



19 December 2019

Brian Dodds
SPSF Group - WA Branch President
CPSU, the Community and Public Sector Union-SPSF Group, Western Australian Branch
Sent via email: postbox@cpsucsa.org
CC: martin@amwaudit.com.au

Dear Brian Dodds,

**CPSU, the Community and Public Sector Union-SPSF Group, Western Australian Branch
Financial Report for the year ended 30 June 2019 – (FR2019/86)**

I acknowledge receipt of the financial report for the year ended 30 June 2019 for the CPSU, the Community and Public Sector Union-SPSF Group, Western Australian Branch. The documents were lodged with the Registered Organisations Commission (**the ROC**) on 18 November 2019.

I also acknowledge receipt of the auditor's report which was lodged with the ROC on 17 December 2019.

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 (**RGs**) 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 2020 may be subject to an advanced compliance review.

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

Recovery of wages disclosure

Please note that under the 5th edition of the RG made under section 255 of the RO Act issued 4 May 2018 a recovery of wages activity statement is no longer required. Furthermore, the RGs no longer require a statement in regard to recovery of wages activity in the committee of management statement.

In place of the former requirements, item 13(e) of the 5th edition RGs requires the disclosure of any revenue derived from undertaking recovery of wages activity in either the statement of comprehensive income or the notes to the financial statements. If a recovery of wages activity has not occurred in the reporting period, a statement to this effect must be included in the financial statements, the notes or in an officer's declaration statement.

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 RGs 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 RGs 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 (03) 9603 0764 or via email at kylie.ngo@roc.gov.au.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Kylie', with a horizontal line underneath.

Kylie Ngo
Registered Organisations Commission



Community & Public Sector Union
Civil Service Association of WA

Community & Public Sector Union
SPSF Group, WA Branch
Civil Service Association of WA Inc

www.cpsucsa.org

UnionLink: 1300 733 800

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Reception: 08 9323 3800

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Address: 445 Hay St, Perth WA 6000

Mail: PO Box X2252, Perth WA 6847

ABN: 78 678 313 448

18th November 2019

Mark Bielecki
Commissioner
Registered Organisations Commission
GPO Box 2983
MELBOURNE VIC 3001

Dear Sir/Madam

**CPSU, the Community and Public Sector Union-SPSF Group, WA Branch,
2018/2019 Financial Report**

Please find attached the Financial Report for the year ending 30 June 2019 for the CPSU, the Community and Public Sector Union-SPSF Group, WA Branch as required *Fair Work (Registered Organisations) Act 2009* (the RO Act).

If you require any further information, please contact me.

Yours sincerely

Rikki Hendon
Branch Secretary



Community & Public Sector Union
Civil Service Association of WA

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CPSU, the Community And Public Sector Union SPSF Group, WA Branch

s.268 *Fair Work (Registered Organisations) Act 2009*

Certificate by prescribed designated officer

Certificate for the period ended 30 June 2019

I Rikki Hendon being the Branch Secretary of the CPSU, the Community And Public Sector Union SPSF Group, WA Branch certify:

- that the documents lodged herewith are copies of the full report or the CPSU, the Community And Public Sector Union SPSF Group, WA Branch for the period ended 30 June 2019 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 9th October 2019; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 4th September and 6th November 2019 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:

Name of prescribed designated officer: Rikki Hendon

Title of prescribed designated officer: Branch Secretary

Dated: 18/11/19

COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP WA BRANCH

ABN 16 836 420 693

GENERAL PURPOSE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

**COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP WESTERN AUSTRALIAN
BRANCH**

ABN 16 836 420 693

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**COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP WESTERN AUSTRALIAN
BRANCH**

ABN 16 836 420 693

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

In accordance with section 254 of the *Fair Work (Registered Organisations) Act 2009* ("Act") the Branch Committee of Management present their report on the Community and Public Sector Union SPSF Group Western Australian Branch for the financial year 30 June 2019.

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

The Community and Public Sector Union SPSF Group Western Australian Branch [CPSU] and the Civil Service Association of WA [CSA], which is a Union registered under the WA Industrial Relations Act 1979, effectively operate as one unit. Pursuant to the "CPSU and signatory bodies deed" [the deed] the CPSU and CSA have provided mutual covenants for cooperation. The deed has been supplied in previous years' financial disclosures.

As previously advised the deed at clause 12, informs all dealings with the membership subscription fees of the CPSU and CSA. The deed at clause 13, informs the provision of and payment for services between the CPSU and the CSA. The deed at clause 14, provides for mutual covenants of cooperation between the CPSU and the CSA. The deed at clause 15, concerns the assets of the CSA and some financial dealings between the CPSU and the CSA.

This results in the CSA undertaking all necessary financial transactions for and on behalf of the CPSU. The CPSU does not hold a bank account in its own name. Any financial obligations incurred by the CPSU are met out of a bank account held in the name of the CSA.

A list of activities are:-

- Represent the professional and industrial interests of our members
- Promote and defend WA's high quality public services system and higher education
- Negotiate Enterprise Bargaining and Industrial Agreements for fair wages and conditions
- Provide Union delegates and workplace leaders with training and education to enable them to better represent members in the workplace
- Hold monthly committee of management and branch council meetings to ensure oversight and monitoring of operational and governance compliance

Significant Changes in Financial Affairs

No matters or circumstances arose during the reporting year which significantly affected the financial affairs of the Branch.

Operating Results

The Branch's profit for the year amounted to \$NIL

COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP WESTERN AUSTRALIAN BRANCH

ABN 16 836 420 693

Right of Members to Resign

Rule 58 of CPSU, the Community and Public Sector Chapter C SPSF Group Rules sets out the terms under which a member of the CPSU Branch may resign.

- (a) A member may resign from membership of the Union by notice in writing if;
 - (i) The member ceases to be eligible to become a member of the Union; or
 - (ii) The member gives notice not less than two weeks before the resignation is to take effect.

- (b) The notice in writing of resignation shall be addressed to the Branch Secretary of the Branch of which the member resigning is a member or of which he or she has been attached.

Officers & Employees who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee

Committee Member, Bruce Hawkins, is a current Employee Representative on the Government Employees Superannuation Board, an exempt public sector superannuation scheme from SIS regulations

Number of Members

In accordance with Regulation 159(a) of the *Fair Work (Registered Organisations) Regulations 2009* [the Regulations] and s.254(2)(f) of the Act – the number of persons that were at the end of the financial year recorded in the register of members and who are taken to be members of the Community and Public Sector Union SPSF Group Western Australian Branch was 12,496.

Number of Employees

In accordance with Regulation 159(b) of the regulations and s.254(2)(f) of the Act– the number of persons who were at the end of the financial year employees of the CPSU Branch, including both full-time and part-time employees measured on a full-time equivalent basis were as 67.

As previously advised to Fair Work Commission, the Community and Public Sector Union SPSF Group WA Branch and the Civil Service Association Pty Ltd operate on a dual employer basis. All employees are employees of the Community and Public Sector Union SPSF Group WA Branch and the Civil Service Association Pty Ltd. However, pursuant to the deed and for operating convenience, all employee related transactions are undertaken by the CSA for and on behalf of the CPSU Branch.

**COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP WESTERN AUSTRALIAN
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**Names of committee of management members and periods positions held during the
financial year**

In accordance with Regulation 159(c) of the regulations and s.254(2)(f) of the Act– the names of the Committee of Management Members and period of positions held during the financial year were:-.

As per Community and Public Sector SPSF Group WA Branch Rule 11, CPSU Branch Executive shall be the Committee of Management.

Name	Position	
Toni Walkington	Branch Secretary	(resigned 23 rd November 2018)
Rikki Hendon	Branch Secretary	(appointed 24 th November 2018)
	Branch Assistant Secretary	(vacated 24 th November 2018)
Melanie Bray	Branch Assistant Secretary	(appointed 24 th November 2018)
Brian Dodds	Branch President	
Bruce Hawkins	Branch Treasurer	
Matthew Abrahamson	Branch Vice President	
Becky Anderson	Branch Vice President	
Lewis Stevens	Executive Councillor	
Grant Sutherland	Executive Councillor	
Denise Henden	Executive Councillor	
Kurt Mayerhofer	Executive Councillor	
Leanne Reid	Executive Councillor	

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

Signed in accordance with a resolution of the CPSU SPSF Group WA Branch Executive Committee:



Rikki Hendon

Branch Secretary

Dated: 5/9/19

**COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP WESTERN AUSTRALIAN
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ABN 16 836 420 693

**REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 30 JUNE 2019**

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2019.

Categories of Expenditures	2019 \$	2018 \$
Remuneration and other employment-related costs and expenses-employees	-	-
Advertising	378	368
Operating Costs	179,775	137,316
Donations to political parties	-	-
Legal costs	-	-



.....
Signature of prescribed designated officer:

RIKKI HENDON
.....

Name of prescribed designated officer:

BRANCH SECRETARY
.....

Title of Prescribed designated officer:

Dated: *5/9/19*

**COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP WESTERN AUSTRALIAN
BRANCH**

ABN 16 836 420 693

COMMITTEE OF MANAGEMENT STATEMENT

On Wednesday, 4th September 2019 the Committee of Management of Community and Public Sector Union SPSF Group Western Australian Branch ("the Branch") passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2019:

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (c) 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;
- (d) 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
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) 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
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) 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
 - (v) 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
 - (vi) 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.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period.

This declaration is made in accordance with a resolution of the Committee of Management.



Rikki Hendon

Branch Secretary

Dated: 5 day of September 2019

**COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP WESTERN AUSTRALIAN
BRANCH**

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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 \$	2018 \$
Revenue			
Membership Subscription		467,790	424,580
Capitation Fees	2A	-	-
Levies	2B	-	-
Interest Received		-	-
Grants or donations	2C	-	-
Transfers		-	-
Revenue from Recovery of Wages Activity	2D	-	-
Total income		467,790	424,580
Expenses			
Employee Expenses	3A	-	-
Capitation Fees	3B	(207,964)	(209,467)
Affiliation Fees	3C	(79,673)	(77,429)
Administration Expenses	3D	-	-
Grants or Donations	3E	(200)	(373)
Legal Costs	3F	-	-
Other Expenses	3G	(176,953)	(134,311)
Audit Fees	10	(3,000)	(3,000)
		(467,790)	(424,580)
Net Profit Attributable to Members of the Branch		-	-
Other Comprehensive Income		-	-
Total Comprehensive Income for the year attributable to Members of the Branch		-	-

The accompanying notes form part of these financial statements.

**COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP WESTERN AUSTRALIAN
BRANCH**

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**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019**

	Note	2019	2018
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	4A	-	-
Trade and Other Receivables	4B	-	-
TOTAL CURRENT ASSETS		<u>-</u>	<u>-</u>
NON-CURRENT ASSETS			
TOTAL NON-CURRENT ASSETS		<u>-</u>	<u>-</u>
TOTAL ASSETS		<u><u>-</u></u>	<u><u>-</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other Payables	5A	-	-
Employee Provisions	6A	-	-
TOTAL CURRENT LIABILITIES		<u>-</u>	<u>-</u>
NON-CURRENT LIABILITIES			
Employee Provisions	6A	-	-
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u>-</u>	<u>-</u>
NET ASSETS		<u><u>-</u></u>	<u><u>-</u></u>
EQUITY			
Retained Earnings		-	-
TOTAL EQUITY		<u><u>-</u></u>	<u><u>-</u></u>

The accompanying notes form part of these financial statements.

**COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP WESTERN AUSTRALIAN
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**STATEMENT OF CHANGES OF EQUITY
FOR THE YEAR ENDED 30 JUNE 2019**

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2017	-	-
Profit For The Year	-	-
Balance at 30 June 2018	-	-
Profit For The Year	-	-
Balance at 30 June 2019	-	-

The accompanying notes form part of these financial statements.

**COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP WESTERN AUSTRALIAN
BRANCH**

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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019**

		2019	2018
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipt from Members		-	-
Transfers from CPSU of WA		-	-
Payment to National Office		-	-
Payment to Suppliers		-	-
Interest Received		-	-
Cash Generated from Operating Activities	8A	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash Used in Investing Activities		<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash Used in Financing Activities		<u>-</u>	<u>-</u>
(Decrease)/Increase in Cash and Cash Equivalents During the Year		-	-
Cash and Cash Equivalents at the Beginning of the Year		-	-
Cash and Cash Equivalents at the End of the Year	4A	<u>-</u>	<u>-</u>

The accompanying notes form part of these financial statements

**COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP WESTERN AUSTRALIAN
BRANCH**

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 1: Summary of Significant Accounting Policies

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 Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the Branch is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities at 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.

Accounting Policies

(a) Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Interest revenue is recognised on an accrual basis using the effective interest method.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

(b) Gains

Sale of Assets

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

(c) Capitation Fees and Levies

Capitation fees and levies are to be recognised on an accrual basis and record as a revenue and/or expense in the year to which it relates.

(d) Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

**COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP WESTERN AUSTRALIAN
BRANCH**

ABN 16 836 420 693

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 1: Summary of Significant Accounting Policies (Continued)

(d) Employee Benefits (continued)

Other long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Branch in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

The Branch recognises an obligation to provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations as per the requirements of the relevant industrial conditions or obligations set out by Fair Work Commission.

(e) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(f) Borrowing Costs

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

(g) Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the consolidated statement of financial position.

(h) Financial Instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 1: Summary of Significant Accounting Policies (Continued)

(i) Financial Assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

(i) Fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Branch manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Branch documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

(ii) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the Branch has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 1: Summary of Significant Accounting Policies (Continued)

(i) Financial Assets (Continued)

(iii) Available-for-sale

The Branch is aware of the accounting policies and standards that are required in the circumstances where listed shares and listed redeemable notes are held as investments by the Branch but no such shares or notes are held by the Branch.

(iv) Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

(v) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

(vi) Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Branch past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 1: Summary of Significant Accounting Policies (Continued)

(i) Financial Assets (Continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

(vii) Derecognition of financial assets

The Branch derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the assets carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

(j) Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

(i) Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 1: Summary of Significant Accounting Policies (Continued)

(j) Financial Liabilities (Continued)

- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

(ii) Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

(iii) Derecognition of financial liabilities

The Branch derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(k) Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

(l) Inventories on Hand

Inventories are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost or for nominal consideration are measured at the current replacement cost as at the date of acquisition.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 1: Summary of Significant Accounting Policies (Continued)

(m) Land, Buildings, Plant and Equipment

Asset Recognition Threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations—Land and Buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Furniture and equipment	2% - 40%
Motor vehicles	18.75%
Buildings and improvements	1.5% - 11.25%

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 1: Summary of Significant Accounting Policies (Continued)

(n) Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

(o) Impairment for Non-Financial Assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Branch was deprived of the asset, its value in use is taken to be its depreciated replacement cost.

(p) Taxation

The Branch is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

(q) Comparative Figures

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

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 1: Summary of Significant Accounting Policies (Continued)

(r) Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(s) Significant Accounting Judgements and Estimates

The Branch evaluates estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Branch.

Key estimates

Impairment

Nil

Key judgments

Available-for-sale investments

Nil

(t) New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

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

The accounting policies adopted are consistent with those of the previous financial year.

Future Australian Accounting Standards Requirements

The Branch has assessed the new and amended pronouncements applicable to future reporting periods and has determined that their effect on the Branch is NIL.

(ta) Going Concern

The Branch is not reliant on financial support of another reporting unit to continue on a going concern basis. However the Branch is reliant on the financial support of the Civil Service Association of WA Inc. See Note 9.

The Branch provides no financial support to ensure another reporting unit can continue on a going concern basis.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 2: Income

No income was received during the reporting period for Capitation Fees, Levies, Grants or Donations or support from another reporting unit of the organisation.

	2019	2018
	\$	\$
Note 2A: Capitation Fees*	-	-
Note 2B: Levies*	-	-
Note 2C: Grants or Donations*	-	-
Note 2D: Revenue from recovery of wages activity*	-	-

Note 3: Expenses

During the reporting period no expenses were incurred as consideration for employers making payroll deductions of membership subscriptions, compulsory levies imposed, legal costs or penalties imposed on the Branch under the RO Act with respect to its conduct.

Note 3A: Employee Expenses*

Holders of office:

- Wages and salaries	537,307	379,022
- Superannuation	45,421	41,048
- Leave and other entitlements	(137,652)	16,634
Subtotal employee expenses holders of office	445,076	436,704

Employees other than office holders:

- Wages and salaries	5,988,658	5,093,733
- Superannuation	667,226	593,869
- Leave and other entitlements	82,209	40,099
- Other employee expenses	-	100,767
Subtotal employee expenses other than office holders	6,738,093	5,828,468

Total employee expenses (*Reported in the financial statements of the Civil Service Association of WA Inc*)

7,183,169	6,265,172
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Note 3B: Capitation Fees*

National Office Membership (CPSU)	(207,964)	(209,467)
Total capitation fees	(207,964)	(209,467)

Note 3C: Affiliation Fees*

Australian Council Of Trade Union Affiliation fees	(79,673)	(77,429)
Total Affiliation fees	(79,673)	(77,429)

* As required by the Reporting Guidelines. Item to remain even if 'nil'.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 3D: Administration Expenses

The Community and Public Sector Union SPSF Group WA Branch and the Civil Service Association of WA [CSA], which is a Union of employees registered under the WA *Industrial Relations Act 1979*, effectively operate as one unit. Pursuant to the “CPSU and signatory bodies deed” [the deed] the Community and Public Sector Union SPSF Group WA Branch and CSA have provided mutual covenants for cooperation [see clause 14 deed]. Please note the deed has been supplied in previous year’s financial reports.

The deed at clause 12, informs all dealings with the membership subscription fees of the Community and Public Sector Union SPSF Group WA Branch and CSA.

The deed at clause 13, informs the provision of and payment for services between the Community and Public Sector Union SPSF Group WA Branch and the CSA.

The deed at clause 14, provides for mutual covenants of cooperation between the Community and Public Sector Union SPSF Group WA Branch and the CSA.

The deed at clause 15, concerns the assets of the CSA and financial dealings between the Community and Public Sector Union SPSF Group WA Branch and the CSA.

This results in the CSA undertaking all necessary financial transactions for and on behalf of the Community and Public Sector Union SPSF Group WA Branch. The Community and Public Sector Union SPSF Group WA Branch does not hold a bank account in its own name. All financial obligations incurred by the Community and Public Sector Union SPSF Group WA Branch are met out of a bank account held in the name of the CSA.

In consequence, Community and Public Sector Union SPSF Group WA Branch revenue and expenses are recorded in compliance with the deed. This is effectively a bookkeeping exercise given the Community and Public Sector Union SPSF Group WA Branch holds no bank account to receive or disburse monies. Further, the Community and Public Sector Union SPSF Group WA Branch holds no other tangible assets in its own name.

A proportion of the membership subscriptions [of the Community and Public Sector Union SPSF Group WA Branch and the CSA] is allocated as income for the Community and Public Sector Union SPSF Group WA Branch. This is undertaken as per the requirements of the deed.

	2019	2018
	\$	\$
Consideration to employers for payroll deductions*	-	-
Compulsory levies*	-	-
Fees/allowance – meeting & conferences*	-	-
Meetings of members, committees etc. & conferences & travel*	-	-
Total administration expenses	<u>-</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
Note 3E: Grants or Donations*		
Grants		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations		
Total paid that were \$1,000 or less	(200)	(373)
Total paid that exceeded \$1,000	-	-
Total grants or donations	<u>(200)</u>	<u>(373)</u>
 Note 3F: Legal Costs*		
Litigation	-	-
Other legal matters	-	-
Total legal costs	<u>-</u>	<u>-</u>
 Note 3G: Other Expenses		
Advertising	(378)	(368)
Cleaning	(11,576)	(12,351)
Council Expenses	(6,780)	(3,406)
Courier Services	(43)	(53)
Fuel Light and Power	(20,770)	(19,629)
General Expense	(3,869)	(2,624)
Industrial Campaigns	(91,598)	(53,633)
Insurance	(6,925)	(8,240)
Management Services	-	(1,535)
Media Monitoring	(161)	(269)
Photocopy Cost	(5,440)	(5,202)
Postage	(1,284)	(1,326)
Promotions	(1,347)	(460)
Rates & Taxes	(9,430)	(9,557)
Rent	-	(135)
Security	(654)	(558)
Special Projects	(7,137)	(4,450)
Stationery	(2,702)	(1,889)
Storage Facility	(1,149)	(1,316)
Telephone	(4,708)	(6,584)
Travelling Expenses	(310)	(111)
Web Development Costs	(692)	(615)
Penalties - via RO Act or RO Regulations*	-	-
Total Other Expenses	<u>(176,953)</u>	<u>(134,311)</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 4: Current Assets

The Branch has no fund or account operated in respect of compulsory levies or voluntary contributions, and therefore has no such monies invested in any assets. The Branch has no fund or account the operation of which is required by its rules or by the rules of the organisation, and therefore no transfers and/or withdrawal(s) from such an account.

Note 4A: Cash and Cash Equivalents

Cash at bank	-	-
Total cash and cash equivalents	-	-

Note 4B: Trade and Other Receivables

Receivables from other reporting unit*	-	-
Less provision for doubtful debts*	-	-
Total receivables - net	-	-
Other receivables:		
- ATO refunds	-	-
Total other receivables	-	-
Total trade and other receivables	-	-

Note 5: Current Liabilities

The Branch has no payables or other financial liability to any other reporting unit of the organisation.

The Branch has no payables to employers as consideration for the employer making payroll deductions for membership subscriptions, or in respect of legal costs and other expenses related to litigation or other legal matters.

Note 5A: Trade and Other Payables

Payables to other reporting units*	-	-
Consideration to employers for payroll deductions*	-	-
Legal costs*	-	-
Total trade and other payables	-	-

COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP WESTERN AUSTRALIAN BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
Note 6: Provisions		
Note 6A: Employee Provisions*		
Office holders:		
– Annual leave	55,582	59,853
– Long service leave	100,394	201,885
Subtotal employee provisions – office holders	155,976	261,738
Employees other than office holders:		
– Annual leave	500,446	447,549
– Long service leave	665,610	668,188
Subtotal employee provisions – employees other than office holders	1,166,056	1,115,737
Total employee provisions <i>(Reported in the financial statements of the Civil Service Association of WA Inc)</i>	1,322,032	1,377,475
Current	1,201,890	1,315,155
Non current	120,142	62,320
Total employee provisions <i>(Reported in the financial statements of the Civil Service Association of WA Inc)</i>	1,322,032	1,377,475
Note 7: Other Specific Disclosures – Funds*		
Compulsory levy/voluntary contribution fund – if invested in assets	-	-
Other funds required by rules	-	-
Total other specific disclosures	-	-

Note 8: Cash Flow

As a result of the Community and Public Sector Union SPSF Group Western Australian Branch's relationship with the CSA, the Community and Public Sector Union SPSF Group Western Australian Branch's funds are not a discrete deposit of monies, separate to that of the CSA. The funds are identified as a notional sum in the CSA accounts and in accordance with the deed. The CSA undertakes all necessary financial transactions for and on behalf of the Community and Public Sector Union SPSF Group Western Australian Branch, which does not hold a bank account in its own name, or have any cash assets and all financial obligations incurred by the Community and Public Sector Union SPSF Group Western Australian Branch are met out of a bank account held in the name of the CSA.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
Note 8A: Cash Flow Reconciliation		
Reconciliation of profit to net cash from operating activities:		
Profit/(loss) for the year	-	-
Changes in assets/liabilities		
– Increase in trade and other receivables	-	-
Net cash generated from operating activities	-	-
Note 8B: Cash Flow Information*		
Cash inflows		
Transfer from CSAWA savings to cover capitation fees payment	-	-
Total cash inflows	-	-
Cash outflows		
National Office Membership (CPSU)	-	-
Australian Council of Trade Union Affiliation Fees	-	-
Total cash outflows	-	-

Note 9: Related Party Disclosures

Since the inception of the Civil Service Association of WA (Incorporated), it has provided financial and other resource support to the CPSU WA Branch. The CSAWA has in correspondence dated 6 September 2017 formalised the nature of that support and resolved to continue to fund the operations of the Branch by way of making necessary payments on behalf of CPSUWA time to time and/or the provision of staff and other resources as required.

The CSAWA has undertaken to consult with the Branch should it become necessary to alter or cease this support and in any event will give at least three months' notice of any such alteration or cessation.

COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP WESTERN AUSTRALIAN BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 9A: Related Party Transactions for the Reporting Period

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

	2019	2018
	\$	\$
Revenue received from the following:		
– Civil Service Association of Western Australia (incorporated)	-	-
	<hr/>	<hr/>
	<hr/> <hr/>	<hr/> <hr/>

Terms and conditions of transactions with related parties

The terms of the revenue received from the related party are as per Note 9 above. There have been no guarantees required or provided by the Branch for any of the revenue received from the related party. For the year ended 30 June 2019 there are no amounts owed to the Branch by a related party, declared person or body (2018: \$Nil)

Note 9B: Key Management Personnel Remuneration for the Reporting Period

Pursuant to a certificate issued under s71 of the WA *Industrial Relations Act 1979*, the two full time elected officials of the Community and Public Section Union SPSF Group WA Branch [Key Management Personnel] are also the two full time elected officials of the CSA. The relevant titles are Branch Secretary and Branch Assistant Secretary for the Community and Public Sector Union SPSF Group Western Australian Branch and General Secretary and Assistant General Secretary for the CSA.

Short-term employee benefits:

– Salary (including annual leave taken)	537,307	347,130
– Annual leave accrued	(15,437)	46,491
– Remuneration for attending meeting & conferences & travel allowance	-	-
– Committee honorariums	-	-
– Meeting expenses	-	-
Total short-term employee benefits	<hr/>	<hr/>
	<hr/> <hr/>	<hr/> <hr/>

Post-employment benefits:

– Superannuation	45,421	37,797
Total post-employment benefits	<hr/>	<hr/>
	<hr/> <hr/>	<hr/> <hr/>

Other long-term benefits:

– Long service leave	(122,215)	15,475
Total long-term benefits	<hr/>	<hr/>
	<hr/> <hr/>	<hr/> <hr/>

COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP WESTERN AUSTRALIAN BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 9C: Remuneration Paid to the Employees (Other than Office Holders)

The Community and Public Sector Union SPSF Group Western Australian Branch has 67 employees. It effectively operates as a dual employer of the employees with the CSA. All employee expenses are paid through the CSA.

The following employee expenses were paid through CSA and recoded as a liability for CSA:-

	2019	2018
	\$	\$
Short-term employee benefits:		
– Salary (including annual leave taken)	5,988,658	5,093,733
– Annual leave accrued	82,209	40,099
– Separation & Redundancies	-	100,767
Total short-term employee benefits	<u>6,070,867</u>	<u>5,324,599</u>
Post-employment benefits:		
– Superannuation	667,226	593,869
Total post-employment benefits	<u>667,226</u>	<u>593,869</u>
Other long-term benefits:		
– Long service leave	-	-
Total long-term benefits	<u>-</u>	<u>-</u>

Note 10: Remuneration of Auditors

Value of the services provided		
– Financial statement audit services	3,000	3,000
– Other services & membership audit	-	-
Total remuneration of auditors	<u>3,000</u>	<u>3,000</u>

Note 11: Events after the reporting period

There were no events that occurred after 30 June 2019, or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Branch.

Note: 12 Financial Instrument

The Branch's financial instruments consist of deposit with banks and accounts receivable and payable.

Risk is managed by the Branch Committee monitoring the financial performance of the CPSUWA (a related party. See Note 9 and 9A) and its continuing capacity and willingness to financially support the operations of the Branch.

The main purpose of non-derivative financial instruments is to raise finance for the operations. The Branch does not have any derivative instruments at 30 June 2019.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 12A: Categories of Financial Instruments

	2019	2018
	\$	\$
Financial assets		
Fair value through profit or loss	-	-
Loans and receivable	-	-
Carrying amount of financial asset	<u>-</u>	<u>-</u>
Financial Liabilities		
Fair value through profit or loss	-	-
Other financial liabilities	-	-
Carrying amount of financial liabilities	<u>-</u>	<u>-</u>

Note 12B: Net Income and Expense from Financial Assets

Fair value through profit or loss	-	-
Loans and receivable	-	-
Net gain/(loss) from financial assets	<u>-</u>	<u>-</u>

The net income/expense from financial assets not at fair value from profit and loss is nil (2019: nil).

Note 12C: Net Income and Expense from Financial Liabilities

Fair value through profit or loss	-	-
At amortises cost	-	-
Net gain/(loss) from financial assets	<u>-</u>	<u>-</u>

The net income/expense from financial liabilities not at fair value from profit and loss is \$Nil (2019: \$Nil).

Note 12D: Credit Risk

The Branch is not exposed to any credit risk. The Branch does not monitor the credit risks in relation to cash and cash equivalent, which are transacted through creditworthy financial institutions. The management believes that these institutions are being subject to strict prudential norms imposed by Legislation, Reserve Bank and other regulatory authorities.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 12E: Liquidity Risk

Liquidity risk is the risk that the Branch will encounter difficulties in meeting the contractual obligations of its financial liabilities (principally due to shortage of funds).

Liquidity risk is kept continually under review and managed to ensure that cleared funds are held to meet the obligations on the respective due dates.

Liquidity risk is managed through:

- (a) Monitoring short term forecasted in-flows and the committed cash outflows of financial liabilities;
- (b) Monitoring the unused withdrawal facilities with banks.

The tables below reflect an undiscounted contractual maturity analysis for non-derivative financial liabilities. The Branch does not hold directly any derivative financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Contractual maturities for financial liabilities 2019

	On Demand	< 1 year	1-2 years	2-5 years	> 5 years	Total
	\$	\$	\$	\$	\$	\$
Trade and other payables	-	-	-	-	-	-
Total	-	-	-	-	-	-

Contractual maturities for financial liabilities 2018

	On Demand	< 1 year	1-2 years	2-5 years	> 5 years	Total
	\$	\$	\$	\$	\$	\$
Trade and other payables	-	-	-	-	-	-
Total	-	-	-	-	-	-

Note 12F: Market Risk

(a) ***Interest rate risk***

Interest rate risk is the risk that the fair values and cash-flows of Branch's financial instruments will be affected by changes in the market interest rates.

The management of the Branch believes that the risk of interest rate movement would not have material impact on Branch's operations.

(b) ***Other price risk***

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) of securities held.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 12F: Market Risk (Continued)

Sensitivity analysis of the risk that the entity is exposed to for 2019

	Risk variable	Change in risk Variable %	Effect on	
			Profit & loss	Equity
			\$	\$
Interest rate risk	-	+/- 1%	-	-
Other price risk	-	+/- 1%	-	-

Sensitivity analysis of the risk that the entity is exposed to for 2018

	Risk variable	Change in risk Variable %	Effect on	
			Profit & loss	Equity
			\$	\$
Interest rate risk	-	+/- 1%	-	-
Other price risk	-	+/- 1%	-	-

Note 12G: Asset Pledge/or Held as collateral

	2019	2018
	\$	\$
Financial assets pledged as collateral	-	-
Assets held as collateral	-	-

Note 12H: Changes in Liabilities Arising From Financing Activities

	1 July 2018	Cash Flows	Other	30 June 2019
	\$	\$	\$	\$
Current interest-bearing loans and borrowings (excluding items listed below)	-	-	-	-
Current obligations under finance leases and hire purchase contracts	-	-	-	-
Non-current interest-bearing loans and borrowings (excluding items listed below)	-	-	-	-
Non-current obligations under finance leases and hire purchase contracts	-	-	-	-
Dividends Payable	-	-	-	-
Derivatives	-	-	-	-
Total liabilities from financing activities	-	-	-	-

**COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP WESTERN AUSTRALIAN
BRANCH**

ABN 16 836 420 693

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 12H: Changes in Liabilities Arising From Financing Activities (Continued)

	1 July 2018	Cash Flows	Other	30 June 2019
	\$	\$	\$	\$
Current interest-bearing loans and borrowings (excluding items listed below)	-	-	-	-
Current obligations under finance leases and hire purchase contracts	-	-	-	-
Non-current interest-bearing loans and borrowings (excluding items listed below)	-	-	-	-
Non-current obligations under finance leases and hire purchase contracts	-	-	-	-
Dividends Payable	-	-	-	-
Derivatives	-	-	-	-
Total liabilities from financing activities	-	-	-	-

Note 13: Financial Assets and Liabilities

Management of the reporting unit 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 2019 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 Group 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 [year-end reporting date] the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP WESTERN AUSTRALIAN BRANCH

ABN 16 836 420 693

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 13: Financial Assets and Liabilities (Continued)

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

	Carrying amount 2019 \$	Fair value 2019 \$	Carrying amount 2018 \$	Fair value 2018 \$
Financial Assets				
Trade and other receivable	-	-	-	-
Total	-	-	-	-
Financial Liabilities				
Trade and other payable	-	-	-	-
Total	-	-	-	-

Note 13B: Financial and Non-financial Assets and Liabilities Fair Value Hierarchy

The following tables provide an analysis of financial and non-financial assets and liabilities that are measured at fair value, by fair value hierarchy.

Fair value hierarchy – 30 June 2019

	Date of Valuation	Level 1	Level 2	Level 3
	\$	\$	\$	\$
Asset measured at fair value				
Cash and cash equivalents		-	-	-
Trade and other receivables		-	-	-
Total financial assets		-	-	-
Financial liabilities				
Trade and other payables		-	-	-
Total financial liabilities		-	-	-

There were no transfers occurred during the financial year.

Fair value hierarchy – 30 June 2018

	Date of Valuation	Level 1	Level 2	Level 3
	\$	\$	\$	\$
Asset measured at fair value				
Cash and cash equivalents		-	-	-
Trade and other receivables		-	-	-
Total financial assets		-	-	-
Financial liabilities				
Trade and other payables		-	-	-
Total financial liabilities		-	-	-

There were no transfers occurred during the financial year.

**COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP WESTERN AUSTRALIAN
BRANCH**

ABN 16 836 420 693

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 13: 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 subsections (1) to (3) of section 272, which reads 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).

**COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP WESTERN AUSTRALIAN
BRANCH**

ABN 16 836 420 693

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

**COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP WA BRANCH OFFICER
DECLARATION STATEMENT**

I, Rikki Hendon, being the Branch Secretary of the Community and Public Sector Union SPSF Group WA Branch, declare that the following activities did not occur during the reporting period ending 30 June 2019.

The reporting unit did not:

- Agree to receive financial support from another reporting unit as a going concern
- Agree to provide financial support to another reporting unit to ensure they continue as a going concern
- Acquire an asset or liability due to amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organization, a determination or revocation by the General Manager, Fair Work Commission
- Receive capitation fees from another reporting unit
- Receive any other revenue from another reporting unit
- Receive revenue via compulsory levies
- Receive donations or grants
- Receive revenue from undertaking recovery of wages activity
- Incur fees as consideration for employers making payroll deductions of membership subscriptions
- Pay capitation fees to another reporting unit
- Pay any other expense to another reporting unit
- Pay compulsory levies
- Pay a grant that was \$1,000 or less
- Pay a grant that exceeded \$1,000
- Pay a donation that exceeded \$1,000
- Pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- Incur expenses due to holding a meeting as required under the rules of the organization
- Pay legal costs relating to litigation
- Pay legal costs relating to other legal matters
- Pay a penalty imposed under the RO Act or the Fair Work Act 2009
- Have a receivable with other reporting unit(s)
- Have a payable with other reporting unit(s)
- Have a payable to an employer for that employer making payroll deductions of membership subscriptions
- Have a payable in respect of legal costs relating to litigation
- Have a payable in respect of legal costs relating to other legal matters
- Have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organization or branch
- Transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- Have a balance within the general fund
- Provide cash flows to another reporting unit and/or controlled entity
- Receive cash flows from another reporting unit and/or controlled entity
- Have another entity administer the financial affairs of the reporting unit
- Make a payment to a former related party of the reporting unit



Anderson Munro & Wyllie

CHARTERED ACCOUNTANTS, REGISTERED COMPANY
AUDITORS AND REGISTERED SMSF AUDITORS

Postal Address:

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P: 1300 284 330

E: reception@amwaudit.com.au

ABN 59 125 425 274

liability limited by a scheme approved under Professional Standards Legislation

**AUDITORS' INDEPENDENCE DECLARATION
TO THE MEMBERS OF
COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP WA BRANCH**

As auditor for the audit of Community and Public Sector Union SPSF Group Western Australian Branch for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019 there has been:

- i. No contraventions of any applicable code of professional conduct in relation to the audit.

Anderson Munro & Wyllie

ANDERSON MUNRO & WYLLIE
Chartered Accountants

Martin Shone
Principal

Dated at Perth, Western Australia this 12th day of September 2019



Anderson Munro & Wyllie

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP WA BRANCH

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Community and Public Sector Union SPSF Group WA Branch, which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2019, notes to the financial statements, including a summary of significant accounting policies, the committee of management statement, the subsection 255(2A) report and the Officer Declaration Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Community and Public Sector Union SPSF Group WA Branch as at 30 June 2019, and its financial performance and its cash flows for the period ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

I declare that management's use of the going concern basis in the preparation of the financial statements of the Branch is appropriate.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Branch in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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.

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

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



Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Branch is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is 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 Responsibilities for the Audit of the Financial Report

My objective is 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 my 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 Branch'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 and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Branch's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Branch 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 report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Branch to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Branch audit. I remain solely responsible for my audit opinion.

I communicate with the Committee of 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 I identify during my audit.



I declare that I am an auditor registered under the RO Act, a member of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

Anderson Munro & Wyllie

ANDERSON MUNRO & WYLLIE

Chartered Accountants

Address: Unit 8, 210 Winton Road, Joondalup, Western Australia

MARTIN SHONE

Principal & Registered Company Auditor

RO Registration number AA2017/8

Dated at Perth, Western Australia this 12th day of September 2019



Anderson Munro & Wyllie

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COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP WA BRANCH

STATEMENT OF RECOVERY OF WAGES

Based on representations made to us by the Community and Public Sector Union SPSF Group WA Branch and our work undertaken for the year ended 30 June 2019, it appears that there was no recovery of wages activities occurred in the reporting period.

Anderson Munro & Wyllie

ANDERSON MUNRO & WYLLIE

Chartered Accountants

Address: Unit 8, 210 Winton Road, Joondalup, Western Australia

MARTIN SHONE

Principal & Registered Company Auditor

RO Registration number AA2017/8

Dated at Perth, Western Australia this 12th day of September 2019



3 July 2019

Brian Dodds
SPSF Group - WA Branch President
CPSU, the Community and Public Sector Union-SPSF Group, Western Australian Branch
Sent via email: postbox@cpsucsa.org

Dear Brian Dodds,

**Re: Lodgement of Financial Report - FR2019/86
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the CPSU, the Community and Public Sector Union-SPSF Group, Western Australian Branch (the reporting unit) ended on 30 June 2019. This is a courtesy letter to remind you of the reporting unit's obligations regarding financial reporting.

Loans Grants and Donations Statement

The reporting unit is required to lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 of the RO Act requires this statement to be lodged with the Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2019.

The attached fact sheet *Loans Grants and Donations* (FS 009) summarises the requirements of the Loans Grants and Donations Statement. A sample statement of loans, grants or donations is available on our [website](#).

It should be noted that s.237 is a civil penalty provision. If a loan, grant or donation over \$1000 has been made, failure to lodge a statement of loans, grants and donations (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

Financial report

The RO Act sets out a particular chronological order in which your financial report must be prepared, audited, provided to members, presented to a meeting and then lodged with the ROC. The attached document *Summary of Financial Reporting timelines* (FS 008) summarises these requirements.

We emphasise that the reporting unit is required to present its audited financial report to a meeting (either of members or of the committee of management, depending on your rules) no later than 31 December 2019 (s.266). The full financial report must be lodged with the ROC within 14 days of that meeting (s.268).

When assessing your financial report, we will continue to focus closely on timelines as well as how loans, grants and donations are reported. The financial report must break down the amounts of grants and donations and these figures will be compared to the loans, grants and donations statement (see attached *Loans Grants and Donations* fact sheet FS 009).

You can visit our website for more information regarding [financial reporting](#), and fact sheets regarding [financial reporting processes and requirements](#). A model set of financial statements developed by the ROC is also available on our website. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards.

It should be noted that s.268 of the RO Act is a civil penalty provision. Failure to lodge the full financial report (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention (s.268).

Auditor's report

When assessing the financial report we will also focus on the structure and content of the auditor's report to ensure that it complies with the revisions made to the Auditing Standards which came into effect from 15 December 2016. Please find [here](#) a link to guidance note *Illustrative Auditor's Report* (GN 004) relating to these requirements (which can also be located on our website).

REMINDER

YOUR AUDITOR MUST BE REGISTERED (s.256)

You must ensure that your auditor is registered by the Registered Organisations Commissioner. A list of registered auditors is available on our [website](#).

Contact

Should you require any clarification in relation to the above, please email regorgs@roc.gov.au.

Yours faithfully,

Kylie Ngo
Registered Organisations Commission



Fact sheet

Summary of financial reporting timelines – s.253 financial reports

General Information:

- The **full report** consists of the General Purpose Financial Report, Committee of Management Statement, Operating report, s.255(2A) Report and signed Auditors' Report
- For an explanation of each of the steps below see our [Fact sheet—financial reporting process](#).

STEP 1:
Reporting unit must prepare the General Purpose Financial Report, Committee of Management Statement, s.255(2A) Report and Operating Report as soon as practicable after the end of the financial year:

STEP 2:
Committee of Management statement – resolution to be passed by the Committee of Management in relation to the General Purpose Financial Report (**1st meeting**)

STEP 3:
Registered Auditor to prepare and sign the Auditor's Report and provide to the Reporting unit **within a reasonable timeframe**

IF RULES PROVIDE FOR PRESENTATION OF FULL REPORT
AT GENERAL MEETING OF MEMBERS
(this is the default process in the RO Act)

STEP 4:
Provide **full report** to members **at least 21 days before the General Meeting**

STEP 5:
Present **full report** to a General Meeting of Members within 6 months of the reporting unit's end of financial year (**2nd meeting**)

STEP 6:
Prepare and sign the designated officer's certificate then lodge **full report** and the designated officer's certificate with the ROC within 14 days of the 2nd meeting

IF RULES PROVIDE FOR PRESENTATION OF FULL REPORT AT
COMMITTEE OF MANAGEMENT MEETING
(Special rules must be in the rulebook to use this process)

STEP 4:
Provide **full report** to members **within 5 months of the reporting unit's end of financial year**

STEP 5:
Present **full report** to Committee of Management Meeting within 6 months of the reporting unit's end of financial year (**2nd meeting**)

STEP 6:
Prepare and sign the designated officer's certificate then lodge **full report** and the designated officer's certificate with the ROC **within 14 days of the 2nd meeting**

Misconceptions

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

Misconception	Requirement
<p>x The Committee of Management statement is just copied from the Reporting Guidelines</p>	<p>✓ The Committee of Management statement must have the date of the Committee of Management resolution recorded upon it and it must be signed and dated BEFORE the auditor signs their report</p> <p>Further, if any of the statements within it need to be modified to suit the reporting unit (for instance not holding meetings) these changes must also be made</p>
<p>x The Auditor's Report does not need to be signed until just before it is lodged with the ROC</p>	<p>✓ The Auditor's Report must be signed and dated BEFORE the full report (including the Auditor's Report) is sent to members and presented to the second meeting</p>
<p>x The Designated Officer's Certificate must be signed before the report is sent to members</p>	<p>✓ The Designated Officer's Certificate declares what the reporting unit HAS ALREADY DONE to provide the report to members and present it to the meeting. It must be signed and dated AFTER sending the report to members and the second meeting</p>
<p>x Documents can be dated when they should have been signed or when the events in the document occurred</p>	<p>✓ Documents must always be dated at the date they are actually signed by an officer or auditor</p>
<p>x Any auditor can audit a financial report</p>	<p>✓ Only registered auditors can audit the financial report</p>
<p>x The Committee of Management statement can be signed at any time</p>	<p>✓ The resolution passing the Committee of Management Statement must occur and the statement signed and dated BEFORE the auditor's report is signed and dated</p>
<p>x Any reporting unit can present the Full Report to a second COM meeting</p>	<p>✓ Only reporting units with a 5% rule in their rulebook are able to present their report to a second Committee of Management Meeting. Otherwise, it must be presented to a General Meeting of members</p>
<p>x Everything can be done at one Committee of Management meeting</p>	<p>✓ If the rules allow for presenting the report to the Committee of Management, there must still be <u>two meetings</u>. The first meeting resolves the Committee of Management statement (including signing and dating it). Between the two meetings the Auditor's report is signed and dated. Only then can the full report be presented to the second Committee of Management meeting (if the rules allow)</p>
<p>x The reporting unit has 6 months and 14 days to lodge their financial report with the ROC</p>	<p>✓ The reporting unit must lodge the financial report within 14 days of the second meeting</p>

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This fact sheet is not intended to be comprehensive. It is designed to assist in gaining an understanding of the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice.



Fact sheet

Loans, Grants & Donations

The Loans, Grants & Donations Requirements

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

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

The Loans, Grants & Donations Statement

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

- the amount,
- the purpose,
- the security (if it is a loan),
- the name and address of the person to whom it was made,* and
- the arrangements for repaying the loan.*

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

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

Common misconceptions

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

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

Grants & Donations within the Financial Report

Item 14(e) of the Commissioner's Reporting Guidelines requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

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

In the [ROC's Model Statements](#) the note appears as follows:

Note 4E: Grants or donations*

	2017	2016
Grants:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Total grants or donations	-	-

The Commissioner's Reporting Guidelines requires that these line items appear in the financial statements, the notes or in the officer's declaration statement, even if the figures are NIL.

Implications for filing the Financial Report

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

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

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

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

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

Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the ROC on regorgs@roc.gov.au

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