Australian Government

Australian Industrial Registry

11 Exhibition Street
Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7989
Fax: (03) 9655 0410
Email: cynthia.lobooth@airc.gov.au

Ms Karen Batt
Branch Secretary
CPSU, the Community and Public Sector Union
SPSF Group, Victorian Branch
PO Box 4355
EAST RICHMOND VIC 3121

By email: enquiry@cpsuvic.org

Dear Ms Batt

**Re: Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)
Financial report for year ended 30 June 2008 − FR2008/252**

I have received the financial report for the CPSU, the Community and Public Sector Union of the SPSF Group, Victorian Branch for the year ended 30 June 2008. The documents were lodged in the Australian Industrial Registry on 12 December 2008.

The documents have been filed.

Your compliance with our request to separately disclose the affiliation and capitation fees, and the inclusion of commenting on whether any officer or member of the branch is a trustee of a superannuation entity has been noted. The documents were of a high standard of which we are most appreciative.

Should you wish to discuss any matters regarding your reporting unit's financial reporting obligations I may be contacted on (03) 8661 7989 (Wed − Fri) or by e-mail at cynthia.lobooth@airc.gov.au.

Yours faithfully,

Cynthia Lo-Booth
Statutory Services Branch

8 January 2009

Cc: Gosia Mostowska

Community and Public Sector Union
SPSF Group • Victorian Branch

3rd December 2008

AUSTRALIAN INDUSTRIAL REGISTRY
RECEIVED
12 DEC 2008
PRINCIPAL REGISTRY

Australian Industrial Registry
Statutory Services Branch
Level 5
11 Exhibition Street
MELBOURNE VIC 3000

By Express Post

Dear Sir/Madam

RE: CPSU/SPSF Group, Victorian Branch – 2007 / 2008 Financial Report

Please find attached the Financial Report for the year ended 30 June 2008 for the CPSU/SPSF Group Victorian Branch as required under section 268 of the RAO Schedule.

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

Yours faithfully

Karen Batt

Karen Batt
Branch Secretary

P.O. Box 4355 East Richmond3121 - Address: Level 2, 6 Palmer Parade Cremorne 3121
Phone: (03) 9639 1822 or 1800 810 153 Fax: (03) 9662 4591 Internet: enquiry@cpsuvic.org
World Wide Web Address:- http://www.cpsuvic.org

Certificate of Secretary or Other Authorised Officer

Section 268 of Schedule 1 of the Workplace Relations Act 1996

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

- that the documents lodged herewith are copies of the full report referred to in section 268 of the RAO Schedule; and
- that these documents were presented to a Committee of Management meeting on 24th November 2008; and
- that members were advised on 27 November 2008 that the audited concise financial report and operating report had been published on the reporting unit's web site, www.cpsuvic.org on 30 November 2008; and
- that an operating report would be provided to all members in the December 2008 edition of Public Perspective; and
- that a full report was presented to a Committee of Management meeting of the reporting unit on 24 November 2008 in accordance with section 266 (3) of the RAO Schedule.

Signature: Karen Batt

Signed At: Cremorne

Date: 3rd December 2008

5.1 FINANCE REPORT

A copy of the Concise Financial Report for the year ended 30th June 2008 prepared by B.G.L & Associates, the authorised auditors of the Community and Public Sector Union – SPSF Group Victorian Branch conducted in accordance with the Australian Accounting Standards was submitted for the information of Branch Councillors.

Resolved:

Moved: *K Batt*
Seconded: *C Davies*

Branch Council notes the report as submitted.

CARRIED

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

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008

CPSU

Community and Public Sector
SPSF Group • Victorian

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

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This financial report covers Community And Public Sector Union SPSF Group Victorian Branch as an individual entity. The financial report is presented in the Australian currency.

Community And Public Sector Union SPSF Group Victorian Branch is a registered trade union under the Workplace Relations Act 1996.

The registered office is:
Community And Public Sector Union SPSF Group Victorian Branch
Level 2, 6 Palmer Parade
CREMORNE VIC 3121

The financial report was authorised for issue by the Committee of Management on 9th day of October 2008.

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

OPERATING REPORT

Your Branch committee of Management present their report on the union for the financial year ended 30 June 2008.

Members of Branch Committee

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

Branch Executive

Karen Batt
Kelvin Goodall (resigned on 25 May 2008)
Peter Lilywhite
Jim Walton
Judy Mead
Catherine Davies (appointed on 28 April 2008)

Branch Councillors

Lydia Spicer
Bill Lyons
Steve Walsh
Greg Olsen
Christopher Perry
Mary Sullivan
Greg Baker
Pushi Brown
Ron Dean
Gavan Cook
Stephen McNair
Mark Nestor
Jenny Leishman
Ian Thomas
Mary Roose
Rosalia Bruzzese
Richard Wadsworth
Anthony McAleer
Elizabeth Free

Lex Forster (appointed on 26 May 2008)
Stephen Butler (appointed on 26 May 2008)
Sean Hickey (appointed on 30 July 2007)
Frances Callinan (appointed on 26 May 2008)
Cheryl Miszkowiec (appointed on 26 May 2008)
David Willington (appointed on 26 May 2008)
Lez Woodall (appointed on 26 May 2008)
Bruce Gray (appointed on 26 May 2008)
Bettina Kaplan (appointed on 26 May 2008)
Sarah Turberville (appointed on 26 May 2008)
Gary Greaves (appointed on 29 October 2007)
Mark Halden (appointed on 25 February 2008)
Patrick Kennedy (appointed on 26 May 2008)
Arthur Cox (appointed on 26 May 2008)
Douglas Wait (appointed on 26 May 2008)
Kristen Wischer (appointed on 26 May 2008)
Elizabeth Brown (appointed on 26 May 2008)
Leonie Gray (appointed on 26 May 2008)
Peter Lawrence (appointed on 26 May 2008)

Christine Hughes (resigned on 25 May 2008)
Michael Tiliacos (resigned on 25 May 2008)
Paul Coghlan (resigned on 25 May 2008)
Helen Fatouros (resigned on 25 May 2008)
Peter Kershaw (resigned on 25 May 2008)
Malcom Nugara (resigned on 25 May 2008)
Susan Taylor (resigned on 25 May 2008)
Andrew Liston (resigned on 25 May 2008)
Deidre Carlile (resigned on 25 May 2008)
Pierre Rispoli (resigned on 29 October 2007)
Michael Donohoe (resigned on 25 May 2008)
Ronald Kennelly (resigned on 25 May 2008)
Christine Mitchell (resigned on 25 May 2008)
Rodney Spence (resigned on 25 May 2008)
Alan Woodroffe (resigned on 25 May 2008)

The members of Branch Committee of Management 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 $148,188 (2007: $464,976).

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.

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.

Membership and employee numbers

The number of employees at 30 June 2008 was 48 (2007: 46)

The number of financial members, inclusive of the Retired Officers Division at 30 June 2008 was 12,847 (2007: 13,183).

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 or member of the organisation, by virtue of their office or membership 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 or member being the trustee or director is that the officer or member is an officer or member of a registered organisation.

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

Designated Officer Karen Batt

Karen Batt

Dated this 9th October 2008

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

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	Notes	2008 $	2007 $
Revenue from continuing operations	4	**5,350,480**	5,112,948
Employee benefits expense	7	**(3,508,184)**	(3,223,969)
Office operation and maintenance		**(285,692)**	(216,637)
Motor vehicle expenses		**(78,162)**	(90,201)
Communications		**(176,096)**	(186,183)
Professional fees		**(45,414)**	(23,626)
Library		**(8,353)**	(6,485)
Meetings		**(130,281)**	(82,841)
Printing and publications		**(183,753)**	(193,432)
Affiliation fees		**(130,101)**	(146,821)
Capitation fee to the Federal Office		**(181,856)**	(187,261)
Computer expenses		**(19,059)**	(20,662)
Training and campaigns		**(25,596)**	(51,573)
Other expenses		**(429,745)**	(218,281)
		(5,202,292)	(4,647,972)
Surplus attributable to members of the entity		**148,188**	464,976

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

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

BALANCE SHEET
AS AT 30 JUNE 2008

	Notes	2008 $	2007 $
ASSETS			
Current assets			
Cash and cash equivalents	8	**1,018,329**	1,181,102
Trade and other receivables	9	**128,723**	106,133
Total current assets		**1,147,052**	1,287,235
Non-current assets			
Property, plant and equipment	10	**941,011**	549,457
Other	11	**75,243**	-
Total non-current assets		**1,016,254**	549,457
TOTAL ASSETS		**2,163,306**	1,836,692
LIABILITIES			
Current liabilities			
Trade and other payables	12	**482,492**	304,647
Interest-bearing liabilities	13	**-**	14,503
Provisions	14	**550,813**	544,368
Total current liabilities		**1,033,305**	863,518
NON-CURRENT LIABILITIES			
Provisions	14	**64,873**	56,234
TOTAL NON-CURRENT LIABILITIES		**64,873**	56,234
TOTAL LIABILITIES		**1,098,178**	919,752
NET ASSETS		**1,065,128**	916,940
EQUITY			
Members' fund			
Accumulated surplus	15	**1,065,128**	916,940
TOTAL EQUITY		**1,065,128**	916,940

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

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2008

	2008 $	2007 $
Accumulated surplus		
Balance at the beginning of the financial year	**916,940**	451,964
Surplus for the year	**148,188**	464,976
Balance at the end of the financial year	**1,065,128**	916,940

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

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

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	Notes	2008 $	2007 $
CASH FLOW FROM OPERATING ACTIVITIES			
Membership fees and levies received		**5,747,430**	5,500,640
Sundry receipts		**108,513**	53,519
Grant received		**88,000**	11,000
Payments to suppliers and employees		**(5,269,715)**	(5,043,536)
Capitation fee to the Federal Office		**(182,328)**	(218,479)
Interest received		**74,454**	56,134
Net cash inflows from operating activities	16	**566,354**	359,278
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		**12,745**	44,182
Payment for property, plant and equipment		**(727,369)**	(158,450)
Net cash outflows from investing activities		**(714,624)**	(114,268)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of hire purchase liability		**(14,503)**	(32,138)
Net cash outflows from financing activities		**(14,503)**	(32,138)
Net increase/(decrease) in cash and cash equivalents held		**(162,773)**	212,872
Cash and cash equivalents at beginning of financial year		**1,181,102**	968,230
Cash and cash equivalents at end of financial year	8	**1,018,329**	1,181,102

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

NOTE 1: 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 Australian equivalents to International Financial Reporting Standards (AIFRSs), Australian Accounting 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.

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, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

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 judgment in the process of applying entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

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.

(b) Income Tax

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

(c) 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.

(d) Cash and Cash Equivalents

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less any accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of items.
Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the reporting period in which they are incurred.

Depreciation

Depreciation is calculated to allocate cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

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

Class of fixed asset	Depreciation rates/useful lives	Depreciation basis
Leasehold improvements	10 %	Straight Line
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 - 66.67 %	Diminishing Value

The assets' residual values and useful lives are reviewed, adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Income Statement. When revalued assets are sold, it is entity policy to transfer the amounts included in other reserves in respect of those assets to accumulated surplus.

(f) Impairment of assets

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Investment in financial assets

Classification

The entity classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

The entity does not hold any investments in the following categories: financial assets at fair value through profit or loss and held-to-maturity investments and available-for-sale financial assets.

Loans and receivables

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

Recognition and derecognition

Financial assets are carried at fair value through profit and loss. Financial Assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Community And Public Sector Union SPSF Group Victorian Branch has transferred substantially all the risks and rewards of ownership.

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Impairment

The entity assesses at each balance date whether there is objective evidence that a financial asset is impaired.

(h) 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 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) 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.

(j) Provisions

Provisions for make good obligations are recognised when the entity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlements is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.The increase in the provision due to the passage of time is recognised as interest expense.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Revenue

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

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

Revenue is recognised for the major operating activities as follows:

Member Subscriptions and levies

Membership subscriptions and levies are recognised on a cash received basis.

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.

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

(l) 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.

(m) Comparative Figures

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2008 reporting periods. The entity's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8
AASB 8 and AASB 2007-3 are effective for annual reporting periods commencing on or after 1 January 2009. AASB 8 will result in a significant change in the approach to segment reporting, as it requires adoption of a 'management approach' to reporting on financial performance. The information being reported will be based on what the key decision makers use internally for evaluating segment performance and deciding how to allocate resources to operating segments. This standard is not applicable to the entity

(ii) Revised AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]
The revised AASB 123 is applicable to annual reporting periods commencing on or after 1 January 2009. It has removed the option to expense all borrowing costs and - when adopted - will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial report of the entity, as the entity already capitalises borrowing costs relating to qualifying assets. This standard is not applicable to the entity.

(iii) AASB-I 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
AASB-I 14 will be effective for annual reporting periods commencing on or after 1 January 2008. It provides guidance on the maximum amount that may be recognised as an asset in relation to a defined benefit plan and the impact of minimum funding requirements on such an asset. This standard is not applicable to the entity.

(iv) Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101
A revised AASB 101 was issued in September 2007 and is applicable for annual reporting periods beginning on or after 1 January 2009. It requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If an entity has made a prior period adjustment or has reclassified items in the financial statements, it will need to disclose a third balance sheet (statement of financial position), this one being as at the beginning of the comparative period. The entity intends to apply the revised standard from 1 July 2009.

NOTE 2: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

(a) Critical accounting estimates and assumptions

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

Impairment
The entity assesses impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recognised for the year ended 30 June 2008.

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

No critical judgements has been made for the year ended 30 June 2008.

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).

NOTE 4: REVENUE

	2008 $	2007 $
From continuing operations		
Service revenue		
- member subscriptions	**4,977,469**	4,993,815
- ACTU Campaign Levy (voluntary)	**100,970**	2,373
	5,078,439	4,996,188
Other revenue		
- income from the Federal Office	**8,589**	3,000
- interest received	**74,454**	56,134
- training income	**34,545**	38,865
- administrative support income from other branches	**54,174**	3,873
- VWA grant	**80,000**	10,000
- other	**20,279**	4,888
	272,041	116,760
Total Revenue	**5,350,480**	5,112,948

NOTE 5: AUDITORS' REMUNERATION

	2008 $	2007 $
During the year the following fees were paid or payable for services provided by the auditor:		
Audit or review of the financial report	**10,150**	10,100
Other audits	**500**	1,580
	10,650	11,680

NOTE 6: EXPENSES

	2008 $	2007 $
The surplus for the year includes the following specific expenses:		
Depreciation of non-current assets		
- Motor vehicles	**46,538**	40,004
- other capital assets	**35,665**	30,887
Total Depreciation	**82,203**	70,891
Amortisation of non-current assets		
- leasehold improvements	**36,008**	30,933
Finance costs		
- lease finance charges	**380**	3,424
- provisions: unwinding of discount	**692**	-
Rental expense on operating leases		
- minimum lease payments	**143,085**	121,883
Net loss on disposal of non-current assets		
- Property, plant and equipment	**223,592**	20,673
Conference and meeting allowances	**9,918**	-
Legal fees	**32,114**	9,096
Donations	**1,814**	-

NOTE 7: EMPLOYEE BENEFITS AND RELATED EXPENSES

	2008 $	2007 $
Salaries & on costs - employees	**2,965,505**	2,719,030
Salaries & on costs - officials (elected)	**228,957**	220,927
Other employment costs	**313,722**	284,012
	3,508,184	3,223,969

NOTE 8: CASH AND CASH EQUIVALENTS

	2008 $	2007 $
Cash on hand	**2,521**	3,063
Cash at banks	**672,335**	852,090
Term Deposit	**343,473**	325,949
	1,018,329	1,181,102

(a) The total of the above figures is noted as cash and cash equivalents at the end of the financial year in the cash flow statement.

(b) The entity's exposure to interest rate risk is discussed in note 17.

NOTE 9: TRADE AND OTHER RECEIVABLES

	2008 $	2007 $
CURRENT		
Other receivables	**36,645**	12,210
Net GST	-	1,169
Prepayments	**71,131**	72,110
Affiliated branches and funds	**20,947**	20,644
	128,723	106,133

(a) Other receivables
These amounts generally arise from transactions outside the usual operating activities of the entity. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained.

(b) Fair value and credit risk
Due to the short-term nature of the current receivables, their carrying amount is assumed to approximate their fair value. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to note 17 for more information on the risk management policy of the entity and the credit quality of the entity's trade receivables.

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

	2008	2007
	$	$
LEASEHOLD IMPROVEMENTS		
At cost	**585,740**	463,656
Less accumulated amortisation	**(12,483)**	(241,063)
	573,257	222,593
PLANT AND EQUIPMENT		
(a) Motor vehicles		
At cost	**236,493**	247,261
Less accumulated depreciation	**(76,590)**	(46,707)
	159,903	200,554
(b) Office equipment		
At cost	**67,432**	60,300
Less accumulated depreciation	**(19,969)**	(14,771)
	47,463	45,529
(c) Computer equipment		
At cost	**138,081**	131,013
Less accumulated depreciation	**(109,127)**	(90,910)
	28,954	40,103
(d) Furniture, fixtures and fittings		
At cost	**152,988**	75,109
Less accumulated depreciation	**(21,554)**	(34,431)
	131,434	40,678
Total property, plant and equipment	**941,011**	549,457

(a) Non-current assets pledged as security:

None of the non-current assets are pledged as security

NOTE 10: PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

	Leasehold improvements	Motor vehicles	Office equipment	Furniture, fixtures & fittings	Computer equipment	Total
	$	$	$	$	$	$
2007						
Opening net book amount	253,526	179,891	50,843	44,573	28,854	557,687
Additions	-	125,523	-	1,845	31,082	158,450
Disposals	-	(64,856)	-	-	-	(64,856)
Depreciation expense	(30,933)	(40,004)	(5,314)	(5,740)	(19,833)	(101,824)
Closing net book amount	222,593	200,554	45,529	40,678	40,103	549,457

	Leasehold improvements	Motor vehicles	Office equipment	Furniture, fixtures & fittings	Computer equipment	Total
	$	$	$	$	$	$
2008						
Opening net book amount	222,593	200,554	45,529	40,678	40,103	549,457
Additions	585,739	23,639	7,132	119,020	10,572	746,102
Disposals	(199,067)	(17,753)	-	(19,077)	(441)	(236,338)
Depreciation expense	(36,008)	(46,537)	(5,198)	(9,187)	(21,280)	(118,210)
Closing net book amount	573,257	159,903	47,463	131,434	28,954	941,011

NOTE 11: OTHER ASSETS

		2008 $	2007 $
NON-CURRENT			
Rental deposit		75,243	-

NOTE 12: TRADE AND OTHER PAYABLES

		2008 $	2007 $
CURRENT			
Trade creditors		241,735	258,270
Employee benefits - official (elected)		5,204	-
Employee benefits - staff		40,335	-
Affiliated branches		41,635	41,332
Payable for ACTU Levy		141,415	-
Net GST		2,178	-
Others		9,990	5,045
		482,492	304,647

(a) Risk exposure
Information about the entity's exposure to risk is provided in note 17.

NOTE 13: INTEREST BEARING LIABILITIES

		2008 $	2007 $
CURRENT			
Secured liabilities			
Hire purchase liability	18	-	14,503

NOTE 14: PROVISIONS

	2008 $	2007 $
CURRENT		
Employee benefits - staff	**426,906**	413,013
Employee benefits - officials (elected)	**123,907**	131,355
	550,813	544,368
NON-CURRENT		
Employee benefits - staff	**45,448**	56,234
Make good provision	**19,425**	-
	64,873	56,234

(a) Make good provision
The entity is required to restore its leased premises to their original condition at the end of the lease term. A provision has been recognised for the present value of the estimated expenditure required to remove any leasehold improvements. These costs have been capitalised as part of the cost of leasehold improvements and are amortised over the shorter of the term of the lease or the useful life of the assets.

(b) Movement in non current provisions:
Movements in each class of provision during the financial year, other than employee benefits, are set out below:

2008	**Make good provision $**
Carrying amount at beginning of period	-
Additional provisions recognised during the period	18,733
Charged/(credited) to the income statement - unwinding of discount	692
Carrying amount at reporting date	19,425

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

(d) Amounts not expected to be settled within the next 12 months
The current provision for long service leave includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the entity does not have an unconditional right to defer settlement. However, based on past experience, the entity does not expect all employees to take the full amount of accrued long service leave or require payment within the next 12 months. The following amounts reflect leave that is not to be expected to be taken or paid within the next 12 months.

	2008 $	**2007 $**
Long service leave obligation expected to be settled after 12 months	**301,050**	350,894

NOTE 15: ACCUMULATED SURPLUS

	2008 $	2007 $
Accumulated surplus at the beginning of the financial year	**916,940**	451,964
Net surplus attributable to members of the entity	**148,188**	464,976
Accumulated surplus at the end of the financial year	**1,065,128**	916,940

NOTE 16: CASH FLOW INFORMATION

	2008 $	2007 $
Reconciliation of cash flow from operations with surplus for the year		
Surplus for the year	**148,188**	464,976
Non-cash flows in surplus for the year		
Amortisation	**36,008**	30,933
Depreciation	**82,203**	70,891
Charges to provisions	**692**	-
Net (gain) / loss on disposal of property, plant and equipment	**223,592**	20,673
Changes in assets and liabilities		
Increase in receivables	**(22,590)**	(15,572)
Increase in other assets	**(75,243)**	-
Decrease in inventories	**-**	17,350
Increase/(decrease) in payables	**177,845**	(158,791)
Decrease in provisions	**(4,341)**	(71,182)
Cash flows from operations	**566,354**	359,278

NOTE 17: FINANCIAL RISK MANAGEMENT

The entity's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the entity.

The entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, other price risks and aging analysis for credit risk.

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

(a) Market Risk

(i) Foreign exchange risk
The entity is not exposed to foreign exchange risk.

(ii) Price risk
The entity is not exposed to equity securities price or commodity price risk.

(iii) Cash flow and fair value interest rate risk
As the entity has no significant interest-bearing assets, the entity's income and operating cash flows are not materially exposed to changes in market interest rates for assets. The entity analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the association calculates the impact on profit and loss of a defined interest rate shift. The scenarios are run only for liabilities that represent the major interest-bearing positions.

(b) Credit Risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposure to franchisees, including outstanding receivables and committed transactions. The entity has no significant concentrations of credit risk. The entity has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Cash transactions are limited to high credit quality financial institutions.

(c) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close-out market positions. Due to the nature of the underlying businesses, the entity aims at maintaining flexibility in funding by keeping committed credit lines available. Surplus funds are generally only invested in instruments that are tradeable in highly liquid markets.The entity manages liquidity risk by monitoring forecast cash flows to ensure that there is sufficient cash and marketable securities available.

NOTE 17: FINANCIAL RISK MANAGEMENT (Continued)

(d) Mature profile of financial instruments

The mature profile of financial assets and liabilities held are detailed below.

	Fixed Interest Rate Maturing Within 1 Year		Floating Interest Rate		Non Interest Bearing		Total	
	2008 $	2007 $	2008 $	2007 $	2008 $	2007 $	2008 $	2007 $
Financial Assets:								
Cash & cash equivalents	343,473	325,949	672,335	852,090	2,521	3,063	1,018,329	1,181,102
Receivables	-	-	-	-	57,592	34,023	57,592	34,023
Total Financial Assets	343,473	325,949	672,335	852,090	60,113	37,086	1,075,921	1,215,125
Weighted Average Interest Rate %	7.25	6.36	5.75	4.8				
Financial Liabilities:								
Trade and sundry creditors	-	-	-	-	482,492	304,647	482,492	304,647
Lease liabilities	-	-	-	-	-	-	45,539	-
Hire purchase liabilities	-	14,503	-	-	-	-	-	14,503
Total Financial Liabilities	-	14,503	-	-	482,492	304,647	528,031	319,150

(e) Fair Values Estimation

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

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

(f) Sensitivity analysis

As at 30 June 2008, the effect on surplus as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2008 $	2007 $
Change in surplus		
Increase in interest rate by 2%	11,777	23,561
Decrease in interest rate by 2%	(11,777)	(23,561)

NOTE 18: CAPITAL AND LEASING COMMITMENTS

	Note	2008 $	2007 $
(a) Hire purchase commitments			
Payable			
- not later than one year		-	15,043
Minimum hire purchase payments		-	15,043
Less future finance charges		-	(540)
Total hire purchase liability		-	14,503
Represented by:			
Current liability	13	-	14,503

General description of hire purchase arrangements:
The arrangements are related to acquisition of motor vehicles

(b) Operating lease commitments
Non-cancellable operating leases contracted for but not capitalised in the financial statements:

	2008 $	2007 $
Payable		
- not later than one year	395,129	185,966
- later than one year and not later than five years	1,273,673	226,640
	1,668,802	412,606

General description of leasing arrangement:
The leases are related to the rental of office equipment and premises

NOTE 19: RELATED PARTY TRANSACTIONS

(a) The members of the Branch Executive during the year are:

Karen Batt	Jim Walton
Kelvin Goodall (resigned on 25 May 2008)	Judy Mead
Peter Lilywhite	Catherine Davies (appointed on 28 April 2008)

	2008 $	2007 $
(b) Key management personnel compensation		
Short term benefits	228,957	220,927
	228,957	220,927
(c) Superannuation contribution		
Contributions to superannuation funds on behalf of employees	407,082	333,491
	407,082	333,491
(d) Outstanding balances arising from purchases of services		
Current payables - Federal Office's capitation fee payable	33,005	16,901
(e) Transactions with related parties		
Capitation fee paid to the Federal Office	181,556	187,261
Income from the Federal Office	8,589	3,000
Computer support income from PSA/CPSU	2,091	3,873
Membership & computer support income from CPSU SPSF Tasmania Inc	52,083	-

NOTE 20: EVENTS SUBSEQUENT TO REPORTING DATE

No matter or circumstance has arisen since the end of the financial year to the date of this report, that has or may significantly affect the activities of the entity, the results of those activities or the state of affairs of the entity in the ensuing or any subsequent financial year.

NOTE 21: COMMITMENTS FOR EXPENDITURE

There are no capital or lease commitments or contingencies at the end of the financial year.

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 9th October 2008 that:

In the opinion of the Committee of Management:

1. the financial statements and notes, as set out on pages 3 to 25 comply with Australian Accounting Standards and other mandatory professional reporting requirements;
2. the financial statements and notes, as set out on pages 3 to 25 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 2008:
   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. no requests have been made from any member of Community And Public Sector Union SPSF Group Victorian Branch or a Registrar under section 272 of the RAO Schedule; and
   f. no orders have been made by the Commission under section 273 of the RAO Schedule during the period.

Designated Officer Karen Batt
Karen Batt

Dated this 9th October 2008

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH

Report on the financial report

We have audited the accompanying financial report of Community And Public Sector Union SPSF Group Victorian Branch, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Statement by the Committee of Management.

Committee of Management 's responsibility for the financial report

The Committee of Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Workplace Relations Act 1996. This responsibility includes establishing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

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

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

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

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

bgl

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH (Continued)

Independence

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

Auditor's 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 2008 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 1 of the Workplace Relations Act 1996.

Bgl + Associates
BGL & Associates
Chartered Accountants

IHinds
I. A. Hinds - A.C.A. - Partner
Member of The Institute of Chartered Accountants in Australia and holder of current Public Practice Certificate

9 October 2008
Melbourne