



Fair Work Australia

19 December 2011

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

Email - enquiry@cpsu.org

Dear Ms Batt,

Re: Financial Report – CPSU - SPSF Group - Victorian Branch - FR2011/2799
Fair Work (Registered Organisations) Act 2009 (RO Act)

We acknowledge receipt of the Full Financial Report and Concise Financial Report for the Victorian Branch of the SPSF Group of the CPSU, the Community and Public Sector Union. The documents were lodged on 9 December 2011.

A statement regarding donations made by the branch in excess of \$1,000 during the financial year was lodged on 16 December 2011. The statement has been placed on a file that is not available to the general public in accordance with s.237 of the RO Act.

The documents have been filed.

The following information is provided to assist you in future financial years. No further action is requested with respect to the documents lodged.

Section 272 Notice.

The Full Financial Report and Concise Financial Report both included a notice as required under s.272 of the RO Act (at Note 3 and Note 2 to the respective reports). The wording in the notices was based on superseded legislation. In future years please ensure that the wording in these notices is amended so as to ensure that the notices comply with the current wording of s.272 of the *Fair Work (Registered Organisations) Act 2009*.

If you have any queries regarding the above please contact me on (03) 8661 7990 or at andrew.schultz@fwa.gov.au.

Yours faithfully,

Andrew Schultz
Organisations, Research and Advice



9th December 2011

Attn: Cynthia Lo-Booth
Tribunal Services and Organisations
Fair Work Australia
Level 5
11 Exhibition Street
MELBOURNE VIC 3000



By Email: cynthia.lobooth@fwa.gov.au

Dear Cynthia

RE: CPSU/SPSF Group, Victorian Branch – 2010 / 2011 Financial Report

Please find attached the Financial Report for the year ended 30 June 2011 for the CPSU/SPSF Group Victorian Branch as required under section 268 of the Fair Work (Registered Organisations) Act 2009.

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

Yours faithfully

Karen Batt
State Secretary

Australian Unions



**Working for a
better life.**

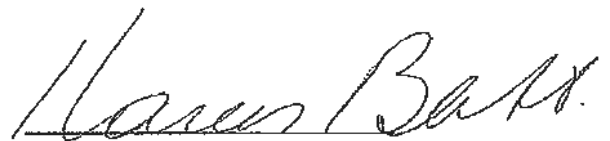
Certificate of Secretary or Other Authorised Officer

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

I, Karen Batt, being the State 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 Fair Work (Registered Organisations) Act 2009; and
- that these documents were presented to a Committee of Management meeting on 28th November 2011; and
- that members were advised on 30 November 2011 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 2011; and
- that an operating report would be provided to all members in the December 2011 edition of Public Perspective; and
- that a full report was presented to a Committee of Management meeting of the reporting unit on 28th November 2011 in accordance with section 266 (3) of the Fair Work (Registered Organisations) Act 2009.

Signature:



Signed At:

Cremorne

Date:

9th December 2011

5.0 FINANCE REPORT AND MEMBERSHIP SUBSCRIPTIONS

Moved: K Batt
Seconded: B Gray

"That the Budget report for the period ending 31st October 2011 is endorsed". That Branch Council authorizes the subscription increase to be effective from 1st January 2012".

CARRIED

5.1 ANNUAL CONCISE FINANCE REPORT FOR THE YEAR ENDED 30TH JUNE 2011

Attached for the information of Branch Councillors is a copy of the Concise Financial Statements for the year ended 30 June 2011 prepared by B.G.L. & Associates, the authorized auditors of CPSU.

Moved: K Batt
Seconded: P Brown

"Branch Council notes the Concise Finance Report for the year ended 30th June 2011".

CARRIED

Open Channel

An Information Bulletin for CPSU/SPSF Workplace Contacts

Volume 2011 - Issue 15

30 November 2010

Fair Work Orders Action Extension

Fair Work Australia has ordered that all our protected industrial action can be extended by a further 30 days as the legislative tests of s.459(3) have been met. CPSU made the application after notifications had been successfully made for most of our 63 bans and limitations during the initial 30 days. Our application was not opposed by the State Government.

Fair Work Issues Progress Statement

Commissioner Smith has issued a statement this week on the progress of conciliation between CPSU and the State Government since the cease-fire was agreed last Sunday week. Importantly Fair Work acknowledges that DHS has not adopted a take it or leave it approach at this stage of the child protection negotiations and anything said to the contrary does not reflect the true position. CPSU State Secretary Karen Baft and Treasury Deputy Secretary Dean Yates have been in Fair Work facilitated discussions as well about wages, agreement duration, backdating, productivities, and the salary interaction of our occupational groups with Sworn police after their pay deal with Govt.

'There For You' Public Sector Drive

1 in 10 Victorians work in the public sector. We are your nurses, teachers, fire fighters, child protection and disability workers, paramedics, scientists and hundreds of other professions. You probably know lots of us. We are your family members and friends. These are the key themes launched this week in a public sector wide campaign titled there for you. Visit there for you to send your message of support.

Year in Review & Financial Accounts

The new Baillieu Government and bargaining have dominated 2011 for our members with 35,000 employees awaiting a win-win outcome in similar terms to the recent Police wage deal. 34 new Agreements negotiated or under negotiation with 19, including our VPS Agreement, awaiting the outcome on wages, classification, & duration negotiations for the Victorian Public Service Agreement to be finalised.

Vital Statistics



- ✓ 2,839 new members recruited so far this year including 710 this month alone. 2,840 in 2010.
- ✓ A net growth of 5,789 members (representing a 60.6% increase) since 1 July 2001.
- ✓ Total Member funds of \$1,273,897 at 30 June with a small operating deficit of \$53,344 for 2010/11 financial year (\$24,572 surplus 09/10).
- ✓ 34 Agreements negotiated with 8 FWA approved, 3 pending final approval (AMES at FWA, TAC & Shrine with Govt), 19 public sector agreements (including VPS) under negotiation with most awaiting VPS outcome, 4 private sector negotiations underway (21 in 2010)
- ✓ 864 applications from members seeking representation this year. (545 in 2010; 578 in 2009).
- ✓ 290 change advice letters received from agencies. (309 in 2010; 242 in 2009).
- ✓ 57 EBA's, 17,300 members, 410 Occupations, and 4,197 worksites.

<http://www.cpsuvic.org>
for accounts and the year's overview.

CPSU, State Public Services Federation Group, Victorian Branch

POSTAL ADDRESS: PO Box 4355, Richmond East, 3121 or c/- Rosella Complex, 6 Palmer Parade, Richmond VIC 3121

T: (03) 9639 1822 or toll free on 1800 810 153 F: (03) 9662 4591 E: enquiry@cpsuvic.org

W: <http://www.cpsuvic.org>

**COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN
BRANCH**

ABN 38 968 067 748

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011**



Community and Public Sector Union
SPSF Group • Victorian Branch

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

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

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

The principal place of business is:

Community and Public Sector Union SPSF Group Victorian Branch
Level 2, Rosella Complex
6 Palmer Parade
CREMORNE VIC 3121

The financial report was authorised for issue by the Branch Executive on 24th day of October 2011.

**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 Community and Public Sector Union SPSF Group Victorian Branch (The Branch) for the financial year ended 30 June 2011.

Members of Branch Committee

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 – Branch Secretary

Judy Mead – Vice President

Catherine Davies – Vice President

Jim Walton – Assistant Branch Secretary

Peter Lillywhite - President

Branch Councillors

Lydia Spicer (resigned on 28 March 2011)

Bill Lyons

Steve Walsh

Greg Olsen (resigned on 27 September 2010)

Christopher Perry

Mary Sullivan

Richard Wadsworth

Anthony McAleer

Elizabeth Free

Lex Forster

Stephen Butler

Sean Hickey

Arthur Cox

Wayne Grincals (appointed on 28 March 2011)

Douglas Wait

Lez Woodall

Leonie Gray (resigned on 10 May 2011)

Bettina Kaplan

Stephen McNair

Mark Nestor

Jenny Leishman

Ian Thomas

Mary Roose

Greg Barker

Pushi Brown

Ron Dean

Gavan Cook

Gary Greaves

Mark Halden

Frances Callinan (resigned on 28 March 2011)

Katrina Brodzik (appointed on 28 March 2011)

Cheryl Miszkowicz

David Willington

Bruce Gray

Sarah Turberville

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

Significant Changes in State of Financial Affairs

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

Union details

The number of employees at 30 June 2011 was 47 (2010: 51)

The number of financial members, inclusive of the Retired Officers Division, at 30 June 2011 was 14,809 (2010: 13,735).

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

OPERATING REPORT (Continued)

Review of Principal activities and results of operation

Community and Public Sector Union SPSF Group Victorian Branch is a member based, federally registered trade union, representing Victorian public sector workers who are actively pursuing better working lives and stronger communities. The principal activities of the Branch during the financial year consist of: organising Victoria public sector employees; training and education of members; providing individual members with informed and expert presentation in workplace related matters and other matters as directed by the Branch Executive.

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 Branch, the results of those operations, or the state of affairs of The Branch in future financial years.

Right of members to resign

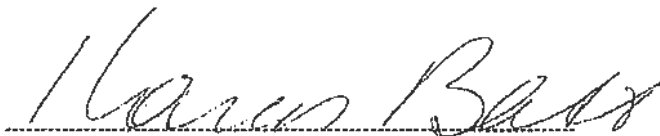
Rule 8 of Chapter C of Federal Rule sets out the terms under which a member of the Branch may resign. A member may resign from membership of the Union by notice in writing, addressed to the Branch Secretary, if the member cease to be eligible to become a member of the Union or the member give notice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

Superannuation Trustees

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

Dated this 24th day of October 2011

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 \$	2010 \$
Revenue from continuing operations	4	6,854,779	5,874,825
Expenses			
Administration expenses		(247,460)	(268,922)
Affiliation fees		(112,357)	(105,707)
Capitation fee to Federal Office		(205,373)	(186,548)
Communication expenses		(151,830)	(133,366)
Computer expenses		(29,454)	(34,597)
Employee benefits expenses	5	(4,340,501)	(3,956,033)
Library		(7,932)	(7,862)
Meeting		(131,344)	(108,658)
Motor vehicle expenses		(42,211)	(47,302)
Office operation and maintenance		(424,470)	(418,594)
Printing and publications		(179,620)	(204,321)
Professional fees		(138,441)	(127,940)
Members recruitment expenses	6	(769,800)	(119,742)
Training and campaigns		(127,330)	(130,461)
		<u>6,908,123</u>	<u>(5,850,053)</u>
(Deficit) Surplus attributable to members of the entity	7	(53,344)	24,572
Other comprehensive income		-	-
Total comprehensive income for the year attributable to members		<u>(53,344)</u>	<u>24,572</u>

The above Statement of Comprehensive Income 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 2011

	Notes	2011 \$	2010 \$
ASSETS			
Current assets			
Cash and cash equivalents	8	1,425,224	1,377,592
Trade and other receivables	9	417,918	391,447
Inventory	10	12,906	-
Total current assets		<u>1,856,048</u>	<u>1,769,039</u>
Non-current assets			
Property, plant and equipment	11	682,388	780,715
Other	12	85,038	75,243
Total non-current assets		<u>767,426</u>	<u>855,958</u>
Total assets		<u>2,623,474</u>	<u>2,624,997</u>
LIABILITIES			
Current liabilities			
Trade and other payables	13	453,118	458,074
Borrowings	14	125,556	164,217
Provisions	15	671,510	608,725
Total current liabilities		<u>1,250,184</u>	<u>1,231,016</u>
Non-current liabilities			
Provisions	16	99,393	66,740
Total non-current liabilities		<u>99,393</u>	<u>66,740</u>
Total liabilities		<u>1,349,577</u>	<u>1,297,756</u>
Net assets		<u>1,273,897</u>	<u>1,327,241</u>
MEMBERS' FUND			
Accumulated surplus	17	1,273,897	1,327,241
Total members' fund		<u>1,273,897</u>	<u>1,327,241</u>

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 2011**

	Accumulated surplus \$	Total \$
Balance at 1 July 2009	1,302,669	1,302,669
Comprehensive income for the year	24,572	24,572
Transfer from retained earning	-	-
Balance at 30 June 2010	<u>1,327,241</u>	<u>1,327,241</u>
Balance at 1 July 2010	1,327,241	1,327,241
Comprehensive income for the year	(53,344)	(53,344)
Transfer from retained earning	-	-
Balance at 30 June 2011	<u>1,273,897</u>	<u>1,273,897</u>

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 \$	2010 \$
Cash flows from operating activities			
Membership fees and levies received (inclusive of GST)		7,237,063	6,136,352
Sundry receipts (inclusive of GST)		164,584	132,595
Grant receipts (inclusive of GST)		66,000	108,900
Payments to suppliers and employees (inclusive of GST)		(7,159,272)	(6,318,855)
Interest paid		(19,298)	(5,918)
Capitation fee to the Federal Office (inclusive of GST)		(224,459)	(204,258)
Interest received		69,036	49,507
Net cash inflow (outflow) from operating activities	21	<u>133,654</u>	<u>(101,677)</u>
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		28,500	20,000
Payment for property, plant and equipment		(75,861)	(97,709)
Net cash (outflow) from investing activities		<u>(47,361)</u>	<u>(77,709)</u>
Net increase(decrease) in cash and cash equivalents		86,293	(179,386)
Cash and cash equivalents at beginning of financial year		<u>1,213,375</u>	<u>1,392,761</u>
Cash and cash equivalents at end of financial year	8(a)	<u>1,299,668</u>	<u>1,213,375</u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

1: Statement of significant accounting policies

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

The financial report includes the financial statements for the Community and Public Sector Union SPSF Group Victorian Branch (The Branch).

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the requirements of the Fair Work (Registered Organisations) Act 2009.

Early adoption of standards

The Branch has elected to apply the following pronouncements to the annual reporting period beginning 1 July 2010:

- AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project
- AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements

This includes applying the revised pronouncement to the comparatives in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. None of the items in the financial statements had to be restated as the result of applying this standard. The adoption of AASB 1053 and AASB 2011-2 allowed the Branch to remove a number of disclosures. There was no other impact on the current or prior year financial statements.

Historical cost convention

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

Critical accounting estimates

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

(b) Revenue recognition

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

The Branch 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 Branch's activities as described below. The amount of revenue is not considered to be reliably measurable until all relating contingencies have been resolved. The Branch bases its estimates on historical results, taking into consideration the type of member, the type of transaction and the specifics of each arrangement.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

1: Statement of significant accounting policies (Continued)

(b) Revenue recognition (Continued)

Revenue is recognised for the major operating activities as follows:

Subscriptions

Subscriptions are recognised when the right to receive the fee has been established and the receipt of the fee is certain. Subscriptions identifiable as being received in advance for next year are recorded as such in the balance sheet.

Grant Income

Revenue is recognised when the Branch obtains control over the assets comprising the contributions. Control over granted assets is normally obtained upon their receipt or upon prior notification that a grant has been secured, and the timing of commencement of control depends upon the arrangements that exist between the contributors and the Branch.

Interest income

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

Other revenue

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

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

(c) Income tax

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

(d) Leases

Leases of property, plant and equipment where the Branch, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term. Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Branch as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

1: Statement of significant accounting policies (Continued)

(e) Cash and cash equivalents

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

(f) Inventories – 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. The carrying amount is expensed in the period of distribution.

(g) Investment in other financial assets

Classification

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

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

i) Loans and receivables

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

Recognition and derecognition

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

Fair value

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

1: Statement of significant accounting policies (Continued)

(g) Investment in other financial assets (Continued)

Impairment

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

(h) Fair value estimation

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

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

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

(i) Property, plant and equipment

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

Depreciation

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

Class of fixed asset	Depreciation rate	Depreciation basis
Leasehold improvement	10%	Straight Line
Motor vehicles	18.75 - 25%	Diminishing value
Office equipment	7.5 - 50%	Diminishing value
Furniture and Fittings	10 - 25%	Diminishing value
Computer equipment	37.5 - 66.67%	Diminishing value

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

1: Statement of significant accounting policies (Continued)

(i) Property, plant and equipment (Continued)

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.

(j) Trade and other payables

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

(k) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Comprehensive Income over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the Branch has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(l) Provision

Provisions for legal claims, service warranties and make good obligations are recognised when the Branch 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 settlement 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.

(m) Comparative figures

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

1: Statement of significant accounting policies (Continued)

(n) Goods and Service Tax (GST)

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

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

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

(o) Employee benefits

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

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in 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.

(ii) Long service leave

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

(iii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Branch recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after reporting date are discounted to present value.

(p) Functional and presentation currency

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

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 Branch and that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Branch makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. None of the estimates and assumptions are expected to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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

Employee entitlements

Management judgement is applied in determining the following key assumptions used in the calculation of long service leave at balance date:

- future increases in wages and salaries
- future on-cost rates; and
- experience of employee departures and period of service

3: Information to be provided to Members or Registrar

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

- (1) a member of a reporting unit, or 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 made in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) a reporting unit must comply with an application made under subsection (1).

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

4: Revenue

	2011 \$	2010 \$
From continuing operations		
<i>Service revenue</i>		
- member subscriptions	6,536,335	5,542,575
- Campaign levy (voluntary)	47,469	35,927
<i>Other revenue</i>		
- interest	76,716	59,288
- training income	39,864	37,662
- administrative support income from other branches	57,902	56,810
- VWA grant	60,000	99,000
- other revenue	36,497	43,363
	<u>6,854,779</u>	<u>5,874,625</u>

5: Staff costs

	2011 \$	2010 \$
Employee benefits - employees	3,777,320	3,447,475
Employee benefits – official (elected)	336,017	251,879
Other staff costs	<u>227,164</u>	<u>256,679</u>
	<u>4,340,501</u>	<u>3,956,033</u>

6: Members recruitment expenses

	2011 \$	2010 \$
Members recruitment expenses	<u>769,800</u>	<u>119,742</u>

During the past financial year the union established a targeted recruitment program which sought to focus a team of people specifically on recruiting new members into the union. The project was funded via a separate operational arrangement involving a line of credit with the union's Credit Union that enabled us to separate out the general operational costs of running the union from the costs associated with the recruitment project.

The two accounts were run concurrently but were separate for internal reporting purposes. The project was very successful with 1,488 joined in addition to the 1,611 members being recruited by the Union over the period of the financial year. Additional costs arising from the recruitment were covered by the general operational budget.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2011

7: Expenses

	2011	2010
	\$	\$
The (deficit) surplus for the year includes the following specific expenses:		
<i>Depreciation of non-current assets</i>		
- Motor vehicles	40,835	44,572
- Office equipment and furniture	23,687	26,384
- Computer equipment	16,801	17,377
	<u>81,323</u>	<u>88,333</u>
<i>Amortisation of non-current assets</i>		
- leasehold improvements	58,785	58,575
	<u>58,785</u>	<u>58,575</u>
Total Depreciation and amortisation	<u>140,108</u>	<u>146,908</u>
<i>Net loss on disposal of non-current assets</i>	5,580	21,494
<i>Defined contribution superannuation expense</i>	435,243	398,545
<i>Finance costs</i>		
- provisions: unwinding of discount	1,208	1,208
- interest and finance charges paid on bank loan	19,298	5,918
Rental expenses on operating leases		
- minimum lease payments	256,737	247,453
Conference and meeting allowances	6,886	10,436
Bad debts	-	1,948
Legal fees	121,701	113,490
Donations (amount >\$1,000)	5,000	-
Donations (amount <=\$1,000)	100	-

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2011

8: Current assets – Cash and cash equivalents

	2011 \$	2010 \$
Cash on hand	1,021	1,021
Cash at bank	924,203	876,571
Term deposit	500,000	500,000
	<u>1,425,224</u>	<u>1,377,592</u>

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

The above figures are reconciled to cash at the end of the financial year as shown in the Statement of Cash Flows as follows:

Balances as above	1,425,224	1,377,592
Bank loan – line of credit	<u>(125,556)</u>	<u>(164,217)</u>
Balances per Statement of Cash Flows	<u>1,299,668</u>	<u>1,213,375</u>

9: Current assets – Trade and other receivables

	2011 \$	2010 \$
Other receivables	36,402	44,276
Prepayments	352,413	315,665
Net GST	7,743	10,276
Other receivables	21,360	21,230
	<u>417,918</u>	<u>391,447</u>

(a) Other receivables

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

10: Current assets – Inventory

	2011 \$	2010 \$
Inventory held for distribution	<u>12,906</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2011

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

	2011 \$	2010 \$
Leasehold improvements		
At cost	589,238	585,740
Less accumulated amortisation	<u>(188,418)</u>	<u>(129,633)</u>
	<u>400,820</u>	<u>456,107</u>
Plant and equipment		
Motor vehicles		
At cost	214,261	244,105
Less accumulated depreciation	<u>(87,642)</u>	<u>(99,097)</u>
	<u>126,619</u>	<u>145,008</u>
Office equipment	78,324	82,044
At cost	<u>(38,043)</u>	<u>(34,978)</u>
Less accumulated depreciation	<u>40,281</u>	<u>47,066</u>
Computer equipment		
At cost	146,805	138,540
Less accumulated depreciation	<u>(122,129)</u>	<u>(112,865)</u>
	<u>24,676</u>	<u>25,735</u>
Furniture and fixtures		
At cost	161,389	163,457
Less accumulated depreciation	<u>(71,397)</u>	<u>(56,658)</u>
	<u>89,992</u>	<u>106,799</u>
Total property, plant and equipment	<u>682,388</u>	<u>780,715</u>

(a) Non-current assets pledged as security

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

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

(b) Movements in Carrying Amounts

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

2010	Leasehold improvements	Motor vehicles	Office equipment	Computer equipment	Furniture and fixtures	Total
	\$	\$	\$	\$	\$	\$
Opening net book amount	514,882	170,197	51,683	23,619	111,226	871,407
Additions	-	60,063	3,300	20,306	14,040	97,709
Disposals	-	(40,680)	-	(813)	-	(41,493)
Depreciation	(58,575)	(44,572)	(7,917)	(17,377)	(18,467)	(146,908)
Closing net book amount	<u>456,107</u>	<u>145,008</u>	<u>47,066</u>	<u>25,735</u>	<u>106,799</u>	<u>780,715</u>
2011						
	\$	\$	\$	\$	\$	\$
Opening net book amount	456,107	145,008	47,066	25,735	106,799	780,715
Additions	3,498	54,430	1,635	16,298	-	75,861
Disposals	-	(31,984)	(1,181)	(556)	(359)	(34,080)
Depreciation	(58,785)	(40,835)	(7,239)	(16,801)	(16,448)	(140,108)
Closing net book amount	<u>400,820</u>	<u>128,619</u>	<u>40,281</u>	<u>24,676</u>	<u>89,992</u>	<u>682,388</u>

12: Non-current assets – Other assets

	2011 \$	2010 \$
Rental deposit	<u>85,038</u>	<u>75,243</u>

13: Current liabilities – Trade and other payables

	2011 \$	2010 \$
<i>Unsecured</i>		
Trade creditors	349,938	285,901
Employee benefits – official (elected)	-	6,149
Employee benefits – staff	-	35,441
Legal fee due	6,644	24,045
Affiliated branches	42,048	41,918
Payable for ACTU levy	47,628	58,446
Others	6,860	6,174
	<u>453,118</u>	<u>458,074</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2011

14: Current liabilities – Borrowings

	2011	2010
	\$	\$
<i>Secured</i>		
Bank loan	<u>125,556</u>	<u>164,217</u>

(a) Assets pledged as security

The bank loan is secured by the term deposit held of \$ 500,000.

15: Current liabilities – Provisions

	2011	2010
	\$	\$
Employee benefits – officials (elected)	173,335	137,305
Employee benefits - staff	<u>498,175</u>	<u>471,420</u>
	<u>671,510</u>	<u>608,725</u>

16: Non-current liabilities – Provisions

	2011	2010
	\$	\$
Employee benefits - staff	76,343	44,898
Makegood provision	<u>23,050</u>	<u>21,842</u>
	<u>99,393</u>	<u>66,740</u>

(a) Employee benefits - long service leave

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

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 Branch does not have an unconditional right to defer settlement.

(b) Makegood provision

The Branch 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

17: Accumulated surplus

	2011	2010
	\$	\$
Movements in the accumulated surplus were as follows:		
Balance 1 July	1,327,241	1,302,669
Net (deficit) surplus for the year	<u>(53,344)</u>	<u>24,572</u>
Balance 30 June	<u>1,273,897</u>	<u>1,327,241</u>

18: Contingencies

There are no known contingent assets or liabilities at 30 June 2011.

19: Commitments

	2011	2010
	\$	\$
Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payables		
- not later than one year	414,335	386,835
- later than one year but not later than five years	<u>444,878</u>	<u>1,170,034</u>
	<u>859,213</u>	<u>1,556,869</u>

General description of leasing arrangement:

The leases are related to the rental of office equipment and premises.

20: Events occurring after the 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 Branch, the results of those activities or the state of affairs of the Branch in the ensuing or any subsequent financial year.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

21: Cash flow information

	2011	2010
	\$	\$
Reconciliation of cash flow from operations with (deficit) surplus for the year		
(Deficit) Surplus for the year	(53,344)	24,572
<i>Non-cash flows in surplus(deficit)</i>		
Depreciation and amortisation	140,108	146,908
Bad debts	-	1,948
Charges to provisions	1,208	1,208
Net loss on disposal of property, plant and equipment	5,580	21,494
<i>Changes in assets and liabilities</i>		
(Increase) in receivables	(36,136)	(298,532)
(Increase) in inventories	(12,906)	-
(Decrease) Increase in payables	(5,086)	10,486
Increase (Decrease) in provisions	94,230	(9,761)
Cash flows from operations	<u>133,654</u>	<u>(101,677)</u>

22: Related party transactions

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

Karen Batt	Jim Walton	Judy Mead
Peter Lillywhite	Catherine Davies	

	2011	2010
	\$	\$
(b) Key management personnel		
Short-term benefits	336,017	251,879
(c) Outstanding balances arising from purchases of services		
Current payables - Federal Office	19,235	17,784
(d) Transactions with related parties		
<i>Payments:</i>		
Capitation fee paid to the Federal Office	205,373	186,548
<i>Receipts</i>		
Computer support income from PSA/CPSU	1,955	2,182
Membership & computer support income from CPSU SPSF Tasmania Inc	55,947	54,628
<i>Others - included in current liabilities</i>		
Money held in trust for La Trobe Uni Fund	22,451	22,321
Money held in trust for Strike Fund	19,246	19,246
Money held in trust for VWA Fighting Fund	351	351
	<u>42,048</u>	<u>41,918</u>

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

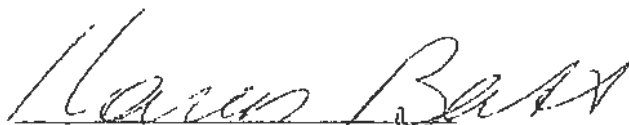
STATEMENT BY COMMITTEE OF MANAGEMENT

On 24th October 2011 the Committee of Management of the Community and Public Sector Union SPSF Group Victorian Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the year ended 30 June 2011:

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

1. the financial statements and notes, as set out on pages 3 to 21 comply with Australian Accounting Standards and other mandatory professional reporting requirements
2. the financial statements and notes, as set out on pages 3 to 21 comply with the reporting guidelines of the General Manager of FWA;
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 Branch 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 2011
 - 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 Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009;
 - 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 General Manager of Fair Work Australia (FWA) duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the members or the General Manager of FWA; and
 - f. No orders have been made by the FWA under section 273 of the Fair Work (Registered Organisations) Act 2009 during the period.
6. There has been no recovery of wage activity undertaken by the reporting unit.

For the Committee of Management



Designated officer - Karen Ball

Dated this 24th day of October 2011



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

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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 2011, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, 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 of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Fair Work (Registered Organisations) Act 2009 and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

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

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

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



Chartered Accountants



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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.

Opinion

In our opinion, the financial reports of Community And Public Sector Union SPSF Group Victorian Branch present fairly the financial position of Community and Public Sector Union SPSF Group Victorian Branch as at 30 June 2011 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 – Reduced Disclosure Requirements; and
- b) the requirements imposed by Fair Work (Registered Organisations) Act 2009.

BGL + Associates

BGL & Associates
Chartered Accountants

I. A. Hinds

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

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

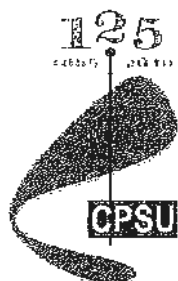
24 October 2011
Melbourne



**COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN
BRANCH**

ABN 38 968 067 748

**ANNUAL CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011**



Community and Public Sector Union
SPSF Group • Victorian Branch

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

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Relationship of the concise financial report to the full financial reports

The concise financial report is an extract from the full financial report for the year ended 30 June 2011. The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report.

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

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

The committee of management has resolved on 24 October 2011 that this concise report be provided in accordance with s265(2) of the Fair Work (Registered Organisations) Act 2009.

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

DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS

Information on Community and Public Sector Union SPSF Group Victorian Branch's concise financial report

The concise financial report is an extract of the full financial report for the year ended 30 June 2011. The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report.

This discussion and analysis is provided to assist members in understanding the concise financial report. The discussion and analysis is based on Community and Public Sector Union SPSF Group Victorian Branch financial statements and the information contained in the concise financial report has been derived from the full 2011 financial report of Community and Public Sector Union SPSF Group Victorian Branch.

Statement of comprehensive income

The deficit attributable to members for the year was \$53,344 compared to a surplus of \$24,572 in the previous year. This financial year proved to be a positive year from a financial viewpoint as we continue to consolidate our financial position for the future. Over the course of the year we were successful with the establishment of the new member recruitment project which targeted and recruited 1488 new members in addition to 1611 recruited by the Union.

This deficit occurred despite the growth in revenue of 17% from \$5,874,625 in 2010 to \$6,854,779 in 2011 as expenses increased by 18% from \$5,850,053 in 2010 to \$6,908,123 this year. The deficit is primarily due to increased cost of member campaigns.

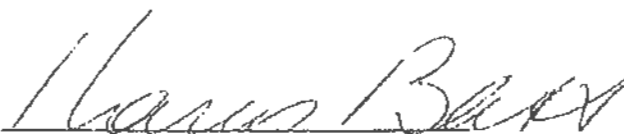
Balance sheet

Total assets decreased slightly from \$2,624,997 in 2010 to \$2,623,474 in 2011. Total liabilities increased by 4% or \$51,821 from \$1,297,756 in 2010 to \$1,349,577 mainly due to increase in employee leave provision. The increase in liabilities combined with a decrease in total assets is reflected in the decrease of total member fund of 4%.

Statement of cash flows

Net cash assets increased from \$1,213,375 as at 30 June 2010 to \$1,299,668 as at 30 June 2011. This increase in net cashflows from operating was due to increased cash receipts from members.

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

Designated Officer 
Karen Batt

Dated this 24th day of October 2011

**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 Community and Public Sector Union SPSF Group Victorian Branch (The Branch) for the financial year ended 30 June 2011.

Members of Branch Committee

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 – Branch Secretary
Judy Mead – Vice President
Catherine Davies – Vice President

Jim Walton – Assistant Branch Secretary
Peter Lillywhite - President

Branch Councillors

Lydia Spicer (resigned on 28 March 2011)
Bill Lyons
Steve Walsh
Greg Olsen (resigned on 27 September 2010)
Christopher Perry
Mary Sullivan
Richard Wadsworth
Anthony McAleer
Elizabeth Free
Lex Forster
Stephen Butler
Sean Hickey
Arthur Cox
Wayne Grincais (appointed on 28 March 2011)
Douglas Wait
Lez Woodall
Leonie Gray (resigned on 10 May 2011)
Bettina Kaplan

Stephen McNair
Mark Nestor
Jenny Leishman
Ian Thomas
Mary Roose
Greg Barker
Pushi Brown
Ron Dean
Gavan Cook
Gary Greaves
Mark Haiden
Frances Callinan (resigned on 28 March 2011)
Katrina Brodzik (appointed on 28 March 2011)
Cheryl Miskowicz
David Willington
Bruce Gray
Sarah Turberville

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

Significant Changes in State of Financial Affairs

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

Union details

The number of employees at 30 June 2011 was 47 (2010: 51).

The number of financial members, inclusive of the Retired Officers Division, at 30 June 2011 was 14,809 (2010: 13,735).

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

OPERATING REPORT (Continued)

Review of Principal activities and results of operation

Community and Public Sector Union SPSF Group Victorian Branch is a member based, federally registered trade union, representing Victorian public sector workers who are actively pursuing better working lives and stronger communities. The principal activities of the Branch during the financial year consist of: organising Victoria public sector employees; training and education of members; providing individual members with informed and expert presentation in workplace related matters and other matters as directed by the Branch Executive.

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 Branch, the results of those operations, or the state of affairs of The Branch in future financial years.

Right of members to resign

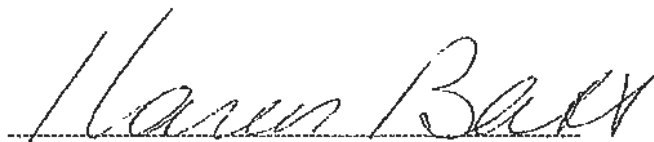
Rule B of Chapter C of Federal Rule sets out the terms under which a member of the Branch may resign. A member may resign from membership of the Union by notice in writing, addressed to the Branch Secretary, if the member cease to be eligible to become a member of the Union or the member give notice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

Superannuation Trustees

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

Dated this 24th day of October 2011

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
Revenue from continuing operations	3	6,854,779	5,874,625
Expenses			
Administration expenses		(247,460)	(268,922)
Affiliation fees		(112,357)	(105,707)
Capitation fee to Federal Office		(205,373)	(186,548)
Communication expenses		(151,830)	(133,366)
Computer expenses		(29,454)	(34,597)
Employee benefits expenses		(4,340,501)	(3,956,033)
Library		(7,932)	(7,862)
Meeting		(131,344)	(108,658)
Motor vehicle expenses		(42,211)	(47,302)
Office operation and maintenance		(424,470)	(418,594)
Printing and publications		(179,620)	(204,321)
Professional fees		(138,441)	(127,940)
Members recruitment expenses	4	(769,800)	(119,742)
Training and campaigns		(127,330)	(130,461)
		<u>6,908,123</u>	<u>(5,850,053)</u>
(Deficit) Surplus attributable to members of the entity		(53,344)	24,572
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year attributable to members		<u>(53,344)</u>	<u>24,572</u>

The above Statement of Comprehensive Income 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 2011

	2011 \$	2010 \$
ASSETS		
Current assets		
Cash and cash equivalents	1,425,224	1,377,592
Trade and other receivables	417,918	391,447
Inventory	<u>12,906</u>	<u>-</u>
Total current assets	<u>1,856,048</u>	<u>1,769,039</u>
Non-current assets		
Property, plant and equipment	682,388	780,715
Other	<u>85,038</u>	<u>75,243</u>
Total non-current assets	<u>767,426</u>	<u>855,958</u>
Total assets	<u>2,623,474</u>	<u>2,624,997</u>
LIABILITIES		
Current liabilities		
Trade and other payables	453,118	458,074
Borrowings	125,556	164,217
Provisions	<u>671,510</u>	<u>608,725</u>
Total current liabilities	<u>1,250,184</u>	<u>1,231,016</u>
Non-current liabilities		
Provisions	<u>99,393</u>	<u>66,740</u>
Total non-current liabilities	<u>99,393</u>	<u>66,740</u>
Total liabilities	<u>1,349,577</u>	<u>1,297,756</u>
Net assets	<u>1,273,897</u>	<u>1,327,241</u>
MEMBERS' FUND		
Accumulated surplus	<u>1,273,897</u>	<u>1,327,241</u>
Total members' fund	<u>1,273,897</u>	<u>1,327,241</u>

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 2011

	Accumulated surplus \$	Total \$
Balance at 1 July 2009	1,302,669	1,302,669
Comprehensive income for the year	24,572	24,572
Transfer from retained earning	-	-
Balance at 30 June 2010	<u>1,327,241</u>	<u>1,327,241</u>
Balance at 1 July 2010	1,327,241	1,327,241
Comprehensive income for the year	(53,344)	(53,344)
Transfer from retained earning	-	-
Balance at 30 June 2011	<u>1,273,897</u>	<u>1,273,897</u>

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	2011	2010
	\$	\$
Cash flows from operating activities		
Membership fees and levies received	7,237,063	6,136,352
Sundry receipts	164,584	132,595
Grant receipts	66,000	108,900
Payments to suppliers and employees	(7,159,272)	(6,318,855)
Interest paid	(19,298)	(5,918)
Capitation fee to the Federal Office	(224,459)	(204,258)
Interest received	69,036	49,507
Net cash inflow (outflow) from operating activities	<u>133,654</u>	<u>(101,677)</u>
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	28,500	20,000
Payment for property, plant and equipment	(75,861)	(97,709)
Net cash (outflow) from investing activities	<u>(47,361)</u>	<u>(77,709)</u>
Net increase(decrease) in cash and cash equivalents	86,293	(179,386)
Cash and cash equivalents at beginning of financial year	<u>1,213,375</u>	<u>1,392,761</u>
Cash and cash equivalents at end of financial year	<u>1,299,668</u>	<u>1,213,375</u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basic of Preparation of Concise Financial Reports

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

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

(b) Basic of Accounting

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

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

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

(c) Presentation currency

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

2: Information to be provided to Members or Registrar

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

3: Revenue

	2011	2010
	\$	\$
From continuing operations		
<i>Service revenue</i>		
- member subscriptions	6,536,335	5,542,575
- Campaign levy (voluntary)	47,465	35,927
<i>Other revenue</i>		
- interest	76,716	59,288
- training income	39,864	37,662
- administrative support income from other branches	57,902	56,810
- VWA grant	60,000	99,000
- other revenue	36,497	43,363
	<u>6,854,779</u>	<u>5,874,625</u>

4: Members recruitment expenses

	2011	2010
	\$	\$
Members recruitment expenses	<u>769,800</u>	<u>119,742</u>

During the past financial year the union established a targeted recruitment program which sought to focus a team of people specifically on recruiting new members into the union. The project was funded via a separate operational arrangement involving a line of credit with the union's Credit Union that enabled us to separate out the general operational costs of running the union from the costs associated with the recruitment project.

The two accounts were run concurrently but were separate for internal reporting purposes. The project was very successful with 1,488 joined in addition to the 1,811 members being recruited by the Union over the period of the financial year. Additional costs arising from the recruitment were covered by the general operational budget.

5: Contingencies

There are no known contingent assets or liabilities at 30 June 2011.

6: Events occurring after the 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 Branch, the results of those activities or the state of affairs of the Branch in the ensuing or any subsequent financial year.

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

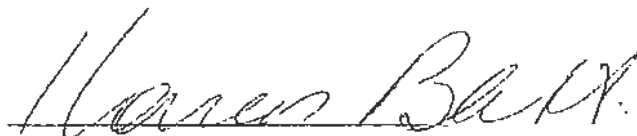
STATEMENT BY COMMITTEE OF MANAGEMENT

On 24th October 2011 the Committee of Management of the Community and Public Sector Union SPSF Group Victorian Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the year ended 30 June 2011:

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

1. the financial statements and notes, as set out on pages 4 to 9 comply with Australian Accounting Standards and other mandatory professional reporting requirements
2. the financial statements and notes, as set out on pages 4 to 9 comply with the reporting guidelines of the General Manager of FWA;
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 Branch 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 2011
 - 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 Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009;
 - 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 General Manager of Fair Work Australia (FWA) duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the members or the General Manager of FWA; and
 - f. No orders have been made by the FWA under section 273 of the Fair Work (Registered Organisations) Act 2009 during the period.
6. There has been no recovery of wage activity undertaken by the reporting unit.

For the Committee of Management



Designated officer - Karen Batt

Dated this 24th day of October 2011



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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

The accompanying concise financial report of Community and Public Sector Union SPSF Group Victorian Branch comprises the balance sheet as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and related notes, derived from the audited financial report of the Community and Public Sector Union SPSF Group Victorian Branch for the year ended 30 June 2011. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

Committee of Management's responsibility for the financial report

The Committee of Management is responsible for the preparation and presentation of the concise financial report in accordance with Accounting Standard AASB 1039 *Concise Financial Reports*, and the Fair Work (Registered Organisations) Act 2009. This responsibility includes establishing and maintaining internal controls relevant to the preparation of the concise financial report; 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 concise financial report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of Community and Public Sector Union SPSF Group Victorian Branch for the year ended 30 June 2011. Our audit report on the financial report for the year was signed on 24 October 2011 and was not subject to any modification. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

Our procedures in respect of the concise financial report included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of evidence supporting the amounts and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting Standard AASB 1039 *Concise Financial Reports*.

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

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

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





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

Independence

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

Opinion

In our opinion, the concise financial report of the Community and Public Sector Union SPSF Group Victorian Branch for the year ended 30 June 2011 complies with Australian Accounting Standard AASB 1039 *Concise Financial Reports and the Fair Work (Registered Organisations) Act 2009*.

BGL + Associates

BGL & Associates
Chartered Accountants

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

24 October 2011
Melbourne



Chartered Accountants