Australian Government
Registered Organisations Commission

19 October 2017

Ms Karen Batt
Secretary, Victorian Branch
CPSU, SPSF Group

Sent via email: gmostowska@cpsuvic.org

Dear Ms Batt

Re: – CPSU, SPSF Group, Victorian Branch - financial report for period ending 30 June 2017 (FR2017/134)

I refer to the financial report of the Victorian Branch of the CPSU, SPSF Group. The documents were lodged with the Registered Organisations Commission ('the ROC') on 6 October 2017.

The financial report has now been filed. The financial report was filed based on a primary review. This involved confirming whether 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.

You are not required to take any further action in respect of the report lodged. Please note that the financial report for the period ending 30 June 2018 may be subject to an advanced compliance review.

Reporting Requirements

On the ROC website is a number of factsheets in relation to the financial reporting process and associated timelines. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The ROC 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.

Please note that new Reporting Guidelines will apply to organisations and branches with financial years *commencing* on or after 1 July 2017. Updates and information on the new guidelines will be provided through the ROC website and the subscription service.

Yours faithfully

Stephen Kellett
Financial Reporting
Registered Organisations Commission

From: Gosia Mostowska [mailto:gmostowska@cpsuvic.org]
Sent: Friday, 6 October 2017 10:37 AM
To: ROC - Registered Org Commission
Subject: HPRM: ON CMS FR2017/134 CPSU SPSF GROUP VICTORIAN BRANCH

FR2017/134
To Whom It May Concern

Please find two attachments, which contain financial return for the year ended 30 June 2017 and accept the lodgement of CPSU/SPSF Group Victorian Branch Financial Report return.
If you require any further information please contact me directly on 03 9631 6905. Please acknowledge receipt of this documentation.

Regards

Gosia Mostowska | Finance Manager
CPSU Victoria | Level 4 128 Exhibition Street Melbourne 3000 VIC PO Box 24233 Melbourne 3001 VIC | p: (03) 9639 1822 | f: (03) 9662 4591 | gmostowska@cpsuvic.org | www.cpsuvic.org -----Original Message-----
From: DocuCentre-IV C2263 [mailto:melbourneprinter@spsf.asn.au]
Sent: Friday, 6 October 2017 11:15 AM
To: Gosia Mostowska
Subject: Scan Data from FX-E2419C

Number of Images: 2
Attachment File Type: PDF

Device Name: DocuCentre-IV C2263
Device Location:

CPSU Vic Branch - 2017 Final Audited Fi

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Community and Public Sector Union
State Public Services Federation • Victorian Branch

6th October 2017

Registered Organisations Commission
Fair Work Australia
Level 5
11 Exhibition Street
MELBOURNE VIC 3000

By Email: regorgs@roc.gov.au

To Whom It May Concern

RE: CPSU/SPSF Group, Victorian Branch – 2016 / 2017 Financial Report

Please find attached the Financial Report for the year ended 30 June 2017 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

Karen Batt
State Secretary

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

Certificate by Prescribed Designated Officer

Certificate for the period ended 30 June 2017

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 2017 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 4th October 2017 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 25th September 2017 in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

Signature: Karen Batt

Name: KAREN BATT

Signed At: Melbourne

Date: 6th October 2017

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

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2017

Community and Public Sector Union
SPSF Group • Victorian Branch

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

TABLE OF CONTENTS

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 25 September 2017.

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 2017.

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 from 2016

Bakker, Carol
Barratt, Anthony
Batesmith, Travis
Batson, Linda (resigned 26 June 2017)
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 (resigned 26 June 2017)
Laurie, Maggie
Milne, John
Neville, Gregory
Novoselek, Stephen
Perry, Christopher
Poel, Kathleen
Sharples, Judy
Sullivan, Mary
Van Winden, Aaron
Walsh, Steve
Wilkinson, Vicki

Branch Executive

Karen Batt – Branch Secretary
Peter Lillywhite - President
Andrew Jones – Vice President (resigned 26 June 2017)
Catherine Davies – Assistant Branch Secretary
Gary Greaves – Vice President

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

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

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

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, Victorian Government Skills Commission Industry Advisory Group and the Social Services Taskforce overseeing the implementation of the Royal Commission's Recommendations in relation to Family Violence.

As the transition from Disability Services to the new Commonwealth NDIA picked up speed, the union worked with DHHS and the members to either assist in transitioning to the NDIA or to be redeployed into other positions within DHHS or broader VPS.

The union worked on the establishment of a cadetship scheme in the VPS in partnership with the Victorian Government with 21 cadets commencing in June of 2017.

The union also commenced a secure employment campaign utilising the clause in the VPS EBA with a view to having casuals and fixed term employees converted to ongoing. The campaign was also designed to highlight the misuse by the Departments and Agencies of consultants and Labour Hire staff to fill ongoing VPS roles, costing the state $707m in this financial year alone.

The Branch worked in conjunction with the Federal Office of the union on making submissions to the Peoples Inquiry into Privatisation. Made submissions to the Government's Review of Worksafe's Regulation and OHS Enforcement and appeared before the Upper House Inquiry into Youth Justice.

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 with a major focus on the development of and implementation of the Mental Health and Wellbeing Charter. Supporting members deal with the recurring violence in the states Youth Justice facilities and successfully have Worksafe issue Improvement Notices at both Parkville and Malmsbury following the riots at the sites. The Branch continued to work with DHHS and DJR on the machinery of Government transfer of the Youth Justice program between the Departments.

We dealt with a number of disputes during the year including VicSES vehicle access for employees on commuted allowances, stock transfer of public housing properties to the community housing sector, transition to the new regional structure for SSSO's in Education and the classification of those jobs, the diabolical situation facing AMES employees as the Commonwealth removed their funding for migrant education, employment and resettlement services after 60 years, budget announcement that the State Government will examine options to commercialise Victoria's Land Registry function affecting Land Use Victoria employees job security, the proposed restructure of the Forest, Fire and Regional Group in DELWP spilling positions and initially leaving 300 employees without jobs.

The union continued to be involved in enterprise bargaining during the year across a number of agencies such as TAC, Worksafe, Vic Health and private sector employers such as Port Philip Prison, Serco Traffic Camera Operations and Ravenhall Prison. Negotiations also occurred in the Arts Agencies which saw the return of weekend penalty rates for casual employees across the arts sector, Victorian Building Authority, Public Transport Victoria, Parliament, Parks Victoria, VicForests, VicSES, ESSS, AHPRA and Schools.

Ran a Sign up a Sister promotion to support International Women's Day lunch at which 130 participated.

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 (Continued)

The union also upgraded its membership management system in May 2017, marking the end of a 5 year planning and design process to replace the 30 year old data base. The new system called OMS (Open Membership Systems) provides the union with expanded functionality, security and a feature set which will allow us to meet future expected requirements and 21st century technological needs.

The union recruited 2204 new members during the 2016/2017 financial year.

We received 204 notifications of change and opened 509 new cases on behalf of members. There were 714 "enquiry" cases that dealt with matters over the telephone or by email.

Union details

The number of full time equivalents employees at 30 June 2017 was 46.2 (2016: 40.95)

The number of financial members, inclusive of the Retired Officers Division, at 30 June 2017 was 13,717 (2016: 13,653).

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
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: 25th September 2017

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 2017

	Note	2017 $	2016 $
Revenue from continuing operations	4	**7,249,781**	6,963,795
Other revenue	4	**362,283**	416,476
Expenses			
Administration expenses		**(273,246)**	(290,625)
Affiliation and capitation fees	5	**(403,850)**	(389,698)
Communication expenses		**(249,445)**	(202,464)
Computer expenses		**(34,521)**	(31,399)
Employee benefits expenses	6	**(4,595,486)**	(4,579,807)
Legal & professional fees	7	**(43,300)**	(112,982)
Library		**(22,561)**	(20,157)
Meetings		**(87,852)**	(97,376)
Motor vehicle expenses		**(79,997)**	(76,692)
Office operation and maintenance		**(544,704)**	(1,156,154)
Printing and publications		**(236,788)**	(264,848)
Training and campaigns		**(213,450)**	(165,157)
		(6,785,200)	(7,387,359)
Surplus (Deficit) attributable to members of the entity		**826,864**	(7,088)
Other comprehensive income		**-**	-
Total comprehensive income for the year attributable to members		**826,864**	(7,088)

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 2017

	Note	2017 $	2016 $
ASSETS			
Current assets			
Cash and cash equivalents	9	**4,194,438**	3,399,931
Trade and other receivables	10	**257,699**	236,586
Inventory	11	**16,715**	15,947
Total current assets		**4,468,852**	3,652,464
Non-current assets			
Property, plant and equipment	12	**435,625**	542,896
Total non-current assets		**435,625**	542,896
Total assets		**4,904,477**	4,195,360
LIABILITIES			
Current liabilities			
Trade and other payables	13	**423,156**	445,892
Borrowings	14	**12,073**	120,628
Employee benefit obligations	15	**1,024,963**	1,007,022
Total current liabilities		**1,460,192**	1,573,542
Non-current liabilities			
Provisions	16	**102,503**	106,900
Total non-current liabilities		**102,503**	106,900
Total liabilities		**1,562,695**	1,680,442
Net assets		**3,341,782**	2,514,918
MEMBERS' FUND			
Accumulated surplus	17	**3,341,782**	2,514,918
Total members' fund		**3,341,782**	2,514,918

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 2017

	Accumulated surplus $	Other Funds $	Total $
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
Balance at 1 July 2016	**2,514,918**	**-**	**2,514,918**
Comprehensive income for the year	**826,864**	**-**	**826,864**
Transfer from accumulated surplus	**-**	**-**	**-**
Balance at 30 June 2017	**3,341,782**	**-**	**3,341,782**

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 2017

	Note	2017 $	2016 $
Cash flows from operating activities			
Membership fees and levies received (inclusive of GST)		**7,915,175**	7,631,663
Receipts from other reporting units (inclusive of GST)			
- CPSU/SPSF Group Adelaide Branch		**30,684**	18,411
- CPSU/SPSF Group Tasmanian Branch		**62,154**	74,040
- CPSU/SPSF Group Federal Fund		**134,799**	122,748
- PSA/CPSU		**2,900**	-
Receipts from controlled entities			-
Sundry receipts (inclusive of GST)		**85,088**	196,526
Grant receipts (inclusive of GST)		**55,000**	-
Payments to suppliers and employees (inclusive of GST)		**(7,194,420)**	(7,530,820)
Payments to other reporting units			
- CPSU/SPSF Group Federal Fund		**(236,436)**	(232,839)
Payments to controlled entities		**-**	-
Interest paid		**(1,945)**	(14,114)
Interest received		**67,977**	79,725
Net cash inflow from operating activities	22	**920,976**	345,340
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		**-**	14,545
Payment for property, plant and equipment		**(17,914)**	(125,126)
Net cash (outflow) from investing activities		**(17,914)**	(110,581)
Net increase in cash and cash equivalents		**903,062**	234,759
Cash and cash equivalents at beginning of financial year		**3,279,303**	3,044,544
Cash and cash equivalents at end of financial year	9(a)	**4,182,365**	3,279,303

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 2016. 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 2017 reporting periods. The entity's assessment of the impact of these new standards and interpretations is set out below.

Title of Standard	AASB 9 Financial Instruments
Nature of change	AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities and includes a forward-looking 'expected loss' impairment model and a substantially-changed approach to hedge accounting. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are: a. Financial assets that are debt instruments will be classified based on: (i) the objective of the entity's business model for managing the financial assets; and (ii) the characteristics of the contractual cash flows. b. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. c. Introduces a 'fair value through other comprehensive income' measurement category for particular simple debt instruments. d. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. e. Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: • the change attributable to changes in credit risk are presented in Other Comprehensive Income (OCI) • the remaining change is presented in profit or loss If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss. • Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9: • classification and measurement of financial liabilities; and • derecognition requirements for financial assets and liabilities. AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that enable entities to better reflect their risk management activities in the financial statements. Furthermore, AASB 9 introduces a new impairment model based on expected credit losses. This model makes use of more forward-looking information and applies to all financial instruments that are subject to impairment accounting. When this standard is first adopted for the year ending 31 December 2018, there will be no material impact on the transactions and balances recognised in the financial statements.
Application date	Must be applied for financial years commencing on or after 1 January 2018. Based on the transitional provisions in the completed AASB 9, early adoption in phases was only permitted for annual reporting periods beginning before 1 February 2015. After that date, the new rules must be adopted in their entirety. The entity does not intend to adopt AASB 9 before its mandatory date.

1: Summary of significant accounting policies (Continued)

(q) New accounting standards and interpretations (Continued)

Title of Standard	**AASB 15 Revenue from Contracts with Customers**
Nature of change	The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers revenue arising from the sale of goods and the rendering of 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. The standard permits either a full retrospective or a modified retrospective approach for the adoption. When this standard is first adopted, there will be no material impact on the transactions and balances recognised in the financial statements.
Application date	Mandatory for financial years commencing on or after 1 January 2018, but available for early adoption. Expected date of adoption by the entity: 1 January 2018.
Title of Standard	**AASB 16 Leases**
Nature of change	AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change. When this standard is first adopted, there will be no material impact on the transactions and balances recognised in the financial statements.
Application date	Mandatory for financial years commencing on or after 1 January 2019. At this stage, the entity does not intend to adopt the standard before its effective date.

1: Summary of significant accounting policies (Continued)

(q) New accounting standards and interpretations (Continued)

Title of Standard	**AASB 1058 Income of Not-for-Profit Entities**
Nature of change	AASB 1058 clarifies and simplifies the income recognition requirements that apply to NFP entities, in conjunction with AASB 15 *Revenue from Contracts with Customers*. These Standards supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 **Contributions**. Under AASB 1058, the timing of income recognition depends on whether a NFP transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity. This standard applies when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. In the latter case, the entity will recognise and measure the asset at fair value in accordance with the applicable Australian Accounting Standard (e.g. AASB *116 Property, Plant and Equipment*). Upon initial recognition of the asset, AASB 1058 requires the entity to consider whether any other financial statement elements (called 'related amounts') should be recognised, such as: a Contributions by owners; b Revenue, or a contract liability arising from a contract with a customer; c A lease liability; d A financial instrument; or e A provision. These related amounts will be accounted for in accordance with the applicable Australian Accounting Standard. The entity is yet to undertake a detailed assessment of the impact of AASB 1058. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2020
Application date	Mandatory for financial years commencing on or after 1 January 2019. At this stage, the entity does not intend to adopt the standard before its effective date.

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 Commissioner:

(1) a member of a reporting unit, or the Commissioner, 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	2017 $	2016 $
From continuing operations			
- member subscriptions		**7,158,176**	6,859,414
- capitation fee		**-**	-
- campaign levy (voluntary)		**91,605**	104,381
		7,249,781	6,963,795
Other revenue			
- interest		**69,579**	77,997
- training income		**52,118**	43,082
- administrative support income from other branches	**24(f)**	**50,536**	64,747
- administrative support income from Federal Fund	**24(f)**	**98,060**	97,686
- donation received		**-**	-
- grants received		**50,000**	-
- financial support from another reporting unit		**-**	-
- write back of unused funds		**-**	42,533
- other revenue		**41,990**	90,431
		362,283	416,476
		7,612,064	7,380,271

5: Affiliation and capitation fees

	2017 $	2016 $
Affiliation fee		
- Victorian Trades Hall Council	**99,711**	77,888
- Ballarat Trades & Labour Council	**1,180**	1,381
- Bendigo Trades Hall Council	**2,792**	1,396
- Council of State Retiree's Association, Victoria	**100**	-
- Geelong Trades Hall Council	**6,880**	6,823
- Gippsland Trades and Labour Council	**1,916**	1,857
- Goulburn Valley Trades and Labour Council	**483**	715
- North East Trades & Labour Council	**781**	917
- South West Trades & Labour Council	**446**	89
- Sunraysia Trades & Labour Council	**266**	329
- ACTU	**76,342**	62,020
Compulsory levy		
- ACTU campaign levy	**-**	26,366
Capitation fee		
- CPSU SPSF Group – Federal Fund	**212,953**	209,917
	403,850	389,698

6: Employees benefits expenses

	2017 $	2016 $
Holders of office:		
Wages and salaries	**380,423**	365,354
Superannuation	**49,457**	47,613
Leave and other entitlements	**2,992**	21,449
Separation and redundancies	**-**	-
Other employee expenses	**-**	-
	432,872	434,416
Employees other than holders of office:		
Wages and salaries	**3,352,642**	3,302,442
Superannuation	**413,279**	412,310
Leave and other entitlements	**9,491**	77,248
Separation and redundancies	**-**	-
Other employee expenses	**-**	-
	3,775,412	3,792,000
Other staff costs**	**387,202**	353,391
	4,595,486	4,579,807

** Other staff costs primarily comprise payroll tax and workcover

7: Legal & professional fee

	2017 $	2016 $
Accounting fee	**5,240**	4,310
Auditor remuneration		
- audit of financial report	**14,400**	14,250
- other audits	**750**	705
Legal fees		
- Litigation	**-**	-
- Other legal matters	**22,910**	93,717
	43,300	112,982

8: Expenses

	2017 $	2016 $
The surplus (deficit) for the year includes the following specific items:		
Depreciation of non-current assets		
- Motor vehicles	**22,143**	20,892
- Office equipment	**3,195**	5,078
- Furniture & fixtures	**6,015**	7,046
- Computer equipment	**12,087**	11,338
	43,440	44,354
Amortisation of non-current assets		
- leasehold improvements	**72,182**	72,087
Total Depreciation and amortisation	**115,622**	116,441
Defined contribution superannuation expense	**462,736**	459,923
Finance costs		
- provisions: unwinding of discount	**1,062**	1,032
- interest and finance charges paid on bank loan	**1,945**	14,114
Rental expenses on operating leases (minimum lease payments)	**430,673**	1,026,479
Conference and meeting allowances	**5,402**	5,182
Consideration to employers for payroll deductions	**-**	-
Penalties – via RO Act or RO Regulations	**-**	-
Donations:		
Total paid that were $1,000 or less	**1,109**	2,532
Total paid that exceeded $1,000	**10,000**	-
Grants:		
Total paid that were $1,000 or less	**-**	-
Total paid that exceeded $1,000	**-**	-
Loss on disposal of fixed assets	**9,562**	26,554

9: Current assets – Cash and cash equivalents

	2017 $	2016 $
Cash on hand	**1,021**	1,021
Cash at bank	**3,274,651**	2,494,469
Term deposit	**918,766**	904,441
	4,194,438	3,399,931

(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	**4,194,438**	3,399,931
Bank loan – line of credit	**(12,073)**	(120,628)
Balances per Statement of Cash Flows	**4,182,365**	3,279,303

(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

	2017 $	2016 $
Receivable from other reporting units		
- CPSU SPSF Adelaide Branch	**-**	6,137
- CPSU SPSF Tasmanian Branch	**-**	1,773
- CPSU SPSF Group Federal Fund	**9,270**	11,430
	9,270	19,340
Less provision for impairment	**-**	-
Net receivables from other reporting units	**9,270**	19,340
Trade receivables	**161,736**	146,618
Prepayments	**66,640**	49,740
Other receivables	**20,053**	20,888
	257,699	236,586

(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

	2017 $	2016 $
Inventory held for distribution	**16,715**	15,947

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 2017 amounted to $163,204 (30 June 2016 : $80,726)

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

	2017 $	2016 $
Leasehold improvements		
At cost	**721,822**	721,822
Less accumulated amortisation	**(417,824)**	(345,642)
	303,998	376,180
Plant and equipment		
Motor vehicles		
At cost	**172,972**	172,972
Less accumulated depreciation	**(106,543)**	(84,400)
	66,429	88,572
Office equipment	**59,291**	75,789
At cost	**(43,007)**	(51,716)
Less accumulated depreciation	**16,284**	24,073
Computer equipment		
At cost	**98,961**	106,066
Less accumulated depreciation	**(78,245)**	(90,258)
	20,716	15,808
Furniture and fixtures		
At cost	**144,706**	156,912
Less accumulated depreciation	**(116,508)**	(118,649)
	28,198	38,263
Total property, plant and equipment	**435,625**	542,896

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:

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

2017	Leasehold improvements	Motor vehicles	Office equipment	Computer equipment	Furniture and fixtures	Total
	$	$	$	$	$	$
Opening net book amount	376,180	88,572	24,073	15,808	38,263	542,896
Additions	-	-	845	17,069	-	17,914
Disposals	-	-	(5,439)	(74)	(4,050)	(9,563)
Depreciation	(72,182)	(22,143)	(3,195)	(12,087)	(6,015)	(115,622)
Closing net book amount	303,998	66,429	16,284	20,716	28,198	435,625

13: Current liabilities – Trade and other payables

	2017	2016
	$	**$**
Unsecured		
Trade creditors	**349,440**	336,504
Payables to other reporting units		
- CPSU SPSF Group Federal Fund	**19,821**	22,008
Consideration to employers for payroll deductions	**-**	-
Legal fee due – other matters	**-**	25,484
Legal fee due – litigation	**-**	-
Subscription in advance	**33,451**	42,768
Net GST	**2,574**	3,126
Other creditors	**17,870**	16,002
	423,156	445,892

14: Current liabilities – Borrowings

	2017 $	2016 $
Secured		
Line-of-credit	**12,073**	120,628

(a) Assets pledged as security - the Line-of-credit is secured by a $634,263 term deposit.

15: Current liabilities – Employee benefit obligations

	2017 $	2016 $
Holders of office:		
Annual leave	**24,832**	40,842
Long service leave	**108,204**	99,967
Separations and redundancies	**-**	-
Other	**-**	-
	133,036	140,809
Employees other than holders of office:		
Annual leave	**315,014**	361,285
Long service leave	**576,913**	504,928
Separations and redundancies	**-**	-
Other	**-**	-
	891,927	866,213
	1,024,963	1,007,022

16: Non-current liabilities – Provisions

	2017 $	2016 $
Employee benefits obligations		
Holders of office:		
Annual leave	**-**	-
Long service leave	**10,765**	-
Separations and redundancies	**-**	-
Other	**-**	-
Employees other than holders of office:		
Annual leave	**-**	-
Long service leave	**55,035**	71,259
Separations and redundancies	**-**	-
Other	**-**	-
	65,800	71,259
Makegood provision	**36,703**	35,641
	102,503	106,900

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

	2017 $	2016 $
Movements in the accumulated surplus were as follows:		
Balance 1 July	**2,514,918**	2,522,006
Net surplus(deficit) for the year	**826,864**	(7,088)
Balance 30 June	**3,341,782**	2,514,918

18: Contingencies

There are no known contingent assets or liabilities at 30 June 2017.

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

	2017	2016
	$	$
(a) Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payables		
- not later than one year	**630,738**	596,843
- later than one year but not later than five years	**2,446,352**	2,451,999
- later than five years	**1,694,422**	2,257,147
	4,771,512	5,305,989

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

	2017 $	2016 $
Reconciliation of cash flow from operations with surplus (deficit) for the year		
Surplus (Deficit) for the year	**826,864**	(7,088)
Non-cash flows in surplus (deficit)		
Depreciation and amortisation	**115,622**	116,441
Charges to provisions	**1,062**	1,032
Net loss (gain) on disposal of property, plant and equipment	**9,562**	26,554
Changes in assets and liabilities		
Decrease (Increase) in receivables	**(21,113)**	67,524
(Increase) in inventories	**(768)**	(7,362)
(Decrease) Increase in payables	**(22,736)**	49,542
Increase in provisions	**12,483**	98,697
Cash flows from operations	**920,976**	345,340

22: Cash flow information (Continued)

(a) Financing arrangements

The branch had access to the following borrowing facilities at the end of the reporting period	2017	2016
	$	$
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 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 Commissioner under s245(1) of the RO Act;
- a revocation by the Commissioner 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
Andrew Jones – Vice President (resigned 26 June 2017)

(b) Key management personnel remuneration	2017 $	2016 $
Short-term employee benefits		
Salary (including annual leave taken)	**334,278**	342,116
Annual leave accrued	**41,298**	39,974
Total short-term employee benefits	**375,576**	382,090
Post-employment benefits:		
Superannuation	**49,457**	47,613
Total post-employment benefits	**49,457**	47,613
Other long-term benefits:		
Long-service leave accrued	**7,839**	4,713
Total other long-term benefits	**7,839**	4,713
Termination benefits	**-**	-
Total	**432,872**	434,416

(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	2017	2016
	$	**$**
Payments:		
Capitation fee paid to the CPSU SPSF Federal Fund	**212,953**	209,917
Honorarium paid to Branch councillors	**3,250**	1,750
Receipts		
Computer support income from PSA/CPSU	**2,273**	2,273
Membership & computer support income from CPSU SPSF Tasmania Inc	**48,263**	62,474
	50,536	64,747
Administration support income from CPSU SPSF Federal Fund	**23,492**	23,118
Salary reimbursement (Federal Secretary) from CPSU SPSF Federal Fund	**74,568**	74,568
	98,060	97,686

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 Branch is not exposed to foreign exchange risk.

(ii) Price risk

The Branch 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:

	2017	**2016**
	$	**$**
Cash at bank		
AA- Rating	**3,274,651**	2,494,469
Deposits at call		
AA- Rating	**918,766**	904,441

(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:

2017

	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	3,274,651	-	-	-	-	-	3,274,651
Deposits at bank	2.3	-	918,766	-	-	-	-	918,766
Other receivables		-	-	-	-	-	191,059	191,059
		3,274,651	918,766	-	-	-	192,080	4,385,497
Financial Liabilities								
Line-of-credit	5.7	12,073	-	-	-	-	-	12,073
Other payables		-	-	-	-	-	423,156	423,156
		12,073	-	-	-	-	423,156	435,229
Net Financial Assets (Liabilities)		3,262,578	918,766	-	-	-	(231,076)	3,950,268

25: Financial risk management (Continued)

Maturity profile of financial instruments (Continued)

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

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 2017 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 2017 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:

		2017		2016	
	Note	Carrying Amount	Fair Value	Carrying Amount	Fair Value
		$	$	$	$
Financial assets					
Cash at banks	(i)	**4,193,417**	**4,193,417**	3,398,910	3,398,910
Trade and other receivables	(i)	**191,059**	**191,059**	186,846	186,846
Total financial assets		**4,384,476**	**4,384,476**	3,585,756	3,585,756
Financial liabilities					
Trade and other payables	(i)	**423,156**	**423,156**	445,892	445,892
Line of credit	(i)	**12,073**	**12,073**	120,628	120,628
Total financial liabilities		**435,229**	**435,229**	566,520	566,520

(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 2017 and 30 June 2016:

Financial Assets	**Level 1**	**Level 2**	**Level 3**
	$	**$**	**$**
30 June 2017			
Assets at fair value	-	-	-
Liabilities at fair value	-	-	-
Net fair value	-	-	-
30 June 2016			
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 2017			
Assets at fair value	-	-	-
Liabilities at fair value	-	-	-
Net fair value	-	-	-
30 June 2016			
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 (2016: 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 25th September 2017 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 2017:

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 any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
3. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit 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 a branch concerned; and
   b. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
   c. the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
   d. where the organisation consists of two 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 Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
   f. where any order for inspection of financial records has been made by the Registered Organisations 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: 25th September 2017.

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 Audit of the Financial Report

Opinion

We have audited the financial report of the Community and Public Sector Union SPSF Group Victorian Branch which comprises the balance sheet as at 30 June 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statement including comprising a summary of significant accounting policies and other explanatory information and the Committee of Management Statement.

In our opinion:

(i) the accompanying financial report of Community and Public Sector Union SPSF Group Victorian Branch:

a) presents fairly, in all material respects, the financial position of Community and Public Sector Union SPSF Group Victorian Branch as at 30 June 2017 and the results of its operations, its changes in equity and cash flows for the year then ended; and

b) complying the Australian Accounting Standards; and

c) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.

(ii) the Committee of Management‘s use of the going concern basis of accounting in the preparation of the entity’s financial statements is appropriate.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of our report.

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

Independence

We are independent of the Branch in accordance with auditor independent requirements ethical requirements of the Accounting Professional and Ethical Standards Board’s APES110 Code of Ethics for Professional Accountants (the “Code”) that are relevant to our audit of the financial report in Australia. We have fulfilled our other ethnical responsibilities in accordance with the Code.

BGL PARTNERS
CHARTERED ACCOUNTANTS

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

Information Other than the Financial Report and Auditor's Report Thereon

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Committee of Management 's responsibility for the financial report

The Committee of Management are responsible for the preparation and fair presentation of the financial report 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.

In preparing the financial report, the Committee of Management are responsible for assessing the Branch's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Branch or to cease operations, or have no realistic alternative but to do so.

Auditor 's responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

Auditor 's responsibility for the audit of the financial report (Continued)

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management s' use of the going concern basis of accounting in the preparation of the financial report. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events and conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the disclosures in the financial report about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial report. However, future events or conditions may cause an entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the Branch or activities within the Branch to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Recovery of Wages Activity financial report

As noted in the Committee of Management Statement, the Branch has not undertaken any recovery of wages activity during the reporting period, and no opinion can be provided in relation to recovery of wages activity.

I declare that I am an approved auditor, a member of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

BGL Partners
Chartered Accountants

I. A. Hinds - C.A. – Partner
Registration Auditor number: AA2017/87

Melbourne
25 September 2017