FairWork Commission

28 November 2016

Ms Karen Batt
Branch Secretary
CPSU, the Community and Public Sector Union-SPSF Group – Victorian Branch
Level 4, 128 Exhibition Street
MELBOURNE VIC 3001

via email: kbatt@cpsuvic.org

Dear Ms Batt

CPSU, the Community and Public Sector Union-SPSF Group Victorian Branch Financial Report for the year ended 30 June 2016 - [FR2016/185]

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 24 November 2016.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (**RO Act**) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines 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 2017 may be subject to an advanced compliance review.

I make the following comment to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged. The FWC will confirm this concern has been addressed prior to filing next year's report.

Timescale requirements

As you are aware, an organisation is required under the RO Act to undertake certain steps in accordance with specified timelines. Information about these timeline requirements can be found on the FWC website. In particular, I draw your attention to the fact sheet titled *financial reporting process* which explains the timeline requirements, and the fact sheet titled *summary of financial reporting timelines* which sets out the timeline requirements in diagrammatical form.

I note that the following timescale requirement was not met:

Documents must be lodged with the FWC within 14 days of General Meeting

Section 268 of the RO Act, states that the full report and the designated officer's certificate are required to be lodged with the FWC within 14 days of the meeting of members. The Designated Officer's Certificate indicates that this meeting occurred on 24 October 2016. If this is correct the full report should have been lodged with the FWC by 7 November 2016.

The full report was lodged on 24 November 2016.

If these dates are correct, the branch should have applied for an extension of time to lodge the required reports and the Designated Officer's Certificate in accordance with section 268 of the RO Act.

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Telephone: (03) 8661 7777
International: (613) 8661 7777
Facsimile: (03) 9655 0401
Email: orgs@fwc.gov.au

Please note that in future financial years if the branch cannot lodge on time, a written request for an extension of time, signed by a relevant officer, including any reason for the delay, must be made prior to the required date of lodgement.

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 this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on 03) 8656 4681 or by email at joanne.fenwick@fwc.gov.au.

Yours sincerely

Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch

Community and Public Sector Union

SPSF Group • Victorian Branch

24th November 2016

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

Dear Nick

RE: CPSU/SPSF Group, Victorian Branch – 2015 / 2016 Financial Report

Please find attached the Financial Report for the year ended 30 June 2016 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

CPSU, State Public Services Federation Group, Victorian Branch

PO Box 24233, Melbourne, 3001 or c/- Level 4, 128 Exhibition Street, Melbourne VIC 3001

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

W: http://www.cpsuvic.org

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

Certificate by Prescribed Designated Officer

Certificate for the period ended 30 June 2016

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 30th June 2016 referred to in section 268 of the Fair Work (Registered Organisations) Act 2009; and
- that the audited full financial report had been published on 23rd November 2016 on the reporting unit's web site, www.cpsuvic.org ; and
- that a full financial report was presented to a Committee of Management meeting of the reporting unit on 24th October 2016 in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

Signature:	Karen Batt
Name:	KAREN BATT
Signed At:	Melbourne
Date:	24th November 2016

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

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

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 26 September 2016.

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 2016.

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 Councillors to 2016

Bakker, Carol
Barratt, Anthony
Barton, Helen
Bates, Travis
Batson, Linda
Butler, Stephen
Cahill, Anthony (resigned July 2015)
Cook, Gavan
Cummings David (appointed March 2016)
Crabtree, Andrew (resigned February 2016)
Dimech, Adam
Dri, Laurie
Forster, Lex
Free Elizabeth (acting Vice President in 2015 only)
Gagachef, Alexander
Gray, Bruce
Grigbsy Phillip (appointed August 2016))
Grincais, Wayne
Halden, Mark
Jones, Andrew
Kaplan, Bettina
Laurie, Maggie
Lyons, Bill (resigned 29 February 2016)
McAleer, Anthony
Milne, John
Neville Gregory (Proxy from Sept 2015 for B Kaplan)
Noblett, Desmond
O'Brien, Brennan
Perry, Christopher
Sullivan, Mary
Thomas, Ian
Troupiotis, Theodora
Walsh, Brian (resigned November 2015)
Walsh, Steve
Wilkinson, Vicki

Branch Councillors from 2016

Bakker, Carol
Barratt, Anthony
Batesmith Travis
Batson, Linda
Butler, Stephen
Cerezo Rheimia
Comeros Chris
Cook, Gavan
Dimech, Adam
Dowling Mark
Forster, Lex
Free Elizabeth
Grigbsy Phillip
Halden, Mark
Harrison Jane
Hylton-Smith Martin
Jones, Andrew
Laurie, Maggie
Milne, John
Neville Gregory
Novoselek Stephen
Perry, Christopher
Poel Kathleen
Sharples Judy
Sullivan Mary
Van Winden Aaron
Walsh, Steve
Wilkinson, Vicki

OPERATING REPORT (Continued)

Members of Branch Committee *(Continued)*

Branch Executive

Karen Batt – Branch Secretary	Catherine Davies – Assistant Branch Secretary
Peter Lillywhite - President	Gary Greaves – Vice President
Mark Nestor – Vice President (Proxy to G Greaves)	Andrew Jones – Vice President

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

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

During the year the union continued to represent members in both an individual capacity, collectively, and in policy development forums.

The union made submissions to a number of the Victorian Government's commissions of Inquiry including Fiskville, Fire Services Review, Ministerial Advisory Committee review into EPA, Bracks' School Funding review to name but a few. Members were actively involved in the development of the submissions and in some cases presented to the Committees their submissions.

Union staff and Officials have been involved in a range of Government initiated social policy Committees and Taskforces such as the Premier's Ice Taskforce, NDIS Implementation Taskforce, Road Map to Reform for Policy for Children and Young Persons, Public Sector OHS Leadership Round Table.

Significant work was commenced during the year to improve Departmental responses to OHS issues such as bullying, occupational violence, inappropriate procurement and broader risk mitigation strategies.

The union was involved in extensive enterprise bargaining during the year with the Victorian Public Service negotiations for a new EBA. Negotiations also occurred in 20 other agencies including three (3) private employers.

The union recruited 1,871 new members during the 2015/2016 financial year.

We received 275 notifications of change and ran 549 cases on behalf of members. There were 946 "enquiry" cases that dealt with matters over the telephone.

The union also concluded a long running tenancy dispute and relocated from Richmond to a new city office.

Union details

The number of full time equivalents employees at 30 June 2016 was 40.95 (2015: 44)
The number of financial members, inclusive of the Retired Officers Division, at 30 June 2016 was 13,653 (2015: 13,629).

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

OPERATING REPORT (Continued)

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.

Directorships of Superannuation Fund

To the best of our knowledge and belief, the following officer and employee of the CPSU is superannuation fund trustee(s) or a director of a company that is a superannuation fund trustee:

Name	Company/Board	Principal Activities	Reporting unit position
William Lyons	Vic Super – director	Superannuation	Yes
Alex Gagachef	ESSS – Director	Superannuation	Yes
Christopher Perry	ESSS – deputy director	Superannuation	Yes

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: STATE BRANCH SECRETARY

Dated: 26th SEPTEMBER 2016

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 2016

	Note	2016 $	2015 $
Revenue from continuing operations	4	**6,963,795**	6,794,075
Other revenue	4	**416,476**	353,223
Expenses			
Administration expenses		**(290,625)**	(310,854)
Affiliation and capitation fees	5	**(389,698)**	(365,326)
Communication expenses		**(202,464)**	(167,897)
Computer expenses		**(31,399)**	(36,963)
Employee benefits expenses	6	**(4,579,807)**	(4,353,124)
Legal & professional fees	7	**(112,982)**	(263,792)
Library		**(20,157)**	(27,184)
Meetings		**(97,376)**	(146,372)
Motor vehicle expenses		**(76,692)**	(54,769)
Office operation and maintenance		**(1,156,154)**	(707,865)
Printing and publications		**(264,848)**	(270,071)
Training and campaigns		**(165,157)**	(341,422)
		(7,387,359)	(7,045,639)
(Deficit) Surplus attributable to members of the entity		**(7,088)**	101,659
Other comprehensive income		**-**	-
Total comprehensive income for the year attributable to members		**(7,088)**	101,659

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 2016

	Note	2016 $	2015 $
ASSETS			
Current assets			
Cash and cash equivalents	9	**3,399,931**	3,060,602
Trade and other receivables	10	**236,586**	304,110
Inventory	11	**15,947**	8,585
Total current assets		**3,652,464**	3,373,297
Non-current assets			
Property, plant and equipment	12	**542,896**	643,238
Total non-current assets		**542,896**	643,238
Total assets		**4,195,360**	4,016,535
LIABILITIES			
Current liabilities			
Trade and other payables	13	**445,892**	464,278
Borrowings	14	**120,628**	16,058
Employee benefit obligations	15	**1,007,022**	914,363
Total current liabilities		**1,573,542**	1,394,699
Non-current liabilities			
Provisions	16	**106,900**	99,830
Total non-current liabilities		**106,900**	99,830
Total liabilities		**1,680,442**	1,494,529
Net assets		**2,514,918**	2,522,006
MEMBERS' FUND			
Accumulated surplus	17	**2,514,918**	2,522,006
Total members' fund		**2,514,918**	2,522,006

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 2016

	Accumulated surplus $	Other Funds $	Total $
Balance at 1 July 2014	2,420,347	-	2,420,347
Comprehensive income for the year	101,659	-	101,659
Transfer from accumulated surplus	-	-	-
Balance at 30 June 2015	2,522,006	-	2,522,006
Balance at 1 July 2015	**2,522,006**	**-**	**2,522,006**
Comprehensive income for the year	**(7,088)**	**-**	**(7,088)**
Transfer from accumulated surplus	**-**	**-**	**-**
Balance at 30 June 2016	**2,514,918**	**-**	**2,514,918**

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 2016

	Note	2016 $	2015 $
Cash flows from operating activities			
Membership fees and levies received (inclusive of GST)		**7,631,663**	7,474,611
Receipts from other reporting units (inclusive of GST)			
- CPSU/SPSF Group Adelaide Branch		**18,411**	24,548
- CPSU/SPSF Group Tasmanian Branch		**74,040**	74,759
- CPSU/SPSF Group Federal Fund		**122,748**	99,176
- PSA/CPSU		**-**	2,100
Receipts from controlled entities		**-**	-
Sundry receipts (inclusive of GST)		**196,526**	42,287
Grant receipts (inclusive of GST)		**-**	6,380
Payments to suppliers and employees (inclusive of GST)		**(7,530,820)**	(7,296,351)
Payments to other reporting units			
- Capitation fee to the Federal Fund (inclusive of GST)		**(232,839)**	(226,766)
Payments to controlled entities		**-**	-
Interest paid		**(14,114)**	(1,006)
Interest received		**79,725**	84,860
Net cash inflow from operating activities	22	**345,340**	284,598
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		**14,545**	773
Payment for property, plant and equipment		**(125,126)**	(287,640)
Net cash (outflow) from investing activities		**(110,581)**	(286,867)
Net increase (decrease) in cash and cash equivalents		**234,759**	(2,269)
Cash and cash equivalents at beginning of financial year		**3,044,544**	3,046,813
Cash and cash equivalents at end of financial year	9(a)	**3,279,303**	3,044,544

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

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 adopts all of the new and revised Standards and Interpretations issued by the Australian Accounting Board (AASB) that are relevant to the operations and effective for the current annual reporting period.

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 2015. These standards did not result in changes to the Branch's accounting policies and had no effect on the amounts reported for current or prior year financial statements

1: Summary of significant accounting policies (Continued)

(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 when 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).

1: Summary of significant accounting policies (Continued)

(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.

(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) 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.

1: Summary of significant accounting policies (Continued)

(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.

1: Summary of significant accounting policies (Continued)

(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 inimize 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.

Class of fixed asset	Depreciation rate	Depreciation basis
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.

1: Summary of significant accounting policies (Continued)

(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.

1: Summary of significant accounting policies (Continued)

(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 recognised 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 recognised 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 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 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.

1: Summary of significant accounting policies (Continued)

(q) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2016 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 entity'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 entity'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 entity does not have any such liabilities.

(ii) AASB 15 Revenue from Contracts with customers (effective from 1 January 2018)

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 entity's financial report.

(iii) AASB 16 Leases (effective from 1 January 2019)

AASB 16 will primarily affect the accounting by lessees and will result in the recognition of almost all leases on the balance sheet. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for almost all lease contracts. The accounting by lessors, however, will not significantly change. The changes under AASB 16 are significant and will have a pervasive impact, particularly for lessees with operating leases.

The entity is yet to undertake a detailed assessment of the impact of AASB 16. However, based on the entity's preliminary assessment, the likely impact on the first time adoption of the Standard for the year ending 30 June 2020 includes:

- there will be a significant increase in lease assets and financial liabilities recognised on the balance sheet
- the reported equity will reduce as the carrying amount of lease assets will reduce more quickly than the carrying amount of lease liabilities
- Results in the statement of profit or loss and other comprehensive income will be higher as the implicit interest in lease payments for former off balance sheet leases will be presented as part of finance costs rather than being included in operating expenses
- operating cash outflows will be lower and financing cash flows will be higher in the statement of cash flows as principal repayments on all lease liabilities will now be included in financing activities rather than operating activities. Interest can also be included within financing activities

1: Summary of significant accounting policies (Continued)

(q) New accounting standards and interpretations (Continued)

(iv) Sales or contribution of assets between an investor and its associates or joint venture (effective from 1 January 2018)

The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting depends on whether the contributed assets constitute a business or an asset. There will be no impact on the entity'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.

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).

4: Revenue

	Note	2016 $	2015 $
From continuing operations			
- member subscriptions		**6,859,414**	6,706,585
- capitation fee		**-**	-
- campaign levy (voluntary)		**104,381**	87,490
		6,963,795	6,794,075
Other revenue			
- interest		**77,997**	93,039
- training income		**43,082**	52,918
- administrative support income from other branches	**24(f)**	**64,747**	63,789
- administrative support income from Federal Fund	**24(f)**	**97,686**	97,732
- donation received		**-**	-
- grants received		**-**	5,800
- financial support from another reporting unit		**-**	-
- write back of unused funds		**42,533**	-
- other revenue		**90,431**	39,945
		416,476	353,223
		7,380,271	7,147,298

5: Affiliation and capitation fees

	2016 $	2015 $
Affiliation fee		
- Victorian Trades Hall Council	**77,888**	76,270
- Ballarat Trades & Labour Council	**1,381**	605
- Bendigo Trades Hall Council	**1,396**	1,516
- Campaign for International Cooperation and Disarmament	**-**	150
- Council of State Retiree's Association, Victoria	**-**	100
- Geelong Trades Hall Council	**6,823**	3,017
- Gippsland Trades and Labour Council	**1,857**	1,730
- Goulburn Valley Trades and Labour Council	**715**	577
- North East Trades & Labour Council	**917**	1,009
- South West Trades & Labour Council	**89**	390
- Sunraysia Trades & Labour Council	**329**	582
- ACTU	**62,020**	47,998
Compulsory levy		
- ACTU campaign levy	**26,366**	26,366
Capitation fee		
- CPSU SFSF Group – Federal Fund	**209,917**	205,016
	389,698	365,326

6: Employees benefits expenses

	2016 $	2015 $
Holders of office:		
Wages and salaries	**365,354**	353,826
Superannuation	**47,613**	46,552
Leave and other entitlements	**21,449**	22,046
Separation and redundancies	**-**	-
Other employee expenses	**-**	-
	434,416	422,424
Employees other than holders of office:		
Wages and salaries	**3,302,442**	3,090,340
Superannuation	**412,310**	388,874
Leave and other entitlements	**77,248**	107,525
Separation and redundancies	**-**	-
Other employee expenses	**-**	-
	3,792,000	3,586,739
Other staff costs**	**353,391**	343,961
	4,579,807	4,353,124

** Other staff costs primarily comprise payroll tax and workcover

7: Legal & professional fee

	2016 $	2015 $
Accounting fee	**4,310**	4,625
Auditor remuneration		
- audit of financial report	**14,250**	14,000
- other audits	**705**	700
Legal fees		
- Litigation	**-**	90,751
- Other legal matters	**93,717**	153,716
	112,982	263,792

8: Expenses

	2016 $	2015 $
The (deficit) surplus for the year includes the following specific items:		
Depreciation of non-current assets		
- Motor vehicles	**20,892**	32,155
- Office equipment	**5,078**	7,239
- Furniture & fixtures	**7,046**	8,335
- Computer equipment	**11,338**	16,350
	44,354	64,079
Amortisation of non-current assets		
- leasehold improvements	**72,087**	59,982
Total Depreciation and amortisation	**116,441**	124,061
Defined contribution superannuation expense	**459,923**	453,426
Finance costs		
- provisions: unwinding of discount	**1,032**	907
- interest and finance charges paid on bank loan	**14,114**	1,006
Rental expenses on operating leases (minimum lease payments)	**1,026,479**	497,834
Conference and meeting allowances	**5,182**	3,194
Consideration to employers for payroll deductions	**-**	-
Penalties – via RO Act or RO Regulations	**-**	-
Donations:		
Total paid that were $1,000 or less	**2,532**	870
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	**26,554**	63,657

9: Current assets – Cash and cash equivalents

	2016 $	2015 $
Cash on hand	**1,021**	1,021
Cash at bank	**2,494,469**	2,174,067
Term deposit	**904,441**	885,514
	3,399,931	3,060,602

(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	**3,399,931**	3,060,602
Bank loan – line of credit	**(120,628)**	(16,058)
Balances per Statement of Cash Flows	**3,279,303**	3,044,544

(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

	2016 $	2015 $
Receivable from other reporting units		
- CPSU SPSF Adelaide Branch	**6,137**	-
- CPSU SPSF Tasmanian Branch	**1,773**	-
- CPSU SPSF Group Federal Fund	**11,430**	9,019
	19,340	9,019
Less provision for doubtful debts	**-**	-
Net receivables from other reporting units	**19,340**	9,019
Trade receivables	**146,618**	101,242
Prepayments	**49,740**	55,175
Net GST	**-**	6,525
Rental deposit	**-**	93,558
Other receivables	**20,888**	38,591
	236,586	304,110

(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.

11: Current assets – Inventory

	2016 $	2015 $
Inventory held for distribution	**15,947**	8,585

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 2016 amounted to $80,726 (30 June 2015 : $95,181)

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

	2016 $	2015 $
Leasehold improvements		
At cost	**721,822**	717,766
Less accumulated amortisation	**(345,642)**	(273,555)
	376,180	444,211
Plant and equipment		
Motor vehicles		
At cost	**172,972**	184,345
Less accumulated depreciation	**(84,400)**	(87,878)
	88,572	96,467
Office equipment	**75,789**	104,389
At cost	**(51,716)**	(62,343)
Less accumulated depreciation	**24,073**	42,046
Computer equipment		
At cost	**106,066**	99,538
Less accumulated depreciation	**(90,258)**	(84,333)
	15,808	15,205
Furniture and fixtures		
At cost	**156,912**	156,912
Less accumulated depreciation	**(118,649)**	(111,603)
	38,263	45,309
Total property, plant and equipment	**542,896**	643,238

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:

2015	Leasehold improvements	Motor vehicles	Office equipment	Computer equipment	Furniture and fixtures	Total
	$	$	$	$	$	$
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	444,211	96,467	42,046	15,205	45,309	643,238

2016	Leasehold improvements	Motor vehicles	Office equipment	Computer equipment	Furniture and fixtures	Total
	$	$	$	$	$	$
Opening net book amount	444,211	96,467	42,046	15,205	45,309	643,238
Additions	4,056	41,012	-	12,130	-	57,198
Disposals	-	(28,015)	(12,895)	(189)	-	(41,099)
Depreciation	(72,087)	(20,892)	(5,078)	(11,338)	(7,046)	(116,441)
Closing net book amount	376,180	88,572	24,073	15,808	38,263	542,896

13: Current liabilities – Trade and other payables

	2016 $	2015 $
Unsecured		
Trade creditors	**336,504**	349,274
Payables to other reporting units		
- CPSU SFSF Group Federal Fund	**22,008**	19,090
Consideration to employers for payroll deductions	**-**	-
Legal fee due – other matters	**25,484**	1,103
Legal fee due – litigation	**-**	-
Money held in trust for La Trobe Uni Fund	**-**	22,896
Money held in trust for Strike Fund	**-**	19,246
Money held in trust for VWA Fighting Fund	**-**	351
Subscription in advance	**42,768**	38,148
Net GST	**3,126**	-
Other creditors	**16,002**	14,170
	445,892	464,278

14: Current liabilities – Borrowings

	2016 $	2015 $
Secured		
Line-of-credit	**120,628**	16,058

(a) Assets pledged as security
The Line-of-credit is secured by a $619,938 term deposit.

15: Current liabilities – Employee benefit obligations

	2016 $	2015 $
Holders of office:		
Annual leave	**40,842**	27,211
Long service leave	**99,967**	92,149
Separations and redundancies	**-**	-
Other	**-**	-
	140,809	119,360
Employees other than holders of office:		
Annual leave	**361,285**	324,754
Long service leave	**504,928**	470,249
Separations and redundancies	**-**	-
Other	**-**	-
	866,213	795,003
	1,007,022	914,363

16: Non-current liabilities – Provisions

	2016 $	2015 $
Employee benefits obligations		
Holders of office:		
Annual leave	**-**	-
Long service leave	**-**	-
Separations and redundancies	**-**	-
Other	**-**	-
Employees other than holders of office:		
Annual leave	**-**	-
Long service leave	**71,259**	65,221
Separations and redundancies	**-**	-
Other	**-**	-
	71,259	65,221
Makegood provision	**35,641**	34,609
	106,900	99,830

16: Non-current liabilities – Provisions (Continued)

(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.

17: Accumulated surplus

	2016 $	2015 $
Movements in the accumulated surplus were as follows:		
Balance 1 July	**2,522,006**	2,420,347
Net (deficit) surplus for the year	**(7,088)**	101,659
Balance 30 June	**2,514,918**	2,522,006

18: Contingencies

There are no known contingent assets or liabilities at 30 June 2016.

19: 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.

20: 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.

21: Commitments

	2016	2015
	$	$
(a) Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payables		
- not later than one year	**596,843**	604,025
- later than one year but not later than five years	**2,451,999**	1,999,749
- later than five years	**2,257,147**	2,797,181
	5,305,989	5,400,955

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.

22: Cash flow information

	2016	2015
	$	$
Reconciliation of cash flow from operations with (deficit) surplus for the year		
(Deficit) Surplus for the year	**(7,088)**	101,659
Non-cash flows in (deficit) surplus		
Depreciation and amortisation	**116,441**	124,061
Charges to provisions	**1,032**	(27,582)
Net loss (gain) on disposal of property, plant and equipment	**26,554**	63,657
Impairment expenses – trade receivables	**-**	3,594
Changes in assets and liabilities		
Decrease (Increase) in receivables	**67,524**	(84,579)
(Increase) Decrease in inventories	**(7,362)**	5,911
Increase (Decrease) in payables	**49,542**	(67,211)
Increase in provisions	**98,697**	165,088
Cash flows from operations	**345,340**	284,598

22: Cash flow information (Continued)

(a) Financing arrangements

The branch had access to the following borrowing facilities at the end of the reporting period	2016	2015
	$	$
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.

23: 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 acquires 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.

24: Related party transactions

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

Karen Batt – Branch Secretary	Catherine Davies – Assistant Branch Secretary
Peter Lillywhite - President	Gary Greaves – Vice President
Mark Nestor – Vice President (Proxy to G Greaves)	Andrew Jones – Vice President

(b) Key management personnel remuneration	**2016** **$**	**2015** **$**
Short-term employee benefits		
Salary (including annual leave taken)	**342,116**	332,620
Annual leave accrued	**39,974**	38,693
Total short-term employee benefits	**382,090**	371,313
Post-employment benefits:		
Superannuation	**47,613**	46,552
Total post-employment benefits	**47,613**	46,552
Other long-term benefits:		
Long-service leave accrued	**4,713**	4,559
Total other long-term benefits	**4,713**	4,559
Termination benefits	**-**	-
Total	**434,416**	422,424

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

(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.

24: Related party transactions (Continued)

(f) Transactions with related parties	2016 $	2015 $
Payments:		
Capitation fee paid to the CPSU SPSF Federal Fund	**209,917**	205,016
Honorarium paid to Branch councillors	**1,750**	-
Receipts		
Computer support income from PSA/CPSU	**2,273**	2,273
Membership & computer support income from CPSU SPSF Tasmania Inc	**62,474**	61,516
	64,747	63,789
Administration support income from CPSU SPSF Federal Fund	**23,118**	23,164
Salary reimbursement (Federal Secretary) from CPSU SPSF Federal Fund	**74,568**	74,568
	97,686	97,732

25: 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.

25: Financial risk management (Continued)

(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:

	2016 $	2015 $
Cash at bank		
AA- Rating	**2,494,469**	2,174,067
Deposits at call		
AA- Rating	**904,441**	885,514

(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:

2016

	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
	%	$	$	$	$	$	$	$
Financial Assets								
Cash on hand		-	-	-	-	-	1,021	1,021
Cash at bank	1.3	2,494,469	-	-	-	-	-	2,494,469
Deposits at bank	2.85	-	904,441	-	-	-	-	904,441
Other receivables		-	-	-	-	-	186,846	186,846
		2,494,469	904,441	-	-	-	187,867	3,586,777
Financial Liabilities								
Line-of-credit	5.9	120,628	-	-	-	-	-	120,628
Other payables		-	-	-	-	-	445,892	445,892
		120,628	-	-	-	-	445,892	566,520
Net Financial Assets (Liabilities)		2,373,841	904,441	-	-	-	(258,025)	3,020,257

25: Financial risk management (Continued)

Maturity profile of financial instruments (Continued)

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
	%	$	$	$	$	$	$	$
Financial Assets								
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
		2,174,067	885,514	-	-	-	156,398	3,215,979
Financial Liabilities								
Line-of-credit	5.95	16,058	-	-	-	-	-	16,058
Other payables		-	-	-	-	-	464,278	464,278
		16,058	-	-	-	-	464,278	480,336
Net Financial Assets (Liabilities)		2,158,009	885,514	-	-	-	(307,880)	2,735,643

26: 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.

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 2016 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 2016 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:

		2016		2015	
	Note	Carrying Amount	Fair Value	Carrying Amount	Fair Value
		$	$	$	$
Financial assets					
Cash at banks	(i)	**3,398,910**	**3,398,910**	3,059,581	3,059,581
Trade and other receivables	(i)	**186,846**	**186,846**	155,377	155,377
Total financial assets		**3,585,756**	**3,585,756**	3,214,958	3,214,958
Financial liabilities					
Trade and other payables	(i)	**445,892**	**445,892**	464,278	464,278
Line of credit	(i)	**120,628**	**120,628**	16,058	16,058
Total financial liabilities		**566,520**	**566,520**	480,336	480,336

(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.

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 2016 and 30 June 2015:

Financial Assets	**Level 1**	**Level 2**	**Level 3**
	$	**$**	**$**
30 June 2016			
Assets at fair value	-	-	-
Liabilities at fair value	-	-	-
Net fair value	-	-	-
30 June 2015			
Assets at fair value	-	-	-
Liabilities at fair value	-	-	-
Net fair value	-	-	-

27: Fair Value Measurements (Continued)

Non-financial Assets	Level 1	Level 2	Level 3
	$	$	$
30 June 2016			
Assets at fair value	-	-	-
Liabilities at fair value	-	-	-
Net fair value	-	-	-
30 June 2015			
Assets at fair value	-	-	-
Liabilities at fair value	-	-	-
Net fair value	-	-	-

There were no transfers between Levels 1 and 2 for assets measured at fair value on a recurring basis during the reporting period (2015: 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.

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

STATEMENT BY COMMITTEE OF MANAGEMENT

On 26th September 2016 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 2016:

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: STATE BRANCH SECRETARY

Date: 26th September 2016.

Suite 1, Ground Floor
598 St Kilda Rd
MELBOURNE VIC 3004

All correspondence to

PO Box 6094
MELBOURNE VIC 3004

E bgl@bglpartners.com.au
T (03) 9525 2511
F (03) 9525 2829
W bglpartners.com.au

ABN 96 006 935 459

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 2016, 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.

Suite 1, Ground Floor
598 St Kilda Rd
MELBOURNE VIC 3004

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MELBOURNE VIC 3004

E bgl@bglpartners.com.au
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W bglpartners.com.au

ABN 96 006 935 459

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 2016 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
26 September 2016

CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

Liability limited by a scheme approved under professional standards legislation

15 July 2016

Ms Karen Batt
SPSF Vic Branch Secretary, SPSF Federal Secretary, Joint National Secretary
The Community and Public Sector Union-SPSF Group, Victorian Branch
By email: kbatt@cpsuvic.org

Dear Ms Batt,

Re: Lodgement of Financial Report - [FR2016/185]
***Fair Work (Registered Organisations) Act 2009* (the RO Act)**

The financial year of the CPSU, the Community and Public Sector Union-SPSF Group, Victorian Branch (the reporting unit) ended on 30 June 2016.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date under s.268 of the RO Act, that being within 14 days after the meeting referred to in s.266 of the RO Act.

Timelines

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

Fact sheets, guidance notes and model statements

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. This includes a model set of financial statements which have been developed by the FWC. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. The model statement, Reporting Guidelines and other resources can be accessed through our website under Financial Reporting in the Compliance and Governance section.

Loans, grants and donations: our focus this year

Also you are reminded of the obligation to prepare and lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding $1,000 for the reporting unit during its financial year. Section 237 requires this statement to be lodged with the FWC within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2016. A sample statement of loans, grants or donations is available at sample documents.

Over the past year we have noted issues in organisations' financial reports relating to timelines and how loans, grants and donations are reported. We will be focusing closely on these areas this year. Please find attached below fact sheets relating to these requirements or alternatively visit our website for information regarding financial reporting timelines and loans, grants and donations.

It is requested that the financial report and any Statement of Loans, Grant or Donations be lodged electronically by emailing orgs@fwc.gov.au.

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Telephone : (03) 8661 7777
Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au

Civil penalties may apply

It should be noted that s.268 is a civil penalty provision. Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to $54,000 for a body corporate and $10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

Contact

Should you wish to seek any clarification in relation to the above, email orgs@fwc.gov.au.

Yours sincerely,

Annastasia Kyriakidis
Adviser
Regulatory Compliance Branch

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Telephone : (03) 8661 7777
Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au

Financial reporting timelines

Financial reports are to be lodged with the Fair Work Commission (the Commission) within 14 days of the meeting at which the financial reports have been presented, by completing the steps as outlined below.

See Fact sheet—Financial reporting for an explanation of each of these steps.

Reporting unit must keep proper financial records

STEP 1: Reporting unit to prepare:

General Purpose Financial Report,
Committee of Management Statement, and
Operating Report

STEP 2: Auditor's Report

Auditor to prepare and provide to Reporting unit

Subject to rules of organisation

STEP 3: provide to members at least 21 days before General Meeting

STEP 4: Present to a General Meeting of Members

STEP 3: provide to members within 5 months of end of financial year

STEP 4: Present to Committee of Management Meeting

STEP 5: Lodge with the Fair Work Commission

Lodge all Reports and Designated Officers Certificate with the Commission within 14 days of the meeting at which financial reports are presented

Fact Sheet - Loans, Grants & Donations

The Loans, Grants & Donations Requirements

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

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

The Loans, Grants & Donations Statement

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

the amount,

the purpose,

the security (if it is a loan),

the name and address of the person to whom it was made,* and

the arrangements for repaying the loan.*

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

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

Common misconceptions

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

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

Grants & Donations within the Financial Report

Item 16(e) of the General Manager's Reporting Guidelines requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were $1000 or less and those that exceeded $1000.

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

In the Commission's Model Statements the note appears as follows:

Note 4E: Grants or donations*

Grants:	**2016**	2015
Total paid that were $1,000 or less	**-**	-
Total paid that exceeded $1,000	**-**	-
Donations:		
Total paid that were $1,000 or less	**-**	-
Total paid that exceeded $1,000	**-**	-
Total grants or donations	**-**	-

Item 17 of the General Manager's Reporting Guidelines requires that these line items appear in the financial report even if the figures are NIL.

Implications for filing the Financial Report

During their review of the 2016 financial report staff of the Commission will confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

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

If a reporting unit did not fully comply with these requirements in their 2015 financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

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

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

Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the Regulatory Compliance Branch on orgs@fwc.gov.au