

22 December 2006

FR 2006/361

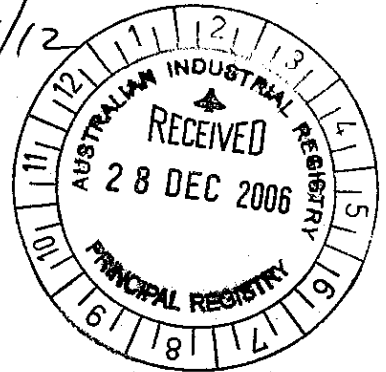
Part 1

Community and Public Sector Union

SPSF Group • Victorian Branch

Entered in CMS
Scanned into e-Docs } 28/12

Australian Industrial Registry
Statutory Services Branch
Level 4
11 Exhibition Street
MELBOURNE 3000



Dear Sir/Madam

**Re: Financial Documents for the year ended 30 June 2006
Schedule 1B - Workplace Relations Act 1996 (RAO Schedule)**

Please find attached for lodgment with the Australian Industrial Registry:-

- A copy of the operating report for the year ended 30 June 2006;
- A copy of advice to members in relation to the availability of the concise financial report for the year ended 30th June 2006;
- A copy of the concise financial report for the year ended 30th June 2006;
- A copy of the financial report for the year ended 30th June 2006;
- A copy of the income and expenditure statement for the year ended 30th June 2006.

Also enclosed is a signed Branch Secretary's Certificate as required by Section 266(3) of Schedule 1B of the Workplace Relations Act 1996. CPSU have also enclosed an extract of the Minutes for the Committee of Management meeting for your information.

CPSU have also enclosed an outstanding statutory declaration relating to James Walton's Entry Permit that was requested by the Australian Industrial Registry.

detached 28/12

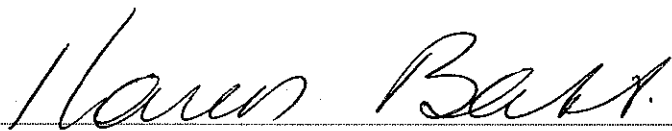
Should you require any further information or clarification in relation to the enclosed documents please contact Liz Howlett on 03 9639 1822.

Yours faithfully

Karen Batt
Branch Secretary

COMMUNITY AND PUBLIC SECTOR UNION, SPSF GROUP
VICTORIAN BRANCH
STATUTORY STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2006
BRANCH SECRETARY'S CERTIFICATE

I, Karen Batt, being the Branch Secretary of the Community and Public Sector Union – SPSF Group Victorian Branch, hereby certify that the documents lodge with this certificate are copies of the documents presented to the meeting of the Committee of Management of the Community and Public Sector Union, State Public Services Federation Group, Victorian Branch conducted on 27th of November 2006, as required by Section 266(3) of Schedule 1B of the Workplace Relations Act 1996.

Signature: 

Signed At: Carlton South

Date: 22nd December 2006

MINUTES OF MEETING

CPSU/SPSF Group, Victorian Branch
HELD: Union Offices, Monday 27th November 2006

Present: J Walton, K Batt, J Mead, K Goodall

Apology: P Lillywhite

5. Audit Report, Branch Accounts and Financial Statements for the year ended 30th June, 2006

Copies of the audited Financial Statements of the Community and Public Sector Union – SPSF Group Victorian Branch together with certificates and operating report were presented to the Committee of Management (Branch Executive).

Moved: K Batt

Second: J Walton

“That this meeting of the Community and Public Sector Union – SPSF Group Victorian Branch (being the Committee of Management for the purposes of the Workplace Relations Act):

Notes that the Auditor’s Report, and the Branch Accounts and Financial Statements and Operating Report or a summary thereof for the year ended 30th June, 2006 has been provided to members as required by Section 279(2) of the Workplace Relations Act; and

Notes that the Auditor’s Report, and the Branch Accounts and Financial Statements and Operating Report have been presented to this meeting as required by Section 279(6) of the Workplace Relations Act; and

Directs the Branch Secretary to lodge the documentation as required by Section 280(1) of the Workplace Relations Act with the Industrial Registrar within 14 days of this meeting.

CARRIED

Liz Howlett

From: Maiser@cpsuvic.org on behalf of CPSU News Server [news@cpsuvic.org]
Sent: Friday, 3 November 2006 10:08 AM
To: All Staff
Subject: CPSU: OPEN CHANNEL (special edition) - Trade Union Race Day

OPEN CHANNEL (special edition) - Trade Union Race Day

An Information Bulletin for CPSU/SPSF Workplace Contacts
Email Distribution List information at end of Bulletin

** Trade Union Family Race Day **
-- Sunday 12th November 2006 @ Cranbourne Race Course --

The Trade Union Family Race Day aims to bring together trade union officials, delegates and activists across the whole trade union movement as well as the local community of Cranbourne.

The annual event is enjoyed by all who attend the day.

There will be races, a variety of live music bands and of course free food.

There will also be an abundance of activities for the children including a jumping castle, pony rides, mini golf, face painting, chair-o-plane, painting your own plaster shape and free fairy floss.

Hope to see you there this year.

A limited number of FREE tickets are available from your union who is sponsoring a race so contact CPSU Reception on 9639 1822 ASAP.

Otherwise \$10.00 Family or \$5.00 Single, at the course.

How to get there

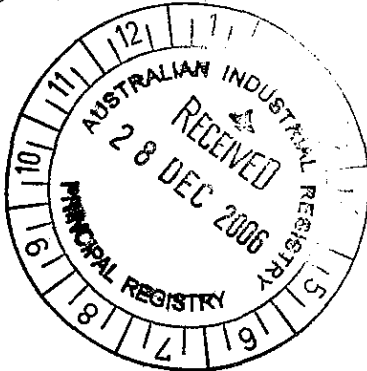
Outbound trains run from Flinders Street at 10.48am, 11.08am, 11.28am, 11.48am, 12.08am - to Cranbourne.

Return trains run from Cranbourne at 4.08, 4.42, 5.22, 6.02, 6.42pm - to Flinders Street.

Click on this link to view/print a flyer; <http://www.vthc.org.au/index.cfm?section=9&Category=9&EventID=128&viewmode=eventDetails>

KAREN BATT
CPSU Victorian Branch Secretary

2 November 2006.



ADDENDUM;

** CPSU Financial Accounts for 12 months to 30 June 2006 **
-- Now Available On Line --

The financial statements and disclosures in the concise financial report have been derived from the 2006 financial report of the CPSU SPSF Group Victorian Branch and a copy of the full financial report and auditors statement can be sent to any member, free of charge, upon request or visit <http://www.cpsuvic.org> to view the summary.

The summary shows the surplus attributable to members for the year to 30 June 2006 is

\$196,871 which is mainly due to revenue growing by 4% with increased membership throughout 2005.

Congrats to all.

=====

CPSU/SPSF Group Victorian Branch
Mailing List Information
-Keeping Members Informed-

The CPSU/SPSF Group Victorian Branch Mailing List sends regular e-mail news updates to members of the CPSU/SPSF Group Victorian Branch.

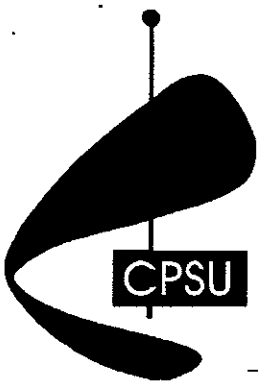
If you wish to be removed from this mailing list, please e-mail to jcleeland@cpsuVIC.org and request to be removed from the CPSU Mailing list.

If you know of a member who is not receiving this information but who would like to, please e-mail their address along with their name and membership number to jcleeland@cpsuVIC.org =====

CPSU SPSF Group Victorian Branch

Address: Level 5, Trades Hall,
54 Victoria St, Carlton South
Postal: PO Box 200
Carlton South Vic 3053
Ph: (03) 9639 1822 or 1800 810 153
Fax: (03) 9662 4591
Email: enquiry@cpsuVIC.org
WWW: <http://www.cpsuVIC.org/>

=====



PUBLIC PERSPECTIVE

A Publication of the Community & Public Sector Union / Victorian Branch

www.cpsuvic.org

United Effort Brings Success

Undervalued. Underpaid. They're not sentiments that any worker wants.

Yet for the Customer Service Officers (CSOs) at Museum Victoria, these are the thoughts that they held for years; sentiments they carried with them while they went about their duties. These duties, upheld the highest standards of courteous and professional conduct, and arming our community – especially our children – with invaluable knowledge about our heritage.

For CSOs Trevor Newman, Will Patten and Ken McLeod, being appropriately classified and remunerated meant much more – it was a matter of professional integrity.

Their effort formally kicked off in April 2005, but really started back in 2004 when the new VPS classification system came into play and the Museum shifted across. It was then that momentum started building across the three campuses.

"On good advice from the union we decided to go ahead with pushing for a Work Classification Review. We'd wanted to do it for ages because we'd felt undervalued and unappreciated by Museum Victoria, particularly when compared to how other organisations treated employees more favourably," says Trevor.

Working with Team Leader Anthony McAleer on the notification of intention, Trevor says he realised that a united, group-driven effort could be needed to present the most forceful case.

As Ken recalls, "We discussed the fact that people who take the system on, purely on their own, rarely get anywhere. The collective approach is always the best."

"We undertook a course run by CPSU which was tremendously helpful," says Trevor.

"CPSU had recently had success with a Work Value Review at VicPol, so industrial staff were excellent in giving us as much information as possible about how we were to describe our roles, and provided valuable guidance about the process. It demonstrated the effectiveness of working together as a group, not just individually."

All the training and well-thought-out preparation, however, certainly didn't mean that the task was easy.



Trevor Newman, Will Patten and Ken McLeod – Customer Service Officers at Museum Victoria.

"The day we submitted our notification of intention was pretty much out of a sitcom", Trevor recalls with good humour.

"There were 40 applications to put together, 70 pages each, and we were burning out photocopiers and printers all over the place. Anthony and I finally piled them all together on a trolley to take up to HR with only five minutes left before the cut-off. It was magic to see the look on the HR Manager's face!"

While the application was initially rejected, the membership group, not dissuaded, got together and decided to appeal. It was an 18 month wait for the appeal hearing, but the closer the date approached, something strange started to happen.

"It seemed as though fate was coming together to divide the team," says Trevor.

"You wouldn't believe it, but the week before the panel was due to convene, I got called up for jury duty. HR also tried to prevent Anthony from appearing, because he was a Team Leader and not a CSO."

"The tri-partite panel met in September. As things turned out, Anthony persisted and presented his case anyway. And thankfully, Will was able to step in for me and did a tremendous job, as well as Ken."

While it was supposed to be an hour long hearing, it ended up going for three and a half, Trevor says, which enabled the team to present its case in detail. The effort is even more the admirable for the fact that Ken and Will work part-time for the Museum.

"Meanwhile, I ended up spending four weeks in the Supreme Court and having no part to play in what I'd spent so much time in preparing!" Trevor laughs.

According to the group, how the news was delivered was very unusual, and "The Manager

of Customer Service and HR gathered us together out the front of the Museum, and began talking to the group in a sombre, serious manner," Trevor says.

"They then made passing mention of the change in our classification, and we almost missed it! After a short time, I realised the significance of what had just happened. I got up and said, "Guys! We're successful! We got this!" The whole group just erupted with cheering. There was so much cheering that the HR Manager struggled to finish."

"It was such a proud moment for us, as it was a solely member-driven effort."

"We knew we stood a good chance of success as we were well organised and we'd rallied all the campuses together," says Trevor.

While the transfer will have taken effect in November for non-member staff, CPSU members will be back paid to April 2005, meaning that they stand to benefit quite substantially for being part of their union.

"We're still waiting on the final figures to come through about how much back-pay is owed, we do know that it'll be significant. A lot of it will depend on individual circumstance, but full-time staff back pay to April 2005 could get up to \$60,000."

"Some of us will use it towards our mortgages or other commitments, but it's also a big help leading into Christmas and the holidays," he says.

"In fact, one of my colleagues had already booked a trip overseas. Now he has decided he'll use it to upgrade his accommodation."

But more important than money, however, is that Trevor, Ken and Will see the win as a big help towards another goal – which is shifting an attitudinal and generational divide among Museum employees.

Continued Page 2



Public Perspective is a publication of the CPSU (Victorian Branch), authorised by Karen Batt, CPSU Victorian Branch Secretary. Level 5, Rear Building, Victorian Trades Hall, 54 Victoria St, Carlton South 3053 Postal Address: PO Box 200, Carlton Sth 3053 Ph: 03 9639 1822 or 1800 810 153 toll free Fax: 03 9662 4591 Website: www.cpsuvic.org Email: enquiry@cpsuvic.org



Fill the "G"

CPSU Members Made History

It is an undeniable fact that millions of Australians have lost their rights at work under the new industrial relations laws. It is undeniable that many people have already been affected. And it is undeniable that the longer these laws are in place, that more people will be directly affected.

The IR laws are taking away important rights and have set us on the path to a United States style inequality and disadvantage. That is what we are fighting against. But equally important is what we are fighting for, and how all unionists can help to achieve our goal.

Our goal is not just to repeal these unfair industrial relations laws, but to replace them with decent rights for working people. A decent safety net of minimum pay and employment conditions. A right for people to collectively bargain. These are some of the rights the labour movement is fighting for.

We are fighting for them because of our values

and beliefs. We believe that working people should be treated with respect and with dignity. We believe in fairness and justice throughout our society. We believe in democratic principle and human rights. Decent societies do not leave people behind, they reach out and lend a hand where it is needed and these values are the foundation of our campaign.

Just recently the High Court of Australia confirmed that John Howard's new work laws apply to the overwhelming majority of the Australian workforce - millions of people have lost their rights. Let's be very clear about the real implication of the High Court decision.

It has confirmed that the only way to get rid of these industrial relations laws is to vote against the Government. John Howard is not prepared to repeal the laws, so we must elect a Government that will. And this can be achieved.

**Your Rights at Work . . .
Worth Voting For.**



Greg Combet, ACTU Secretary



AWA NO WAY

The Government's own workplace agency (the OEA) has admitted that two thirds (63%) of AWA's registered under the new laws scrap penalty rates, a third cut overtime pay, half get rid of shift allowances and another third do away with public holiday payments.

This was confirmed by a study of 793 Victorian businesses released by the Bracks Government showing individual employment arrangements are less likely than collective or union agreements to provide overtime, weekend penalties and annual leave loadings.

The research confirmed that small businesses were most likely to reduce entitlements.

The preliminary report confirmed this year's OEA data on AWA cuts to award conditions.

The new report also found that workplaces on individual arrangements were more likely to provide annualised salaries and performance-based pay.

The findings are bad news for small business employees who have also lost unfair dismissal rights as a result of Work Choices.

At the same time as workers are facing a fall in the value of their take-home pay, the cost of living is up with interest rates rising three times this year.

No wonder working families are struggling to make ends meet," said ACTU Secretary Greg Combet.

CPSU Rallies **Bendigo** with a recruitment and workplace visits blitz also hosting major training, superannuation and rights at work functions.

Parks Victoria begins examining its payments of the remote living allowances after finding that there are inconsistencies in the way that payments are being applied.

The first **salary increase** resulting from our Victorian Public Service Agreement 2006 falls due amounting to hundreds of extra dollars for employees in addition to progression payments under the new Career Structure(s).

The long running dispute about the application of our Victorian Public Service Agreement 2006 and the engagement of **casual prison officers** is settled with the signing of an historic Agreement [MOU] between DoJ/CV and CPSU.



New State legislation grants jurisdiction to the Public Sector Standards Commissioner (PSSC) to hear claims of **terminations that are harsh, unjust or unreasonable** for public sector employees where their Employer has 100 or less employees filling the gap created by the Federal Government's new work laws or 'Work Choices'.

Major **fires** in Victoria at the beginning of the year and now an early start to this fire season make 2006 a significant fire year with wild fires across the state and several USA deployments so far.



NOVEMBER:

The Trade Union Family Race Day is held again bringing together officials, delegates and activists across the whole trade union movement as well as the local community of Cranbourne and CPSU members provide a major race sponsorship.

Enterprise Bargaining talks stall with **GSL at Port Phillip Prison** and the AIRC orders a ballot for protected industrial action. This becomes the first application of this type made by CPSU and only the fourth application made Australia wide since the Federal Government's new work laws came into effect. The ballot delivers overwhelming support for action in pursuit of fair pay and condition outcomes and not surprisingly a settlement is endorsed in principle by members shortly after.

ACER members host a workplace BBQ and discuss Enterprise Agreement negotiations with some matters still not quite resolved, but by and large considerable progress has been made, except for the major stumbling block being the amount of salary increase that would be part of the next Agreement.

Officers and delegates meet with senior officers from **Parliamentary Services** to discuss arrangements applying to **electorate staff** facing redundancy on 25 November.

The **Liberals** confirm on Melbourne radio that if they win Government they will 'wind back the bureaucracy' by up to 3,000 jobs to pay for their election promises drawing CPSU into the general election campaign and **radio advertisements** are commissioned supporting members' jobs.

CPSU members make history and turn out en masse at the **national community protest** against the Federal Government's work laws with its focus on a historic rally at the **MCG** that involves union & community leaders, comedians Corinne Grant and Dave Hughes and singers Jimmy Barnes and Casey Donovan.

DECEMBER:

An order to supply blinds has finally been placed for **SX** staff struggling with sun glare but the manufacturer struggles to source enough material

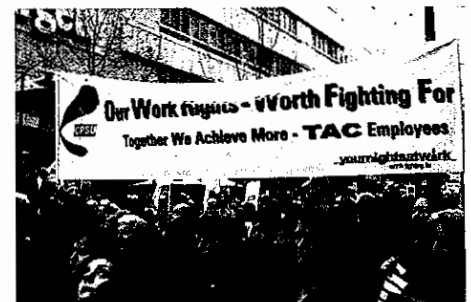
and the blinds will be installed progressively over 4 months but immediately for the Ministers.

Work on the development of a new **Code of Conduct** for public sector employees commences with the proposed approach being to issue a general code, expressed as aspirational behaviours, rather than a rules based prescriptive code.

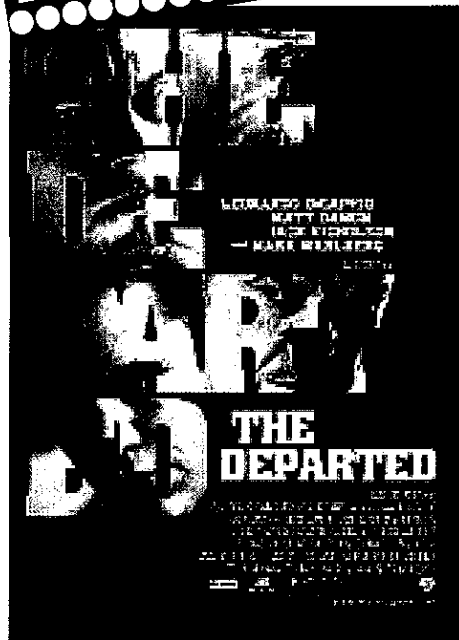


VITAL STATS:

- 1299 new members were recruited this year.
- A net growth of 4,958 members since 1 January 2000.
- 18 Enterprise Bargaining Agreements were negotiated for members this year.
- 544 applications for representation from members were received this year.
- 188 implementation of change advice letters were received from agencies this year.



FILM REVIEW



Based on a popular Hong Kong crime thriller (*Infernal Affairs*), the latest offering from director Martin Scorsese is one of the most riveting, suspense-filled films of 2006.

Unusual for this kind of genre, but a brilliantly executed idea is that *The Departed* is set in Boston (not New York) where the state police force is waging war on organised crime. It forms the setting for the intertwining stories and struggles of two young men, both from the rough south side of town, graduate from police training to join the State Troopers – the elite police force.

Young undercover cop Billy Costigan (Leonardo DiCaprio) has studied hard to shake off the criminal connections of his Boston-Irish family and is assigned to infiltrate the mob syndicate run by Irish Mafia chief Frank Costello (Jack Nicholson). While Billy is quickly gaining Costello's confidence, Colin Sullivan (Matt Damon), a hardened young criminal having been broken into the ways of the mob by Costello since childhood days, has infiltrated the police department.

Neither Sullivan nor Costigan know each other; that both sides eventually suspect their operations have been infiltrated setting up a great premise - rat versus rat.

For Costigan and Sullivan, the Mafia is a simultaneously alluring and repulsive

pathway out of poverty. In their environment, where social and economic opportunities are so few, moral action is simply a luxury the young men can't afford.

The battle between good and bad is reduced to that of a simple battle between life and death, and it's played out in violent and unrelenting candour. Those of sensitive disposition be warned: you'll be left in no doubt that the choice for them is clear – be a killer, or get killed. It's all summed up by Costello when he sneers, "I don't want to be a product of my environment – I want my environment to be a product of me."

Jack Nicholson, at his evil-doer best, gives a powerhouse performance and very much the driving force of the gritty reality of the film. He's brilliant as the Devil who is the pervasive, destructive force in the live of both young men.

Boston, with its strong Irish Catholic heritage, also helps reinforce the struggle of characters making choices between good and bad. The racial and social tensions that are a legacy of the Irish-American experience lend the characters an authenticity, and a familiarity, as they strive to rise above the working-class struggle.

For those who miss the film while it's still on our screens, the DVD will be released March 2007.



Union Deals Deliver More Pay

Union agreements performed "significantly better" than non-union agreements under Work Choices, according to the latest Workplace Research Centre ADAM report. Union agreements achieved a 4% annualised wage increase compared to 3.1% for non-union agreements across the study period.

A noticeable decline in annualised wage increases was found in non-union agreements compared with previous quarters (3.9% in March 2006 and 3.5% in Dec 2005).

From the total sample of 211 agreements 68% provided for a quantifiable wage increase, giving an average annualised wage increase of 3.9%. This represented no change from the March quarter of 3.9%, but was down from the peak rates of 4.3% and 4.4% in the Dec and Sept quarters of 2005.

At the same time, the Government's own workplace agency (the OEA) has admitted that two thirds (63%) of AWAs registered under the new laws scrap penalty rates, a third cut overtime pay, half get rid of shift allowances and another third do away with public holiday payments.

1300 4 UNION

ACTU's One-Stop Service to Join a Union

The new federal work laws have seen Australian workers turn to unions in unprecedented numbers.

Last year the ABS reported a 4% growth in union membership, an increase of 70,000 new members.

Unions Australia makes it easy to find the union that's right for you.

Launching the new service ACTU President Sharan Burrow said that it will help increase union membership and widen public opposition to the new work laws.

"ABS statistics show that union members earn on average \$118 a week more than non-union employees," she said.

"Union membership can give you better wages, better conditions and protection against unfair treatment at work. It also gives greater awareness of health and safety issues and a range of membership benefits - from cheap home loans to discount consumer goods. But just as importantly, by joining a union you can help get better workplace laws."

"A recent national survey revealed that of those people not currently union members, almost half (46%) said they were more likely to join a union because of the Federal Government's IR laws," said Ms Burrow.

All Australian workers have the right to join a union. Please pass the Unions Australia phone number **1300 486 466** onto your friends to let them know about the new, simplified joining procedure.

unions australia



1300 486 466

FR 2006/361
Part 2

COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH
ABN 38 968 067 748

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2006

BGL & ASSOCIATES
Chartered Accountants
Suite One, Ground Floor, 598 St Kilda Road, Melbourne VIC 3004
PO Box 6094 St Kilda Road Central VIC 8008
Tel: (03) 9525 2511 Fax: (03) 9525 2829
Email: bgl@bglassociates.com.au

TABLE OF CONTENTS

Operating Report 1

Financial Report

 Income Statement 3

 Balance Sheet 4

 Statement of Changes in Equity 5

 Cash Flow Statement 6

 Notes to the Financial Statements 7 - 22

Committee of Management Statement 23

Independent Audit Report 24

OPERATING REPORT

Your Branch Council present their report on the union for the financial year ended 30 June 2006.

Members of Branch Council

The names of the members of Branch Council in office at any time during or since the end of the financial year are:

Branch Executive

Karen Batt	Jim Walton
Kelvin Goodall	Judy Mead
Peter Lilywhite	

Branch Councillor

Michael Tiliacos	Pierre Rispoli
Chris Naqvi	Christine Hughes
Mary Roose	Deidre Cartile
Mary Sullivan	Rosalia Bruzzese
Jeremy Barnes (resigned on 7 July 2006)	Andrew Liston
Richard Wadsworth	Pushi Brown
Cheryl Douglas	Roy Burns
Alice Tudehope (resigned in December 2005)	Ron Dean
Elizabeth Free	Gavan Cook
Catherine Davies	Alan Gee
Helen Fatouros	Lydia Spicer
Michael Donohoe	David Nugara
Christine Mitchell	Alan Woodroffe
Ian Goulden (resigned in February 2006)	Rod Spence
Bill Lyons	Mark Nestor
Steve Walsh	Peter Kershaw
Susan Taylor	Jenny Leishman
Paul Coglan	Ronald Kennelly
Ian Thomas	

The members of Branch Council have been in office since the start of the financial year to the date of this report unless otherwise stated.

Operating Results

The surplus of the union for the financial year amounted to \$196,871 (2005: \$429,282).

Review of Operations

A review of the operations of the union during the financial year and the results of those operations found that during the year, the union continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

Significant Changes in State of Affairs

No significant changes in the state of affairs of the union occurred during the financial year.

OPERATING REPORT (continued)

Principal Activity

The principal activity of the union during the financial year was promoting union activities within the Victorian state public services sector.

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

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the union, the results of those operations, or the state of affairs of the union in future financial years.

Union details

The union has 51 (2005: 43) employees at 30 June 2006

At 30 June 2006, the total number of financial members, inclusive of the Retired Officers Division was 13,512 (2005: 13,397).

Right of members to 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.

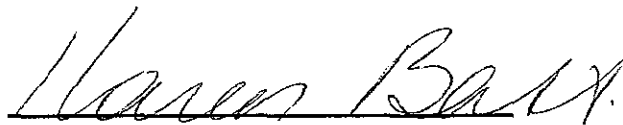
Directorships of Superannuation Fund

To the best of our knowledge and belief, no officer of the organisation, by virtue of their office of the Community And Public Sector Union SPSF Group Victorian Branch is:

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

Signed in accordance with a resolution of the Branch Council:

Designated Officer


Karen Batt

Dated this 27th OCT 2006

COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH
ABN 38 968 067 748

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006

	Notes	2006 \$	2005 \$
Revenue	4	<u>4,973,357</u>	<u>4,760,293</u>
Employee benefits and related expenses	5	(3,401,490)	(2,998,552)
Office operation and maintenance		(219,098)	(225,327)
Motor vehicles expenses		(69,947)	(58,533)
Communication		(176,338)	(155,599)
Professional fees		(82,891)	(80,667)
Library		(9,619)	(5,663)
Meetings		(84,373)	(77,852)
Printing and publications		(197,746)	(213,797)
Affiliation and capitation		(274,756)	(250,780)
Computer expenses		(16,977)	(16,840)
Training and campaigns		(65,033)	(64,347)
Other expenses		<u>(178,218)</u>	<u>(183,054)</u>
		<u>(4,776,486)</u>	<u>(4,331,011)</u>
Surplus attributable to the members		<u><u>196,871</u></u>	<u><u>429,282</u></u>

The accompanying notes form part of these financial statements.

COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH
 ABN 38 968 067 748

BALANCE SHEET
 AS AT 30 JUNE 2006

	Notes	2006 \$	2005 \$
ASSETS			
Current Assets			
Cash and cash equivalents	8	968,230	760,841
Trade and other receivables	9	90,561	87,834
Inventories	10	<u>17,350</u>	<u>-</u>
Total current assets		<u>1,076,141</u>	<u>848,675</u>
Non-current assets			
Property, plant and equipment	11	<u>557,687</u>	<u>493,063</u>
Total non-current assets		<u>557,687</u>	<u>493,063</u>
TOTAL ASSETS		<u>1,633,828</u>	<u>1,341,738</u>
LIABILITIES			
Current liabilities			
Trade and other payables	12	463,439	344,189
Short-term borrowings	13	32,138	98,830
Short-term provisions	14	<u>619,987</u>	<u>550,936</u>
Total current liabilities		<u>1,115,564</u>	<u>993,955</u>
Non-current liabilities			
Long-term borrowings	13	14,503	46,641
Long-term provisions	14	<u>51,797</u>	<u>46,049</u>
Total non-current liabilities		<u>66,300</u>	<u>92,690</u>
TOTAL LIABILITIES		<u>1,181,864</u>	<u>1,086,645</u>
NET ASSETS		<u>451,964</u>	<u>255,093</u>
EQUITY			
Members' Fund			
Accumulated surplus		<u>451,964</u>	<u>255,093</u>
TOTAL EQUITY		<u>451,964</u>	<u>255,093</u>

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2006

	Notes	2006 \$	2005 \$
Balance at the beginning of the financial year		<u>255,093</u>	<u>(174,189)</u>
Surplus for the year		196,871	429,282
Changes in reserve		<u>-</u>	<u>-</u>
Total recognised income and expenses for the year		<u>196,871</u>	<u>429,282</u>
Balance at the end of the financial year		<u>451,964</u>	<u>255,093</u>

The accompanying notes form part of these financial statements.

**COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH
ABN 38 968 067 748**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

	Notes	2006 \$	2005 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members		5,208,257	5,030,123
Sundry receipts		143,444	274,578
Grant received		82,500	25,000
Payments related to grant		-	(29,026)
Payments to suppliers and employees		(4,829,991)	(4,567,109)
Payments to Federal Office		(187,168)	(182,376)
Interest received		40,738	20,808
Receipts from the Federal Office		-	30,004
Net cash inflows from operating activities	16(a)	<u>457,780</u>	<u>602,002</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		23,680	-
Payment for property, plant and equipment		<u>(175,241)</u>	<u>(118,541)</u>
Net cash outflows from investing activities		<u>(151,561)</u>	<u>(118,541)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from bank loan		-	43,000
Repayment of borrowings		(24,087)	(74,534)
Repayment of hire purchase liability		<u>(74,743)</u>	<u>-</u>
Net cash outflows from financing activities		<u>(98,830)</u>	<u>(31,534)</u>
Net increase in cash and cash equivalents held		207,389	451,927
Cash and cash equivalents at beginning of financial year		<u>760,841</u>	<u>308,914</u>
Cash and cash equivalents at end of financial year	8	<u>968,230</u>	<u>760,841</u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 1: ENTITY INFORMATION

The financial report of Community And Public Sector Union SPSF Group Victorian Branch for the year ended 30 June 2006 was authorised for the issue in accordance with the resolution of Branch Council on 18th October 2006.

Community And Public Sector Union SPSF Group Victorian Branch is a registered trade union under the Workplace Relations Act 1996. The purpose of the entity is to protect and improve conditions and entitlements for members within Victorian public state service sector.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basic of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

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.

Application of AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards

These financial statements are the entity's first financial statements to be prepared in accordance with AIFRSs. AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards has been applied in preparing these financial statements.

Financial statements of the entity until 30 June 2005 had been prepared in accordance with previous Australian Generally Accepted Accounting Principles (AGAAP). AGAAP differs in certain respects from AIFRS. When preparing the entity's financial statements, management has amended certain accounting and valuation methods applied in the AGAAP financial statements to comply with AIFRS. With the exception of financial instruments, the comparative figures in respect of 2005 were restated to reflect these adjustments. The entity has taken the exemption available under AASB 1 to only apply AASB 132 and AASB 139 from 1 July 2005.

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 in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the entity's accounting policies. In preparing the financial statements, no such estimates were made.

(b) Statement of Compliance

The financial report complies with Australian Accounting Standards, which include AIFRS. A Statement of compliance with International Financial Reporting Standards cannot be made due to the entity applying the not for profit sector requirements contained in AIFRS.

(c) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Section 50-5 of the Income Tax Assessment Act 1997.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Inventories

Inventory held for distribution

Brochures, promotion materials and other like items published for distribution to members free of charge are held as inventory held for distribution as the lower of cost and net replacement cost. Carrying amount is expensed in the period of distribution.

(e) Property, Plant and Equipment

All classes of assets are stated at cost less any accumulated depreciation and impairment.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated over their estimated useful lives to the entity commencing from the time the asset is held ready for use.

Impairment

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If such an indication exists and where carrying values exceed the recoverable amount, the asset is written down to the recoverable amount. Recoverable amount is the greater of fair value less costs to sell and value in use.

As a not for profit entity whose future economic benefits of an asset (or class of asset) are not primarily dependent on the assets ability to generate cash flows and it would be replaced if the union was deprived of it, value in use is the depreciated replacement cost.

The depreciation rates and useful lives used for each class of depreciable assets are:

Class of fixed asset	Depreciation rates/useful lives	Depreciation basis
Motor Vehicles	18.75 %	Diminishing Value
Office Equipment	7.5 - 50 %	Diminishing Value
Furniture Fixtures and Fittings	7.5 - 15 %	Diminishing Value
Computer Equipment	37.5 - 50 %	Diminishing Value

(f) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the entity are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Employee Benefits

Wages and salaries, annual leave and sick leave

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

Long Service Leave

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

(h) Cash and Cash Equivalents

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 values, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(i) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and that it can be reliably measured. Revenue is recognised for the major operating activities as follows:

Member Subscriptions

Membership fees are recognised only when received rather on an accrual basis due to uncertainty of receipts from members

Interest

Interest revenue is recognised as interest accrues, taking into account the yield on the financial assets.

Grants

Revenue is recognised when control of the contribution or right to receive the contribution is received.

Other revenue

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

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

Cash flows are included in the Cash Flow Statement on a gross basis and GST components of cash flows arising from investing and financing activities, which is recoverable from, or payable to the ATO as classified as operating cash flows. Commitments and contingencies are disclosed inclusive of GST.

(k) Comparative Figures

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

(l) Trade and other payables

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

NOTE 3: INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act 1996 the attention of members is drawn to the provisions of subsection (1), (2) and (3) of sections 272, which read as follows:

- (1) a member of a reporting unit, or a Registrar, 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).

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2006

NOTE 4: REVENUE

	2006 \$	2005 \$
From continuing activities		
- members subscription	4,809,779	4,583,277
- printing revenue	1,332	1,459
- interest	40,738	20,808
- income from Federal Office	-	15,830
- VWA grant	75,000	-
- legal fees reimbursement	-	129,918
- training	39,945	8,407
- other revenue	6,563	594
	<u>4,973,357</u>	<u>4,760,293</u>
 (a) Interest from:		
- other persons	40,738	20,808

NOTE 5: EMPLOYEE BENEFITS & RELATED EXPENSES

	2006 \$	2005 \$
Gross Salaries - staff	2,486,616	2,227,847
Gross Salaries - elected officers	173,200	149,365
Salaries packaging	81,538	103,267
Superannuation - staff	295,857	265,001
Superannuation - elected officers	28,055	27,623
Annual leave provision - staff	(25,829)	(13,436)
Annual leave provision - elected officers	9,400	(19,870)
Long service leave provision - staff	72,835	(45,582)
Long service leave provision - elected officers	15,123	45,401
RDO Accrual - staff	1,986	1,027
RDO Accrual - elected officers	(43)	132
Payroll Tax	158,946	144,289
WorkCover Premiums	44,968	44,253
Casuals & Temporaries	3,159	2,279
Staff Training	13,868	10,472
Staff Appointment	6,391	13,057
Other staff expenses	-	1,500
AMP Surplus	-	14,128
Industrial Officer	35,420	27,799
	<u>3,401,490</u>	<u>2,998,552</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2006

NOTE 6: SURPLUS FOR THE YEAR

	2006 \$	2005 \$
Surplus for the year includes the following specific expenses		
(a) Expenses		
Finance costs - external parties	905	1,916
Depreciation of non-current assets		
- Motor vehicles	31,971	32,579
- Other capital assets	<u>24,524</u>	<u>20,630</u>
Total Depreciation	<u>56,495</u>	<u>53,209</u>
Amortisation of non-current assets		
- leasehold improvements	22,864	27,164
Rental expense on operating leases	117,263	115,603
Net loss on disposal of non-current assets		
- Property, plant and equipment	7,578	14,934
Donation	5,190	5,756
Legal fee	69,356	66,555

NOTE 7: AUDITORS' REMUNERATION

	2006 \$	2005 \$
Remuneration for auditor for:		
- audit of financial report	9,250	9,100
- audit of membership numbers	<u>935</u>	<u>-</u>
	<u>10,185</u>	<u>9,100</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2006

NOTE 8: CASH AND CASH EQUIVALENTS

	2006 \$	2005 \$
Cash on hand	3,063	3,063
Cash at banks	757,038	757,778
Term Deposit	<u>208,129</u>	-
	<u>968,230</u>	<u>760,841</u>

(a) Cash on hand - these are non-interest bearing

(b) Cash at banks - these are bearing floating interest rates between 0% and 5.4% (2005: 0% and 4.6%). These deposits are on call deposits.

(c) Term deposits - these bear fixed interest rates at 6%.

(d) The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the cash flow statement

NOTE 9: TRADE AND OTHER RECEIVABLES

	2006 \$	2005 \$
CURRENT		
Other debtors	10,691	8,350
Net GST	20,050	16,315
Prepayments	39,424	42,978
Amounts receivable from:		
- affiliated branches and funds	<u>20,396</u>	<u>20,191</u>
	<u>90,561</u>	<u>87,834</u>

NOTE 10: INVENTORIES

	2006 \$	2005 \$
CURRENT		
Inventories held for distribution	<u>17,350</u>	-

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2006

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

	2006	2005
	\$	\$
LEASEHOLD IMPROVEMENTS		
At cost	463,656	416,614
Less accumulated amortisation	<u>(210,130)</u>	<u>(187,266)</u>
	<u>253,526</u>	<u>229,348</u>
PLANT AND EQUIPMENT		
(a) Motor vehicles		
Under lease	251,960	219,842
Less accumulated depreciation	<u>(72,069)</u>	<u>(68,105)</u>
	<u>179,891</u>	<u>151,737</u>
(b) Office equipment		
At cost	60,300	46,322
Less accumulated depreciation	<u>(9,457)</u>	<u>(6,164)</u>
	<u>50,843</u>	<u>40,158</u>
(c) Computer equipment		
At cost	99,931	96,598
Less accumulated depreciation	<u>(71,077)</u>	<u>(71,272)</u>
	<u>28,854</u>	<u>25,326</u>
(d) Furniture, fixtures and fittings		
At cost	73,264	70,130
Less accumulated depreciation	<u>(28,691)</u>	<u>(23,636)</u>
	<u>44,573</u>	<u>46,494</u>
Total plant and equipment	<u>304,161</u>	<u>263,715</u>
Total property, plant and equipment	<u>557,687</u>	<u>493,063</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2006

NOTE 11: PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) 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 current financial year

	Leasehold improvements	Motor vehicles	Office equipment	Furniture, fixtures & fittings
	\$	\$	\$	\$
2005				
Balance at the beginning of the year	197,540	149,908	25,917	40,759
Additions	58,972	34,408	33,175	12,135
Disposals	-	-	(13,972)	(633)
Depreciation expense	<u>(27,164)</u>	<u>(32,579)</u>	<u>(4,962)</u>	<u>(5,767)</u>
Carrying amount at end of year	<u>229,348</u>	<u>151,737</u>	<u>40,158</u>	<u>46,494</u>

	Computer equipment	Total
	\$	\$
2005		
Balance at the beginning of the year	21,297	435,421
Additions	14,259	152,949
Disposals	(329)	(14,934)
Depreciation expense	<u>(9,901)</u>	<u>(80,373)</u>
Carrying amount at end of year	<u>25,326</u>	<u>493,063</u>

	Leasehold improvements	Motor vehicles	Office equipment	Furniture, fixtures & fittings
	\$	\$	\$	\$
2006				
Balance at the beginning of the year	229,348	151,737	40,158	46,494
Additions	47,042	87,332	18,195	4,019
Disposals	-	(27,207)	(2,455)	(131)
Depreciation expense	<u>(22,864)</u>	<u>(31,971)</u>	<u>(5,055)</u>	<u>(5,809)</u>
Carrying amount at end of year	<u>253,526</u>	<u>179,891</u>	<u>50,843</u>	<u>44,573</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2006

NOTE 11: PROPERTY, PLANT AND EQUIPMENT (Continued)

	Computer equipment	Total
	\$	\$
2006		
Balance at the beginning of the year	25,326	493,063
Additions	18,653	175,241
Disposals	(1,465)	(31,258)
Depreciation expense	<u>(13,660)</u>	<u>(79,359)</u>
Carrying amount at end of year	<u>28,854</u>	<u>557,687</u>

NOTE 12: TRADE AND OTHER PAYABLES

	2006 \$	2005 \$
CURRENT		
Trade creditors	402,982	290,226
Legal fee payable	15,147	4,600
Amounts payable to:		
- affiliated branches and funds	41,084	40,879
Sundry creditors and accruals	<u>4,226</u>	<u>8,484</u>
	<u>463,439</u>	<u>344,189</u>

NOTE 13: BORROWINGS

		2006 \$	2005 \$
CURRENT			
Bank loan - unsecured		-	24,087
Hire purchase liability	15	<u>32,138</u>	<u>74,743</u>
		<u>32,138</u>	<u>98,830</u>
NON-CURRENT			
Hire purchase liability	15	<u>14,503</u>	<u>46,641</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2006

NOTE 14: PROVISIONS

		2006 \$	2005 \$
CURRENT			
Employee benefits - staff	14(a)	475,519	430,948
Employee benefits - officers	14(a)	<u>144,468</u>	<u>119,988</u>
		<u>619,987</u>	<u>550,936</u>
NON-CURRENT			
Employee benefits - staff	14(a)	<u>51,797</u>	<u>46,049</u>
(a) Aggregate employee benefits liability		<u>671,784</u>	<u>596,985</u>

NOTE 15: CAPITAL AND LEASING COMMITMENTS

		2006 \$	2005 \$
(a) Hire purchase commitments			
Payable			
- not later than one year		35,191	83,620
- later than one year and not later than five years		<u>15,043</u>	<u>50,234</u>
Minimum hire purchase payments		50,234	133,854
Less future finance charges		<u>(3,593)</u>	<u>(12,470)</u>
Total hire purchase liability		<u>46,641</u>	<u>121,384</u>
Represented by:			
Current liability	13	32,138	74,743
Non-current liability	13	<u>14,503</u>	<u>46,641</u>
		<u>46,641</u>	<u>121,384</u>

General description of hire purchase arrangements:

The arrangements are related to acquisition of motor vehicles

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2006

NOTE 15: CAPITAL AND LEASING COMMITMENTS (Continued)

	2006 \$	2005 \$
(b) Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable		
- not later than one year	307,138	318,425
- later than one year and not later than five years	<u>411,364</u>	<u>718,502</u>
	<u>718,502</u>	<u>1,036,927</u>
General description of leasing arrangement:		
The leases are related to the rental of office equipment and premises		

NOTE 16: CASH FLOW INFORMATION

	2006 \$	2005 \$
(a) Reconciliation of cash flow from operations with surplus for the year		
Surplus for the year	196,871	429,282
Non-cash flows in surplus for the year		
Amortisation	22,864	27,164
Depreciation	56,495	53,209
Net (gain) / loss on disposal of property, plant and equipment	7,578	14,933
Changes in assets and liabilities		
(Increase)/decrease in receivables	(2,727)	125,143
Increase in inventories	(17,350)	-
Decrease in grants received in advance	-	(4,026)
Increase/(decrease) in payables	119,250	(12,758)
Increase/(decrease) in provisions	<u>74,799</u>	<u>(30,945)</u>
Cash flows from operations	<u>457,780</u>	<u>602,002</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2006

NOTE 17: FINANCIAL INSTRUMENTS

(a) 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 financial instruments of the entity consist mainly of deposits with banks, accounts receivable and payable. The branch committee of management meets on a regular basis to analyse interest rate exposure and to evaluate strategies in the context of the most recent economic conditions and forecasts.

Market Risk

Market risk for the entity is mainly a price risk. Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The entity is not exposed to commodity price risk.

Credit Risk

The maximum exposure to credit risk at balance date to recognised financial assets is the carrying amount of those assets as disclosed in the balance sheet and notes to the financial statements. The entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the entity.

Liquidity Risk

The entity manages liquidity risk by monitoring forecast cash flows to ensure that there is sufficient cash and marketable securities available.

(b) Interest Rate Risk

The entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates by maturity period, is as follows:

	Fixed Interest Rate Maturing				Floating Interest Rate		Non Interest Bearing		Total	
	Within 1 Year		1 to 5 Years		2006	2005	2006	2005	2006	2005
	2006	2005	2006	2005						
Financial Assets:	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash and cash equivalents	-	-	208,129	-	757,038	757,778	3,063	3,063	968,230	760,841
Trade and other receivables	-	-	-	-	-	-	51,138	44,856	51,138	44,856
Total Financial Assets	-	-	208,129	-	757,038	757,778	54,201	47,919	1,019,368	805,697
Weighted average interest rate %			6.0		1.9	2.2				
Financial Liabilities:										
Bank loans and overdrafts	-	24,087	-	-	-	-	-	-	-	24,087
Trade and other payables	-	-	-	-	-	-	463,439	344,189	463,439	344,189
Hire purchase liabilities	32,138	74,743	14,503	46,641	-	-	-	-	46,641	121,384
Total Financial Liabilities	32,138	98,830	14,503	46,641	-	-	463,439	344,189	510,080	489,660
Weighted average interest rate %	9.7	9.0	9.7	9.7						

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 17: FINANCIAL INSTRUMENTS (Continued)

(c) Net Fair Values

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair value.

NOTE 18: UNION DETAILS

The principal place of operation of the union is:
Community And Public Sector Union SPSF Group Victorian Branch
Level 5, New Building, Trades Hall
Carlton South VIC 3053

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2006

NOTE 19: NEW AUSTRALIAN ACCOUNTING STANDARDS

The following Australian Accounting Standards issued or amended which may be applicable but are not yet effective and have not been adopted in the preparation of the financial statements at the reporting date.

AASB Standard Affected	Nature of Change in Accounting Policy and Impact	Application Date of the Standard
AASB 119: Employee Benefits: Accounting for actuarial gains and losses and group plans	No change, no impact	1 January 2006
AASB 2005-1: Amendments to Australian Accounting Standard[AASB 139] Cash flow hedge accounting of forecast intra-group transactions	No change, no impact	1 January 2006
AASB 2005-4: Amendments to Australian Accounting Standard[AASB 139, AASB 132, AASB1, AASB 1023 & AASB 1038] Fair value option	No change, no impact	1 January 2006
UIG 4: Determining whether an asset contains a lease	No change, no impact	1 January 2006
UIG 5: Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	No change, no impact	1 January 2006
AASB 2005-6: Amendments to Australian Accounting Standard[AASB 3]: Business combinations involving entities under common control	No change, no impact	1 January 2006
AASB 2005-9: Amendments to Australian Accounting Standard[AASB 4, AASB 1023, AASB 139 & AASB 132]: Financial guarantee contracts	No change, no impact	1 January 2006
AASB 7: Financial instruments: Disclosures	No change, no impact	1 January 2007
AASB 2005-10 Amendments to Australian Accounting Standard[AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]: consequential amendments arising from the issue of AASB 7	No change, no impact	1 January 2007
UIG 6: Liabilities arising from Participating in a specific Market - Waste Electrical and Electronic Equipment	No change, no impact	1 December 2005
AASB 2006-1 Amendments to Australian Accounting Standard[AASB 121]: Clarification regarding monetary items forming part of net investment in a foreign operation	No change, no impact	Financial years ending 31 December 2006
UIG 7: Applying the Restatement Approach under AASB129 Financial Reporting in Hyperinflationary Economies	No change, no impact	1 March 2006
UIG 8: Scope of AASB 2	No change, no impact	1 May 2006
UIG 9: Reassessment of Embedded Derivatives	No change, no impact	1 June 2006

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2006

NOTE 20: FIRST-TIME ADOPTION OF AIFRS

For all the periods up to and including the year ended 30 June 2005, the entity prepared its financial statements in accordance with Australian generally accounting principles (AGAAP). These financial statements for the year ended 30 June 2006 are the first entity is required to prepare in accordance with AIFRS. Accordingly, the entity has prepared financial statements that comply with AIFRS applicable for the reporting period. In complying with AIFRS, the following adjustments have been made:

A. Reconciliation of equity

	Note	Accumulated Surplus \$
At the date of transition to AIFRS: 1 July 2004		
Balance under previous AGAAP		(39,576)
- provisions for employee entitlements	a	<u>(134,613)</u>
Balance under AIFRS		<u>(174,189)</u>
At the end of the last reporting period: 30 June 2005		
Balance under previous AGAAP		369,756
- provision for employee entitlements	a	<u>(114,663)</u>
Balance under AIFRS		<u>255,093</u>

B. Reconciliation of Surplus at 30 June 2005

Surplus under previous AGAAP	\$ 409,332
- provisions for employee entitlements	<u>19,950</u>
Surplus under AIFRS	<u><u>429,282</u></u>

- a. Employee entitlements have been re-stated as required by AASB 119.

C. Cash Flow Statement

There are no material differences between the cash flow statement presented under AIFRS and the cash flow statement presented under previous AGAAP

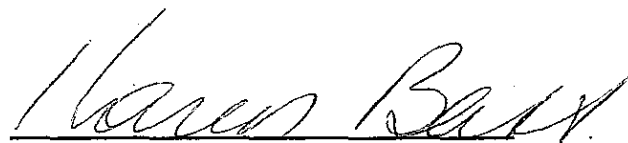
STATEMENT BY COMMITTEE OF MANAGEMENT

I, Karen Batt, being the designated officer of Community And Public Sector Union SPSF Group Victorian Branch state that on behalf of the Committee of Management and in accordance with a resolution passed by the Committee of Management on 18th October 2006 that:

In the opinion of the Committee of Management:

1. the financial statements and notes, as set out on pages 3 to 22 comply with Australian Accounting Standards and other mandatory professional reporting requirements;
2. the financial statements and notes, as set out on pages 3 to 22 comply with the reporting guidelines of the Industrial Registrar;
3. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of Community And Public Sector Union SPSF Group Victorian Branch for the financial year to which they relate;
4. there are reasonable grounds to believe that the union will be able to pay its debts as and when they become due and payable; and
5. during the financial year to which the general purpose financial report relates and since the end of 30 June 2006:
 - 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 Community And Public Sector Union SPSF Group Victorian Branch have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - c. the financial records of Community And Public Sector Union SPSF Group Victorian Branch have been kept and maintained in accordance with the Registration and Accountability of Organisations (RAO) Schedule and the RAO Regulations; and
 - d. where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation ; and
 - e. the information sought in any request of a member of Community And Public Sector Union SPSF Group Victorian Branch or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the members or Registrar; and
 - f. there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

Designated Officer



Karen Batt

Dated this

18th Oct 2006

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH

Scope

The financial report and Committee of Management's responsibility

The financial report comprises the income statement, balance sheet, statement of changes in equity, cash flow statement, accompanying notes to the financial statements and the Statement by Committee of Management for Community And Public Sector Union SPSF Group Victorian Branch, for the year ended 30 June 2006.

The Committee of Management is responsible for the preparation and true and fair presentation of the financial report, in accordance with the Workplace Relations Act 1996. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to form opinion whether, in all material respects, the financial report is presented fairly, in accordance with the Workplace Relations Act 1996 and Accounting Standards in Australia so as to present a view which is consistent with our understanding of the entity's financial position, and of its performance as represented by the results of its operations, its changes in equity and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Branch Executive.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

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

Audit Opinion

In our opinion, the financial report of Community And Public Sector Union SPSF Group Victorian Branch is presents fairly the financial position of Community And Public Sector Union SPSF Group Victorian Branch as at 30 June 2006 and the results of its operations, its changes in equity and cash flows for the financial year then ended, in accordance with any of the following that apply to the entity:

- a) the Australian Accounting Standards; and
- b) the requirements imposed by Part 3 of Chapter 8 of Schedule 1B of the Workplace Relations Act 1996.

BGL & Associates

BGL & Associates
Chartered Accountants
Suite One, Ground Floor
598 St Kilda Road
Melbourne VIC 3004

I Hinds

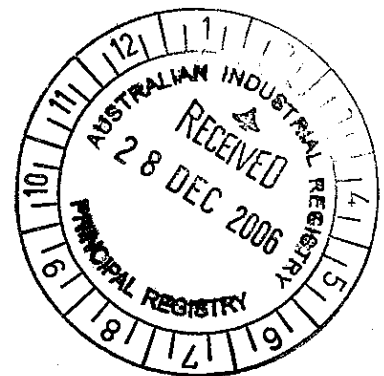
I. A. Hinds - A.C.A.
Partner
Melbourne, 18 October 2006

FR2006/361

Part 3

COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH
ABN 38 968 067 748

CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2006



BGL & ASSOCIATES
Chartered Accountants
Suite One, Ground Floor, 598 St Kilda Road, Melbourne VIC 3004
PO Box 6094 St Kilda Road Central VIC 8008
Tel: (03) 9525 2511 Fax: (03) 9525 2829
Email: bgl@bglassociates.com.au

TABLE OF CONTENTS

Discussion and Analysis of the Financial Statements	1
Operating Report	2
Financial Report	
* Income Statement	4
* Balance Sheet	5
* Statement of Changes in Equity	6
* Cash Flow Statement	7
* Notes to the Financial Statements	8 - 10
Committee of Management Statement	11
Independent Audit Report	11

DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS

Information on Community And Public Sector Union SPSF Group Victorian Branch Concise Financial Report:

The financial statements and disclosures in the concise financial report have been derived from the 2006 financial report of Community And Public Sector Union SPSF Group Victorian Branch.

A copy of the full financial report and auditors report can be sent to any member, free of charge, upon request.

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 Victorian Branch financial statements and the information contained in the concise financial report has been derived from the full 2006 Financial Report of Community And Public Sector Union SPSF Group Victorian Branch.

Income Statement:

The surplus attributable to members for the year is \$196,871 compared to a surplus of \$429,282 in 2005. This surplus is mainly due to revenue by growing 4% since 2005 while expenses have increased by 12% over the same period. The significant increase in expenses was due to the cost of new IR campaigns and legal cases initiated on behalf of members.

Balance Sheet:

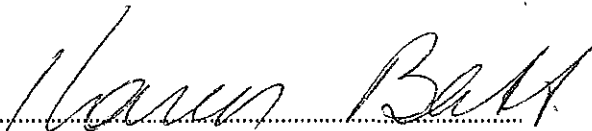
Our balance sheet position continues to remain strong with net asset position improving by 77%. Cash and cash equivalents are higher than 2005 due to positive cash inflows for subscription payments. Total assets increased by \$292,090 or 22% mainly due to an increase in cash on hand and fixed assets while total liabilities increased by \$95,219 or 8% mainly due to increase in provision of leave entitlements and trade creditors. As a consequence members fund increased by \$196,869 from the 2005 year.

Cash Flow Statement:

Our cash flow and liquidity continues to strengthen with the cash position growing by \$207,389 (27%). Cash assets increased from \$760,841 as at 30 June 2005 to \$968,230 as at 30 June 2006.

Cash flows from operations reduced by 24% during the year from a surplus cash of \$602,002 in 2005 to a surplus of cash of \$457,780 in 2006. This reduction was mainly a result of the increase in overall expenses.

Designated Officer



Karen Batt

Dated: 18TH OCT 2006

COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH
ABN 38 968 067 748

OPERATING REPORT

Your Branch Council present the report on the union for the financial year ended 30 June 2006.

Members of Branch Council

The names of the members of the Committee of Management in office at any time during or since the end of the financial year are:

Branch Executive

Karen Batt

Jim Walton

Kelvin Goodall

Judy Mead

Peter Lilywhite

Branch Councillor

Michael Tiliacos

Pierre Rispoli

Chris Naqvi

Christine Hughes

Mary Roose

Deidre Carlile

Mary Sullivan

Rosalia Bruzzese

Jeremy Barnes (resigned on 7 July 2006)

Andrew Liston

Richard Wadsworth

Pushi Brown

Cheryl Douglas

Roy Burns

Alice Tudehope (resigned in December 2005)

Ron Dean

Elizabeth Free

Gavan Cook

Catherine Davies

Alan Gee

Helen Fatouros

Lydia Spicer

Michael Donohoe

David Nugara

Christine Mitchell

Alan Woodroffe

Ian Goulden (resigned in February 2006)

Rod Spence

Bill Lyons

Mark Nestor

Steve Walsh

Peter Kershaw

Susan Taylor

Jenny Leishman

Paul Cogan

Ronald Kennelly

Ian Thomas

The members of the Branch Council have been in office since the start of the financial year to the date of this report unless otherwise stated.

Operating Results

The surplus of the union for the financial year amounted to \$196,871 (2005: \$429,282).

Review of Operations

A review of the operations of the union during the financial year and the results of those operations found that during the year, the entity continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

Significant Changes in State of Affairs

No significant changes in the state of affairs of the entity occurred during the financial year.

COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH
ABN 38 968 067 748

OPERATING REPORT (continued)

Principal Activity

The principal activity of the union during the financial year was promoting union activities within the Victorian state public services sector.

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

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the union, the results of those operations, or the state of affairs of the entity in future financial years.

Union's Details

The union has 51 (2005: 43) employees at 30 June 2006

At 30 June 2006, the total number of financial members, inclusive of the Retired Officers Division was 13,512 (2005: 13,397).

Rights of members to 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.

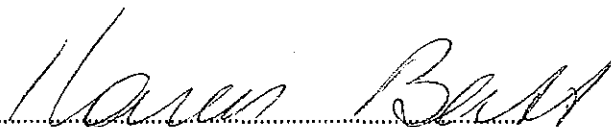
Directorships of Superannuation Fund

To the best of our knowledge and belief, no officer of the organisation, by virtue of their office of the Community And Public Sector Union SPSF Group Victorian Branch is:

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

Signed in accordance with a resolution of the Branch Council:

Designated Officer



Karen Batt

Dated this 15TH Oct 2006

COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH
ABN 38 968 067 748

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006

	Notes	2006 \$	2005 \$
Revenue	4	<u>4,973,357</u>	<u>4,760,293</u>
Employee benefits and related expenses		(3,401,490)	(2,998,552)
Office operation and maintenance		(219,098)	(225,327)
Motor vehicle expenses		(69,947)	(58,533)
Communication		(176,338)	(155,599)
Professional fee		(82,891)	(80,667)
Library		(9,619)	(5,663)
Meetings		(84,373)	(77,852)
Printing and publications		(197,746)	(213,797)
Affiliation and capitation		(274,756)	(250,780)
Computer expenses		(16,977)	(16,840)
Training and campaigns		(65,033)	(64,347)
Other expenses		<u>(178,218)</u>	<u>(183,054)</u>
		<u>(4,776,486)</u>	<u>(4,331,011)</u>
Surplus attributable to members		<u><u>196,871</u></u>	<u><u>429,282</u></u>

The accompanying notes form part of this concise financial report.

COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH
ABN 38 968 067 748

BALANCE SHEET
AS AT 30 JUNE 2006

	2006 \$	2005 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	968,230	760,841
Trade and other receivables	90,561	87,834
Inventories	17,350	-
TOTAL CURRENT ASSETS	<u>1,076,141</u>	<u>848,675</u>
NON-CURRENT ASSETS		
Property, plant and equipment	<u>557,687</u>	<u>493,063</u>
TOTAL NON-CURRENT ASSETS	<u>557,687</u>	<u>493,063</u>
TOTAL ASSETS	<u>1,633,828</u>	<u>1,341,738</u>
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	463,439	344,189
Short-term borrowings	32,138	98,830
Short-term provisions	619,987	550,936
TOTAL CURRENT LIABILITIES	<u>1,115,564</u>	<u>993,955</u>
NON-CURRENT LIABILITIES		
Long-term borrowings	14,503	46,641
Long-term provisions	<u>51,797</u>	<u>46,049</u>
TOTAL NON-CURRENT LIABILITIES	<u>66,300</u>	<u>92,690</u>
TOTAL LIABILITIES	<u>1,181,864</u>	<u>1,086,645</u>
NET ASSETS	<u>451,964</u>	<u>255,093</u>
EQUITY		
Members' Fund		
Accumulated surplus	<u>451,964</u>	<u>255,093</u>
TOTAL EQUITY	<u>451,964</u>	<u>255,093</u>

The accompanying notes form part of this concise financial report.

COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH
ABN 38 968 067 748

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2006

	2006 \$	2005 \$
Balance at the beginning of the financial year	<u>255,093</u>	<u>(174,189)</u>
Surplus for the year	196,871	429,282
Changes in reserve	<u>-</u>	<u>-</u>
Balance at the end of the financial year	<u><u>451,964</u></u>	<u><u>255,093</u></u>

The accompanying notes form part of this concise financial report.

COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH
ABN 38 968 067 748

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006

	2006 \$	2005 \$
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from members	5,208,257	5,030,123
Sundry receipts	143,444	274,578
Grant received	82,500	25,000
Payments related to grant	-	(29,026)
Payments to suppliers and employees	(4,829,991)	(4,567,109)
Payments to the Federal Office	(187,168)	(182,376)
Interest received	40,738	20,808
Receipts from the Federal Office	-	30,004
Net cash inflows from operating activities	<u>457,780</u>	<u>602,002</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	23,680	-
Payment for property, plant and equipment	<u>(175,241)</u>	<u>(118,541)</u>
Net cash outflows from investing activities	<u>(151,561)</u>	<u>(118,541)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from bank loan	-	43,000
Repayment of borrowings	(24,087)	(74,534)
Repayment of hire purchase liability	<u>(74,743)</u>	<u>-</u>
Net cash outflows from financing activities	<u>(98,830)</u>	<u>(31,534)</u>
Net increase in cash and cash equivalents held	207,389	451,927
Cash and cash equivalents at beginning of financial year	<u>760,841</u>	<u>308,914</u>
Cash and cash equivalents at end of financial year	<u>968,230</u>	<u>760,841</u>

The accompanying notes form part of this concise financial report.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 1: BASIC OF PREPARATION OF THE CONCISE FINANCIAL REPORT

The concise financial report has been prepared in accordance with Accounting Standard AASB 1039: Concise Financial Reports and the Workplace Relations Act 1996.

The financial statements, specific disclosures and other information included in the concise financial report are derived from and are consistent with the full report of Community And Public Sector Union SPSF Group Victorian Branch.

The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of Community And Public Sector Union SPSF Group Victorian Branch as the full financial report.

The entity changed its policies on 1 July 2005 to comply with the Australian equivalents to International Financial Reporting Standards ("A-IFRS"). The transition to A-IFRS is accounted for in accordance with Accounting Standard AASB 1: First time Adoption of Australian Equivalents to International Financial Reporting Standards, with 1 July 2004 as the date of transition. An explanation of how the transition from superseded policies to A-IFRS has affected the entity's financial position, financial performance and cash flows is discussed at Note 3.

A full description of the accounting policies adopted by the entity is provided in the 2006 Financial Statements which form part of the full report.

NOTE 2: INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act 1996 the attention of members is drawn to the provisions of subsection (1), (2) and (3) of sections 272, which read as follows:

(1) a member of a reporting unit, or a Registrar, 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).

NOTE 3: TRANSITION TO A-IFRS

For all the periods up to and including the year ended 30 June 2005, the entity prepared its financial statements in accordance with Australian generally accounting principles (AGAAP). These financial statements for the year ended 30 June 2006 are the first entity is required to prepare in accordance with AIFRS. Accordingly, the entity has prepared financial statements that comply with AIFRS applicable for the reporting period. In complying with AIFRS, there has been adjustments or restatement of balances for the year ended 30 June 2005 (Note 5).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 4: REVENUE

	2006	2005
	\$	\$
- member contribution	4,809,779	4,583,277
- interest	40,738	20,808
- VWA Grant	75,000	-
- income from the Federal Office	-	15,830
- printing revenue	1,332	1,459
- legal fees reimbursement	-	129,918
- training	39,945	8,407
- other revenue	<u>6,563</u>	<u>594</u>
	<u>4,973,357</u>	<u>4,760,293</u>
(a) Interest from:		
- other persons	40,738	20,808

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2006

NOTE 5: FIRST-TIME ADOPTION OF AIFRS

For all the periods up to and including the year ended 30 June 2005, the entity prepared its financial statements in accordance with Australian generally accounting principles (AGAAP). These financial statements for the year ended 30 June 2006 are the first entity is required to prepare in accordance with AIFRS. Accordingly, the entity has prepared financial statements that comply with AIFRS applicable for the reporting period. In complying with AIFRS, the following adjustments have been made:

A. Reconciliation of equity

	Note	Accumulated Surplus \$
At the date of transition to AIFRS: 1 July 2004		
Balance under previous AGAAP		(39,576)
- provisions for employee entitlements	a	<u>(134,613)</u>
Balance under AIFRS		<u>(174,189)</u>
At the end of the last reporting period: 30 June 2005		
Balance under previous AGAAP		369,756
- provision for employee entitlements	a	<u>(114,663)</u>
Balance under AIFRS		<u>255,093</u>

B. Reconciliation of Surplus at 30 June 2005

	\$
Surplus under previous AGAAP	409,332
- provisions for employee entitlements	<u>19,950</u>
Surplus under AIFRS	<u>429,282</u>

- a. Employee entitlements have been re-stated as required by AASB 119.

C. Cash Flow Statement

There are no material differences between the cash flow statement presented under AIFRS and the cash flow statement presented under previous AGAAP

COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH
ABN 38 968 067 748

STATEMENT BY COMMITTEE OF MANAGEMENT

I, Karen Batt, being the designated officer of Community And Public Sector Union SPSF Group Victorian Branch state that on behalf of the Committee of Management and in accordance with a resolution passed by the Committee of Management on 18 October 2006 that:

In the opinion of the Committee of Management:

1. the financial statements and notes, as set out on pages 4 to 10 comply with Australian Accounting Standards and other mandatory professional reporting requirements;
2. the financial statements and notes, as set out on pages 4 to 10 comply with the reporting guidelines of the Industrial Registrar;
3. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of Community And Public Sector Union SPSF Group Victorian Branch for the financial year to which they relate;
4. there are reasonable grounds to believe that the union will be able to pay its debts as and when they become due and payable; and
5. during the financial year to which the general purpose financial report relates and since the end of 30 June 2006:
 - 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 Community And Public Sector Union SPSF Group Victorian Branch have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - c. the financial records of Community And Public Sector Union SPSF Group Victorian Branch have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - d. where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation ; and
 - e. the information sought in any request of a member of Community And Public Sector Union SPSF Group Victorian Branch or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the members or Registrar; and
 - f. there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

Designated Officer


Karen Batt

Dated 18th OCT 2006

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH**

Scope

The financial report and Committee of Managements responsibility

We have audited the concise financial report of Community And Public Sector Union SPSF Group Victorian Branch for the year ended 30 June 2006 as set out on pages 4 to 11, in order to express an opinion on it to the members of the entity. The Committee of Management is responsible for the preparation and presentation of the concise financial report in accordance with Australian Accounting Standards AASB 1039 Concise Financial Reports and the Workplace Relations Act 1996.

Audit approach

We conducted an independent audit of the concise financial report in order to express an opinion on it to the members of the entity. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the concise financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We have also performed an independent audit of the full report of the entity for the year ended 30 June 2006. Our audit report on the full financial report was signed on 18 October 2006, and was not subject to any qualification.

In conducting our audit of the concise financial report, we performed procedures to assess whether in all material respects the concise financial report is presented fairly in accordance with Accounting Standard AASB 1039: Concise Financial Reports.

We formed our audit opinion on the basis of these procedures, which included:

- ◆ testing that the information included in the concise financial report is consistent with the information in the full financial report, and
- ◆ examining, on a test basis, information to provide evidence supporting the amounts and other disclosures in the concise financial report which were not directly derived from the full financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the concise financial report.

Independence

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

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the concise financial report of Community And Public Sector Union SPSF Group Victorian Branch complies with Australian Accounting Standard AASB 1039: Concise Financial Reports.

BGL + Associates

BGL & Associates
Chartered Accountants
Suite One, Ground Floor
598 St Kilda Road
Melbourne VIC 3004

I. A. Hinds

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

18 October 2006

FR 2006/36r

Part 4

COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH

ABN 38 968 067 748

**INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

BGL & ASSOCIATES
Chartered Accountants
Suite One, Ground Floor, 598 St Kilda Road, Melbourne VIC 3004
PO Box 6094 St Kilda Road Central VIC 8008
Tel: (03) 9525 2511 Fax: (03) 9525 2829
Email: bgl@bglassociates.com.au

**COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH
ABN 38 968 067 748**

TABLE OF CONTENTS

Disclaimer	1
Income and Expenditure Statement	2 - 5

**DISCLAIMER TO THE DIVISIONAL EXECUTIVE OF
COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH**

The additional financial data presented on pages 2 - 4 is in accordance with the books and records of the entity which have been subjected to the auditing procedures applied in our statutory audit of the entity for the financial year ended 30 June 2006. It will be appreciated that our audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Community And Public Sector Union SPSF Group Victorian Branch) in respect of such data, including any errors of omissions therein however caused.

BGL & Associates

BGL & Associates
Chartered Accountants
Suite One, Ground Floor
598 St Kilda Road
Melbourne VIC 3004

I. A. Hinds

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

18 October 2006

Melbourne

INCOME AND EXPENDITURE STATEMENT
 FOR THE YEAR ENDED 30 JUNE 2006

	2006 \$	2005 \$
INCOME		
Subscription fees	4,809,779	4,583,277
Interest	40,738	20,808
Legal fee reimbursements	-	129,918
Training	39,945	8,407
Printing revenue	1,332	1,459
Income - Federal Office	-	15,830
VWA Grant	75,000	-
Other income	6,563	594
TOTAL INCOME	<u>4,973,357</u>	<u>4,760,293</u>
 SALARIES & RELATED EXPENSES		
Gross Salaries - staff	2,486,616	2,227,847
Gross Salaries - elected officers	173,200	149,365
Salaries packaging	81,538	103,267
Superannuation - staff	295,857	265,001
Superannuation - elected officers	28,055	27,623
Annual leave provision	(16,429)	(33,306)
Long service leave provision	87,958	(181)
RDO Accrual	1,943	1,159
Payroll Tax	158,946	144,289
WorkCover Premiums	44,968	44,253
Casuals & Temporaries	3,159	2,279
Staff Training	13,868	10,472
Staff Appointment	6,391	13,057
Other staff expenses	-	1,500
AMP Surplus	-	14,128
Industrial Officer	35,420	27,799
	<u>3,401,490</u>	<u>2,998,552</u>
 OFFICE MAINTENANCE		
Rent & Outgoings	117,263	115,603
Office expenses	5,038	5,062
Insurance	55,252	57,111
Office Cleaning	25,679	31,637
Building Maintenance	1,130	1,559
Electricity & Gas	9,255	9,087
General expenses	5,473	4,829
Furniture and Equipment	8	439
	<u>219,098</u>	<u>225,327</u>

These financial statements should be read in conjunction with the attached Disclaimer.

INCOME AND EXPENDITURE STATEMENT
 FOR THE YEAR ENDED 30 JUNE 2006

	2006 \$	2005 \$
MOTOR VEHICLES EXPENSES		
Motor vehicles - HP Term Charges	8,878	12,690
Motor Vehicle - Running Costs	<u>61,069</u>	<u>45,843</u>
	<u>69,947</u>	<u>58,533</u>
COMMUNICATION		
Postage & Courier	39,679	43,492
Telephone	69,795	71,019
Faxstream Member Distribution	5,301	6,872
Media Monitoring	2,400	2,400
Member Benefits	<u>59,163</u>	<u>31,816</u>
	<u>176,338</u>	<u>155,599</u>
PROFESSIONAL SERVICES		
Accounting Fees	3,350	3,070
Audit Fees	10,185	9,096
Legal Fees	69,356	66,555
Consultancy Fees	-	1,946
	<u>82,891</u>	<u>80,667</u>
LIBRARY		
Subscriptions	<u>9,619</u>	<u>5,663</u>
MEETINGS		
Branch council	7,764	7,031
Correction Industry Branch	1,955	4,996
Federal Council	19,604	21,667
Non-Industrial Services Exp	2,760	3,030
General meetings	<u>52,290</u>	<u>41,128</u>
	<u>84,373</u>	<u>77,852</u>
PRINTING AND PUBLICATION		
Equip Repairs & Maintenance	4,067	7,135
Copier & Printing Equipment	131,587	133,911
External Printing	13,157	30,084
Paper	12,115	16,911
Internal Printing	9,791	5,973
Print Room Supplies	7,543	9,077
Stationery	<u>19,486</u>	<u>10,706</u>
	<u>197,746</u>	<u>213,797</u>

These financial statements should be read in conjunction with the attached Disclaimer.

INCOME AND EXPENDITURE STATEMENT
 FOR THE YEAR ENDED 30 JUNE 2006

	2006 \$	2005 \$
AFFILIATION & CAPITATION FEES		
ACTU	48,116	29,504
CPSU/SPSF Group	170,608	166,059
Provincial Trades & Labour Council	5,957	7,122
Vic. Trades Hall Council	50,075	48,095
	<u>274,756</u>	<u>250,780</u>
COMPUTER & INFORMATION TECHNOLOGY		
Computer Software Purchases	1,116	570
Computer Hardware Purchases	-	59
Computer Maint. Agreements & internet	13,296	14,442
Others	2,565	1,769
	<u>16,977</u>	<u>16,840</u>
TRAINING AND CAMPAIGNS		
Campaigns	35,246	50,087
Donations/special projects	5,190	5,756
OHS Delegates Training	22,215	8,504
Delegates Training	2,382	-
	<u>65,033</u>	<u>64,347</u>
OTHER EXPENSES		
Amortisation of motor vehicles	31,971	32,579
Amortisation of lease improvements	22,864	27,164
Bank Charges	58,000	61,210
Interest Paid	905	1,916
Country and other allowances	3,893	5,121
Depreciation	24,524	20,630
Loss on disposal of FA	7,578	14,933
Fringe Benefits Tax	28,483	19,501
	<u>178,218</u>	<u>183,054</u>
TOTAL EXPENSES	<u>4,776,486</u>	<u>4,331,011</u>
SURPLUS FOR THE YEAR	<u>196,871</u>	<u>429,282</u>

These financial statements should be read in conjunction with the attached Disclaimer.



Australian Government
Australian Industrial Registry

Level 5, 11 Exhibition St,
Melbourne, Vic 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7777
Fax: (03) 9655 0410
Email – riateam1@air.gov.au

Ms Karen Batt
Branch Secretary
CPSU, the Community and Public Sector Union
SPSF Group, Victorian Branch
P.O. Box 200
CARLTON SOUTH VIC 3053

Dear Ms Batt,

**Re: Schedule 1 of the Workplace Relations Act 1996 (the RAO Schedule)
Financial reports for year ended 30 June 2006 - FR2006/361**

I have received the financial reports including the concise financial report of your organisation for year ended 30 June 2006. The documents were lodged in the Industrial Registry on 28 December 2006.

The documents have been filed.

Comments to assist in future financial years

The following comments may assist you when you next prepare financial reports. No further action is required regarding these issues with respect to the lodged documents.

Secretary Certificate (s268)

The certificate should state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with section 266 of the RAO Schedule.

The Secretary Certificate lodged with your financial documents does not state the documents were provided to the members.

Incorrect References

There are references throughout the documents to Schedule 1B. Please note Schedule 1B is now referred to as Schedule 1.

Use of a Disclaimer

The financial reports for year ending 30 June 2006 provided the following expenditure items under cover of a disclaimer in which the auditor stated: *'we do not express an opinion on such financial data and we give no warranty of accuracy or reliability'*:

- Affiliation fees
- Capitation Fees
- Grants or Donations
- Legal costs

This approach is not consistent with the requirements of the RAO Schedule because Clause 11 of the Reporting Guidelines states that these expenditure items *must* be disclosed by the reporting unit in the notes to the financial statements unless already disclosed on the face of the profit and loss statement in accordance with Australian Accounting Standards.

While I note that the Profit and Loss Statement did make general disclosures regarding some of the above items under aggregated headings such as 'Affiliation and Capitation' and 'Professional Fees' the key issue is that these items must be identified *separately* in the accounts.

Concise Report - resolution by Committee of Management

When a Concise Report of the financial documents is provided to members there must be a prior resolution to this effect by the Committee of Management - see s265(2). Future financial returns which utilise a Concise Report should ensure that such a resolution has been made. An extra clause can be added to the Committee of Management Statement to confirm that the relevant resolution under s265(2) has been passed.

Operating Report

The Operating Report is required to state whether any officer or member of the branch is a trustee of a superannuation entity (or a director of a company that is a trustee of a superannuation entity) where a criterion for being a trustee or director is that the officer or member is an officer or member of a registered organisation – see s254(2)(d).

While the Operating Report provided the relevant information regarding officers of the branch it did not include any reference to members of the branch. In future years the Operating Report should include such a reference even if it is only to the effect that 'no member was a trustee or a director of a superannuation entity'.

Should you wish to discuss these matters you may ring me on 8661 7988 or email me at lynette.markovski@air.gov.au

Yours sincerely

Lynette Markovski
Statutory Services Branch
14 February 2007