



10 November 2015

Ms Karen Batt  
State Secretary  
CPSU, the Community and Public Sector Union-SPSF Group, Victorian Branch  
Level 4, 128 Exhibition Street  
MELBOURNE VIC 3000

via email: [kbatt@cpsu.vic.org](mailto:kbatt@cpsu.vic.org)

Dear Ms Batt

**CPSU, the Community and Public Sector Union-SPSF Group Victorian Branch Financial Report for the year ended 30 June 2015 - [FR2015/267]**

I acknowledge receipt of the financial report of the CPSU, the Community and Public Sector Union-SPSF Group, Victorian Branch (the reporting unit). The documents were lodged with the Fair Work Commission (FWC) on 6 November 2015.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2016 may be subject to an advanced compliance review.

**Reporting Requirements**

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contact on (03) 8656 4681 or via email at [joanne.fenwick@fwc.gov.au](mailto:joanne.fenwick@fwc.gov.au).

Yours sincerely

Joanne Fenwick  
Financial Reporting Specialist  
Regulatory Compliance Branch



6<sup>th</sup> November 2015

Attn: Nick Salzbert  
Tribunal Services and Organisations  
**Fair Work Australia**  
Level 5  
11 Exhibition Street  
MELBOURNE VIC 3000

By Email: [nick.salzberg@fwc.gov.au](mailto:nick.salzberg@fwc.gov.au)

Dear Andrew

RE: CPSU/SPSF Group, Victorian Branch – 2014 / 2015 Financial Report

Please find attached the Financial Report for the year ended 30 June 2015 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

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

Karen Batt  
**State Secretary**



[anzaccentenary.vic.gov.au](http://anzaccentenary.vic.gov.au)

*"no body of men in any walk of life,  
who have been more ready to do their duty,  
than the Victorian State Servants of the Crown"*  
VPSA Journal – 21<sup>st</sup> December 1918

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

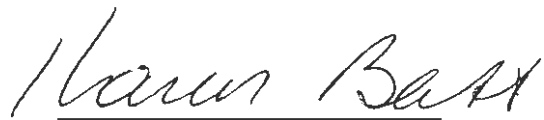
**Certificate by Prescribed Designated Officer**

**Certificate for the period ended 30 June 2015**

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 financial report for the CPSU SPSF Group Victorian Branch for the period ended 30<sup>th</sup> June 2015 referred to in section 268 of the Fair Work (Registered Organisations) Act 2009; and
- that the audited full financial report and operating report had been published on 29<sup>th</sup> October 2015 on the reporting unit's web site, [www.cpsuVIC.org](http://www.cpsuVIC.org) ; and
- that a full financial report was presented to a Committee of Management meeting of the reporting unit on 26<sup>th</sup> October 2015 in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

Signature:



Name:

KAREN BATT

Signed At:

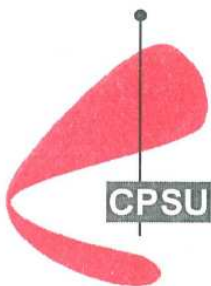
Melbourne

Date:

6<sup>th</sup> November 2015

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

**ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2015**



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**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 4,  
128 Exhibition Street  
MELBOURNE VIC 3000

The financial report was authorised for issue by the Branch Executive on 28 September 2015.

**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 2015.

**Members of Branch Committee**

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

*Branch Executive*

Karen Batt – Branch Secretary

Peter Lillywhite - President

Elizabeth Free – Vice President (resigned 23 Mar 2015)

Mark Nestor – Vice President

Catherine Davies – Assistant Branch Secretary

Gary Greaves – Acting Vice President (Proxy for M Nestor)

Andrew Jones – Vice President (from 23 Mar 2015)

*Branch Councillors*

Bakker, Carol

Barratt, Anthony

Barton, Helen

Bates, Travis

Batson, Linda

Brown, Pushi (resigned 8 Jan 2015)

Butler, Stephen

Cahill, Anthony

Cook, Gavan

Crabtree, Andrew

Dimech, Adam

Dri, Laurie

Forster, Lex

Gagachef, Alexander

Gray, Bruce

Greaves, Gary

Grincais, Wayne

Halden, Mark

Jones, Andrew

Kaplan, Bettina

Laurie, Maggie

Lyons, Bill

Milne, John (appointed 27 April 2015)

McAleer, Anthony

Miskowicz, Cheryl (resigned 27 Oct 2014)

Noblett, Desmond

O'Brien, Brennan

Perry, Christopher

Sullivan, Mary

Thomas, Ian

Troupiotis, Theodora

Walsh, Brian

Walsh, Steve

Wilkinson, Vicki

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

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

## **ABN 38 968 067 748**

### **OPERATING REPORT (Continued)**

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

CPSU SPSF Victorian Branch recruited 1910 members and was involved in over 798 individual cases across all Government Departments, agencies and a number of the private sector employers we have coverage of during the 2014/2015 financial year.

CPSU dealt with 320 implementation of change letters during the year as well as negotiating 10 Enterprise Bargaining Agreements to conclusion with a number of other Agreement negotiations commenced during the time but had not been concluded by the end of the financial year.

The Branch relocated to a new Melbourne CBD office located at 128 Exhibition Street, giving members a more centrally located union HQ.

CPSU was able to co-locate with the unions Federal Office for the first time in 10 years.

The union engaged an Historian to research the role of the union and its members during the First World War as part of the Centenary Commemoration, which was made possible by a grant from the ANZAC Commemorative Committee. The project had the strong endorsement of the RSL as well as the new Andrews Labor Government. CPSU is pleased that the new Premier agreed to support the union's request for an exhibition of Public Servants who had enlisted in the war as part of the commemorative events in the lead up to the 100th Anniversary of the landing at Gallipoli.

The union was able to shine a light on the despicable practices of the now former DSDBI and their misuse of labour hire staff in ongoing VPS jobs. The union took a complaint to the Fair Work Ombudsman who found that the Department had potentially breached the Fair Work Act by misclassifying jobs and thereby denying people their legal entitlements as ongoing public servants employed directly under the Workplace Determination.

The union sort and was provided with undertakings from the Leader of the Opposition Daniel Andrews prior to the State Election on matters of concern to public sector employees and since their election in November has been actively working with the union to implement many of these issues, of particular note was the commitment made and honoured in relation to resolving the TAC Enterprise Bargaining dispute within 10 days of being sworn in after Daniel Andrews visited a members protest in Geelong.

The Branch was also involved internationally by hosting a delegation from Vietnam of Public Sector Union Officials and by providing advice to the Federal Executive of the US public sector union AFSCME on the potential loss of payroll deductions. CPSU has been involved in many reviews initiated by the new Government in areas of great policy challenge, such as the Government's response to the drug methyl amphetamine (ICE), the roll out of the NDIS and the new Police Custody Officers, as well as a range of ACTU and VTHC initiated campaigns.

#### **Union details**

The number of full time equivalents employees at 30 June 2015 was 44 (2014: 39)

The number of financial members, inclusive of the Retired Officers Division, at 30 June 2015 was 13,629 (2014: 13,513).

#### **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.

OPERATING REPORT (Continued)

Directorships of Superannuation Fund

To the best of our knowledge and belief, no officers and employees of the Branch are trustee of a superannuation scheme or an exempt public sector superannuation scheme or a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

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

Signature of designated officer: Karen Batt

Name of designated officer: KAREN BATT

Title of designated officer: VICTORIAN BRANCH SECRETARY

Dated: 28<sup>th</sup> September 2015.



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

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2015**

	Note	2015 \$	2014 \$
<b>Revenue from continuing operations</b>	4	<b>7,147,298</b>	6,888,488
<b>Expenses</b>			
Administration expenses		(310,854)	(250,056)
Affiliation and capitation fees	5	(365,326)	(353,825)
Communication expenses		(167,897)	(193,912)
Computer expenses		(36,963)	(27,259)
Employee benefits expenses	6	(4,353,124)	(4,083,920)
Legal & professional fees	7	(263,792)	(200,010)
Library		(27,184)	(14,554)
Meetings		(146,372)	(111,322)
Motor vehicle expenses		(54,769)	(39,529)
Office operation and maintenance		(707,865)	(448,328)
Printing and publications		(270,071)	(227,541)
Training and campaigns		(341,422)	(330,737)
		<u>(7,045,639)</u>	<u>(6,280,993)</u>
<b>Surplus attributable to members of the entity</b>		<b>101,659</b>	607,495
<b>Other comprehensive income</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year attributable to members</b>		<u><b>101,659</b></u>	<u>607,495</u>

The above Statement of Profit or Loss and Other 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 2015**

	Note	2015 \$	2014 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	3,060,602	3,062,866
Trade and other receivables	10	304,110	131,600
Inventory	11	8,585	14,495
<b>Total current assets</b>		<u>3,373,297</u>	<u>3,208,961</u>
<b>Non-current assets</b>			
Property, plant and equipment	12	643,238	476,163
Other	13	-	91,525
<b>Total non-current assets</b>		<u>643,238</u>	<u>567,688</u>
<b>Total assets</b>		<u>4,016,535</u>	<u>3,776,649</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	14	464,278	463,562
Borrowings	15	16,058	16,053
Employee benefit obligations	16	914,363	754,422
<b>Total current liabilities</b>		<u>1,394,699</u>	<u>1,234,037</u>
<b>Non-current liabilities</b>			
Provisions	17	99,830	122,265
<b>Total non-current liabilities</b>		<u>99,830</u>	<u>122,265</u>
<b>Total liabilities</b>		<u>1,494,529</u>	<u>1,356,302</u>
<b>Net assets</b>		<u>2,522,006</u>	<u>2,420,347</u>
<b>MEMBERS' FUND</b>			
Accumulated surplus	18	2,522,006	2,420,347
<b>Total members' fund</b>		<u>2,522,006</u>	<u>2,420,347</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 2015**

	Accumulated surplus \$	Other Funds \$	Total \$
<b>Balance at 1 July 2013</b>	1,812,852	-	1,812,852
Comprehensive income for the year	607,495	-	607,495
Transfer from accumulated surplus	-	-	-
<b>Balance at 30 June 2014</b>	<u>2,420,347</u>	<u>-</u>	<u>2,420,347</u>
<b>Balance at 1 July 2014</b>	<b>2,420,347</b>	-	<b>2,420,347</b>
Comprehensive income for the year	<b>101,659</b>	-	<b>101,659</b>
Transfer from accumulated surplus	-	-	-
<b>Balance at 30 June 2015</b>	<u><u>2,522,006</u></u>	<u><u>-</u></u>	<u><u>2,522,006</u></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 2015**

	Note	2015 \$	2014 \$
<b>Cash flows from operating activities</b>			
Membership fees and levies received (inclusive of GST)		7,474,611	7,202,461
Receipts from other reporting units (inclusive of GST)			
- CPSU/SPSF Group Adelaide Branch		24,548	24,548
- CPSU/SPSF Group Tasmanian Branch		74,759	72,260
- CPSU/SPSF Group Federal Fund		99,176	182,069
- PSA/CPSU		2,100	2,500
Receipts from controlled entities		-	-
Sundry receipts (inclusive of GST)		42,287	11,911
Grant receipts (inclusive of GST)		6,380	-
Payments to suppliers and employees (inclusive of GST)		(7,296,351)	(6,650,978)
Payments to other reporting units			
- Capitation fee to the Federal Fund (inclusive of GST)		(226,766)	(220,677)
Payments to controlled entities		-	-
Interest paid		(1,006)	(1,206)
Interest received		84,860	80,769
<b>Net cash inflow from operating activities</b>	23	<u>284,598</u>	<u>703,657</u>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		773	24,773
Payment for property, plant and equipment		(287,640)	(94,593)
<b>Net cash (outflow) from investing activities</b>		<u>(286,867)</u>	<u>(69,820)</u>
<b>Net (decrease) increase in cash and cash equivalents</b>		<b>(2,269)</b>	633,837
Cash and cash equivalents at beginning of financial year		<u>3,046,813</u>	<u>2,412,976</u>
<b>Cash and cash equivalents at end of financial year</b>	9(a)	<u>3,044,544</u>	<u>3,046,813</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 2015**

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**1: Summary 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) as an individual entity.

**(a) Basis of preparation**

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

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

*Early adoption of standards*

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

*New and amended standards adopted by the Branch*

The Branch has applied the following standards and amendments for the first time for their annual reporting period commencing 1 July 2014:

- AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets
- AASB 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting
- Interpretation 21 Accounting for Levies
- AASB 2014-1 Amendments to Australian Accounting Standards

The Branch has assessed the impact of other new and amended standards that came into effect for the first time for the annual reporting period commencing 1 July 2014. These standards did not result in changes to Branch 's accounting policies and had no effect on the amounts reported for current or prior year financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

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**1: Summary of significant accounting policies**

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

*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.

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).

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

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**1: Summary of significant accounting policies**

**I 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.

**I 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) Investment and 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

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**1: Summary of significant accounting policies**

**(f) Investment and other financial assets (Continued)**

***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.

***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.

**(g) 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.



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

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**1: Summary of significant accounting policies**

**(h) Fair value measurements**

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

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

Specific valuation techniques used to value financial instruments include:

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

**(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.

<b>Class of fixed asset</b>	<b>Depreciation rate</b>	<b>Depreciation basis</b>
Leasehold improvement	10%	Straight Line
Motor vehicles	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.

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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

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**1: Summary of significant accounting policies**

**(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.

**(n) 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 2015**

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**1: Summary of significant accounting policies**

**(o) 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.

**(p) Employee benefits**

*(i) Short-term obligations*

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

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**1: Summary of significant accounting policies**

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

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting periods. The entity's assessment of the impact of these new standards and interpretations is set out below.

*(i) AASB 9 Financial Instruments (effective from 1 January 2018)*

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

*(ii) AASB 15 Revenue from Contracts with customers (effective from 1 January 2017)*

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application (eg 1 January 2017), ie without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application. There will be no impact on the Branch's financial report.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

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**2: Critical accounting estimates and judgements**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the 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: Section 272 Fair Work (Registered Organisations) Act 2009**

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

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**4: Revenue**

	Note	2015 \$	2014 \$
<b>From continuing operations</b>			
<i>Service revenue</i>			
- member subscriptions		6,706,585	6,496,423
- capitation fee		-	-
- campaign levy (voluntary)		87,490	45,840
<i>Other revenue</i>			
- interest		93,039	78,382
- training income		52,918	52,873
- administrative support income from other branches	25(f)	63,789	62,426
- administrative support income from Federal Fund	25(f)	97,732	129,741
- donation received		-	400
- grants received		5,800	-
- financial support from another reporting unit		-	-
- profit on disposal of assets		-	95
- other revenue		39,945	22,308
		<u>7,147,298</u>	<u>6,888,488</u>

**5: Affiliation and capitation fees**

	2015 \$	2014 \$
<i>Affiliation fee</i>		
- Victorian Trades Hall Council	76,270	74,112
- Ballarat Trades & Labour Council	605	806
- Bendigo Trades Hall Council	1,516	660
- Campaign for International Cooperation and Disarmament	150	-
- Council of State Retiree's Association, Victoria	100	100
- Geelong Trades Hall Council	3,017	1,720
- Gippsland Trades and Labour Council	1,730	1,578
- Goulburn Valley Trades and Labour Council	577	504
- North East Trades & Labour Council	1,009	1,100
- South West Trades & Labour Council	390	179
- Sunraysia Trades & Labour Council	582	-
- ACTU	47,998	46,141
<i>Compulsory levy</i>		
- ACTU campaign levy	26,366	26,366
<i>Capitation fee</i>		
- CPSU SFSF Group – Federal Fund	205,016	200,559
	<u>365,326</u>	<u>353,825</u>

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2015

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**6: Employees benefits expenses**

	2015 \$	2014 \$
<b>Holders of office:</b>		
Wages and salaries	353,826	330,462
Superannuation	46,552	41,318
Leave and other entitlements	22,046	(53,907)
Separation and redundancies	-	-
Other employee expenses	-	-
	<u>422,424</u>	<u>317,873</u>
<b>Employees other than holders of office:</b>		
Wages and salaries	3,090,340	3,025,989
Superannuation	388,874	370,077
Leave and other entitlements	107,525	52,473
Separation and redundancies	-	-
Other employee expenses	-	-
	<u>3,586,739</u>	<u>3,448,539</u>
Other staff costs**	<u>343,961</u>	<u>317,508</u>
	<u><u>4,353,124</u></u>	<u><u>4,083,920</u></u>

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

**7: Legal & professional fee**

	2015 \$	2014 \$
Accounting fee	4,625	3,500
Auditor remuneration		
- audit of financial report	14,000	13,500
- other audits	700	700
Legal fees		
- Litigation	90,751	104,640
- Other legal matters	153,716	77,670
	<u>263,792</u>	<u>200,010</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

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**8: Expenses**

	2015 \$	2014 \$
The surplus for the year includes the following specific items:		
<i>Depreciation of non-current assets</i>		
- Motor vehicles	32,155	28,410
- Office equipment	7,239	6,236
- Furniture & fixtures	8,335	10,009
- Computer equipment	16,350	19,411
	<u>64,079</u>	<u>64,066</u>
<i>Amortisation of non-current assets</i>		
- leasehold improvements	<u>59,982</u>	<u>58,925</u>
Total Depreciation and amortisation	<u>124,061</u>	<u>122,991</u>
<i>Defined contribution superannuation expense</i>	453,426	411,394
<i>Finance costs</i>		
- provisions: unwinding of discount	907	1,208
- interest and finance charges paid on bank loan	1,006	1,206
Rental expenses on operating leases (minimum lease payments)	497,834	272,470
Conference and meeting allowances	3,194	4,631
Consideration to employers for payroll deductions	-	-
Penalties – via RO Act or RO Regulations	-	-
Donations:		
Total paid that were \$1,000 or less	870	1,550
Total paid that exceeded \$1,000	12,000	-
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Impairment – trade receivables	3,594	-
Loss on disposal of fixed assets	63,657	1,262



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

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

	2015	2014
	\$	\$
Cash on hand	1,021	1,021
Cash at bank	2,174,067	2,477,628
Term deposit	885,514	584,217
	<u>3,060,602</u>	<u>3,062,866</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	3,060,602	3,062,866
Bank loan – line of credit	<u>(16,058)</u>	<u>(16,053)</u>
Balances per Statement of Cash Flows	<u>3,044,544</u>	<u>3,046,813</u>

**(b) Assets pledged as security**

One of the term deposits is used as a bank guarantee for the rental properties.

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

	2015	2014
	\$	\$
Receivable from other reporting units		
- CPSU SPSF Group Federal Fund	9,019	-
	<u>9,019</u>	<u>-</u>
Less provision for doubtful debts	-	-
Net receivables from other reporting units	9,019	-
Trade receivables	101,242	75,897
Prepayments	55,175	30,998
Net GST	6,525	2,965
Rental deposit	93,558	-
Other receivables	38,591	21,740
	<u>304,110</u>	<u>131,600</u>

*(i) Classification as trade and other receivables*

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

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**11: Current assets – Inventory**

	2015 \$	2014 \$
Inventory held for distribution	<u>8,585</u>	<u>14,495</u>

The inventory on hand at the end of the financial year consists primarily of merchandise such as T-shirts, notepads.

Inventories recognised as expense during the year ended 30 June 2015 amounted to \$ 95,181 (30 June 2014 : \$56,387)

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

	2015 \$	2014 \$
<b>Leasehold improvements</b>		
At cost	717,766	589,238
Less accumulated amortisation	<u>(273,555)</u>	<u>(365,193)</u>
	<u>444,211</u>	<u>224,045</u>
<b>Plant and equipment</b>		
Motor vehicles		
At cost	184,345	184,344
Less accumulated depreciation	<u>(87,878)</u>	<u>(55,722)</u>
	<u>96,467</u>	<u>128,622</u>
Office equipment	104,389	103,723
At cost	<u>(62,343)</u>	<u>(55,104)</u>
Less accumulated depreciation	<u>42,046</u>	<u>48,619</u>
Computer equipment		
At cost	99,538	148,904
Less accumulated depreciation	<u>(84,333)</u>	<u>(128,870)</u>
	<u>15,205</u>	<u>20,034</u>
Furniture and fixtures		
At cost	156,912	159,691
Less accumulated depreciation	<u>(111,603)</u>	<u>(104,848)</u>
	<u>45,309</u>	<u>54,843</u>
<b>Total property, plant and equipment</b>	<u><u>643,238</u></u>	<u><u>476,163</u></u>

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2015

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

**(a) Non-current assets pledged as security**

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

**(b) Movements in Carrying Amounts**

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

<b>2014</b>	<b>Leasehold improvements</b>	<b>Motor vehicles</b>	<b>Office equipment</b>	<b>Computer equipment</b>	<b>Furniture and fixtures</b>	<b>Total</b>
	\$	\$	\$	\$	\$	\$
Opening net book amount	282,970	106,409	40,901	34,915	65,402	530,597
Additions	-	76,022	13,954	4,617	-	94,593
Disposals	-	(25,399)	-	(87)	(550)	(26,036)
Depreciation	(58,925)	(28,410)	(6,236)	(19,411)	(10,009)	(122,991)
Closing net book amount	<u>224,045</u>	<u>128,622</u>	<u>48,619</u>	<u>20,034</u>	<u>54,843</u>	<u>476,163</u>

<b>2015</b>	<b>Leasehold improvements</b>	<b>Motor vehicles</b>	<b>Office equipment</b>	<b>Computer equipment</b>	<b>Furniture and fixtures</b>	<b>Total</b>
	\$	\$	\$	\$	\$	\$
Opening net book amount	224,045	128,622	48,619	20,034	54,843	476,163
Additions	342,424	-	666	12,477	-	355,567
Disposals	(62,276)	-	-	(956)	(1,199)	(64,431)
Depreciation	(59,982)	(32,155)	(7,239)	(16,350)	(8,335)	(124,061)
Closing net book amount	<u>444,211</u>	<u>96,467</u>	<u>42,046</u>	<u>15,205</u>	<u>45,309</u>	<u>643,238</u>

**13: Non-current assets – Other assets**

	<b>2015</b>	<b>2014</b>
	\$	\$
Rental deposit	<u>-</u>	<u>91,525</u>

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2015

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

	Note	2015 \$	2014 \$
<i>Unsecured</i>			
Trade creditors		349,274	305,516
Payables to other reporting units			
- CPSU SFSF Group Federal Fund		19,090	18,486
Consideration to employers for payroll deductions		-	-
Legal fee due – other matters		1,103	16,341
Money held in trust for La Trobe Uni Fund	a	22,896	22,798
Money held in trust for Strike Fund		19,246	19,246
Money held in trust for VWA Fighting Fund		351	351
ACTU levy fund		-	47,628
Subscription in advance		38,148	24,589
Other creditors		14,170	8,607
		<u>464,278</u>	<u>463,562</u>

(a) The money is held in a separate bank account.

**15: Current liabilities – Borrowings**

	2015 \$	2014 \$
<i>Secured</i>		
Line-of-credit	<u>16,058</u>	<u>16,053</u>

**(a) Assets pledged as security**

The bank loan is secured by a \$500,000 term deposit.

**16: Current liabilities – Employee benefit obligations**

	2015 \$	2014 \$
<i>Holders of office:</i>		
Annual leave	32,558	18,172
Long service leave	92,149	84,488
Separations and redundancies	-	-
Other	-	-
	<u>124,707</u>	<u>102,660</u>
<i>Employees other than holders of office:</i>		
Annual leave	319,407	291,269
Long service leave	470,249	360,493
Separations and redundancies	-	-
Other	-	-
	<u>789,656</u>	<u>651,762</u>
	<u>914,363</u>	<u>754,422</u>

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2015

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

	2015	2014
	\$	\$
Employee benefits obligations		
<i>Holders of office:</i>		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
 <i>Employees other than holders of office:</i>		
Annual leave	-	-
Long service leave	65,221	95,590
Separations and redundancies	-	-
Other		
	<u>65,221</u>	<u>95,590</u>
 Makegood provision	 34,609	 26,675
	<u>99,830</u>	<u>122,265</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. The leasehold improvement 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

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**18: Accumulated surplus**

	2015	2014
	\$	\$
Movements in the accumulated surplus were as follows:		
Balance 1 July	2,420,347	1,812,852
Net surplus for the year	<u>101,659</u>	<u>607,495</u>
Balance 30 June	<u><u>2,522,006</u></u>	<u><u>2,420,347</u></u>

**19: Contingencies**

There are no known contingent assets or liabilities at 30 June 2015.

**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.

**21: Commitments**

	2015	2014
	\$	\$
(a) Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payables		
- not later than one year	604,025	25,888
- later than one year but not later than five years	1,999,749	-
- later than five years	<u>2,797,181</u>	-
	<u><u>5,400,955</u></u>	<u><u>25,888</u></u>

General description of leasing arrangement:

The leases are related to the rental of office equipment and offices under non-cancellable operating leases expiring within one to ten years. The leases have varying terms and renewal rights. On renewal, the terms of the leases are renegotiated.

(b) Other commitments

An agreement has been entered into to reimburse some of the rental expenses to be incurred by a tenant who assumed the lease of the premises previously occupied by the Branch as part of a lease and reassign. In term of this agreement, a one-off payment of \$456,000 will be made within the next 12 months to settle any future liability associated with the rental of these premises.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

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**22: Wage recovery activities**

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

**23: Cash flow information**

	2015 \$	2014 \$
<b>Reconciliation of cash flow from operations with surplus for the year</b>		
Surplus for the year	101,659	607,495
<i>Non-cash flows in surplus</i>		
Depreciation and amortisation	124,061	122,991
Charges to provisions	(27,582)	-
Net loss (gain) on disposal of property, plant and equipment	63,657	1,263
Impairment expenses – trade receivables	3,594	-
<i>Changes in assets and liabilities</i>		
(Increase) Decrease in receivables	(84,579)	(9,195)
Decrease in inventories	5,911	262
(Decrease) in payables	(67,211)	(18,933)
(Decrease) in provisions	165,088	(226)
Cash flows from operations	<u>284,598</u>	<u>703,657</u>

**(a) Financing arrangements**

The branch had access to the following borrowing facilities at the end of the reporting period

	2015 \$	2014 \$
Floating rate – expiring within one year (line-of-credit)	500,000	500,000

The line-of-credit facilities may be drawn at any time and may be terminated by the bank without notice.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

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**24: Other information**

*(i) Going Concern*

The branch's ability to continue as a going concern is not reliant on financial support from another reporting unit.

*(ii) Financial Support*

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

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

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

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

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

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

**25: Related party transactions**

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

Karen Batt	Mark Nestor	Elizabeth Free (resigned 23 Mar 2015)
Peter Lillywhite	Catherine Davies	Gary Greaves (proxy for Mark Nestor)
Andrew Jones (from 23 Mar 2015)		

(b) Key management personnel remuneration	2015	2014
	\$	\$
<i>Short-term employee benefits</i>		
Salary (including annual leave taken)	332,620	237,984
Annual leave accrued	<u>38,693</u>	<u>33,240</u>
<b>Total short-term employee benefits</b>	<u>371,313</u>	<u>271,224</u>
<b>Post-employment benefits:</b>		
Superannuation	<u>46,552</u>	<u>41,318</u>
<b>Total post-employment benefits</b>	<u>46,552</u>	<u>41,318</u>
<b>Other long-term benefits:</b>		
Long-service leave accrued	<u>4,559</u>	<u>5,331</u>
<b>Total other long-term benefits</b>	<u>4,559</u>	<u>5,331</u>
<b>Termination benefits</b>	<u>-</u>	<u>-</u>
<b>Total</b>	<u>422,424</u>	<u>317,873</u>

(c) There were no loans between the key management personnel or the committee of management and the branch.



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

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

(d) There were no transactions between key management personnel or the committee of management and the branch other than those relating to their membership of the branch and reimbursement by the branch in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which is reasonable to expect would have been adopted by parties at arm's length.

(e) Outstanding balances arising from sales and purchases of goods and services:  
 These balances are disclosed in the "Trade receivables" and "Trade payables" notes to the accounts.

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
(f) Transactions with related parties		
<i>Payments:</i>		
Capitation fee paid to the CPSU SPSF Federal Fund	<b>205,016</b>	200,559
Honorarium paid to Branch councillors		1,750
<i>Receipts</i>		
Computer support income from PSA/CPSU	<b>2,273</b>	2,273
Membership & computer support income from CPSU SPSF Tasmania Inc	<b>61,516</b>	60,153
	<b>63,789</b>	62,426
Administration support income from CPSU SPSF Federal Fund	<b>23,164</b>	55,173
Salary reimbursement (Federal Secretary) from CPSU SPSF Federal Fund	<b>74,568</b>	74,568
	<b>97,732</b>	129,741

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015

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**26: Financial risk management**

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

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

The Branch has a small line-of-credit facility and is therefore not exposed to interest rate risk on liabilities. The Branch has investments in a variety of interest-bearing assets which have fixed interest rate and therefore not subject to interest rate volatility.

**(b) Credit risk**

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

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

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Cash at bank		
AA- Rating	<b>2,174,067</b>	2,477,628
Deposits at call		
AA- Rating	<b>885,514</b>	584,217

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2015

26: Financial risk management (Continued)

(c) Liquidity risk

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

*Maturity profile of financial instruments*

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

2015

	Weighted Average Interest rate %	Floating Interest rate \$	1 year or less \$	1 to 2 years \$	2 to 5 years \$	Over 5 years \$	Non Interest bearing \$	Total \$
<b>Financial Assets</b>								
Cash on hand		-	-	-	-	-	1,021	1,021
Cash at bank	1.9	2,174,067	-	-	-	-	-	2,174,067
Deposits at bank	3.0	-	885,514	-	-	-	-	885,514
Other receivables		-	-	-	-	-	155,377	155,377
		<u>2,174,067</u>	<u>885,514</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>156,398</u>	<u>3,215,979</u>
<b>Financial Liabilities</b>								
Line-of-credit	5.95	16,058	-	-	-	-	-	16,058
Other payables		-	-	-	-	-	464,278	464,278
		<u>16,058</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>464,278</u>	<u>480,336</u>
<b>Net Financial Assets (Liabilities)</b>		<u>2,158,009</u>	<u>885,514</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(307,880)</u>	<u>2,735,643</u>

2014

	Weighted Average Interest rate %	Floating Interest rate \$	1 year or less \$	1 to 2 years \$	2 to 5 years \$	Over 5 years \$	Non Interest bearing \$	Total \$
<b>Financial Assets</b>								
Cash on hand		-	-	-	-	-	1,021	1,021
Cash at bank	3.0	2,477,628	-	-	-	-	-	2,477,628
Deposits at bank	3.5	-	584,217	-	-	-	-	584,217
Other receivables		-	-	-	-	-	100,602	100,602
		<u>2,477,628</u>	<u>584,217</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,623</u>	<u>3,163,468</u>
<b>Financial Liabilities</b>								
Line-of-credit	6.5	16,053	-	-	-	-	-	16,053
Other payables		-	-	-	-	-	463,562	463,562
		<u>16,053</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>463,562</u>	<u>479,615</u>
<b>Net Financial Assets (Liabilities)</b>		<u>2,461,575</u>	<u>584,217</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(361,939)</u>	<u>2,683,853</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

**27: Fair Value Measurements**

**(a) Financial assets and liabilities**

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

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

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 30 June 2015 was assessed to be insignificant
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the entity based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30 June 2015 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

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

	Note	2015		2014	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
		\$	\$	\$	\$
<b>Financial assets</b>					
Cash at banks	(i)	3,059,581	3,059,581	3,061,845	3,061,845
Trade and other receivables	(i)	155,377	155,377	100,602	100,602
<b>Total financial assets</b>		<b>3,214,958</b>	<b>3,214,958</b>	<b>3,162,447</b>	<b>3,162,447</b>
<b>Financial liabilities</b>					
Trade and other payables	(i)	464,278	464,278	463,562	463,562
Line of credit	(i)	16,058	16,058	16,053	16,053
<b>Total financial liabilities</b>		<b>480,336</b>	<b>480,336</b>	<b>479,615</b>	<b>479,615</b>

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

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2015

27: Fair Value Measurements (Continued)

(b) Fair value hierarchy

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

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

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

*Valuation techniques*

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

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

The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 30 June 2015 and 30 June 2014:

Financial Assets	Level 1	Level 2	Level 3
	\$	\$	\$
<b>30 June 2015</b>			
Assets at fair value	-	-	-
Liabilities at fair value	-	-	-
Net fair value	-	-	-
<b>30 June 2014</b>			
Assets at fair value	-	-	-
Liabilities at fair value	-	-	-
Net fair value	-	-	-

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

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

Non-financial Assets	Level 1	Level 2	Level 3
	\$	\$	\$
<b>30 June 2015</b>			
Assets at fair value	-	-	-
Liabilities at fair value	-	-	-
<b>Net fair value</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>30 June 2014</b>			
Assets at fair value	-	-	-
Liabilities at fair value	-	-	-
<b>Net fair value</b>	<b>-</b>	<b>-</b>	<b>-</b>

There were no transfers between Levels 1 and 2 for assets measured at fair value on a recurring basis during the reporting period (2014: no transfers).

**(c) Disclosed fair value measurements**

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

- Accounts receivable and other debtors;
- accounts payable and other payables

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

**28: Capital management**

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

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

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

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

**STATEMENT BY COMMITTEE OF MANAGEMENT**

On 28 September 2015 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) for the year ended 30 June 2015:

The Committee of Management declares that in its opinion:

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

Signature of designated officer: Karen Batt

Name of designated officer: KAREN BATT

Title of designated officer: VICTORIAN BRANCH SECRETARY

Date: 28/9/2015.

## 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 2015, the Statement of Profit or Loss and Other 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 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.





**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 general purpose financial report of Community and Public Sector Union SPSF Group Victorian Branch presents fairly, in all material respects, the financial position of Community and Public Sector Union SPSF Group Victorian Branch as at 30 June 2015 and the results of its operations, its changes in equity and cash flows for the year then ended, in accordance with any of the following that apply to the entity:
  - a) the Australian Accounting Standards; and
  - b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.
- the Committee of Management's use of the going concern basis of accounting in the preparation of the Branch's financial statements is appropriate.



BGL Partners  
Chartered Accountants



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

Melbourne  
28 September 2015