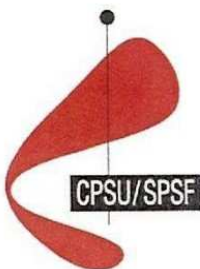


**COMMUNITY & PUBLIC SECTOR UNION SPSF GROUP - FEDERAL  
FUND  
ABN 31 572 641 712**

**ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2016**



**COMMUNITY & PUBLIC SECTOR UNION  
STATE PUBLIC SERVICES FEDERATION GROUP**

---

**Melbourne Office**

All mail to:-

**PO Box 18090 Collins Street East  
VICTORIA 8003**

Office Address:

Level 10, 128 Exhibition Street  
MELBOURNE VIC 3121 AUSTRALIA  
Tel: (03) 9631 6900 Fax: (03) 9631 6999

**Sydney Office**

PO Box Q1317, QVB Sydney NSW 1230

**All mail redirected to Melbourne Office**

**Office Address:**

1st Floor, 160 Clarence Street,  
SYDNEY NSW 2000 AUSTRALIA  
Tel: (02) 9299 5655 Fax: (02) 9299 7181  
ABN 31 572 641 712

**COMMUNITY & PUBLIC SECTOR UNION SPSF GROUP - FEDERAL FUND**  
**ABN 31 572 641 712**

**TABLE OF CONTENTS**

Operating Report	i - iv
Financial Report	
Statement of profit or loss and other comprehensive income	1
Balance sheet	2
Statement of changes in equity	3
Statement of cash flows	4
Notes to the financial statements	5 – 32
Committee of management statement	33
Independent auditor's report	34

This financial report covers the Community and Public Sector Union SPSF Group - Federal Fund as an individual entity. The financial report is presented in the Australian currency.

The Community and Public Sector Union SPSF Group - Federal Fund is a registered body under *the Fair Work (Registered Organisations) Act 2009* and is domiciled in Australia.

*The principal place of business is:*

Community and Public Sector Union SPSF Group - Federal Fund  
Level 10, 128 Exhibition Street  
Melbourne VIC 3000

The financial report was authorised for issue by the committee of management on 13th October 2016.

**COMMUNITY & PUBLIC SECTOR UNION SPSF GROUP - FEDERAL FUND  
ABN 31 572 641 712**

**OPERATING REPORT**

The Federal Executive presents their report on the Community and Public Sector Union SPSF Group - Federal Fund (The CPSU) for the financial year ended 30 June 2016.

**Members of Federal Executive**

The name of each person who has been a member of the Federal Executive at any time during or since the end of the financial year is as follows:

<b><i>Name</i></b>	<b><i>Position</i></b>
K. Batt **	Federal Secretary
J. McMahon **	Federal President – SA
T. Lynch **	Federal Senior Vice President – TAS
S. Walsh	Federal Vice President – NSW
C. Davies **	Federal Vice President – VIC
T. Walkington	Federal Vice President – WA
J. Welch	Federal Vice President – WAPOU
S. Turner	NSW Branch Delegate
N Kitchin	SA Branch Delegate
L. Oxlad	SA Branch Delegate
G Ransley **	Federal Vice President – TAS
P. Lillywhite	Victorian Branch Delegate
B. Dodds **	WA Branch Delegate

\*\* - Member of Finance, Administration and Governance Committee

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

**COMMUNITY & PUBLIC SECTOR UNION SPSF GROUP - FEDERAL FUND  
ABN 31 572 641 712**

**OPERATING REPORT (Continued)**

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

**INTERNATIONAL WORK**

CPSU SPSF Federal Office continued to work collaboratively with the Public Service International (PSI), our Global Union Federation (GUF). In the role we were asked to assist the Fijian Council of Trade Unions in their complaint regarding the Industrial Relations laws being imposed on the island nations trade unions, the public sector unions and the Fijian Public Sector Union in particular.

We were also asked to assist in a forum for the public sector unions in South Korea who are campaigning against the unilateral implementation of performance based pay in the public service.

Senior Legal Officer was asked to represent the President of the ACTU, Ged Kearney, as part of the Workers Delegation to the International Labour Conference of the ILO in June 2016. The Senior Legal Officer participated in the drafting of the Review of the Social Justice Determination of the ILO.

Under the auspice of the PSI, an international symposium of all public sector unions across the world was convened to look at the various forms of privatisation occurring across the world and to try and establish a process by which the affiliates could share with one another strategies, research and campaigns to try and challenge this insidious push by conservative Governments across the world.

We also hosted delegations of public sector union officials from New Zealand and Vietnam.

Discussions have also taken place to establish closer working relationship with the Correctional Association of New Zealand to better deal with privatization and the push by multinational companies to push down the wages and conditions of prison officers across both sides of the Tasman.

More detailed and technical assistance was given to the Norfolk Island Public Service Association who were trying to engage the NI Administration in negotiations for wages and conditions prior to the Australian Government take-over of the administration of Norfolk Island.

**SUBMISSIONS TO INQUIRIES**

During the operating year the union made national submissions to the Productivity Commission Review in the Industrial Relations System as part of the ACTU delegation. The CPSU also made submissions to the Senate Inquiry into the 'Fairer Paid Parental Leave Amendment Bill 2015' and the Senate inquiry into 'Cooperative, Mutual and Member-Owned Firms'. The CPSU also appeared before this Senate committee to give evidence at a hearing on the issue of Public Sector Mutuals.

**ACTU**

Ongoing participation in a range of ACTU committees, from Executive to Growth and Campaigns through to the activities of the 6 Taskforces established to review the state of the movement and to consider options for the movement as we deal with emerging and challenging issues. Staff also participate in a number of these including Women's Committee, COIL, Industrial and Legal and the Youth Committee.

## **OPERATING REPORT (Continued)**

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

#### ASSISTANCE TO BRANCHES

A large part of the work of the Federal Office has been assisting Branches with a myriad of obligations, case work and advice ranging from liaising with the FWC on Right of Entry permit obligations, through to finalising the investigation being undertaken by FWC in the Queensland Branch.

Development continued for 3 branches on the new upgraded membership data base due to go live in late November 2016.

Rule change cases were also undertaken for a number of Branches who sought to follow their members after a decision by a state Government to privatise parts of that states public service.

Assistance was also provided for national bargaining endeavours, particularly for entities created by COAG such as AHPRA, which necessitated a complex process of bringing all the separate jurisdictions of state regulation into the federal sphere, standardising the conditions to be Fair Work compliant and to then develop on single enterprise agreement.

Similarly the federal union has been involved in the ACTU committee that was established to oversee the roll out and impact of the National Disability Insurance Scheme and its commensurate impact on the state based employees who had been delivering disability services across Australia.

A number of presentations have been made during the year to respective branch membership forums across Australia.

The Federal Office also worked with the PSI and other public sector unions to finalise and launch a People's Inquiry into Privatisation which will consult with communities about the impact of privatisation on public services. A significant amount of planning work for the inquiry has taken place during the year, including appointing an independent Chair, Mr. David Hetherington, in preparation for the launch of the inquiry in August 2016.

This complimented the work of the project sponsored by the union in conjunction with Centre for Policy Development (CPD) entitled 'Grand Alibis: how declining public sector capability affects services for the disadvantaged' which examined the case of outsourced employment services in Australia, and found that outsourcing has led to poorer outcomes for disadvantaged job seekers and has eroded public sector capacity to deliver services to this vulnerable group.

The CPSU is also supporting Associate Professor Jane Andrew and Dr Max Baker at the University of Sydney to conduct a research project into prison privatisation in Australia. In June 2016 they released the first report as part of this project: 'Prison Privatisation in Australia: The State of the Nation'. The report examined Australian private prisons against four key categories: accountability, costs, performance, and efficiency.

#### **Right of members to resign**

Rule 8 of Chapter C of Federal Rule sets out the terms under which a member of the Branch may resign. A member may resign from membership of the Union by notice in writing, addressed to the Branch Secretary, if the member cease to be eligible to become a member of the Union or the member give notice not less than two weeks before the resignation is to take effect.

**COMMUNITY & PUBLIC SECTOR UNION SPSF GROUP - FEDERAL FUND  
ABN 31 572 641 712**

**OPERATING REPORT (Continued)**

**Union Details**

*Number of employees*

The number of equivalent full time employees at 30 June 2016 was 5 (2015: 4)

*Number of members*

The number of members across 6 branches at 30 June 2016 was 78,410 (2015: 81,276).

**Directorships of Superannuation Fund**

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

<b>Name</b>	<b>Company/Board</b>	<b>Principal Activities</b>	<b>Reporting unit position</b>	<b>Status</b>	
<b>South Australia</b>					
Jan	McMahon	South Australian Superannuation Board	Superannuation	No	Fed officer
Jan	McMahon	Southern Select superannuation Corporation Board (from 1/7/2015 to 30/11/2015)	Superannuation	No	Fed officer
Neville	Kitchin	UniSuper	Superannuation	Yes	Fed officer

Signed in accordance with a resolution of the Federal Executive:

Signature of designated officer: 

Name of designated officer: Karen Batt

Title of designated officer: Federal Secretary

Date: 13<sup>th</sup> October 2016.

**COMMUNITY & PUBLIC SECTOR UNION SPSF GROUP - FEDERAL FUND  
ABN 31 572 641 712**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2016**

	Notes	2016 \$	2015 \$
Revenue from continuing operations	4	1,260,132	1,278,993
Other revenue	4	154,092	118,557
<b>Expenses</b>			
Administrative and other expenses	6	(391,972)	(309,631)
Affiliation and capitation fees	7	(88,601)	(30,015)
Campaign and project expenses	8	(82,727)	(113,200)
Communication expenses		(21,390)	(18,113)
Employee related expenses	9	(643,833)	(571,192)
Travel expenses		(234,564)	(205,897)
		<u>(1,463,087)</u>	<u>(1,248,048)</u>
<b>(Deficit) Surplus for the year</b>		<u>(48,863)</u>	<u>149,502</u>
<b>(Deficit) Surplus attributable to the members</b>		(48,863)	149,502
<b>Other comprehensive income</b>			
Changes in reserves		-	-
<b>Total comprehensive income for the year attributable to the members</b>		<u>(48,863)</u>	<u>149,502</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

**COMMUNITY & PUBLIC SECTOR UNION SPSF GROUP - FEDERAL FUND**  
**ABN 31 572 641 712**

**BALANCE SHEET**  
**AS AT 30 JUNE 2016**

	Notes	2016 \$	2015 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	10	45,784	54,536
Held-to-maturity financial assets	11	1,579,055	1,541,365
Trade and other receivables	12	<u>229,281</u>	<u>227,603</u>
<b>Total current assets</b>		<u><b>1,854,120</b></u>	<u><b>1,823,504</b></u>
<b>Non-current assets</b>			
Property, plant and equipment	13	<u>175,693</u>	<u>214,505</u>
<b>Total non-current assets</b>		<u><b>175,693</b></u>	<u><b>214,505</b></u>
<b>Total assets</b>		<u><b>2,029,813</b></u>	<u><b>2,038,009</b></u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	14	119,524	92,335
Provisions	15	<u>131,041</u>	<u>120,594</u>
<b>Total current liabilities</b>		<u><b>250,565</b></u>	<u><b>212,929</b></u>
<b>Non-current liabilities</b>			
Provisions	16	<u>14,351</u>	<u>11,320</u>
<b>Total non-current liabilities</b>		<u><b>14,351</b></u>	<u><b>11,320</b></u>
<b>Total liabilities</b>		<u><b>264,916</b></u>	<u><b>224,249</b></u>
<b>Net assets</b>		<u><b>1,764,897</b></u>	<u><b>1,813,760</b></u>
<b>FUNDS</b>			
Accumulated surplus	17	<u>1,764,897</u>	<u>1,813,760</u>
<b>Total funds</b>		<u><b>1,764,897</b></u>	<u><b>1,813,760</b></u>

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



**COMMUNITY & PUBLIC SECTOR UNION SPSF GROUP - FEDERAL FUND**  
**ABN 31 572 641 712**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	Accumulated surplus \$	Other funds \$	Total \$
<b>Balance at 1 July 2014</b>	1,664,258	-	1,664,258
Total comprehensive income for the year	149,502	-	149,502
Transfer from federal fund	-	-	-
<b>Balance at 30 June 2015</b>	<u>1,813,760</u>	<u>-</u>	<u>1,813,760</u>
<b>Balance at 1 July 2015</b>	1,813,760	-	1,813,760
Total comprehensive income for the year	(48,863)	-	(48,863)
Transfer from federal fund	-	-	-
<b>Balance at 30 June 2016</b>	<u>1,764,897</u>	<u>-</u>	<u>1,764,897</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

**COMMUNITY & PUBLIC SECTOR UNION SPSF GROUP - FEDERAL FUND**  
**ABN 31 572 641 712**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 \$	2015 \$
<b>Cash flows from operating activities</b>			
Receipts from other reporting units (inclusive of GST)			
- PSA of NSW		634,692	643,171
- SA Branch		171,236	176,258
- TAS Branch		60,839	64,836
- VIC Branch		232,839	226,766
- WA Branch		252,891	260,084
- WAPOU Branch		38,549	37,752
Member subscription received (inclusive of GST)		330	759
Receipts from controlled entities		-	-
Sundry income		55,251	58,987
Payments to suppliers and employees (inclusive of GST)		(1,202,158)	(1,102,836)
Payments to other reporting units			
- PSA of NSW		(26,782)	(62,333)
- SA Branch		(5,370)	(2,607)
- TAS Branch		-	(22,129)
- VIC Branch		(122,748)	(99,176)
- WA Branch		(42,264)	(30,038)
- WAPOU Branch		(63,927)	(36,901)
Payments to controlled entities		-	-
Interest received		45,560	46,549
<b>Net cash inflow from operating activities</b>	24	<u>28,938</u>	<u>159,142</u>
<b>Cash flows from investing activities</b>			
Payments for held-to-maturity investment		(37,690)	(106,118)
Payment for property, plant and equipment		-	(168,960)
<b>Net cash (outflow) from investing activities</b>		<u>(37,690)</u>	<u>(275,078)</u>
<b>Cash flows from financing activities</b>			
Loan advanced to NSW Branch		-	(86,618)
<b>Net cash (outflow) from financing activities</b>		<u>-</u>	<u>(86,618)</u>
<b>Net (decrease) in cash and cash equivalents</b>		<b>(8,752)</b>	<b>(202,554)</b>
Cash and cash equivalents at beginning of financial year		<u>54,536</u>	<u>257,090</u>
<b>Cash and cash equivalents at end of financial year</b>	10(a)	<u>45,784</u>	<u>54,536</u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

---

**1: Summary of significant accounting policies**

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

The financial report includes the separate financial statements for the Community and Public Sector Union SPSF Group - Federal Fund (CPSU).

**(a) Basis of preparation**

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

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

*New and amended standards adopted by the CPSU*

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

The CPSU has assessed the impact of other new and amended standards that came into effect for the first time for the annual reporting period commencing 1 July 2015. These standards did not result in changes to CPSU's accounting policies and had no effect on the amounts reported for current or prior year financial statements

*Early adoption of standards*

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

---

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

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

*Historical cost convention*

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial assets and liabilities at fair value through profit or loss.

*Critical accounting estimates*

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the CPSU 's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

**(b) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of amounts collected on behalf of third parties.

The CPSU recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the CPSU's activities as described below. The amount of revenue is not considered to be reliably measurable until all relating contingencies have been resolved. The CPSU bases its estimates on historical results, taking into consideration the type of member, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major operating activities as follows:

*Capitation fees and levies*

Capitation fees and levies are recognised when the right to receive the fee or levy has been established.

*Interest income*

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

*Other revenue*

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

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

**(c) Income tax**

In accordance with section 50-15 of the Income Tax Assessment Act, the CPSU is exempt from income tax.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

---

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

**(d) Cash and cash equivalents**

For statement of cash flows presentation purposes, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

**(e) Investment in other financial assets**

***Classification***

The CPSU classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date. The CPSU does not hold any investments in the following categories: financial assets at fair value through profit or loss and available-for-sale financial assets.

***(i) Held-to-maturity financial assets***

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the CPSU's management has the positive intention and ability to hold to maturity. If the CPSU were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which are classified as current assets.

***(ii) Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

***Recognition and derecognition***

Regular purchases and sales of investments are recognised on trade-date - the date on which the CPSU commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the CPSU has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

***Fair value***

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the CPSU establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

---

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

**(e) Investment in other financial assets (Continued)**

***Impairment***

The CPSU assesses at each balance date whether there is objective evidence that a financial asset is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

**(f) Fair value estimation**

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

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

Specific valuation techniques used to value financial instruments include:

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

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

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

***Depreciation***

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

<b>Class of fixed asset</b>	<b>Depreciation rate</b>	<b>Depreciation basis</b>
Computer equipment	40%	diminishing value
Leasehold improvements	10%	Straight line
Furniture and equipment	2.5 - 40%	diminishing value

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

---

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

**(h) Trade and other payables**

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

**(i) Goods and Service Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables in the balance sheet are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from, or payable to the ATO as classified as operating cash flow.

Commitments and contingencies are disclosed inclusive of GST.

**(j) Employee benefits**

*(i) Short-term obligations*

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

---

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

**(k) Functional and presentation currency**

Items included in the financial report are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial report is presented in Australian dollars, which is the CPSU's functional and presentation currency.

**(l) Comparative figures**

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

**(m) Impairment of assets**

Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

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

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2016 reporting periods. The entity's assessment of the impact of these new standards and interpretations is set out below.

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

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

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

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



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

---

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

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

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

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

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

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

---

**2: Critical accounting estimates and judgements**

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

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

The CPSU makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

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

The following are the critical judgments that management has made in the process of applying the CPSU's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

*Employee entitlements*

Management judgements is applies in determining the following key assumptions in the calculation of long service leave at balance date:

- future increase in wages and salaries;
- future on-costs rates; and
- experience of employees departures and period of service.

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

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

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

(1) a member of a reporting unit, or the General Manager of Fair Work Commission, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) the application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

(3) a reporting unit must comply with an application made under subsection (1).

**COMMUNITY & PUBLIC SECTOR UNION SPSF GROUP - FEDERAL FUND**  
**ABN 31 572 641 712**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

**4: Revenue**

	Note	2016 \$	2015 \$
<b>From continuing operations</b>			
Capitation fees	a	1,259,832	1,278,303
Levies		-	-
Membership subscriptions		300	690
Voluntary contributions and compulsory levies		-	-
		<u>1,260,132</u>	<u>1,278,993</u>
<b>Other revenue</b>			
Interest		44,359	49,599
Grants received		-	-
Donations received		-	-
Sublease income		-	10,154
Distribution received		59,505	13,142
Director fees		50,228	45,662
Financial support from another reporting unit		-	-
		<u>154,092</u>	<u>118,557</u>
		<u>1,414,224</u>	<u>1,397,550</u>
<b>(a) Capitation fees</b>			
		2016 \$	2015 \$
PSA of NSW		575,246	584,111
SA Branch		155,495	159,991
TAS Branch		55,073	58,672
VIC Branch		209,917	205,016
WA Branch		229,013	236,099
WAPOU		35,088	34,414
		<u>1,259,832</u>	<u>1,278,303</u>

**COMMUNITY & PUBLIC SECTOR UNION SPSF GROUP - FEDERAL FUND**  
**ABN 31 572 641 712**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

---

**5: Expenses**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
The (deficit) surplus for the year includes the following specific expenses:		
<i>Depreciation of non-current assets</i>		
Leasehold improvement	<b>11,822</b>	3,467
Office furniture & equipment	<b>10,663</b>	13,441
Computer equipment	<b>1,817</b>	2,897
	<b><u>24,302</u></b>	<b><u>19,805</u></b>
Loss on disposals of fixed assets	<b>14,510</b>	-
During the year the following fees were paid or payable for services provided by the auditor and its related practices:		
Audit of the financial report	<b>6,800</b>	7,800
Audit of the financial report – Qld Branch	<b>9,500</b>	5,500
Other services	<b>475</b>	-

**COMMUNITY & PUBLIC SECTOR UNION SPSF GROUP - FEDERAL FUND  
ABN 31 572 641 712**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

---

**6: Administration and other expenses**

	2016 \$	2015 \$
Audit & accounting fee	16,775	13,300
Consideration to employers for payroll deduction	-	-
Fees/allowances – meeting and conferences	-	-
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Legal fees		
- litigation	68,587	30,570
- other legal matters	38,368	46,502
Depreciation	24,302	19,805
Donations:		
Total paid that were \$1,000 or less	-	500
Total paid that exceeded \$1,000	2,310	-
Occupancy expenses	140,853	107,274
Penalties – RO Act or RO Regulations	-	-
IT support	31,336	19,229
Meeting expenses	-	-
Records management	15,274	26,202
Loss on disposal of assets	14,510	-
Subscription	9,907	9,008
Other expenses	29,750	37,241
	<u>391,972</u>	<u>309,631</u>

**7: Affiliation and capitation fees**

	2016 \$	2015 \$
<i>Affiliation fee</i>		
APHEDA	3,000	2,418
PSI	31,505	15,650
ACTU	54,096	11,947
<i>Compulsory levies</i>	-	-
<i>Capitation fee</i>	-	-
	<u>88,601</u>	<u>30,015</u>

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2016

---

**8: Campaign and project expenses**

	2016 \$	2015 \$
Campaign expenses	-	200
Research	<u>82,727</u>	<u>113,000</u>
	<u>82,727</u>	<u>113,200</u>

**9: Employee related expenses**

	2016 \$	2015 \$
<i>Employees other than holders of office</i>		
- wages and salaries	427,625	362,439
- superannuation	69,801	60,758
- leave and other entitlements (net)	13,220	16,992
- separation and redundancies	-	-
- other employee expenses	-	-
<i>Holders of office</i>		
- wages and salaries	-	-
- superannuation	13,416	13,416
- leave and other entitlements (net)	-	-
- separation and redundancies	-	-
- other employee expenses	-	-
Professional development	3,123	1,405
Salary reimbursement	97,686	97,732
Other staff costs **	<u>18,962</u>	<u>18,450</u>
	<u>643,833</u>	<u>571,192</u>

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

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2016

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

	2016 \$	2015 \$
Cash at bank	<u>45,784</u>	<u>54,536</u>

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

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

Balances as above	<u>45,784</u>	54,536
Balances per statement of cash flows	<u>45,784</u>	<u>54,536</u>

**11: Current assets – Held-to-maturity financial assets**

	2016 \$	2015 \$
Term deposits	<u>1,579,055</u>	<u>1,541,365</u>

*(i) Impairment and risk exposure*

None of the held-to-maturity investments are either past due or impaired.

All held-to-maturity investments are denominated in Australian dollars. As a result, there is no exposure to foreign currency risk. There is also no exposure to price risk as the investments will be held to maturity.

*(ii) Security*

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

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

	Note	2016 \$	2015 \$
<i>Amount due from Branches:</i>			
- PSA of NSW		52,231	54,142
- QLD Branch		-	924,000
- SA Branch		14,402	14,593
- TAS Branch		4,952	5,211
- VIC Branch		22,008	19,090
- WA Branch		20,457	21,433
- WAPOU Branch		<u>3,246</u>	<u>3,199</u>
		117,296	1,041,668
Provision for impairment – QLD Branch	iii	-	<u>(924,000)</u>
		<u>117,296</u>	117,668
Loan to NSW Branch		86,618	86,618
Prepayments		15,626	12,375
Other receivables		<u>9,741</u>	<u>10,942</u>
		<u>229,281</u>	<u>227,603</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

**12: Current assets – Trade and other receivables (Continued)**

*(i) Classification as trade and other receivables*

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

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

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

*(iii) Impaired trade receivables*

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount directly. The other receivables are assessed collectively to determine whether there is objective evidence that an impairment has been incurred but not yet been identified. For these receivables the estimated impairment losses are recognised in a separate provision for impairment. The company considers that there is evidence of impairment if any of the following indicators are present:

- significant financial difficulties of the debtor
- probability that the debtor will enter bankruptcy or financial reorganisation, and
- default or delinquency in payments (more than 30 days overdue).

Receivables for which an impairment provision was recognised are written off against the provision when there is no expectation of recovering additional cash. Impairment losses are recognised in profit or loss within administration expenses. Subsequent recoveries of amounts previously written off are credited against administration expenses.

	2016 \$	2015 \$
<b>Movements in the provision for impairment of trade receivables that are assessed for impairment collectively are as follows:</b>		
At 1 July	924,000	924,000
Receivables written off during the year as uncollectible	<u>(924,000)</u>	<u>-</u>
<b>At 30 June</b>	<u><u>-</u></u>	<u><u>924,000</u></u>

During the year, the FWC deregistered the Queensland Branch. Therefore the Queensland Branch's debts, which were fully provided for in previous years, are no longer recoverable and have been written off against the provision



NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2016

---

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

	2016 \$	2015 \$
<b>Plant and equipment</b>		
Leasehold improvement		
At cost	118,227	118,227
Less accumulated amortisation	<u>(15,289)</u>	<u>(3,467)</u>
	<u>102,938</u>	<u>114,760</u>
Office furniture and equipment		
At cost	155,749	190,399
Less accumulated depreciation	<u>(85,853)</u>	<u>(99,427)</u>
	<u>69,896</u>	<u>90,972</u>
Computers		
At cost	7,473	69,391
Less accumulated depreciation	<u>(4,614)</u>	<u>(60,618)</u>
	<u>2,859</u>	<u>8,773</u>
<b>Total property, plant and equipment</b>	<u>175,693</u>	<u>214,505</u>

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

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

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2016

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

**(b) Movements in carrying amounts**

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

	Leasehold improvement	Office Furniture & equipment	Computers	Total
	\$	\$	\$	\$
<b>2015</b>				
Opening net book amount	-	59,798	5,552	65,350
Disposals	118,227	44,615	6,118	168,960
Depreciation	(3,467)	(13,441)	(2,897)	(19,805)
Closing net book amount	<u>114,760</u>	<u>90,972</u>	<u>8,773</u>	<u>214,505</u>
<b>2016</b>				
Opening net book amount	114,760	90,972	8,773	214,505
Disposals	-	(10,413)	(4,097)	(14,510)
Depreciation	(11,822)	(10,663)	(1,817)	(24,302)
Closing net book amount	<u>102,938</u>	<u>69,896</u>	<u>2,859</u>	<u>175,693</u>

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

	2016 \$	2015 \$
<i>Unsecured:</i>		
Trade creditors	42,379	42,540
Legal fee payable – other matters	739	12,270
Legal fee payable – litigation	43,082	14,417
<i>Amount due to Branches:</i>		
- VIC Branch	11,430	9,019
- TAS Branch	19,353	-
- WAPOU Branch	-	8,007
	<u>30,783</u>	<u>17,026</u>
Payable to employers for making payroll deductions	-	-
Other payables and accruals	2,541	6,082
	<u>119,524</u>	<u>92,335</u>

Trade payables are unsecured and are usually paid within 30 days of recognition.

The carrying amounts of trade and other payables are assumed to be the same as their fair values, due to their short-term nature

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2016

**15: Current liabilities – Provisions**

	2016 \$	2015 \$
<b>Employee benefit obligations:</b>		
<i>Office holders:</i>		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
	<u>-</u>	<u>-</u>
<i>Employees other than office holders:</i>		
Annual leave	60,465	59,718
Long service leave	61,666	52,224
Separations and redundancies	-	-
Other	-	-
	<u>122,131</u>	<u>111,942</u>
Total employee provisions	<u>122,131</u>	<u>111,942</u>
Other provision – makegood provision	<u>8,910</u>	<u>8,652</u>
	<u>8,910</u>	<u>8,652</u>
Total provision	<u>131,041</u>	<u>120,594</u>

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

	2016 \$	2015 \$
<b>Employee benefit obligations:</b>		
<i>Office holders:</i>		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
	<u>-</u>	<u>-</u>
<i>Employees other than office holders:</i>		
Annual leave	-	-
Long service leave	14,351	11,320
Separations and redundancies	-	-
Other	-	-
	<u>14,351</u>	<u>11,320</u>
Total employee benefit obligations	<u>14,351</u>	<u>11,320</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

---

**17: Accumulated Surplus**

	2016 \$	2015 \$
<i>Movements in the accumulated surplus were as follows:</i>		
Balance 1 July	1,813,760	1,664,258
(Deficit) Surplus for the year	<u>(48,863)</u>	<u>149,502</u>
Balance 30 June	<u>1,764,897</u>	<u>1,813,760</u>

No specific funds or accounts have been operated or monies invested in any assets in respect of any compulsory levies or voluntary contributions.

**18: Contingencies**

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

**19: Commitments**

	2016 \$	2015 \$
<i>Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:</i>		
Within one year	114,210	111,966
Later than one year but no later than five years	455,674	449,365
More than five years	<u>492,792</u>	<u>607,837</u>
	<u>1,062,676</u>	<u>1,169,168</u>

*General description of leasing arrangement:*

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

**20: Events occurring after reporting date**

No matter or circumstance has arisen since the end of the financial year to the date of this report, that has or may significantly affect the activities of the CPSU, the results of those activities or the state of affairs of the CPSU in the ensuing or any subsequent financial year.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

---

**21: Other information**

*(i) Going Concern*

Apart from the continued support of the branches, the CPSU Federal Fund's ability to continue as a going concern is not reliant on any particular financial support from another reporting unit.

*(ii) Financial Support*

- During the year the CPSU paid expense on behalf of the Queensland Branch. The Queensland Branch was deregistered during the year and now no longer exists.
- A loan of \$86,618 was paid to the NSW Branch last year. This remains unpaid at year end.

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

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

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

Whilst not directly acquisition of the assets and liabilities of the Queensland Branch. The CPSU Federal Fund paid some expenses of the Queensland Branch.

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

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

*(v) Financial affairs administered by another entity*

The CPSU SPSF Federal Fund has entered service agreements with CPSU SPSF Vic Branch to:

- Provide finance and administration support. The total amount paid during the year in terms of this agreement was \$ 23,118 (2015: 23,164).
- Compensate the CPSU SPSF Vic Branch for the time spent by the Branch Secretary on the affairs of the CPSU SPSF Federal Fund and in lieu of a salary payment for the position of Federal Secretary. The total amount paid during the year in terms of this agreement was \$74,568 (2015: 74,568).

**22: Wage recovery activities**

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

---

**23: Related party transactions**

(a) The following persons have held office in the CPSU at any time during or since the end of the financial year are:

**Federal Council**

<b><i>Name</i></b>	<b><i>Position</i></b>
K. Batt	Federal Secretary
J. McMahon	Federal President – SA South Australia Branch Delegate
T. Lynch	Federal Vice President – TAS
T. Walkington	Federal Vice President - WA
C. Davies	Federal Vice President – VIC Victoria Branch Delegate
S. Walsh	Federal Vice President – NSW New South Wales Branch Delegate
J. Welsh	Federal Vice President - WAPOU
L. Barclay-Hales	New South Wales Branch Delegate
W. Hurry	New South Wales Branch Delegate
N. Jess	New South Wales Branch Delegate
B. Kellner	New South Wales Branch Delegate
B. Webb	New South Wales Branch Delegate
L. Parissi	New South Wales Branch Delegate
S. Turner	New South Wales Branch Delegate
J. Singleton	New South Wales Branch Delegate
K. Cameron	New South Wales Branch Delegate
R. Davis	New South Wales Sub- Branch Delegate
P. Lillywhite	Victoria Branch Delegate
G. Greaves	Victoria Branch Delegate
A. Jones	Victoria Branch Delegate
E. Free	Victoria Branch Delegate
L. Hughes	South Australia Branch Delegate
L. Oxlad	South Australia Branch Delegate
N. Kitchin	South Australia Branch Delegate
N. Brown	South Australia Branch Delegate
T. Walkington	Western Australia Branch Delegate
B. Dodds	Western Australia Branch Delegate
D. Henden	Western Australia Branch Delegate
G. Richards	Western Australia Branch Delegate
T. Watson	Western Australia Branch Delegate
T. Lynch	Tasmania Branch Delegate
R. Faulks	Tasmania Branch Delegate
G. Ransley	Tasmania Branch Delegate
C. White	Tasmania Branch Delegate
J. Welch	WAPOU Delegate

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2016

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

<i>Name</i>	<i>Position</i>
K. Batt **	Federal Secretary
J. McMahon **	Federal President – SA
T. Lynch **	Federal Senior Vice President – TAS
S. Walsh	Federal Vice President – NSW
C. Davies **	Federal Vice President – VIC
T. Walkington	Federal Vice President – WA
J. Welch	Federal Vice President – WAPOU
S. Turner	NSW Branch Delegate
N Kitchin	SA Branch Delegate
L. Oxlad	SA Branch Delegate
G Ransley **	Federal Vice President – TAS
P. Lillywhite	Victorian Branch Delegate
B. Dodds **	WA Branch Delegate

\*\* - Member of Finance, Administration and Governance Committee

	2016	2015
	\$	\$
<b>(b) Key management personnel compensation</b>		
<i>Short-term employee benefits</i>		
Salary (including annual leave taken)	-	-
Annual leave accrued	-	-
<b>Total short-term employee benefits</b>	<u>-</u>	<u>-</u>
<b>Post-employment benefits:</b>		
Superannuation	13,416	13,416
<b>Total post-employment benefits</b>	<u>13,416</u>	<u>13,416</u>
<b>Other long-term benefits:</b>		
Long-service leave accrued	-	-
<b>Total other long-term benefits</b>	<u>-</u>	<u>-</u>
<b>Termination benefits</b>	<u>-</u>	<u>-</u>
<b>Total</b>	<u><u>13,416</u></u>	<u><u>13,416</u></u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

---

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

**(c) Other transactions**

There were no transactions between the officers of the CPSU other than those relating to reimbursement by the CPSU in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which is reasonable to expect would have been adopted by parties at arm's length.

**(d) Loans to key management personnel**

There are no loans between key management personnel and the CPSU.

**(e) Transactions with related parties**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<i>Purchases of goods and services:</i>		
Rent paid to PSA of NSW	<b>22,752</b>	55,515
Administration support to CPSU SPSF Vic Branch	<b>23,118</b>	23,164
Salary reimbursement (Federal Secretary) to CPSU SPSF Vic Branch	<b>74,568</b>	74,568
Superannuation contributions on behalf of employees	<b>83,217</b>	74,174
Interest-free loan to the NSW Branch	<b>86,618</b>	86,618

**(f) Outstanding balances arising from sales and purchases of goods and services:**

These balances are disclosed in the "Trade receivables" and "Trade payables" notes to the accounts.

No provision for impairment has been raised in relation to any of these outstanding balances and no expense has been recognised in respect of bad or doubtful debts due from related parties.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

---

**24: Cash flow information**

(a) Reconciliation of cash flow from operations with the (deficit) surplus for the year

	2016	2015
	\$	\$
(Deficit) Surplus for the year	(48,863)	149,502
<i>Non-cash flows in (deficit) surplus</i>		
Depreciation	24,302	19,805
Loss on disposal of fixed assets	14,510	-
<i>Changes in assets and liabilities</i>		
(Increase) in trade and other receivables	(1,679)	(1,482)
Increase in payables	27,190	15,673
Increase (Decrease) in provisions	13,478	(24,356)
Cash flows from operations	<u>28,938</u>	<u>159,142</u>

**25: Capital management**

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

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

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

---

**26: Financial risk management**

The entity's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the entity. The entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, other price risks and aging analysis for credit risk.

Risk management is carried out by management under policies approved by Federal Executive. The Federal Executive identifies, evaluates and hedges financial risks as part of regular meetings. This identification and analysis includes an analysis of interest rate exposure and the evaluation of strategies in the context of most recent economic conditions.

**(a) Market risk**

*(i) Foreign exchange risk*

The entity is not exposed to foreign exchange risk.

*(ii) Price risk*

The entity is not exposed to price risk.

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

The CPSU has no borrowings and is therefore not exposed to interest rate risk on liabilities. It has investments in a variety of interest-bearing assets and its income and operating cash flows are exposed to changes in market interest rates for assets.

**(b) Credit risk**

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

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

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Cash at bank		
<i>AA- Rating</i>	<b>45,784</b>	54,536
Term deposits		
<i>AA- Rating</i>	<b>1,579,055</b>	1,541,365

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2016

26: Financial risk management (Continued)

(c) Liquidity risk

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

*Maturity profile of financial instruments*

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

2016

	Weighted Average Interest rate %	Floating Interest rate \$	1 year or less \$	1 to 2 years \$	2 to 5 years \$	Over 5 years \$	Non Interest bearing \$	Total \$
<b>Financial Assets</b>								
Cash at bank	0.1	45,784	-	-	-	-	-	45,784
Deposits at bank	2.68	-	1,579,055	-	-	-	-	1,579,055
Other receivables		-	-	-	-	-	213,655	213,655
		<u>45,784</u>	<u>1,579,055</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>213,655</u>	<u>1,838,494</u>
<b>Financial Liabilities</b>								
Other payables		-	-	-	-	-	119,524	119,524
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>119,524</u>	<u>119,524</u>
<b>Net Financial Assets</b>		<u>45,784</u>	<u>1,579,055</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,131</u>	<u>1,718,970</u>

2015

	Weighted Average Interest rate %	Floating Interest rate \$	1 year or less \$	1 to 2 years \$	2 to 5 years \$	Over 5 years \$	Non Interest bearing \$	Total \$
<b>Financial Assets</b>								
Cash at bank	0.1	54,536	-	-	-	-	-	54,536
Deposits at bank	2.7	-	1,541,365	-	-	-	-	1,541,365
Other receivables		-	-	-	-	-	215,228	215,228
		<u>54,536</u>	<u>1,541,365</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>215,228</u>	<u>1,811,129</u>
<b>Financial Liabilities</b>								
Other payables		-	-	-	-	-	92,335	92,335
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,335</u>	<u>92,335</u>
<b>Net Financial Assets</b>		<u>54,536</u>	<u>1,541,365</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>122,893</u>	<u>1,718,794</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

**27: Fair Value Measurements**

**(a) Financial assets and liabilities**

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

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

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 30 June 2016 was assessed to be insignificant
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the entity based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30 June 2016 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

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

	Note	2016		2015	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
		\$	\$	\$	\$
<b>Financial assets</b>					
Cash at banks	(i)	45,784	45,784	54,536	54,536
Trade and other receivables	(i)	213,655	213,655	215,228	215,228
Held to maturity financial assets		1,579,055	1,579,055	1,541,365	1,541,365
<b>Total financial assets</b>		<b>1,838,494</b>	<b>1,838,494</b>	1,811,129	1,811,129
<b>Financial liabilities</b>					
Trade and other payables	(i)	119,524	119,524	92,335	92,335
<b>Total financial liabilities</b>		<b>119,524</b>	<b>119,524</b>	92,335	92,335

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

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2016

27: Fair Value Measurements (Continued)

(b) Fair value hierarchy

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

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

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

*Valuation techniques*

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

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

The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 30 June 2016 and 30 June 2015:

Financial Assets	Level 1	Level 2	Level 3
	\$	\$	\$
<b>30 June 2016</b>			
<b>Assets at fair value</b>	-	-	-
<b>Liabilities at fair value</b>	-	-	-
<b>Net fair value</b>	-	-	-
<b>30 June 2015</b>			
<b>Assets at fair value</b>	-	-	-
<b>Liabilities at fair value</b>	-	-	-
<b>Net fair value</b>	-	-	-

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

---

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

Non-financial Assets	Level 1	Level 2	Level 3
	\$	\$	\$
<b>30 June 2016</b>			
Assets at fair value	-	-	-
Liabilities at fair value	-	-	-
<b>Net fair value</b>	-	-	-
<b>30 June 2015</b>			
Assets at fair value	-	-	-
Liabilities at fair value	-	-	-
<b>Net fair value</b>	-	-	-

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

**(c) Disclosed fair value measurements**

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

- Accounts receivable and other debtors;
- fixed interest securities; and
- accounts payable and other payables

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

**COMMUNITY & PUBLIC SECTOR UNION SPSF GROUP - FEDERAL FUND**  
**ABN 31 572 641 712**

**COMMITTEE OF MANAGEMENT STATEMENT**

---

On 13 October 2016 the Committee of Management of the Community and Public Sector Union SPSF Group - Federal Fund passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the year ended 30 June 2016:

The Committee of Management declares that in its opinion;

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

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

Signature of designated officer 

Name of designated officer: Karen Batt

Position held: Federal Secretary

Dated this 13<sup>th</sup> October 2016.

*All correspondence to*PO Box 6094  
MELBOURNE VIC 3004**E** [bgl@bglpartners.com.au](mailto:bgl@bglpartners.com.au)**T** (03) 9525 2511**F** (03) 9525 2829**W** [bglpartners.com.au](http://bglpartners.com.au)

ABN 96 006 935 459

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNITY & PUBLIC SECTOR UNION SPSF GROUP - FEDERAL FUND

### Report on the financial report

We have audited the accompanying general purpose financial report of the Community and Public Sector Union SPSF Group - Federal Fund, which comprises the balance sheet as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Committee of Management Statement.

### Committee of Management 's responsibility for the financial report

The Committee of Management is responsible for the preparation of the financial report in accordance with Australian Accounting Standards and Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by the Committee of Management.

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

CHARTERED ACCOUNTANTS  
AUSTRALIA • NEW ZEALAND*Liability limited by a scheme approved under professional standards legislation*



All correspondence to

PO Box 6094  
MELBOURNE VIC 3004E [bgl@bglpartners.com.au](mailto:bgl@bglpartners.com.au)

T (03) 9525 2511

F (03) 9525 2829

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

ABN 96 006 935 459

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNITY & PUBLIC SECTOR UNION SPSF GROUP - FEDERAL FUND (Continued)

### Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

### Opinion

In our opinion:

- (1) the general purpose financial report of Community and Public Sector Union SPSF Group - Federal Fund presents fairly, in all material respects, the financial position of Community and Public Sector Union SPSF Group - Federal Fund as at 30 June 2016 and the results of its operations, its changes in equity and cash flows for the year then ended, in accordance with any of the following that apply to the entity:
  - a) the Australian Accounting Standards; and
  - b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.
- (2) the Committee of Management's use of the going concern basis of accounting in the preparation of the entity's financial statements is appropriate



BGL Partners  
Chartered Accountants



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

13 October 2016  
Melbourne