



14 February 2019

Ms Karen Batt  
State Secretary  
CPSU, the Community and Public Sector Union – SPSF Group, Victorian Branch  
PO BOX 24233  
MELBOURNE VIC 3001

By email: [enquiry@cpsuvic.org](mailto:enquiry@cpsuvic.org)

CC: [ianhinds@bglpartners.com.au](mailto:ianhinds@bglpartners.com.au)

Dear Ms Batt,

**CPSU, the Community and Public Sector Union – SPSF Group, Victorian Branch  
Financial Report for the year ended 30 June 2018 - [FR2018/130]**

I acknowledge receipt of the financial report for the year ended 30 June 2018 for the CPSU, the Community and Public Sector Union – SPSF Group, Victorian Branch (**the reporting unit**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 10 December 2018.

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 2019 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged, however I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these matters have been addressed prior to filing next year's report.

Nil activities disclosure

Item 21 of the reporting guidelines states that if any of the activities identified within items 10-20 of the reporting guidelines have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement. The financial statements and the notes contained nil activity information for all prescribed reporting guideline categories except the following:

- have another entity administer the financial affairs of the reporting unit (reporting guideline 19);
- make a payment to a former related party of the reporting unit (reporting guideline 20).

Please ensure in future years that the above mentioned items are disclosed in either the financial statements, the notes or in the officer's declaration statement as per the reporting guidelines.

### **Reporting Requirements**

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements. The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (02) 8293 4654 or via email at [david.vale@roc.gov.au](mailto:david.vale@roc.gov.au).

Yours faithfully

A handwritten signature in blue ink that reads "David Vale". The signature is written in a cursive style with a long horizontal stroke extending to the right.

David Vale  
Registered Organisations Commission



10<sup>th</sup> December 2018

Registered Organisations Commission

**Fair Work Australia**

Level 5

11 Exhibition Street

MELBOURNE VIC 3000

By Email: [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au)

To Whom It May Concern

RE: CPSU/SPSF Group, Victorian Branch – 2017 / 2018 Financial Report

Please find attached the Financial Report for the year ended 30 June 2018 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**

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

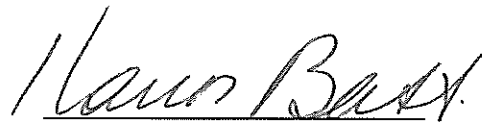
**Certificate by Prescribed Designated Officer**

**Certificate for the period ended 30 June 2018**

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

- that the documents lodged herewith are copies of the full financial report for the CPSU SPSF Group Victorian Branch for the period ended 30<sup>th</sup> June 2018 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 26<sup>th</sup> November 2018 on the reporting unit's web site, [www.cpsuvic.org](http://www.cpsuvic.org) ; and
- that a full financial report was presented to a Committee of Management at the 2nd meeting of the reporting unit on 3<sup>rd</sup> December 2018 in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

Signature:



Name:

KAREN BATT

Signed At:

Melbourne

Date:

10<sup>th</sup> December 2018

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

**ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2018**



**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 29 October 2018.

**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 2018.

**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	Harrison, Jane (resigned 31 January 2018)
Barratt, Anthony	Hylton-Smith, Martin (resigned 8 May 2018)
Batesmith, Travis	Laurie, Maggie
Butler, Stephen	Lehmann Adam (appointed 26 February 2018)
Cerezo, Rheimia	Milne, John
Comeros, Chris	Neville, Gregory (resigned 6 December 2017)
Cook, Gavan	Novoselek, Stephen
Dann Rachel (appointed 30 April 2018)	Perry, Christopher
Dimech Adam (resigned 30 July 2018)	Poel, Kathleen
Dowling, Mark (resigned 26 February 2018)	Sharples, Judy
Forster, Lex	Sullivan, Mary
Free, Elizabeth (resigned 30 April 2018)	Van Winden, Aaron
Grigbsy, Phillip (resigned 4 November 2017)	Walsh, Steve
Halden, Mark	Wilkinson, Vicki

*Branch Executive*

Karen Batt – Branch Secretary	Catherine Davies – Assistant Branch Secretary
Peter Lillywhite - President	Gary Greaves – Vice President
Jane Harrison – Vice President (appointed 31 January 2018 and term expired 30 July 2018)	

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

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

**OPERATING REPORT (Continued)**

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

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, 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.

Union also was invited to join the Emergency Worker Harm Reference Group looking at Government responses to occupational violence in a number of program areas against public sector workers.

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 continued to work on the cadetship scheme in the VPS in partnership with the Victorian Government with 21 cadets graduating during the year and a further 56 new cadets commencing in the second round.

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 millions of dollars.

The Branch worked in conjunction with the Federal Office of the union on making submissions to the Upper House Inquiry into the commercialisation of the Land Titles Office.

**Activities**

CPSU launches our 'The Real Cost' campaign with workers at the titles office to stop the privatisation of their land data work. Pay rises flow through on 1st July for members in a range of agencies under our Agreements.

CPSU calls for feedback from members about the procurement of departmental uniforms and also writes to all public service employers about their procurement practices.

DHHS Departmental wide restructure following machinery changes for Family Services Victoria (FSV) and OPWE as well as the new 452 Child Protection positions have been allocated to divisions.

The prosecution of DOJR by WorkSafe over the riot in 2015 at the Metropolitan Remand Centre Management generates multiple inquiries from member.

CPSU launches our 'The Real Cost' campaign with workers at the titles office to stop the privatisation of their land data work.

CPSU hosts a members and supporters gathering ahead of the planned postal ballot for marriage equality.

CPSU establishes a Cultural and Arts Agencies Network (CAAN) for the Arts Agencies members.



**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)**

**Activities (Continued)**

Opens nominations for the Gayle Smith Award which recognises significant contributions to OHS.

New legislation passes to have matters heard in higher courts with much tougher consequences for young people who assault youth justice officers inside detention as well as end concurrent sentencing for those young offenders who damage property, escape or attempt to escape from a youth justice facility.

A major fire in the server room at Port Phillip Prison restricted prison operations and out of cell hours were restricted requiring a significant staff contribution to keep order and safety under the difficult circumstances.

A unilateral decision to remove a sun shade above the Information Desk inside NGVI ahead of a severe heatwave resulted in a visit from WorkSafe as temperatures soar for staff.

CPSU, in conjunction with G&C Mutual Bank, continues our tertiary scholarship program awarding \$1,000 every year to support members and their families attempting a suitable tertiary course.

CPSU members join with other union members and hit the streets to demand new rules so Australians get fair pay rises and more secure jobs.

New laws are introduced to the Victorian Parliament making it a crime to intimidate and harass (including by making threats to the families of) Prison Officers, Youth Justice Officers and Police Custody Officers amongst other emergency worker professions.

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, including extensive involvement in various Inter Departmental Committees developing the strategies for the roll out of all aspects of the Charter.

**Disputes**

WORKSAFE about the Operational Motor Vehicle policy, Telematics and Personal Duress Alarm issues.

SERCO about the lack of agreed minimum hours of work for part time operators in the proposed Agreement.

DELWP over our concerns around the proposed Forest Fire Regions Group restructure and the process that would assess 300 unmatched employees after spill of positions. DELWP with the office refurbishment at 8 Nicholson Street with concerns with the lack of space and privacy; appropriate mix of workstation designs; levels of consultation; and consideration of individual work and task requirements.

Progression and Top of Grade or Value Range payment disputes with CAV & DEDJTR again telling employees that payments are "being considered together" and that they will be restricted due to budget constraints and managers attempting to apply higher standards or requirements.

DoJR over a suitable mounting device for the in-car tablets for the Sheriffs Officers.

**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)**

**Disputes (Continued)**

VICSES to discuss the ramifications of the introduction of change to vehicle fleet and the new commuter use scheme which diminishes operational capacity.

Long running dispute with VicPol over the issue of substitute leave for part timer Forensic Officers who work on weekends is resolved with the granting of four days paid leave in lieu plus one day of paid leave in recognition of Easter Saturday and Sunday.

Shift Allowance win at Zoo for Band 6 and 7 staff who work weekends now receiving shift allowances with back-pay to the commencement of the current Enterprise Agreement also paid.

Fatigue concerns arise from the current Karreenga custodial rosters and WorkSafe is called into investigate and require modification to address the potential for work-related fatigue concerns.

The Treasurer confirms he will proceed with the sale of just parts of the land titles registry after our 'The Real Cost' campaign.

A Corrections Commissioners' directive to prison General Managers to find operational savings causes friction as changes are imposed to posts and rosters that affect staff safety.

**Agreements**

Dental Health, Electorate Officers, G4S Port Phillip Prison, Health Purchasing Victoria, Royal Botanic Gardens, Schools, Serco, Southern Rural Water, State Trustees, VicHealth, VIT.

Ran a Sign up a Sister promotion was run again to support International Women's Day lunch at which 126 participated.

Union commenced work focussing on the Gender Pay Gap by launching it # 100% campaign focussing on building Gender Pay Advocates to campaign for equal pay and the union was invited onto the Equal Workplaces Advisory Council as part of the Victorian Government's Gender Equality strategy.

The union recruited 2392 new members during the 2017/2018 financial year.

We received 215 notifications of change and opened 1160 new cases on behalf of members comprising of 649 standard cases, 449 "enquiry" cases (email, phone & walk-in) and 66 Workcover cases.

**Union details**

The number of full time equivalents employees at 30 June 2018 was 47.35 (2017: 46.2)

The number of financial members, inclusive of the Retired Officers Division, at 30 June 2018 was 13,532 (2017: 13,717).

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

**OPERATING REPORT (Continued)**

**Right of members to resign**

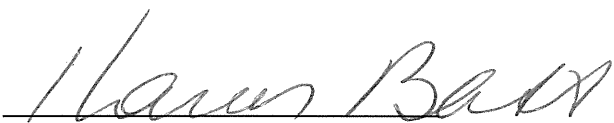
Rule 8 of Chapter C of Federal Rule sets out the terms under which a member of the Branch may resign. A member may resign from membership of the Union by notice in writing, addressed to the Branch Secretary, if the member cease to be eligible to become a member of the Union or the member give notice 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:

<b>Name</b>	<b>Company/Board</b>	<b>Principal Activities</b>	<b>Reporting unit position</b>
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: 

Name of designated officer: KAREN BATT

Title of designated officer: VICTORIAN BRANCH SECRETARY

Dated 29<sup>th</sup> October 2018

**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 2018**

	Note	2018 \$	2017 \$
<b>Revenue from continuing operations</b>	4	7,517,155	7,249,781
<b>Other revenue</b>	4	319,546	362,283
<b>Expenses</b>			
Administration expenses		(210,893)	(213,590)
Affiliation and capitation fees	5	(415,894)	(403,850)
Communication expenses		(220,094)	(249,445)
Computer expenses		(58,121)	(34,521)
Employee benefits expenses	6	(5,162,265)	(4,655,142)
Legal & professional fees	7	(40,320)	(43,300)
Library		(22,627)	(22,561)
Meetings		(84,738)	(87,852)
Motor vehicle expenses		(74,159)	(79,997)
Office operation and maintenance		(598,442)	(544,704)
Printing and publications		(237,289)	(236,788)
Training and campaigns		(316,750)	(213,450)
		<u>(7,411,592)</u>	<u>(6,785,200)</u>
<b>Surplus attributable to members of the entity</b>		395,109	826,864
<b>Other comprehensive income</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year attributable to members</b>		<u>395,109</u>	<u>826,864</u>

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

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

**BALANCE SHEET  
AS AT 30 JUNE 2018**

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	4,702,131	4,194,438
Trade and other receivables	10	219,386	257,699
Inventory	11	25,635	16,715
<b>Total current assets</b>		<u>4,947,152</u>	<u>4,468,852</u>
<b>Non-current assets</b>			
Property, plant and equipment	12	360,551	435,625
<b>Total non-current assets</b>		<u>360,551</u>	<u>435,625</u>
<b>Total assets</b>		<u>5,307,703</u>	<u>4,904,477</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	13	373,119	423,156
Borrowings	14	8,007	12,073
Employee benefit obligations	15	1,101,201	1,024,963
<b>Total current liabilities</b>		<u>1,482,327</u>	<u>1,460,192</u>
<b>Non-current liabilities</b>			
Provisions	16	88,485	102,503
<b>Total non-current liabilities</b>		<u>88,485</u>	<u>102,503</u>
<b>Total liabilities</b>		<u>1,570,812</u>	<u>1,562,695</u>
<b>Net assets</b>		<u>3,736,891</u>	<u>3,341,782</u>
<b>MEMBERS' FUND</b>			
Accumulated surplus	17	3,736,891	3,341,782
<b>Total members' fund</b>		<u>3,736,891</u>	<u>3,341,782</u>

The above Balance Sheet should be read in conjunction with the accompanying notes.

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

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	Accumulated surplus \$	Other Funds \$	Total \$
<b>Balance at 1 July 2016</b>	2,514,918	-	2,514,918
Comprehensive income for the year	826,864	-	826,864
Transfer from accumulated surplus	-	-	-
<b>Balance at 30 June 2017</b>	<u>3,341,782</u>	<u>-</u>	<u>3,341,782</u>
<b>Balance at 1 July 2017</b>	<b>3,341,782</b>	-	<b>3,341,782</b>
Comprehensive income for the year	<b>395,109</b>	-	<b>395,109</b>
Transfer from accumulated surplus	-	-	-
<b>Balance at 30 June 2018</b>	<u><b>3,736,891</b></u>	<u>-</u>	<u><b>3,736,891</b></u>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
<b>Cash flows from operating activities</b>			
Membership fees and levies received (inclusive of GST)		8,264,848	7,915,175
Receipts from other reporting units (inclusive of GST)			
- CPSU/SPSF Group Adelaide Branch		24,547	30,684
- CPSU/SPSF Group Tasmanian Branch		33,821	62,154
- CPSU/SPSF Group Federal Fund		128,347	134,799
- PSA/CPSU		2,500	2,900
Receipts from controlled entities			
Sundry receipts (inclusive of GST)		70,116	85,088
Grant receipts (inclusive of GST)		55,000	55,000
Payments to suppliers and employees (inclusive of GST)		(7,848,002)	(7,194,420)
Payments to other reporting units			
- CPSU/SPSF Group Federal Fund		(252,740)	(236,436)
- CPSU/SPSF Group Adelaide Branch		(12,790)	-
Payments to controlled entities			-
Interest paid		(534)	(1,945)
Interest received		75,462	67,977
<b>Net cash inflow from operating activities</b>	21	<u>540,575</u>	<u>920,976</u>
<b>Cash flows from investing activities</b>			
Payment for property, plant and equipment		(28,816)	(17,914)
<b>Net cash (outflow) from investing activities</b>		<u>(28,816)</u>	<u>(17,914)</u>
<b>Net increase in cash and cash equivalents</b>		511,759	903,062
Cash and cash equivalents at beginning of financial year		4,182,365	3,279,303
<b>Cash and cash equivalents at end of financial year</b>	9(a)	<u>4,694,124</u>	<u>4,182,365</u>

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

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

**REPORT REQUIRED UNDER SUBSECTION 255(2A)  
FOR YEAR ENDED 30 JUNE 2018**

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The Committee of Management presents the expenditure report as required under subsection 255(2A) of the *Fair Work (Registered Organisations) Act 2009* on the Reporting Unit for the year ended 30 June 2018.

	2018 \$	2017 \$
<b>Categories of expenditure</b>		
Remuneration and other employment-related costs and expenses - employees	5,162,265	4,655,142
Advertising	109,335	17,390
Operating costs	1,376,549	1,328,658
Donations to political parties	-	-
Legal costs	20,035	22,910

Due to the specific requirements under subsection 255(2A) of the *Fair Work (Registered Organisations) Act 2009*, there will likely be some other costs incurred by the reporting unit which do not fall within the above categories. Accordingly the expenditure reported in this report may not represent 100% of the expenditure actually incurred by the reporting unit.

Signature of designated officer: Karen Batt

Name of designated officer: KAREN BATT

Title of designated officer: VICTORIAN BRANCH SECRETARY

Dated 29<sup>th</sup> OCTOBER 2018

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



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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**1: Summary of significant accounting policies**

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

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

**(a) Basis of preparation**

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

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

*Early adoption of standards*

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

*New and amended standards adopted by the Branch*

The Branch 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 2017. 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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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**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 their receipt or upon prior notification that a grant has been secured, and the timing of commencement of control depends upon the arrangements that exist between the contributors and the Branch

*Interest income*

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

*Other revenue*

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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**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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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**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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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**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 minimize the use of observable market data where it is available and rely as little as possible on entity specific estimates.

Specific valuation techniques used to value financial instruments include:

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

**(i) Property, plant and equipment**

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

*Depreciation*

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

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

**(j) Trade and other payables**

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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**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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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**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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**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 2018 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	<p>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.</p> <p>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:</p> <ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>c. Introduces a 'fair value through other comprehensive income' measurement category for particular simple debt instruments.</li> <li>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.</li> <li>e. Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: <ul style="list-style-type: none"> <li>• the change attributable to changes in credit risk are presented in Other Comprehensive Income (OCI)</li> <li>• the remaining change is presented in profit or loss</li> </ul> <p>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.</p> <ul style="list-style-type: none"> <li>• Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9:</li> <li>• classification and measurement of financial liabilities; and</li> <li>• derecognition requirements for financial assets and liabilities.</li> </ul> </li> </ol> <p>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.</p> <p>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.</p>
Application date	<p>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.</p>



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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**1: Summary of significant accounting policies (Continued)**

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

Title of Standard	<b>AASB 15 Revenue from Contracts with Customers</b>
Nature of change	<p>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.</p> <p>The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer.</p> <p>The standard permits either a full retrospective or a modified retrospective approach for the adoption.</p> <p>When this standard is first adopted, there will be no material impact on the transactions and balances recognised in the financial statements.</p>
Application date	Mandatory for financial years commencing on or after 1 January 2018, but available for early adoption. At this stage, the entity does not intend to adopt the standard before its effective date.
Title of Standard	<b>AASB 16 Leases</b>
Nature of change	<p>AASB 16 was issued in February 2017. 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.</p> <p>When this standard is first adopted, there will be no material impact on the transactions and balances recognised in the financial statements.</p>
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.

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2018

1: Summary of significant accounting policies (Continued)

(q) New accounting standards and interpretations (Continued)

Title of Standard	<b>AASB 1058 Income of Not-for-Profit Entities</b>
Nature of change	<p>AASB 1058 clarifies and simplifies the income recognition requirements that apply to NFP entities, in conjunction with AASB 15 <i>Revenue from Contracts with Customers</i>. 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 <b>Contributions</b>. 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.</p> <p>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 <i>Property, Plant and Equipment</i>). 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:</p> <ul style="list-style-type: none"> <li>a Contributions by owners;</li> <li>b Revenue, or a contract liability arising from a contract with a customer;</li> <li>c A lease liability;</li> <li>d A financial instrument; or</li> <li>e A provision.</li> </ul> <p>These related amounts will be accounted for in accordance with the applicable Australian Accounting Standard.</p> <p>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</p>
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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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**2: Critical accounting estimates and judgements**

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

**(a) Critical accounting estimates and assumptions**

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

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

*Employee entitlements*

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

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

**3: Section 272 Fair Work (Registered Organisations) Act 2009**

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

Information to be provided to members or the 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).

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**4: Revenue**

	Note	2018 \$	2017 \$
<b>From continuing operations</b>			
- member subscriptions		7,412,193	7,158,176
- capitation fee		-	-
- campaign levy (voluntary)		104,962	91,605
		<u>7,517,155</u>	<u>7,249,781</u>
<b>Other revenue</b>			
- interest		74,367	69,579
- training income		47,827	52,118
- administrative support income from other branches	23(f)	28,655	50,536
- administrative support income from Federal Fund	23(f)	98,255	98,060
- donation received		100	-
- grants received		50,000	50,000
- financial support from another reporting unit		-	-
- revenue from recovery of wages activity		-	-
- other revenue		20,342	41,990
		<u>319,546</u>	<u>362,283</u>
		<u>7,836,701</u>	<u>7,612,064</u>

**5: Affiliation and capitation fees**

	2018 \$	2017 \$
<i>Affiliation fee</i>		
- Victorian Trades Hall Council	102,108	99,711
- Ballarat Trades & Labour Council	1,596	1,180
- Bendigo Trades Hall Council	2,784	2,792
- Council of State Retiree's Association, Victoria	347	100
- Geelong Trades Hall Council	6,964	6,880
- Gippsland Trades and Labour Council	2,015	1,916
- Goulburn Valley Trades and Labour Council	672	483
- North East Trades & Labour Council	933	781
- Prison Officers Association of Australasia	3,000	-
- South West Trades & Labour Council	357	446
- Sunraysia Trades & Labour Council	266	266
- ACTU	78,619	76,342
<i>Compulsory levy</i>	-	-
<i>Capitation fee</i>		
- CPSU SPSF Group – Federal Fund	216,233	212,953
	<u>415,894</u>	<u>403,850</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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**6: Employees benefits expenses**

	2018 \$	2017 \$
<b>Holders of office:</b>		
Wages and salaries	408,031	380,423
Superannuation	42,738	49,457
Leave and other entitlements	(919)	2,992
Separation and redundancies	-	-
Other employee expenses	-	-
	<u>449,850</u>	<u>432,872</u>
<b>Employees other than holders of office:</b>		
Wages and salaries	3,730,131	3,352,642
Superannuation	444,263	413,279
Leave and other entitlements	71,939	9,491
Separation and redundancies	-	-
Other employee expenses	-	-
	<u>4,246,333</u>	<u>3,775,412</u>
Other staff costs**	<u>466,082</u>	<u>446,858</u>
	<u><u>5,162,265</u></u>	<u><u>4,655,142</u></u>

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

**7: Legal & professional fee**

	2018 \$	2017 \$
Accounting fee	4,975	5,240
Auditor remuneration		
- audit of financial report	14,900	14,400
- other audits	410	750
Legal fees		
- Litigation	-	-
- Other legal matters	20,035	22,910
	<u>40,320</u>	<u>43,300</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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**8: Expenses**

	2018 \$	2017 \$
The surplus for the year includes the following specific items:		
<i>Depreciation of non-current assets</i>		
- Motor vehicles	16,607	22,143
- Office equipment	3,150	3,195
- Furniture & fixtures	5,232	6,015
- Computer equipment	14,329	12,087
	<u>39,318</u>	<u>43,440</u>
<i>Amortisation of non-current assets</i>		
- leasehold improvements	<u>64,181</u>	<u>72,182</u>
Total depreciation and amortisation	<u>103,499</u>	<u>115,622</u>
<i>Defined contribution superannuation expense</i>	487,001	462,736
<i>Finance costs</i>		
- provisions: unwinding of discount	1,094	1,062
- interest and finance charges paid on bank loan	534	1,945
Rental expenses on operating leases (minimum lease payments)	448,300	430,673
Conference and meeting allowances	1,502	5,402
Consideration to employers for payroll deductions	-	-
Penalties – via RO Act or RO Regulations	-	-
Donations:		
Total paid that were \$1,000 or less	1,391	1,109
Total paid that exceeded \$1,000	13,500	10,000
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Loss on disposal of fixed assets	391	9,562

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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

	2018	2017
	\$	\$
Cash on hand	1,021	1,021
Cash at bank	3,765,726	3,274,651
Term deposit	935,384	918,766
	<u>4,702,131</u>	<u>4,194,438</u>

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

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

Balances as above	4,702,131	4,194,438
Bank loan – line of credit	<u>(8,007)</u>	<u>(12,073)</u>
Balances per Statement of Cash Flows	<u>4,694,124</u>	<u>4,182,365</u>

**(b) Assets pledged as security**

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

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

	2018	2017
	\$	\$
Receivable from other reporting units		
- CPSU SPSF Adelaide Branch	-	-
- CPSU SPSF Tasmanian Branch	2,290	-
- CPSU SPSF Group Federal Fund	-	9,270
	<u>2,290</u>	<u>9,270</u>
Less provision for impairment	-	-
Net receivables from other reporting units	2,290	9,270
Trade receivables	160,081	161,736
Prepayments	40,412	66,640
Other receivables	16,603	20,053
	<u>219,386</u>	<u>257,699</u>

*(i) Classification as trade and other receivables*

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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**11: Current assets – Inventory**

	2018 \$	2017 \$
Inventory held for distribution	<u>25,635</u>	<u>16,715</u>

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

Inventories recognised as expense during the year ended 30 June 2018 amounted to \$120,284 (30 June 2017 : \$163,204)

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

	2018 \$	2017 \$
<b>Leasehold improvements</b>		
At cost	721,822	721,822
Less accumulated amortisation	<u>(482,005)</u>	<u>(417,824)</u>
	<u>239,817</u>	<u>303,998</u>
<b>Plant and equipment</b>		
Motor vehicles		
At cost	172,972	172,972
Less accumulated depreciation	<u>(123,150)</u>	<u>(106,543)</u>
	<u>49,822</u>	<u>66,429</u>
Office equipment	67,381	59,291
At cost	<u>(46,157)</u>	<u>(43,007)</u>
Less accumulated depreciation	<u>21,224</u>	<u>16,284</u>
Computer equipment		
At cost	98,155	98,961
Less accumulated depreciation	<u>(74,566)</u>	<u>(78,245)</u>
	<u>23,589</u>	<u>20,716</u>
Furniture and fixtures		
At cost	147,839	144,706
Less accumulated depreciation	<u>(121,740)</u>	<u>(116,508)</u>
	<u>26,099</u>	<u>28,198</u>
<b>Total property, plant and equipment</b>	<u>360,551</u>	<u>435,625</u>



NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2018

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:

	Leasehold improvements	Motor vehicles	Office equipment	Computer equipment	Furniture and fixtures	Total
	\$	\$	\$	\$	\$	\$
<b>2017</b>						
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	<u>303,998</u>	<u>66,429</u>	<u>16,284</u>	<u>20,716</u>	<u>28,198</u>	<u>435,625</u>
<b>2018</b>						
Opening net book amount	303,998	66,429	16,284	20,716	28,198	435,625
Additions	-	-	8,090	17,593	3,133	28,816
Disposals	-	-	-	(391)	-	(391)
Depreciation	(64,181)	(16,607)	(3,150)	(14,329)	(5,232)	(103,499)
Closing net book amount	<u>239,817</u>	<u>49,822</u>	<u>21,224</u>	<u>23,589</u>	<u>26,099</u>	<u>360,551</u>

13: Current liabilities – Trade and other payables

	2018	2017
	\$	\$
<i>Unsecured</i>		
Trade creditors	290,440	349,440
Payables to other reporting units		
- CPSU SPSF Group Federal Fund	19,925	19,821
Consideration to employers for payroll deductions	-	-
Legal fee due – other matters	-	-
Legal fee due – litigation	-	-
Subscription in advance	35,123	33,451
Net GST	11,723	2,574
Other creditors	15,908	17,870
	<u>373,119</u>	<u>423,156</u>

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2018

**14: Current liabilities – Borrowings**

	2018 \$	2017 \$
<i>Secured</i>		
Line-of-credit	<u>8,007</u>	<u>12,073</u>

(a) Assets pledged as security - the Line-of-credit is secured by a \$650,881 term deposit.

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

	2018 \$	2017 \$
<i>Holders of office:</i>		
Annual leave	12,682	24,832
Long service leave	116,880	108,204
Separations and redundancies	-	-
Other	-	-
	<u>129,562</u>	<u>133,036</u>
<i>Employees other than holders of office:</i>		
Annual leave	361,200	315,014
Long service leave	610,439	576,913
Separations and redundancies	-	-
Other	-	-
	<u>971,639</u>	<u>891,927</u>
	<u>1,101,201</u>	<u>1,024,963</u>

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

	2018 \$	2017 \$
Employee benefits obligations		
<i>Holders of office:</i>		
Annual leave	-	-
Long service leave	13,320	10,765
Separations and redundancies	-	-
Other	-	-
<i>Employees other than holders of office:</i>		
Annual leave	-	-
Long service leave	37,369	55,035
Separations and redundancies	-	-
Other	-	-
	<u>50,689</u>	<u>65,800</u>
Makegood provision	<u>37,796</u>	<u>36,703</u>
	<u>88,485</u>	<u>102,503</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

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**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**

	2018 \$	2017 \$
Movements in the accumulated surplus were as follows:		
Balance 1 July	3,341,782	2,514,918
Net surplus for the year	395,109	826,864
Balance 30 June	<u>3,736,891</u>	<u>3,341,782</u>

**18: Contingencies**

There are no known contingent assets or liabilities at 30 June 2018.

**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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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**20: Commitments**

	2018	2017
	\$	\$
(a) Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payables		
- not later than one year	676,661	630,738
- later than one year but not later than five years	2,599,710	2,446,352
- later than five years	1,108,212	1,694,422
	<u>4,384,583</u>	<u>4,771,512</u>

General description of leasing arrangement:

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

**21: Cash flow information**

	2018	2017
	\$	\$
<b>Reconciliation of cash flow from operations with surplus for the year</b>		
Surplus for the year	395,109	826,864
<i>Non-cash flows in surplus</i>		
Depreciation and amortisation	103,499	115,622
Charges to provisions	1,094	1,062
Net loss on disposal of property, plant and equipment	391	9,562
<i>Changes in assets and liabilities</i>		
Decrease (Increase) in receivables	38,312	(21,113)
(Increase) in inventories	(8,919)	(768)
(Decrease) in payables	(50,038)	(22,736)
Increase in provisions	61,127	12,483
Cash flows from operations	<u>540,575</u>	<u>920,976</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**21: Cash flow information (Continued)**

**(a) Financing arrangements**

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

	2018	2017
	\$	\$
Floating rate – expiring within one year (line-of-credit)	<u>500,000</u>	<u>500,000</u>

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

**(b) Liabilities from Financing Activities**

	1 July 2017	Cash flows	Other	30 June 2018
	\$	\$	\$	\$
Current interest-bearing loans and borrowings	12,073	(4,066)	-	8,007
Total liabilities from financing activities	<u>12,073</u>	<u>(4,066)</u>	-	<u>8,007</u>
	1 July 2016	Cash flows	Other	30 June 2017
	\$	\$	\$	\$
Current interest-bearing loans and borrowings	120,628	(108,605)	-	12,073
Total liabilities from financing activities	<u>120,628</u>	<u>(108,605)</u>	-	<u>12,073</u>

**22: Other information**

*(i) Going Concern*

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

*(ii) Financial Support*

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

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

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

- an amalgamation under part 2 of Chapter 3, of the RO Act;
- a restructure of the Branches of the organization;
- a determination by the General Manager of the Fair Work Commission under subsection 245(1) of the RO Act of an alternative reporting structure for the organisation;
- a revocation by the General Manager of the Fair Work Commission under subsection 249(1) of the RO Act of a certificate issued to an organisation under subsection 245(1);

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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**23: 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
Gary Greaves – Vice President (appointed 31 January 2018 & resigned 30 July 2018)	

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
(b) Key management personnel remuneration		
<i>Short-term employee benefits</i>		
Salary (including annual leave taken)	<b>358,647</b>	334,278
Annual leave accrued	<b>40,630</b>	41,298
<b>Total short-term employee benefits</b>	<b><u>399,277</u></b>	<u>375,576</u>
<b>Post-employment benefits:</b>		
Superannuation	<b>42,738</b>	49,457
<b>Total post-employment benefits</b>	<b><u>42,738</u></b>	<u>49,457</u>
<b>Other long-term benefits:</b>		
Long-service leave accrued	<b>7,835</b>	7,839
<b>Total other long-term benefits</b>	<b><u>7,835</u></b>	<u>7,839</u>
<b>Termination benefits</b>	<b><u>-</u></b>	<u>-</u>
<b>Total</b>	<b><u>449,850</u></b>	<u>432,872</u>

(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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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

(f) Transactions with related parties	2018	2017
	\$	\$
<i>Payments</i>		
Capitation fee paid to the CPSU SPSF Federal Fund	216,233	212,953
Contribution paid to the CPSU SPSF Federal Fund for the ACTU Campaign	13,242	-
Honorarium paid to Branch councillors	2,500	3,250
<i>Receipts</i>		
Computer support income from PSA/CPSU	2,273	2,273
Membership & computer support income from CPSU SPSF Tasmania Inc	26,382	48,263
	<u>28,655</u>	<u>50,536</u>
Administration support income from CPSU SPSF Federal Fund	23,687	23,492
Salary reimbursement (Federal Secretary) from CPSU SPSF Federal Fund	74,568	74,568
	<u>98,255</u>	<u>98,060</u>

**24: 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.

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2018

**24: 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:

	2018	2017
	\$	\$
Cash at bank		
AA- Rating	357,680	488,018
BBB Rating	3,386,346	2,745,982
BBB- Rating	21,700	40,651
Deposits at call		
AA- Rating	284,503	254,503
BBB- Rating	650,881	634,263
	<u>4,701,110</u>	<u>4,163,417</u>

**(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:

**2018**

	Weighted Average Interest rate %	Floating Interest rate \$	1 year or less \$	1 to 2 years \$	2 to 5 years \$	Over 5 years \$	Non Interest bearing \$	Total \$
<b>Financial Assets</b>								
Cash on hand		-	-	-	-	-	1,021	1,021
Cash at bank	1.58	3,765,726	-	-	-	-	-	3,765,726
Deposits at bank	2.49	-	935,384	-	-	-	-	935,384
Other receivables		-	-	-	-	-	178,974	178,974
		<u>3,765,726</u>	<u>935,384</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>179,995</u>	<u>4,881,105</u>
<b>Financial Liabilities</b>								
Line-of-credit	5.7	8,007	-	-	-	-	-	8,007
Other payables		-	-	-	-	-	373,119	373,119
		<u>8,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>373,119</u>	<u>381,126</u>
<b>Net Financial Assets (Liabilities)</b>		<u>3,757,719</u>	<u>935,384</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(193,124)</u>	<u>4,499,979</u>



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**24: Financial risk management (Continued)**

*Maturity profile of financial instruments (Continued)*

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 \$
<b>Financial Assets</b>								
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
		<u>3,274,651</u>	<u>918,766</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>192,080</u>	<u>4,385,497</u>
<b>Financial Liabilities</b>								
Line-of-credit	5.7	12,073	-	-	-	-	-	12,073
Other payables		-	-	-	-	-	423,156	423,156
		<u>12,073</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>423,156</u>	<u>435,229</u>
<b>Net Financial Assets (Liabilities)</b>		<u>3,262,578</u>	<u>918,766</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(231,076)</u>	<u>3,950,268</u>

**25: 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**26: 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 2018 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 2018 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

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

	Note	2018		2017	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
		\$	\$	\$	\$
<b>Financial assets</b>					
Cash on hand	(i)	4,702,131	4,702,131	4,194,438	4,194,438
Trade and other receivables	(i)	178,974	178,974	191,059	191,059
<b>Total financial assets</b>		<b>4,881,105</b>	<b>4,881,105</b>	4,385,497	4,385,497
<b>Financial liabilities</b>					
Trade and other payables	(i)	373,119	373,119	423,156	423,156
Line of credit	(i)	8,007	8,007	12,073	12,073
<b>Total financial liabilities</b>		<b>381,126</b>	<b>381,126</b>	435,229	435,229

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

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2018

26: 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 2018 and 30 June 2017:

Financial Assets	Level 1	Level 2	Level 3
	\$	\$	\$
<b>30 June 2018</b>			
Assets at fair value	-	-	-
Liabilities at fair value	-	-	-
Net fair value	-	-	-
<b>30 June 2017</b>			
Assets at fair value	-	-	-
Liabilities at fair value	-	-	-
Net fair value	-	-	-

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

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

Non-financial Assets	Level 1	Level 2	Level 3
	\$	\$	\$
<b>30 June 2018</b>			
Assets at fair value	-	-	-
Liabilities at fair value	-	-	-
Net fair value	-	-	-
<b>30 June 2017</b>			
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 (2017: 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 29<sup>th</sup> October 2018 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 2018:

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 Commissioner;
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 Fair Work Commission under section 273 of the RO Act, there has been compliance.

Signature of designated officer: Karen Batt

Name of designated officer: KAREN BATT

Title of designated officer: VICTORIAN BRANCH SECRETARY

Dated 29<sup>th</sup> October 2018

All correspondence to

PO Box 2390  
BRIGHTON NORTH VIC 3189

E [bgl@bglpartners.com.au](mailto:bgl@bglpartners.com.au)

T (03) 9525 2511

F (03) 9525 2829

W [bglpartners.com.au](http://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 2018, 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 a summary of significant accounting policies, the Committee of Management Statement and the subsection 255(2A) report.

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 2018 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 ethical responsibilities in accordance with the Code.



CHARTERED ACCOUNTANTS  
AUSTRALIA • NEW ZEALAND

All correspondence to

PO Box 2390  
BRIGHTON NORTH VIC 3189

E [bgl@bglpartners.com.au](mailto:bgl@bglpartners.com.au)

T (03) 9525 2511

F (03) 9525 2829

W [bglpartners.com.au](http://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)**

### **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.



*All correspondence to*

PO Box 2390  
BRIGHTON NORTH VIC 3189

**E** [bgl@bglpartners.com.au](mailto:bgl@bglpartners.com.au)

**T** (03) 9525 2511

**F** (03) 9525 2829

**W** [bglpartners.com.au](http://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)**

### **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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BRIGHTON NORTH VIC 3189**E** [bgl@bglpartners.com.au](mailto:bgl@bglpartners.com.au)**T** (03) 9525 2511**F** (03) 9525 2829**W** [bglpartners.com.au](http://bglpartners.com.au)

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

I declare that I am an auditor registered under the RO Act. .

BGL Partners  
Chartered Accountants

I. A. Hinds - C.A. – Partner

Registration number (as registered by the RO Commissioner under the RO Act): AA2018/87

Melbourne  
29 October 2018CHARTERED ACCOUNTANTS  
AUSTRALIA • NEW ZEALAND