been compliance

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

Signature:



Thomas Lynch
Branch Secretary
Community and Public Sector Union (SPSF Group, Tasmanian Branch)

Date: 24 July 2019

**THE COMMUNITY AND PUBLIC SECTOR UNION
(SPSF GROUP, TASMANIAN BRANCH)
OPERATING REPORT YEAR ENDED 30 JUNE 2019**

I, Thomas Lynch, being the Branch Secretary of the CPSU (SPSF Group, Tasmanian Branch) report operations for the year ended 30 June 2019 as follows:

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

1. Representing individual members in grievance disputes with employers. The Membership Advice and Support team along with CPSU Direct supported hundreds of members through the provision of advice, information and representation in regard to their rights and resolving grievance or disputes with their employer.
2. Representing groups of members at many workplaces in regard to workplace issues including change management. Our team of organisers operate across the State to ensure every workplace with members has the support needed.
3. Negotiating Collective Bargaining Agreements that have resulted in increased wages and conditions for members covered by those Agreements.
4. Negotiating Industrial Agreements at a number of worksites resulting in the settlement of disputes or improved flexible working arrangements.
5. Representing members in the Tasmanian Industrial Commission in unfair dismissal cases resulting in a fair outcome for members.
6. Conducting monthly committee and finance meetings to initiate, monitor and evaluate operational and finance activities.
7. Providing Union Delegates and Worksite Committee members with training and education to enable them to better represent members in the workplace.

Significant changes in financial affairs

No significant change in the nature of these activities occurred during the year.

There were no significant changes to the financial affairs during the year.

Rights of Members to resign

A Member of the Union may resign from membership by written notice addressed and delivered to the Secretary giving notice in accordance with the Chapter C – SPSF Group Rules, Rule 58.

Officers & employees who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee

None

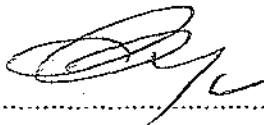
Number of Members: 3099 Financial Members

Number of employees: 14 employees

Committee of Management List of Office Holders:

Position	Officer	Address	Period Held
President	Grant Ransley	C/- CPSU (SPSFT) Inc, 157 Collins Street, Hobart, Tas, 7000	01.07.18 to 30.06.19
Vice President	Rosmyn Faulks	C/- CPSU (SPSFT) Inc, 157 Collins Street, Hobart, Tas, 7000	01.07.18 to 30.06.19
Vice President	Steven Arditto	C/- CPSU (SPSFT) Inc, 157 Collins Street, Hobart, Tas, 7000	01.07.18 to 30.06.19
Treasurer	Tim Turner	C/- CPSU (SPSFT) Inc, 157 Collins Street, Hobart, Tas, 7000	01.07.18 to 30.06.19
Executive Councillor	Kenneth Hart	C/- CPSU (SPSFT) Inc, 157 Collins Street, Hobart, Tas, 7000	01.07.18 to 30.06.19
Executive Councillor	Donna Johnston	C/- CPSU (SPSFT) Inc, 157 Collins Street, Hobart, Tas, 7000	01.07.18 to 30.06.19
Executive Councillor	Thomas Courto	C/- CPSU (SPSFT) Inc, 157 Collins Street, Hobart, Tas, 7000	01.07.18 to 30.06.19
Branch Secretary	Thomas Lynch	C/- CPSU (SPSFT) Inc, 157 Collins Street, Hobart, Tas, 7000	01.07.18 to 30.06.19
Assistant Branch Secretary	Thirza White	C/- CPSU (SPSFT) Inc, 157 Collins Street, Hobart, Tas, 7000	01.07.18 to 30.06.19

This declaration is made in accordance with a resolution of the committee of management.



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Thomas Lynch
Branch Secretary
Community and Public Sector Union (SPSF Group, Tasmanian Branch)

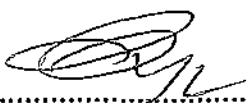
Dated: 24 July 2019

**THE COMMUNITY AND PUBLIC SECTOR UNION
(SPSF GROUP, TASMANIAN BRANCH)
EXPENDITURE REPORT YEAR ENDED 30 JUNE 2019**

The committee of management presents the expenditure report as required under subsection 255 (2A) on the reporting unit for the year ended 30 June 2019.

Categories of expenditures	2019 (\$)	2018 (\$)
Remuneration and other employment-related costs and expenses – employees *	-	-
Advertising	-	-
Operating Costs – Audit Costs	1,135	1,100
Donations to political parties	-	-
Legal costs	-	-

* Note: CPSU (SPSF Group, Tasmanian Branch) and CPSU (SPSFT) Inc. represent the same Members, employ all the same employees and Elected Officials and Committee of Management Members. All expenses, wage expenses and related on costs are borne by CPSU (SPSFT) Inc.

Signature: 

Thomas Lynch
Branch Secretary
Community & Public Sector Union (SPSF Group, Tasmania Branch)

Dated: 24 July 2019

CPSU (SPSF Group, Tasmanian Branch)
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2019

	NOTE	2019 \$	2018 \$
INCOME			
Receipts from Other Unions/Controlled Entities			
CPSU (SPSFT) Inc			
Membership Subscription		79,839	85,004
Total Membership Fees		<u>79,839</u>	<u>85,004</u>
Grants		-	-
Donations		-	-
Total Grants or Donations		<u>-</u>	<u>-</u>
TOTAL INCOME		<u>79,839</u>	<u>85,004</u>
EXPENSES			
Employee Expenses		-	-
Capitation Fees			
CPSU Federal Group		57,356	56,941
Total Capitation		<u>57,356</u>	<u>56,941</u>
Affiliation			
ACTU		21,348	23,405
Total Affiliation		<u>21,348</u>	<u>23,405</u>
Administration Expenses			
Compulsary Levies			
ACTU Change the Rules Campaign - IR Levy		-	3,558
Fees/Allowances - Meeting and Conferences		-	-
Conference and Meeting Expenses		-	-
Total Administration Expenses		<u>-</u>	<u>3,558</u>
Grants:		-	-
Total expensed that were \$1,000 or less		-	-
Total expensed that exceeded \$1,000		-	-
Donations:			
Total expensed that were \$1,000 or less		-	-
Total expensed that exceeded \$1,000		-	-
Total grants or donations		<u>-</u>	<u>-</u>
Finance Costs		-	-
Legal Costs	6	-	-
Audit Fees	5	1,135	1,100
Other Expenses			
Penalties - via RO Act or RO Regulations		-	-
TOTAL EXPENSES		<u>79,839</u>	<u>85,004</u>
PROFIT (LOSS) FOR THE YEAR		<u>-</u>	<u>-</u>

CPSU (SPSF Group, Tasmanian Branch)
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2019

	NOTE	2019 \$	2018 \$
<hr/>			
OTHER COMPREHENSIVE INCOME			
Items that will not be subsequently reclassified to profit and loss			
Gain on Revaluation of Land & Buildings		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of these financial statements.

CPSU (SPSF Group, Tasmanian Branch)
STATEMENT OF FINANCIAL POSITION
as at 30 June 2019

	NOTE	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash at Bank	1C	74	74
Trade and Other Receivables		-	-
TOTAL CURRENT ASSETS		<u>74</u>	<u>74</u>
NON-CURRENT ASSETS			
TOTAL NON-CURRENT ASSETS		-	-
TOTAL ASSETS		<u>74</u>	<u>74</u>
Liabilities			
CURRENT LIABILITIES			
Trade Payables		-	-
Leave Liabilities Employees		-	-
Leave Liabilities Office Holders		-	-
TOTAL CURRENT LIABILITIES		-	-
NON-CURRENT LIABILITIES			
Leave Liabilities Employees		-	-
Leave Liabilities Office Holders		-	-
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		-	-
NET ASSETS		<u>74</u>	<u>74</u>
EQUITY			
Retained Earnings	3	74	74
Reserves			
Amelioration Fund Reserve	3	-	-
TOTAL EQUITY		<u>74</u>	<u>74</u>

The accompanying notes form part of these financial statements.

CPSU (SPSF Group, Tasmanian Branch)
STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2019

	NOTE	2019 \$	2018 \$
<hr/>			
Retained Earnings			
Opening Balance 1 July		74	74
Profit for the year		-	-
Closing Balance 30 June		<u>74</u>	<u>74</u>
Amelioration Fund Reserve			
Opening Balance 1 July		-	-
Increase/Decrease		-	-
Closing Balance 30 June		<u>-</u>	<u>-</u>
TOTAL EQUITY		<u>74</u>	<u>74</u>

The accompanying notes form part of these financial statements.

CPSU (SPSF Group, Tasmanian Branch)
STATEMENT OF CASH FLOWS
For the year ended 30 June 2019

	NOTE	2019 \$	2018 \$
Cash Flows from Operating Activities			
Receipts from Other Unions/Controlled Entities			
CPSU (SPSFT) Inc			
Membership Subscriptions		79,839	85,004
Payments to Other Unions/Controlled Entities			
ACTU - Affiliation Fees		(21,348)	(23,405)
ACTU - Change the Rules Campaign - IR Levy		-	(3,558)
CPSU Federal Group		(57,356)	(56,941)
Payments to Suppliers			
Wise, Lord & Ferguson Chartered Accountants		(1,135)	(1,100)
Net Cash Flows from Operating Activities		<u>-</u>	<u>-</u>
Net Cash Flows from Investing Activities		<u>-</u>	<u>-</u>
Net Cash Flows from Financing Activities		<u>-</u>	<u>-</u>
Net Increase/(Decrease) in Cash Held		<u>-</u>	<u>-</u>
Balance at Beginning of Year		74	74
Balance at End of Year		<u>74</u>	<u>74</u>
Made up by:			
Cash at Bank		<u>74</u>	<u>74</u>

Result for Year is reconciled to cash surplus from operations as follows:

	2019 \$	2018 \$
Profit for the Year	-	-
Non-cash Statement of Comprehensive Income Items		
Depreciation	-	-
Changes in Non-cash Items:		
Prepayments	-	-
Inventory	-	-
Employee entitlements	-	-
Debtors	-	-
Creditors	-	-
Cash Surplus from Operations	<u>-</u>	<u>-</u>

The accompanying notes form part of these financial statements.

CPSU (SPSF Group, Tasmanian Branch)
Notes to the Financial Statements
Year Ended 30 June 2019

1 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 Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the Community & Public Sector Union (SPSF Group, Tasmanian Branch) is a not-for-profit entity.

The financial report has been prepared on an accruals basis and is based on historical costs.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report.

Accounting Policies

a) Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

b) Expenditure

Capitation fees and levies paid are recognised on an accrual basis and recorded as an expense in the year to which it relates.

c) Cash and Cash Equivalents

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts.

d) Taxation

The Community & Public Sector Union (SPSFT Group, Tasmanian Branch) is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997, however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

e) Events after the Reporting Period

There were no events that occurred after 30 June 2019, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Union.

f) Significant accounting judgements and estimates

Management do not consider any accounting assumptions or to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

g) Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year. Accounting Standards applicable from 1 July 2018 have no effect on the financial statements of the Union for the current or previous period.

h) New Accounting Standards for Application in Future Periods

Australian Accounting Standards that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2019. The company has not yet assessed the impact of these new or amended Accounting Standards or Interpretations.

CPSU (SPSF Group, Tasmanian Branch)

Notes to the Financial Statements

Year Ended 30 June 2019

i) Financial Instruments

Financial assets and financial liabilities are recognised when Community & Public Sector Union (SPSF Group, Tasmanian Branch) becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

j) Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Community & Public Sector Union (SPSF Group, Tasmanian Branch) business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Community & Public Sector Union (SPSF Group, Tasmanian Branch) initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Community & Public Sector Union (SPSF Group, Tasmanian Branch) business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that Community & Public Sector Union (SPSF Group, Tasmanian Branch) commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

Financial assets at amortised cost

The Community & Public Sector Union (SPSF Group, Tasmanian Branch) measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Community & Public Sector Union (SPSF Group, Tasmanian Branch) financial assets at amortised cost includes trade receivables and loans to related parties.

Financial assets at fair value through other comprehensive income

The measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost.

The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Community & Public Sector Union (SPSF Group, Tasmanian Branch) debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

Investments in equity instruments designated at fair value through other comprehensive income

Upon initial recognition, the Community & Public Sector Union (SPSF Group, Tasmanian Branch) can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Community & Public Sector Union (SPSF Group, Tasmanian Branch) benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Community & Public Sector Union (SPSF Group, Tasmanian Branch) elected to classify irrevocably its listed and non-listed equity investments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Community & Public Sector Union (SPSF Group, Tasmanian Branch) has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - a) the Community & Public Sector Union (SPSF Group, Tasmanian Branch) has transferred substantially all the risks and rewards of the asset, or
 - b) the Community & Public Sector Union (SPSF Group, Tasmanian Branch) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

CPSU (SPSF Group, Tasmanian Branch)

Notes to the Financial Statements

Year Ended 30 June 2019

When the Community & Public Sector Union (SPSF Group, Tasmanian Branch) has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Community & Public Sector Union (SPSF Group, Tasmanian Branch) continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment

(i) Trade receivables

For trade receivables that do not have a significant financing component, the Community & Public Sector Union (SPSF Group, Tasmanian Branch) applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the Community & Public Sector Union (SPSF Group, Tasmanian Branch) does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Community & Public Sector Union (SPSF Group, Tasmanian Branch) has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(ii) Debt instruments other than trade receivables

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the Community & Public Sector Union (SPSF Group, Tasmanian Branch) recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Community & Public Sector Union (SPSF Group, Tasmanian Branch) expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).
- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The Community & Public Sector Union (SPSF Group, Tasmanian Branch) considers a financial asset in default when contractual payments are 90[1] days past due. However, in certain cases, the Community & Public Sector Union (SPSF Group, Tasmanian Branch) may also consider a financial asset to be in default when internal or external information indicates that the Community & Public Sector Union (SPSF Group, Tasmanian Branch) is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

k) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Community & Public Sector Union (SPSF Group, Tasmanian Branch)'s financial liabilities include trade and other payables.

Subsequent measurement

Financial liabilities at fair value through profit or loss (including designated)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied.

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

l) Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

m) Land, buildings, plant and equipment

Asset Recognition Threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the statement of financial position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations—Land and Buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

CPSU (SPSF Group, Tasmanian Branch)
Notes to the Financial Statements
Year Ended 30 June 2019

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2019	2018
Land & buildings	20 years	20 years
Plant and equipment	3 to 4.5 years	3 to 4.5 years

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

n) Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

o) Intangibles

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The useful life of Community & Public Sector Union (SPSF Group, Tasmanian Branch) intangible assets are:

	2019	2018
Intangibles	20 years	20 years

Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit and loss when the asset is derecognised.

p) Impairment of non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the [reporting unit] were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

q) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

CPSU (SPSF Group, Tasmanian Branch)
Notes to the Financial Statements
Year Ended 30 June 2019

r) **Fair value measurement**

The Community & Public Sector Union (SPSF Group, Tasmanian Branch) measures financial instruments, such as, financial assets at fair value through the profit and loss, financial assets at fair value through OCI, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Community & Public Sector Union (SPSF Group, Tasmanian Branch). The fair value of an asset or a liability is measured using the assumptions a market participant would use to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Community & Public Sector Union (SPSF Group, Tasmanian Branch) uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Community & Public Sector Union (SPSF Group, Tasmanian Branch) determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the [reporting unit] has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

s) **Going concern**

Community & Public Sector Union (SPSF Group, Tasmanian Branch) is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis

Community & Public Sector Union (SPSF Group, Tasmanian Branch) and Community & Public Sector Union (SPSFT) Inc. represent the same Members, employ all the same employees and Elected Officials and Committee of Management Members. All expenses, wage expenses and related on costs are borne by Community & Public Sector Union (SPSFT) Inc.

2 Section 272 Fair Work (Registered Organisations) Act 2016

Attention of members is drawn to the provisions of Section 272, subsections (1), (2) and (3) which read as follows:

- (1) A member of a reporting unit, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).
Civil Penalty: 60 penalty units

3 Movements in Reserves

	2019	2018	Movement
	\$	\$	\$
Amelioration Fund Reserve	-	-	
Retained Earnings	74	74	
Reserve Balances	74	74	-

CPSU (SPSF Group, Tasmanian Branch)
Notes to the Financial Statements
Year Ended 30 June 2019

4 Membership

Union membership at 30 June 2019 was 3,099 members (2018: 3,195).

5 Auditor's Remuneration

Amounts paid or payable to the Union's auditor for the 2018 - 2019 audit totalled \$1,135 (2017 - 2018: \$1,100).

6 Legal Fees

There has been no legal fees paid for the 2019 financial year.

7 Capitation Fees

There have been no capitation fees received during the 2019 financial year.

8 Compulsary Levies

There have been no compulsory levies raised during the 2019 financial year.

9 Recovery of Wages Activity

There has been no recovery of wages activity for the financial year.

10 Committee of Management

- Grant Ransley (President) Rosmyn Faulks (Vice President) Steven Ardito (Vice President) Timothy Turner (Treasurer) Kenneth Hart (Executive Councillor) Donna Johnston (Executive Councillor) Thomas Courto (Executive Councillor) Thomas Lynch (Branch Secretary) Thirza White (Assistant Branch Secretary)
No Committee of Management Member received any remuneration or reimbursements

There has been no other related party transactions within the reporting period 2018 - 2019.

11 Financial Risk Management

Management is responsible for the monitoring and managing the Branch's risk management. This includes monitoring credit risk, liquidity risk and market risk. The Branch's exposure to these risks is minimal.

12 Fair Value Measurement - Financial assets and liabilities

Management of the reporting Branch assessed that cash approximates its fair value 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.

Carrying amount	Fair value	Carrying amount	Fair value
2019	2019	2018	2018
\$	\$	\$	\$

Financial Assets

Cash at Bank	74	74	74	74
Total	<u>74</u>	<u>74</u>	<u>74</u>	<u>74</u>

13 Consideration for Employers for Payroll Deductions

There were no fees incurred as consideration for employers making payroll deductions for membership subscriptions.

There are no payables to employers for making payroll deductions of membership subscriptions.

14 Former Related Party Payments

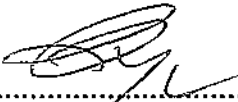
No payments were made to former related parties during the 2019 financial year.

**THE COMMUNITY AND PUBLIC SECTOR UNION
(SPSF GROUP, TASMANIAN BRANCH)
OFFICER DECLARATION STATEMENT**

I, Thomas Lynch, being the Branch Secretary of The Community and Public Sector Union (SPSF Group, Tasmanian Branch), declare that the following activities did not occur during the reporting period ending 30 June 2019.

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern
- agree to provide financial support to another reporting unit to ensure they continue as a going concern
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive capitation fees from another reporting unit
- receive any other revenue from another reporting unit.
- receive revenue via compulsory levies
- receive donations or grants
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay compulsory levies
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- incur expenses due to holding a meeting as required under the rules of the organisation
- pay legal costs relating to litigation
- pay legal costs relating to other legal matters
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a receivable with another reporting unit
- have a payable with another reporting unit
- have a payable to employer as consideration for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- provide cashflows to another reporting unit and/or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Signature: 

Thomas Lynch

Branch Secretary

Community & Public Sector Union (SPSF Group, Tasmania Branch)

Dated: 24 July 2019

INDEPENDENT AUDITOR'S REPORT

Independent Audit Report to the Members of the Community and Public Sector Union
(SPSF Group, Tasmanian Branch)

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Community and Public Sector Union (SPSF Group, Tasmanian Branch), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended as at 30 June 2019, and notes to the financial statements, including a summary of significant accounting policies, and the Committee of Management statement, the subsection 255(2A) report and the officer declaration statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Community and Public Sector Union (SPSF Group, Tasmanian Branch) as at 30 June 2019, and its financial performance and cash flows for the year ended on that date in accordance with:

- (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* (the RO Act).

I declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

My opinion on the financial report does not cover the other/ information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the Committee of Management for the Financial Report

The Committee of Management of the Reporting Unit are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the RG Act, 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.

In preparing the financial report, the Committee of Management are responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intends to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:


- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Reporting Unit's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

I communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during our audit.

I declare that I am an auditor registered under the RO Act.



JOANNE DOYLE

Partner

Wise Lord & Ferguson

Fellow of Institute of Chartered Accountants Australia & New Zealand CAANZ

Registered Company Auditor: 217468

Registered Auditor no. AA2017/121

Holder of Public Practice Certificate

1/160 Collins Street

HOBART TAS 7000

Date: 24 July 2015

Auditor's Independence Declaration to the Committee of Management of
Community and Public Sector Union (SPSF Group, Tasmanian Branch)

In relation to our audit of the financial report of the Community and Public Sector Union (SPSF Group, Tasmanian Branch) for the financial year ended 30 June 2019, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements as set out in the *Fair Work (Registered Organisations) Act 2009*; and any applicable code of professional conduct.



Joanne Doyle
Partner

Wise Lord & Ferguson
Chartered Accountants

1/160 Collins Street
HOBART TAS 7000

Dated: 24 Jan 2019



3 July 2019

Thomas Lynch
Tas Branch Secretary
CPSU, the Community and Public Sector Union-SPSF Group, Tasmanian Branch
Sent via email: cpsu@tas.cpsu.com.au

Dear Thomas Lynch,

**Re: Lodgement of Financial Report - FR2019/84
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the CPSU, the Community and Public Sector Union-SPSF Group, Tasmanian Branch (the reporting unit) ended on 30 June 2019. This is a courtesy letter to remind you of the reporting unit's obligations regarding financial reporting.

Loans Grants and Donations Statement

The reporting unit is required to lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 of the RO Act requires this statement to be lodged with the Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2019.

The attached fact sheet *Loans Grants and Donations* (FS 009) summarises the requirements of the Loans Grants and Donations Statement. A sample statement of loans, grants or donations is available on our [website](#).

It should be noted that s.237 is a civil penalty provision. If a loan, grant or donation over \$1000 has been made, failure to lodge a statement of loans, grants and donations (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

Financial report

The RO Act sets out a particular chronological order in which your financial report must be prepared, audited, provided to members, presented to a meeting and then lodged with the ROC. The attached document *Summary of Financial Reporting timelines* (FS 008) summarises these requirements.

We emphasise that the reporting unit is required to present its audited financial report to a meeting (either of members or of the committee of management, depending on your rules) no later than 31 December 2019 (s.266). The full financial report must be lodged with the ROC within 14 days of that meeting (s.268).

When assessing your financial report, we will continue to focus closely on timelines as well as how loans, grants and donations are reported. The financial report must break down the amounts of grants and donations and these figures will be compared to the loans, grants and donations statement (see attached *Loans Grants and Donations* fact sheet FS 009).

You can visit our website for more information regarding [financial reporting](#), and fact sheets regarding [financial reporting processes and requirements](#). A model set of financial statements developed by the ROC is also available on our website. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards.

It should be noted that s.268 of the RO Act is a civil penalty provision. Failure to lodge the full financial report (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention (s.268).

Auditor's report

When assessing the financial report we will also focus on the structure and content of the auditor's report to ensure that it complies with the revisions made to the Auditing Standards which came into effect from 15 December 2016. Please find [here](#) a link to guidance note *Illustrative Auditor's Report* (GN 004) relating to these requirements (which can also be located on our website).

REMINDER

YOUR AUDITOR MUST BE REGISTERED (s.256)

You must ensure that your auditor is registered by the Registered Organisations Commissioner. A list of registered auditors is available on our [website](#).

Contact

Should you require any clarification in relation to the above, please email regorgs@roc.gov.au.

Yours faithfully,

Kylie Ngo
Registered Organisations Commission



Fact sheet

Summary of financial reporting timelines – s.253 financial reports

General Information:

- The **full report** consists of the General Purpose Financial Report, Committee of Management Statement, Operating report, s.255(2A) Report and signed Auditors' Report
- For an explanation of each of the steps below see our [Fact sheet—financial reporting process](#).

STEP 1:
Reporting unit must prepare the General Purpose Financial Report, Committee of Management Statement, s.255(2A) Report and Operating Report as soon as practicable after the end of the financial year:



STEP 2:
Committee of Management statement – resolution to be passed by the Committee of Management in relation to the General Purpose Financial Report (**1st meeting**)



STEP 3:
Registered Auditor to prepare and sign the Auditor's Report and provide to the Reporting unit **within a reasonable timeframe**

IF RULES PROVIDE FOR PRESENTATION OF FULL REPORT
AT GENERAL MEETING OF MEMBERS
(this is the default process in the RO Act)

STEP 4:
Provide **full report** to members at least 21 days before the General Meeting



STEP 5:
Present **full report** to a General Meeting of Members within 6 months of the reporting unit's end of financial year (2nd meeting)



STEP 6:
Prepare and sign the designated officer's certificate then lodge **full report** and the designated officer's certificate with the ROC within 14 days of the 2nd meeting

IF RULES PROVIDE FOR PRESENTATION OF FULL REPORT AT
COMMITTEE OF MANAGEMENT MEETING
(Special rules must be in the rulebook to use this process)

STEP 4:
Provide **full report** to members **within 5 months of the reporting unit's end of financial year**



STEP 5:
Present **full report** to Committee of Management Meeting within 6 months of the reporting unit's end of financial year (2nd meeting)



STEP 6:
Prepare and sign the designated officer's certificate then lodge **full report** and the designated officer's certificate with the ROC **within 14 days of the 2nd meeting**

Misconceptions

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

Misconception	Requirement
✘ The Committee of Management statement is just copied from the Reporting Guidelines	✔ The Committee of Management statement must have the date of the Committee of Management resolution recorded upon it and it must be signed and dated BEFORE the auditor signs their report Further, if any of the statements within it need to be modified to suit the reporting unit (for instance not holding meetings) these changes must also be made
✘ The Auditor's Report does not need to be signed until just before it is lodged with the ROC	✔ The Auditor's Report must be signed and dated BEFORE the full report (including the Auditor's Report) is sent to members and presented to the second meeting
✘ The Designated Officer's Certificate must be signed before the report is sent to members	✔ The Designated Officer's Certificate declares what the reporting unit HAS ALREADY DONE to provide the report to members and present it to the meeting. It must be signed and dated AFTER sending the report to members and the second meeting
✘ Documents can be dated when they should have been signed or when the events in the document occurred	✔ Documents must always be dated at the date they are actually signed by an officer or auditor
✘ Any auditor can audit a financial report	✔ Only registered auditors can audit the financial report
✘ The Committee of Management statement can be signed at any time	✔ The resolution passing the Committee of Management Statement must occur and the statement signed and dated BEFORE the auditor's report is signed and dated
✘ Any reporting unit can present the Full Report to a second COM meeting	✔ Only reporting units with a 5% rule in their rulebook are able to present their report to a second Committee of Management Meeting. Otherwise, it must be presented to a General Meeting of members
✘ Everything can be done at one Committee of Management meeting	✔ If the rules allow for presenting the report to the Committee of Management, there must still be <u>two meetings</u> . The first meeting resolves the Committee of Management statement (including signing and dating it). Between the two meetings the Auditor's report is signed and dated. Only then can the full report be presented to the second Committee of Management meeting (if the rules allow)
✘ The reporting unit has 6 months and 14 days to lodge their financial report with the ROC	✔ The reporting unit must lodge the financial report within 14 days of the second meeting

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This fact sheet is not intended to be comprehensive. It is designed to assist in gaining an understanding of the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice.



Fact sheet

Loans, Grants & Donations

The Loans, Grants & Donations Requirements

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

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

The Loans, Grants & Donations Statement

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

- the amount,
- the purpose,
- the security (if it is a loan),
- the name and address of the person to whom it was made,* and
- the arrangements for repaying the loan.*

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

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

Common misconceptions

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

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

Grants & Donations within the Financial Report

Item 14(e) of the Commissioner's Reporting Guidelines requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

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

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

Note 4E: Grants or donations*

	2017	2016
Grants:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Total grants or donations	-	-

The Commissioner's Reporting Guidelines requires that these line items appear in the financial statements, the notes or in the officer's declaration statement, even if the figures are NIL.

Implications for filing the Financial Report

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

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

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

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

Previous financial reports and filing letters are available from the website.

Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the ROC on regorgs@roc.gov.au