



Australian Government
Registered Organisations Commission

21 December 2021

Ms Melissa Donnelly
National Secretary
CPSU, the Community and Public Sector Union-PSU Group

By e-mail: kathryn.landsberry@cpsu.org.au

Dear Ms Donnelly

CPSU, the Community and Public Sector Union-PSU Group
Financial Report for the year ended 30 June 2021 - FR2021/128

I acknowledge receipt of the financial report for the year ended 30 June 2021 for the CPSU, the Community and Public Sector Union-PSU Group (**the reporting unit**). The financial report was lodged with the Registered Organisations Commission (**ROC**) on 10 December 2021.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009 (RO Act)* have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2022 may be subject to an advanced compliance review.

Rotation of registered auditor

You must rotate your registered auditor

Correspondence was provided to the reporting unit on 23 June 2021, which alerted you that your registered auditor is approaching their statutory limit on how many consecutive financial years they are permitted to audit your financial report. The financial report lodged identifies that Pran Rathod the reporting unit's registered auditor for this financial year. Our records indicate that you have now used your current registered auditor for five consecutive financial years, which is the statutory limit under section 256A.

Please ensure that Pran Rathod is not assigned to audit the financial report of the reporting unit for at least the following two financial years. Further information on the rotation of registered auditor requirement can be found on the ROC website.

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements. The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting guidelines and Australian Accounting Standards.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 9603 0707 or by email at ken.morgan@roc.gov.au

Yours faithfully

A handwritten signature in black ink, appearing to read 'K. Morgan', written over a horizontal line.

KEN MORGAN

Financial Reporting Specialist

Registered Organisations Commission

The Community and Public Sector Union PSU Group

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

Certificate by prescribed designated officer

Certificate for the year ended 30 June 2021

I, Melissa Donnelly, being the National Secretary of the Community and Public Sector Union PSU Group certify:

- that the documents lodged herewith are copies of the full report for the *[name of the reporting unit]* for the period ended 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 30 November 2021; and
- that the full report was presented to the committee of management of the reporting unit on 3 December 2021 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:



Name of prescribed designated officer: Melissa Donnelly

Title of prescribed designated officer: National Secretary

Dated: 10/12/2021



OPERATING REPORT 2020–21

COMMUNITY AND PUBLIC SECTOR UNION



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Review of Principal Activities



The past year has been another difficult one for many Australians. However, the pandemic also continues to demonstrate that in a crisis, our communities come together and support each other.

This year has illustrated once again why we need a strong and effective public sector in times of crisis and recovery. We have seen our members across the public sector play an instrumental role in keeping our community safe during COVID-19.

The work of our members during the pandemic has included:

- Providing financial support for individuals, families and small businesses

- Development, testing and manufacture of a vaccine for COVID at the CSIRO
- Approval processes for vaccines
- Critical health and regulatory work in Commonwealth and Territory governments
- Keeping our borders safe
- Reliably keeping our communities informed, the ABC and SBS have remained steadfast in their delivery of crucial updates throughout the pandemic.

Public servants have done this work and much more, seven days a week for two years. CPSU members have supported the community when they needed it most.

1

KEEPING MEMBERS SAFE IN COVID

Keeping members safe through COVID has continued to be a key focus for the CPSU. For members who have had to attend their workplaces, like those working in airports and Services Australia Service Centres, we have been working with delegates and HSRs to ensure workplaces are safe. For other employees, particularly those in locations with extended lockdowns, we have been managing working from home rights as well as COVID-safe returns to the workplace. The CPSU has prepared resources to assist Health and Safety Representatives (HSRs) to conduct workplace inspections to ensure that sites are COVID-safe and to discuss the vaccination roll-out where applicable.





COVID-19 VACCINATION AND PAID PANDEMIC LEAVE

The CPSU has strongly and consistently supported vaccination and paid leave for employees to receive and recover from the vaccination, as well as paid leave for employees who need to self-isolate or get tested. We know that these measures are critical to keeping all employees safe. The CPSU has worked closely with the Australian Public Service Commission (APSC), and all departments and agencies, as well as Territory Governments and the private sector, to keep members safe and identify gaps in the response to the pandemic.

This year the CPSU has been able to secure paid vaccination leave and supports for employees in the APS, including casuals. There remains a gap, however, for most labour hire staff and contractors at the federal level, and the CPSU continues to argue for better protections and arrangements for those workers.

We have identified gaps in access to the vaccine for priority workers and advocated to ensure CPSU members working on the frontline are protected, including workers in the Aged Care Quality and Safety Commission, Department of Home Affairs and Department of Agriculture, Water and the Environment.

2

PROUD TO BE PUBLIC: WINNING THE ARGUMENT FOR THE WORK YOU DO

The pandemic continues to reveal widening fault lines in our society – particularly issues arising from insecure work. Through the CPSU's work on the Average Staffing Level cap and through the Proud to be Public campaign, CPSU members have achieved some breakthroughs:

- We have campaigned strongly for secure and permanent jobs in the public sector. CPSU advocacy ensured the conversion of more than 600 casual jobs in APS agencies to permanent, as well as creating APS job opportunities for labour hire employees.
- In the May 2021 Federal Budget, we cracked the ASL cap – with the Government and the Finance Minister backing down from the APS-wide cap and explicitly acknowledging that engaging more permanent staff was more effective and efficient.

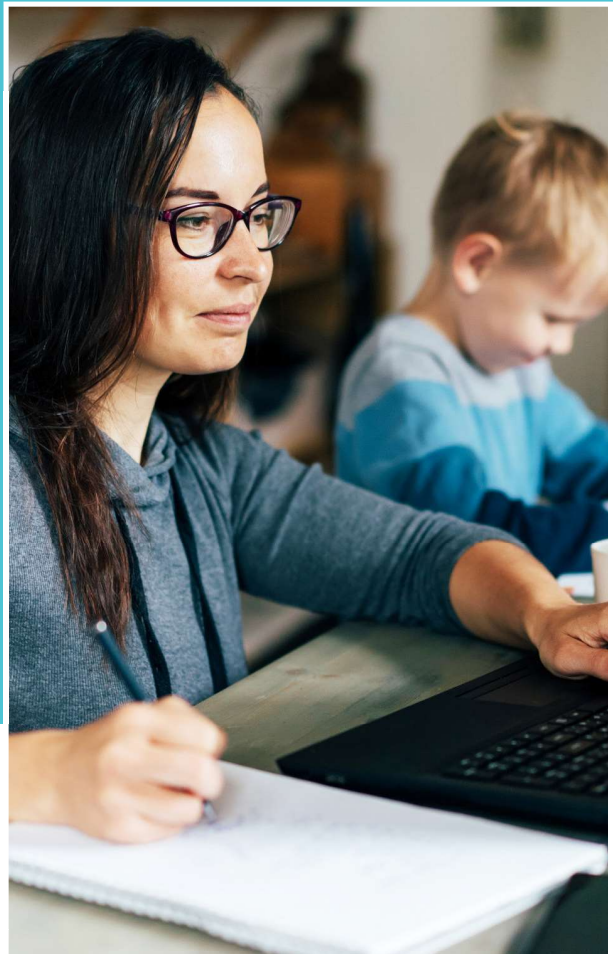
- In that same Budget we won more jobs for the services that our communities rely on, with an increase of 5,364 APS jobs, including extra staffing and funding for agencies under significant pressure including the Department of Veterans' Affairs and the Aged Care regulator.

These breakthroughs followed intense campaigning by CPSU members through our Proud to be Public and Respect our Labour platforms, which included securing an inquiry by the Senate Finance and Public Affairs Committee into the current capability of the APS.



THE NEW NORMAL? WORKING FROM HOME

Many workers have spent much of the pandemic working from home, and of those, many enjoy the flexibility it brings and would like to continue beyond COVID. The CPSU continues to campaign for improvements to working from home arrangements across all of the union's membership areas. We have secured vastly improved policies in the ATO and Services Australia. We have also produced detailed score cards for Working from Home policies to ensure members have a clear picture of their agency's approach and what needs to be improved; and partnered with researchers from Central Queensland University and the University of New South Wales, to investigate how improved arrangements are being accessed in the workplace.



COMMONWEALTH BARGAINING

In November 2020, the Australian Public Service Commission released the Public Sector Workplace Relations Policy 2020, containing a wages and conditions policy for federal public sector employees that is unfair and unworkable. Under the policy, wage outcomes will not be negotiated, and employees and agencies will have no ability to agree an outcome. Wage outcomes will be uncertain, with workers being asked to vote on mystery pay deals and with wages limited by the private sector Wage Price Index. The policy also maintains the Government position that agreements must offer “no enhancements”. This means that agreements would be unable to keep up with the times and make critical and timely changes to rights and entitlements to address issues like pandemic provisions, working from home rights, and paid domestic violence leave.

CPSU delegates and members are campaigning against this unfair bargaining policy and are advocating for outcomes that provide fair pay rises and conditions. In 2020-2021, we developed a schedule of regular solidarity activities to support members in APS agencies who are bargaining now, and to build awareness of the bargaining policy. From early next year our bargaining preparations will step up, as we get ready for bargaining in major APS agencies.





ACT BARGAINING

Over the course of 2020-2021 CPSU members in ACTPS prepared for and commenced enterprise bargaining. This process is not yet concluded as at the end of the 2020-21 financial year, however we are working towards securing some improvements to conditions and a fair pay rise for workers.

NT BARGAINING

In the NT, bargaining continues to be difficult with a four year pay freeze on offer from the NT Government. Members have strongly campaigned against this pay freeze, and are encouraging staff to vote 'no' when the agreement is put to a vote.

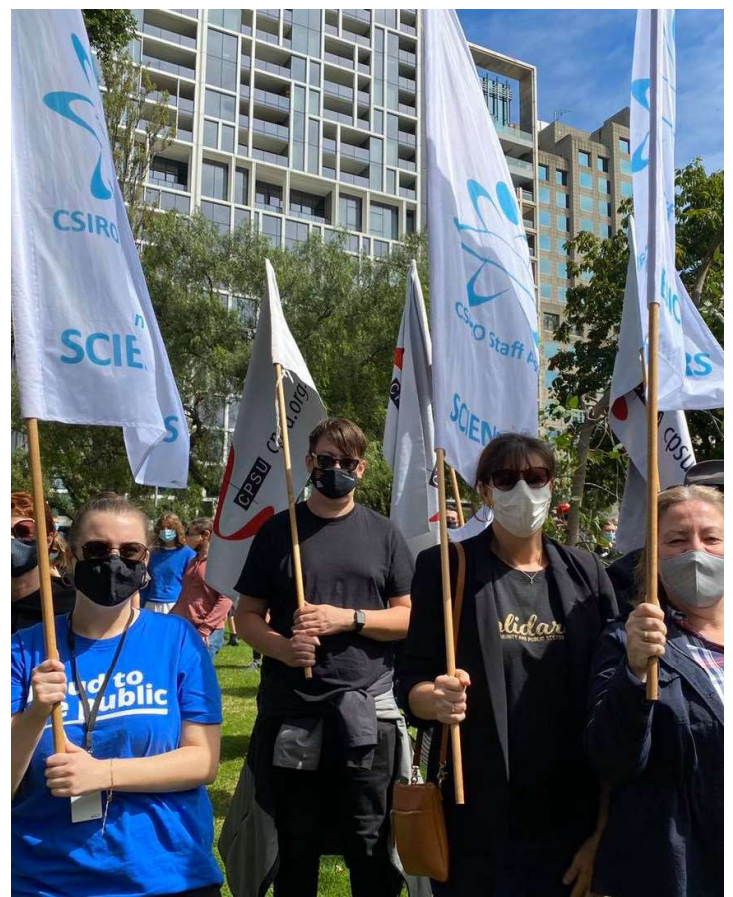
OTHER INDUSTRIAL ISSUES

There has also been an urgent need to address **workplace sexual harassment**, and the CPSU has championed this with employers and in independent reviews. The pervasiveness of workplace sexual harassment is recognised in the Australian Human Rights Commission's 2020 Respect@Work Report and has been the subject of much public discussion. The CPSU has taken the lead in this space to advocate for widescale changes to ensure everyone is safe at work. After surveying workers about their experience and concerns about existing arrangements, and receiving 3,280 responses, we have worked with delegates and HSRs to develop our Framework for Ensuring Safe and Respectful Workplaces. We have used this Framework to seek agencies' and employers' commitment and action in seven areas, to better prevent and respond to workplace sexual harassment.

The CPSU continues to campaign for more secure jobs and has used the new **casual conversion** laws to seek better outcomes for long term casuals.

The Federal Government amended the Fair Work Act so that employers must convert long-term casual employees to permanent employees but unfortunately legislated a loophole for APS agencies. But the CPSU is advocating for all employers, including APS agencies, to do the right thing. Our campaign has resulted in an additional 429 ongoing roles being offered to casual employees in Services Australia and an additional 240 offers in the Australian Taxation Office.

The CPSU has also contributed to the **APS Hierarchy and Classification Review**, using extensive member feedback as the basis for engagement with the Australian Public Sector Commission (APSC) and the Independent Panel. The review is not yet complete but will be the first comprehensive review of the APS classification system in around 10 years.





DELIVERING FOR MEMBERS

The CPSU continues to support members with workplace issues every day. In 2020-2021 we received nearly 10,000 calls and supported over 5,000 members with industrial matters. Given the pandemic, we have seen a greater proportion of calls relating to access to leave for remote learning, working from home rights, and other matters related to the pandemic.

In 2020-2021, the CPSU had over 400 delegates attend training courses and forums, including 126 delegates who completed the Delegate Foundations course. Training has been adapted to the changed working environment, with the majority of courses and forums delivered online. New monthly forums enabled delegates to collectively consider topics such as working with management, asking members to join, health and safety issues and working from home. More than 200 delegates have participated in one of these forums since they began.

In 2020-2021, providing professional development and learning opportunities for members has been a key priority. Our professional development

opportunities ensure members feel supported in their careers, stay engaged and get the best value possible from their membership. This work has been extremely well-received and has included sessions on superannuation, women and super, gaining permanent employment in the APS and much more. Thousands of CPSU members have taken this opportunity to engage in their professional development. One webinar alone - 'Super Super' - had more than 500 people register.

Our delegate development and member engagement work will be enhanced with our new membership system and website. The new website will provide key information to prospective members and the community about the work we do and how to join. Members will also be able to access a range of benefits and personalised information, including about their working conditions. Once fully operational, members will also be able to log into a learning management portal, indicating their preferences and interests for communications. Delegates will also be more easily able to communicate within their own workplaces.

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Governance and financial matters

NUMBER OF STAFF AND MEMBERS

The CPSU employed 182.5 staff equating to 173.25 Full Time Equivalent as at 30 June 2021. As at 30 June 2021 the CPSU had 43,039 members. This figure includes members of the CSIRO Staff Association, which had 2016 members at 30 June 2021.

OPERATING RESULT

We finished the financial year with a deficit of \$868K, with a revenue of \$27.33M. The CPSU Executive Committee has put in place a budgetary plan to address this deficit with a considerable reduction compared to last year's deficit being achieved. This will ensure the CPSU maintains its financial sustainability well into the future, while still maintaining the level of support, representation and advocacy which members deserve.

Our reserves as at 30 June 2021 stood at \$77.28M, our cash reserves as at 30 June 2021 stood at \$11.4M. Included in these reserves is \$41M invested in CPSU's Russell Investments Long Term Portfolio following the sale of Thomas Street and the purchase of a new building in Forveaux St in Surrey Hills.

In the 2020-2021 financial year the CPSU has rebalanced its asset mix following the decision of Governing Council to proceed with the sale of the Thomas St building and the subsequent use of the proceeds of the sale to buy another building while investing any remaining balance.

GOVERNANCE

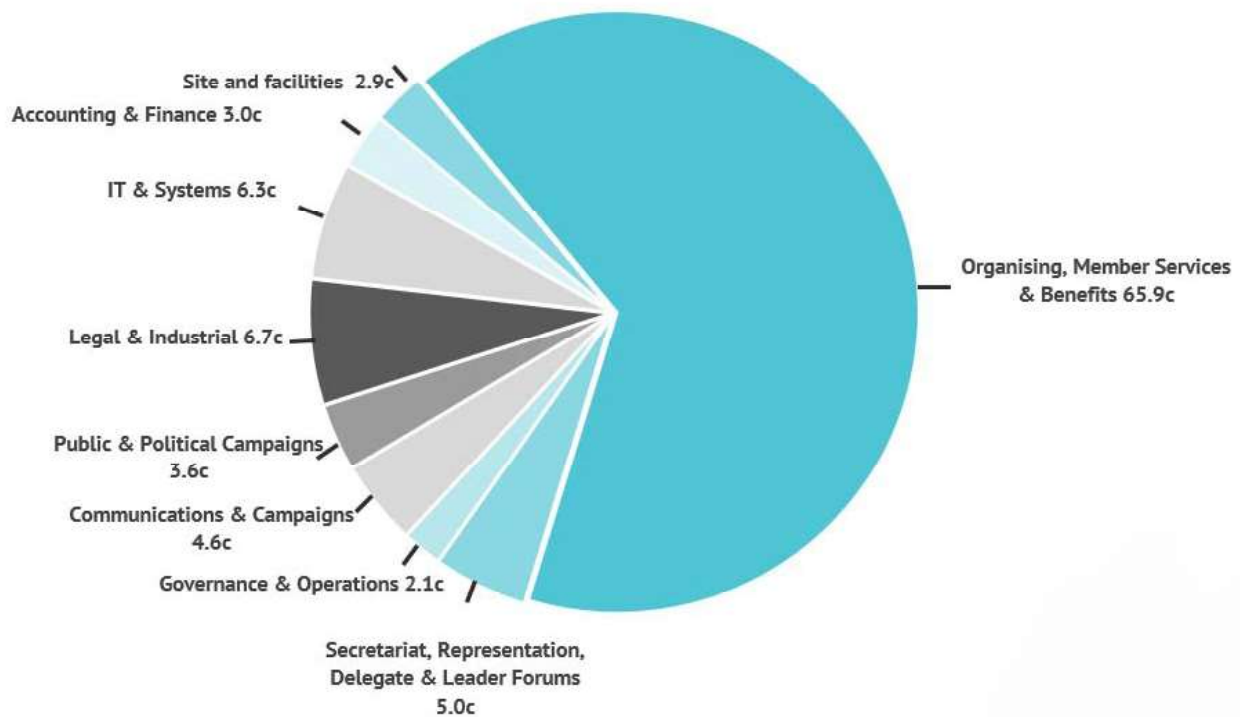
The CPSU has very high standards of governance and accountability and we always maintain and where possible improve these standards so that we can uphold our members' confidence in the union.

All officials and staff are expected to maintain the utmost integrity and professionalism when representing or acting on behalf of the union. Our delegates, who are volunteers doing their union work alongside their normal jobs, are encouraged to do the same.

The Director of Finance and Director of Governance and Operations continue to ensure that our financial and governance processes are adhered to, even during a year where COVID-19 has had a major impact.



WHERE YOUR DOLLAR GOES



COMMITTEE OF MANAGEMENT MEMBERS NAMES AND PERIOD POSITIONS HELD IN THE FINANCIAL YEAR

Name	Position	Dates
Melissa Donnelly	National Secretary	01/07/2020 - 30/06/2021
Michael Tull	Assistant National Secretary	01/07/2020 - 30/06/2021
Alistair Waters	National President	01/07/2020 - 30/06/2021
Beth Vincent-Pietch	Deputy Secretary	01/07/2020 - 30/06/2021
Brooke Muscat	Deputy National President	01/07/2020 - 30/06/2021
Melissa Payne	Deputy National President	01/07/2020 - 30/06/2021

Remuneration and disclosures

RELEVANT REMUNERATION OF CPSU OFFICIALS

Under section 293J of the Fair Work (Registered Organisations) Act 2009 the CPSU is required to report on the remuneration of the CPSU's five highest paid officers for the reporting period. We report relevant remuneration information for all CPSU PSU Group elected officials. This information can be found at Attachment A.

Remuneration for elected officials is set by the CPSU Governing Council. Under the CPSU Rules, the Governing Council (comprising elected honorary and the full-time officers of the union) must vote to approve any variation in the CPSU Officials' Salaries and Conditions.

SUPERANNUATION TRUSTEES

All superannuation fund directors' fees are paid to the CPSU, not to the individuals sitting on those boards, for any paid official or employee of the CPSU.

During the year the following CPSU officials and staff members were: a trustee of a superannuation entity or an exempt public sector superannuation scheme; or a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

- Melissa Donnelly. Director of Telstra Super
- Alistair Waters. Director of the Commonwealth Superannuation Corporation
- Michael Tull. Trustee Director Member Representative of the Australia Post Super Scheme

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RIGHT OF MEMBERS TO RESIGN

As per reporting requirements we also note that members have the right to resign in accordance with s174 of the *Fair Work (Registered Organisation) Act 2009* and in conjunction with CPSU rule 5.3 Resignation of Membership.

This report has been prepared in accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*.



Melissa Donnelly
National Secretary

30 November 2021



Officer	Period in Office	Salary Received Including Leave Taken and Higher Grade Duties Allowance	Allowances*	Fees**	Separation benefit	Leave cashed out	Superannuation~	Total remuneration	Type
Melissa Donnelly	01/07/2020 – 30/06/2021	168,590	14,832	–	–	–	37,583	221,004	NIL
Michael Tull	01/07/2020 – 30/06/2021	142,348	–	–	–	–	21,922	164,270	Vehicle
Alistair Waters	01/07/2020 – 30/06/2021	135,206	–	–	–	–	36,411	171,617	NIL
Beth Vincent-Pietch^	01/07/2020 – 30/06/2021	125,003	–	–	–	–	19,250	144,253	NIL
Brooke Muscat	01/07/2020 – 30/06/2021	128,895	–	–	–	–	19,850	148,744	NIL
Melissa Payne	01/07/2020 – 30/06/2021	132,338	–	–	–	–	24,254	156,592	NIL
Sinddy Ealy	01/07/2020 – 30/06/2021	120,336	–	–	–	–	18,532	138,867	NIL
	Total	952,714	14,832	–	–	–	177,801	1,145,347	–

CSIRO Section Disclosure

Sam Popovski	01/07/2020 – 08/05/2021	103,829	–	–	–	–	15,990	119,819	NI
Susan Tonks	08/05/2021 – 30/06/2021	16,506	–	–	–	–	2,990	19,469	NI

Officer^^	Position	Annual Salary (full time rate)
Melissa Donnelly	National Secretary	170,852
Michael Tull	Assistant National Secretary	143,797
Alistair Waters	National President	137,487
Melissa Payne	Deputy National President	131,176
Brooke Muscat	Deputy National President	131,176
Beth Vincent-Pietch	Deputy Secretary	131,176
Sinddy Ealy	Section Secretary	122,617
Susan Tonks	Section Secretary	122,617

* Car allowance provided in place of a vehicle non-cash benefit

** Fees. All fees received as a result of an official sitting on a board are paid directly to the C

~ Where compulsory superannuation on board sitting fees apply these are paid to the indivi

included in Superannuation amounts shown.

^ Part Time for some or all of the period 01/07/2020 – 30/06/2021

^^ as at 30/06/2021

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP

**Annual Financial Report For The Year Ended
30 June 2021**

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
30 June 2021

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**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP**

Report on the Audit of the Financial Report

Opinion

I have audited the accompanying financial report of CPSU, The Community and Public Sector Union, PSU Group ("the Union"), which comprises the Statement of Financial Position at 30 June 2021, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, 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 the Union as at 30 June 2021, and its financial performance and its cash flows for the year 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 the Executive Committee of the Union's use of the going concern basis in the preparation of the financial statements of the Union is appropriate.

Basis of 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 Union 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 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 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 reporting unit 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 reporting unit'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 reporting unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility for 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 Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive committee.
- Conclude on the appropriateness of the executive committee 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 Union'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 Union 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 Union to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Union 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.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 257(7) of the RO Act, I am required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act.

In my opinion, no such matters were noted.



Pran Rathod - Director Audit Services
Registered Company Auditor - Registration Number AA2017/15

Dated at Sydney, this 29th day of October 2021

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 30 JUNE 2021

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Union for the year ended 30 June 2021.

Categories of expenditures	2021 \$	2020 \$
Remuneration and other employment-related costs and expenses - employees (a)	20,552,084	19,819,463
Advertising	38,047	11,854
Operating costs	5,952,952	6,355,081
Donations to political parties	46,096	35,400
Legal costs	46,067	134,544

(a) Salary costs associated with donations to political parties have been reported under donations to political parties rather than being reported as remuneration.



Melissa Donnelly
National Secretary



Michael Tull
Assistant National Secretary

Dated at Sydney, this 29th day of October 2021

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021**

On 29th October 2021 the Committee of Management (Executive Committee) of the CPSU PSU Group passed the following resolution in relation to the general purpose financial report of the reporting unit for the financial year ended 30 June 2021:

The Committee of Management declares that in its opinion:

- a) the financial statements and notes comply with 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;
- e) 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
- f) during the financial year to which the general purpose financial report 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 the 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 the 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 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
 - v. 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.

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



Melissa Donnelly
National Secretary



Michael Tull
Assistant National Secretary

Dated at Sydney, this 29th day of October 2021

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
Revenue			
Membership subscriptions		24,869,999	24,806,967
Capitation fee and other revenue from another reporting unit	3A	89,794	91,023
Compulsory levies	3B	-	-
Total revenue		<u>24,959,793</u>	<u>24,897,990</u>
Other Income			
Interest received	3C	108,377	141,481
Rental revenue	3D	1,953,386	2,342,842
Other revenue	3E	312,708	357,447
Grants and / or donations	3F	70	260
Revenue from recovery of wages activities	3G	-	-
Total other income		<u>2,374,541</u>	<u>2,842,030</u>
Total revenue and other income		<u>27,334,334</u>	<u>27,740,020</u>
Expenses			
Employee expenses	4A	(20,587,414)	(19,838,603)
Capitation fees and other expense to another reporting unit	4B	-	-
Administration expenses	4C	(5,132,852)	(5,529,191)
Affiliation fees	4D	(731,635)	(729,705)
Grants or donations	4E	(69,072)	(63,415)
Depreciation and amortisation	4F	(1,567,370)	(2,143,176)
Audit fees	4G	(68,205)	(60,885)
Legal costs	4H	(46,067)	(134,544)
Impairment loss on assets	4I	-	(318,789)
Other expenses from ordinary activities	4J	-	-
Total expenses		<u>(28,202,615)</u>	<u>(28,818,308)</u>
Net deficit for the year		<u>(868,281)</u>	<u>(1,078,288)</u>
Other comprehensive income		-	-
Items that will not be subsequently reclassified to profit or loss:			
- Unrealised gain in investment		824,535	
- Revaluation increment on land & buildings		18,444,521	-
Total comprehensive income for the year		<u>18,400,775</u>	<u>(1,078,288)</u>

The accompanying notes form part of these financial statements.

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
Assets			
Current assets			
Cash and cash equivalents	5	11,409,361	23,016,590
Trade and other receivables	6	273,315	272,281
Other current assets	7	514,029	956,548
Total current assets		12,196,705	24,245,419
Non-current assets			
Financial assets	8	40,964,536	140,000
Property, plant and equipment	9	31,247,463	56,806,646
Right of use assets	10A	1,630,524	2,641,804
Total non-current assets		73,842,523	59,588,450
Total assets		86,039,228	83,833,869
Current liabilities			
Trade payables	11	1,454,315	1,075,320
Other payables	12	457,511	406,038
Other Liabilities	13	-	16,016,000
Lease Liabilities	10B	915,429	1,303,027
Provisions - employee benefits	14	4,549,776	4,210,055
Total current liabilities		7,377,031	23,010,440
Non-current liabilities			
Lease Liabilities	10B	1,011,707	1,733,541
Other Liabilities	13	160,778	-
Provisions - employee benefits	14	204,782	201,233
Total non-current liabilities		1,377,267	1,934,774
Total liabilities		8,754,298	24,945,214
Net assets		77,284,930	58,888,655
Equity			
General fund balance	16A	5,999,703	6,867,934
Reserves	16B	71,285,227	52,020,721
Total equity		77,284,930	58,888,655

The accompanying notes form part of these financial statements.

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Capital Profits and Asset Revaluation Reserve	Death and Benevolent Fund	Campaign Fund	General Fund	Total
	\$	\$	\$	\$	\$
Balance at 30 June 2019	51,963,659	42,164	14,760	8,125,568	60,146,151
Effect of adoption of AASB16 Leases	-	-	-	(179,208)	(179,208)
Restated balance at 1 July 2019	51,963,659	42,164	14,760	7,946,360	59,966,943
Surplus on General Fund transferred	-	-	138	(138)	-
Net deficit for the year	-	-	-	(1,078,288)	(1,078,288)
Balance at 30 June 2020	51,963,659	42,164	14,898	6,867,934	58,888,655
Unrealised gain in investment	824,535	-	-	-	824,535
Asset revaluation increment	18,444,521	-	-	-	18,444,521
Funds utilised	-	(4,500)	-	-	(4,500)
Net deficit for the year	-	-	-	(868,281)	(868,281)
Funds transferred	-	-	(50)	50	-
Balance at 30 June 2021	71,232,715	37,664	14,848	5,999,703	77,284,930

The accompanying notes form part of these financial statements.

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and others		28,476,785	29,024,494
Receipts from other reporting units/controlled entities	17(b)	1,470,727	1,286,909
Payments to suppliers		(7,055,257)	(9,560,763)
Payments to other reporting units/controlled entities	17(b)	(4,110)	(4,738)
Payments to employees		(20,244,144)	(19,534,825)
Interest received		108,377	141,481
Interest paid on lease liabilities		(104,855)	(136,471)
Lease payments not included in the measurement of lease liabilities		(569,767)	(346,058)
Net cash provided by operating activities	17(a)	<u>2,077,756</u>	<u>870,029</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(31,333,065)	(455,736)
(Payment)/Receipt - holding deposit on proposed sale of property		(16,016,000)	16,016,000
Proceeds from property, plant and equipment		75,000,000	-
Purchase of investments		(40,000,000)	-
Net cash (used in)/provided by investing activities		<u>(12,349,065)</u>	<u>15,560,264</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment for lease liabilities		(1,335,920)	(1,279,894)
Net cash used in financing activities		<u>(1,335,920)</u>	<u>(1,279,894)</u>
Net (decrease)/increase in cash held		(11,607,229)	15,150,399
Cash at beginning of financial year		23,016,590	7,866,191
Cash at end of financial year	5	<u><u>11,409,361</u></u>	<u><u>23,016,590</u></u>

The accompanying notes form part of these financial statements.

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

Note 1 Statement of significant accounting policies

Basis of preparation

This 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 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 Union is a not-for-profit entity.

The Union has a controlled entity, Shared Advantage Ltd. This subsidiary has not been consolidated as both its revenue and net assets represent less than half a percentage of the total revenue and net assets of the Union. Consolidation will not provide any further useful information than what is currently disclosed in the Union's financial statements.

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. The financial statements have been prepared on a historical cost basis, 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.

On 19 June 2001, the Deputy Industrial Registrar approved changes to certain rules pertaining to financial management. Those changes included, amongst others, preparation of a single set of accounts for the PSU group for the year ended 30 June 2002 and beyond. Resulting from the change, all funds, property and liabilities of the Sections, Branches and Professional Division as at 30 June 2001 were transferred to the National Council.

The following is a summary of the material policies adopted in the preparation of the financial statements.

(a) New Australian Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Union for the annual reporting period ended 30 June 2021. The Union's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Union, is considered not significant.

(b) Adoption of New Australian Accounting Standards

Any new and revised standards that became effective for the first time in the current financial year have been adopted. No accounting standard has been adopted earlier than the application date stated in the standard.

AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material.

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

This Standard amends AASB 101 *Presentation of Financial Statements* to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted. The reporting unit does not expect the adoption of this amendment to have an impact on its financial statements.

These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Union.

(c) Income tax

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

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

(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 which are expected to be settled 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.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the Union 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.

Provision is made for separation and redundancy benefit payments. Reporting Unit recognises a 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.

The Union recognises a liability for movements in the provision for long service leave in relation to CSIRO employees and recharges the same to CSIRO staff Association. (refer to Note 27)

(e) Current versus non-current classification

The Union presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Union classifies all other liabilities as non-current.

(f) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office.

In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

(g) Revenue

The Union enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, grants and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Revenue from contracts with customers

Where the Union has a contract with a customer, the Union recognises revenue when or as it transfers control of goods or services to the customer. The Union accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

Membership subscriptions

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the Union.

If there is only one distinct membership service promised in the arrangement, the Union recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Union promise to stand ready to provide assistance and support to the member as required.

Capitation fees

Where the Union's arrangement with a branch or another reporting unit meets the criteria to be a contract with a customer, the Union recognises the capitation fees promised under that arrangement when or as it transfers the Union to specify the goods or services that will transfer as part of its sufficiently specific promise to the branch/other reporting unit.

In circumstances where the criteria for a contract with a customer are not met, the Union will recognise capitation fees as income upon receipt.

Levies

Levies paid by a member (or other party) in an arrangement that meets the criteria to be a contract with a customer is recognised as revenue when or as the Union transfers the goods or services that will transfer as part of its sufficiently specific promise to the branch/other reporting unit.

In circumstances where the criteria for a contract with a customer are not met, the Union will recognise levies as income upon receipt.

Gains from sale of assets

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

Interest income

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

Rental income

Leases in which the Union as a lessor, does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the relevant lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

(h) Leases

The Union as lessee

The Union assesses whether a contract is or contains a lease, at inception of the contract. The Union recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones) For these leases, the Union recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Right of use assets are amortised on a straight-line basis over the shorter of the lease term and estimated useful lives as follows:

Class of right of use asset	Amortisation rate
Leasehold property	20%
Motor vehicle	20-33.33%
Other equipment	20-25%

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Union uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Union remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); and
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Union did not make any such adjustments during the periods presented.

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

(i) Cash and cash equivalents

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.

(j) Trade and other receivables

Trade and other receivables are recognised initially at fair value and generally due for settlement within 30 days.

The collectability of debts is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that the Union will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the income statement as an expense.

(k) Financial assets

Contract assets and receivables

A contract asset is recognised when the Union's right to consideration in exchange goods or services that has transferred to the customer when that right is conditioned on the Union's future performance or some other condition.

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e. only the passage of time is required before payment of the consideration is due).

Contract assets and receivables are subject to impairment assessment. Refer to accounting policies on impairment of financial assets below.

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income, or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Union's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Union initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Union's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Union commits to purchase or sell the asset.

Subsequent measurement

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss.

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

Financial assets at amortised cost

The Union measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Union's financial assets at amortised cost includes trade receivables.

Financial assets at fair value through other comprehensive income

The Union measures debt instruments at fair value through other comprehensive income (OCI) if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost.

The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Union's debt instruments at fair value through other comprehensive income includes investments in quoted debt instruments included under other non-current financial assets.

Investments in equity instruments designated at fair value through other comprehensive income

Upon initial recognition, the Union can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under AASB 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Union benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

The Union elected to classify irrevocably its listed and non-listed equity investments under this category.

Financial assets at fair value through profit or loss (including designated)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired; or

The Union has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- a) The Union has transferred substantially all the risks and rewards of the asset; or
- b) The Union has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Union has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Union continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment

Expected credit losses

Receivables for goods and services, are recognised at the nominal amounts due less any loss allowance due to expected credit losses (ECLs) at each reporting date. A provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

(i) Trade receivables

For trade receivables that do not have a significant financing component, the Union applies a simplified approach in calculating ECLs which requires lifetime ECLs to be recognised from initial recognition of the receivables.

Therefore, the Union does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Union has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Debt instruments other than trade receivables

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the Union recognises an allowance for ECLs using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Union expects to receive, discounted at an approximation of the original EIR.

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).
- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The Union considers a financial asset in default when contractual payments are past due. However, in certain cases, the Union may also consider a financial asset to be in default when internal or external information indicates that the Union is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

(l) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Union's financial liabilities include trade and other payables.

Subsequent measurement

Financial liabilities at fair value through profit or loss (including designated)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 *Financial Instruments* are satisfied.

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

(m) 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.

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

(n) 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.

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 asset are:

Class of fixed asset	Depreciation rate	
	2021	2020
Land and buildings	2.0 - 2.5%	2.0 - 2.5%
Leasehold improvement	10 - 20%	10 - 20%
Freehold improvement	10 - 20%	10 - 20%
Computer system	20%	20%
Office equipment	5-40%	5-40%
Telephone system	20 - 33.33%	20 - 33.33%
Information systems project	20%	20%
CRM membership system	25%	25%

All minor purchases of assets (under \$2,000) are considered by the committee as having a useful life relative only to the period of purchase and as such are written off during that period.

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.

(o) Impairment of 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 of disposal 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 Union was deprived of the asset, its value in use is taken to be its depreciated replacement cost.

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(p) Comparative amounts

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

(q) Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty and judgements

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

(i) Long service leave

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

(ii) Impairment review

As described in Note 1(o), management is required to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment testing is an area involving management judgement requiring assessment as to whether the asset can be supported by the net present value of future cashflows derived from the use of such assets.

(iii) Determining the lease term of contracts with renewal and termination options

Union as lessee

The Union determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Union has several lease contracts that include extension and termination options. The Union applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

(iv) Leases - Estimating the incremental borrowing rate

The Union cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Union would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Union 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Union estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

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(r) Fair value measurement

The Union measures non-financial assets such as land and buildings, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principle market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Union. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Union uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Union determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the reporting unit has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy.

(s) Going concern

The Union is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

Note 2 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 read as follows:

Information to be provided to members or Commissioner:

- (i) 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.
- (ii) 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.
- (iii) A reporting unit must comply with an application made under subsection (1).

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NOTES TO THE FINANCIAL STATEMENTS
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Note 3 Revenue

	2021 \$	2020 \$
3A Capitation fees and other revenue from another reporting unit		
Capitation fees	-	-
Other revenue from another reporting unit		
Management Fee - CSIRO Staff Association (Note 27)	89,794	91,023
	<u>89,794</u>	<u>91,023</u>
3B Compulsory levies		
Total compulsory levies	<u>-</u>	<u>-</u>
3C Interest received		
Deposits with banks	<u>108,377</u>	<u>141,481</u>
3D Rental revenue		
CPSU Properties	<u>1,953,386</u>	<u>2,342,842</u>
3E Other revenue		
Directors fee (Note 18)	249,222	258,948
Sundries	60,731	94,349
Voluntary contributions - DHS Community Campaign (a)	-	216
Voluntary contributions - ABC Community Campaign (b)	2,755	3,934
	<u>312,708</u>	<u>357,447</u>
(a) The fundraising campaign has been established for the purpose of financially supporting the community campaign to increase public awareness and understanding of the issues surrounding privatisation of public services, staffing cuts and budget cuts, specifically at workplaces covered by the Department of Human Services.		
(b) The fundraising campaign has been established for the purpose of financially supporting the community campaigning efforts to increase the public's awareness and understanding of the workplace, political and funding issues facing the ABC and ABC staff.		
3F Grants and / or donations		
Grants	-	-
Donations in relation to campaign fund	70	260
	<u>70</u>	<u>260</u>
3G Revenue from recovery of wages activity		
Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	-	-
	<u>-</u>	<u>-</u>

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Note 4 Expenses

	2021 \$	2020 \$
4A Employee expenses		
Holders of office:		
- Salaries and wages (a)	953,906	914,846
- Superannuation	151,952	147,902
- Leave and other entitlements (b)	40,259	3,711
- Separation and redundancies	-	31,237
- Remote locality allowance	-	-
- Living away from home allowance	-	-
- Other employee benefits	412	611
Subtotal employee expenses holders of office	1,146,529	1,098,307
Employees other than office holders:		
- Salaries and wages (a)	15,979,823	15,344,621
- Superannuation	2,586,917	2,520,907
- Leave and other entitlements (b)	649,167	615,171
- Separation and redundancies	167,328	195,529
- Remote locality allowance	47,985	45,592
- Living away from home allowance	2,692	8,077
- Other employee benefits	6,973	10,399
Subtotal employee expenses employees other than office holders	19,440,885	18,740,296
Total employee expenses	20,587,414	19,838,603

(a) Salaries and wages

This includes the normal salaries and wages paid and any annual leave paid during the year.

The Union believes this treatment allows a proper analysis of salaries and wages in terms of fluctuation caused by payments for salaries and wages and annual leave.

(b) Leave and other entitlements

This includes payments for long service leave, and recognises movements in the annual leave and long service leave liabilities during the year.

4B Capitation fees and other expense to another reporting unit

	2021 \$	2020 \$
- Capitation fees	-	-
- Other expense to another reporting unit	-	-
Total capitation fees and other expense to another reporting unit	-	-

4C Administration expenses

	2021 \$	2020 \$
- Total paid to employers for payroll deductions of membership subscriptions	806	877
- Compulsory Levy - Field and Digital Organising State Election Levy (ALP WA)	5,000	-
- Fees/allowance - meeting and conferences	-	-
- Conference and meeting expenses	14,699	151,265
- Information communications technology	1,261,650	1,324,048
- Interest expense on lease liability	104,855	136,471
- Insurance	639,752	631,588
- Office expense	108,113	100,669
- Payroll tax	1,016,882	1,035,817
- Property expense	1,281,823	1,197,070
- Travelling expense	106,054	225,425
- Other expenses	593,218	725,961
	5,132,852	5,529,191

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4D Affiliation fees	2021	2020
	\$	\$
- Australian Council of Trade Unions	263,642	263,169
- Unions NSW	30,507	30,431
- SA Unions	15,122	14,835
- Queensland Council of Unions	43,057	43,541
- Unions ACT	54,034	54,024
- Unions NT	12,474	11,229
- Unions Tasmania	10,064	8,674
- Trades Hall Council VIC	43,489	40,904
- Unions WA	15,591	16,524
- Geelong Trades Hall Council	155	155
- Gippsland Trades & Labour Council	1,236	1,236
- Bendigo Trades Hall Council	400	400
- South West Trades & Labour Council Inc.	-	75
- Newcastle Trades Hall Council	1,718	1,691
- Queensland Council of Unions Cairns	110	110
- Queensland Council of Unions Rockhampton	110	110
- Queensland Council of Unions Townsville	100	100
- Queensland Council Of Unions - Toowoomba	-	110
- Queensland Council of Unions Gold Coast	-	100
- SA May Day Collective	-	318
- ALP - VIC	40,275	40,736
- ALP - NSW	43,885	45,800
- ALP - QLD	27,970	29,419
- ALP - SA	11,748	12,051
- ALP - ACT	28,118	25,064
- ALP - NT	8,348	8,504
- ALP - WA	16,954	17,267
- ALP - TAS	4,160	3,948
- Public Services Internationale	44,209	43,735
- UNI Global Union	11,079	12,744
- APHEDA	2,780	2,701
- AFTINET	300	-
Total affiliation fees	731,635	729,705

4E Grants & donations	2021	2020
	\$	\$
Grants:		
Total paid that were \$1,000 or less in relation to CPSU Member Skills/Qualification Grant Program	1,483	288
Total paid that exceeded \$1,000 in relation to CPSU Member Skills/Qualification Grant Program	15,638	26,301
	17,121	26,589
Donations:		
Total expensed that were \$1,000 or less	136	1,481
Total expensed that exceeded \$1,000 (a)	51,815	35,345
	51,951	36,826
	69,072	63,415

(a) This item now includes salary costs as in-kind donations following advice issued by the ROC.

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4F Depreciation and amortisation

	2021	2020
	\$	\$
- Amortisation on right of use assets	1,237,768	1,243,458
- Buildings	139,750	636,313
- Leasehold improvements	113,672	172,661
- Freehold improvements	-	2,021
- Plant and equipment	76,180	88,723
Total depreciation and amortisation	1,567,370	2,143,176

4G Remuneration of auditors

	2021	2020
	\$	\$
- Audit - current year	43,000	43,000
- Other services	25,205	17,885
	68,205	60,885

Other services include services in relation to the audit of the political membership returns, statement of outgoings for rental properties and assistance in the preparation of the general purpose financial report.

4H Legal costs

	2021	2020
	\$	\$
- Litigation	-	-
- Other legal costs	46,067	134,544
	46,067	134,544

4I Write-down and impairment of assets

	2021	2020
	\$	\$
Asset write-downs and impairments of:		
- Plant and equipment	-	318,789

4J Other expenses

	2021	2020
	\$	\$
Penalties - via RO Act or the <i>Fair Work Act 2009</i> *	-	-

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Note 5 Cash and cash equivalents

	2021 \$	2020 \$
Cash on hand	-	3,203
Cash at bank	4,493,120	1,167,571
Short term deposits	6,916,241	21,845,816
	<u>11,409,361</u>	<u>23,016,590</u>

Note 6 Trade and other receivables

	2021 \$	2020 \$
Current		
Receivables from other reporting unit - CSIRO Staff Association (Note 27)	112,214	231,638
Less allowance for expected credit losses	-	-
Trade and other debtors	151,147	30,966
Owing by Shared Advantage Ltd	9,954	9,677
	<u>273,315</u>	<u>272,281</u>

The amount owing by Shared Advantage Ltd, a controlled entity, is unsecured, interest free and repayable as and when Shared Advantage Ltd has funds to pay.

Note 7 Other current assets

	2021 \$	2020 \$
Prepaid expenses (a)	-	464,169
Prepayments	514,029	492,379
	<u>514,029</u>	<u>956,548</u>

(a) The Union has capitalised costs in relation to the property being considered for sale.

Note 8 Financial assets

	2021 \$	2020 \$
Non-current		
Seed Funding to Shared Advantage Limited (a)		
- At cost	225,000	225,000
- Less provision for impairment loss	(85,000)	(85,000)
	<u>140,000</u>	<u>140,000</u>
Available-for-sale financial assets	40,824,536	-
	<u>40,964,536</u>	<u>140,000</u>

(a) The seed funding is unsecured, interest free and repayable as and when Shared Advantage Ltd has funds to pay.

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Note 9 Property, plant and equipment

	2021 \$	2020 \$
Land and buildings		
Freehold land and buildings including freehold improvement at independent	840,000	56,572,163
Freehold land and buildings at cost	29,465,940	-
Less accumulated depreciation	(9,500)	(637,387)
Net land and buildings	30,296,440	55,934,776
Leasehold improvements		
At cost	1,024,442	2,128,532
Less accumulated depreciation	(478,530)	(1,465,105)
Net Leasehold Improvements	545,912	663,427
Plant and equipment		
At cost	3,716,831	3,685,590
Less Impairment	(318,789)	(318,789)
Less accumulated depreciation	(2,992,931)	(3,159,078)
Net plant and equipment	405,111	207,723
Website		
At cost	126,761	126,761
Less accumulated depreciation	(126,761)	(126,041)
Net website	-	720
Total land, buildings, plant and equipment	31,247,463	56,806,646

Fair value of the properties was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property. Except for the property at Foveaux St, which was based on cost, all other properties fair value was based on valuations performed by Charter Keck Cramer and Herron Todd White, who are accredited independent valuers.

Movements in carrying amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

2021	Balance at beginning of year \$	Additions \$	Disposal \$	Revaluation \$	Depreciation/ Amortisation expense \$	Carrying amount at the end year \$
Land and Buildings	55,934,776	31,056,892	(75,000,000)	18,444,522	(139,750)	30,296,440
Leasehold Improvements	663,427	-	(3,843)	-	(113,672)	545,912
Plant and Equipment	207,723	276,173	(3,325)	-	(75,460)	405,111
Website	720	-	-	-	(720)	-
Total	56,806,646	31,333,065	(75,007,168)	18,444,522	(329,602)	31,247,463

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Note 10A Right of use assets

	2021 \$	2020 \$
At cost	5,877,494	5,863,498
Accumulated depreciation	<u>(4,246,970)</u>	<u>(3,221,694)</u>
	<u>1,630,524</u>	<u>2,641,804</u>

Reporting unit as a lessee

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Motor vehicle \$	Leasehold property \$	Other equipment \$	Total \$
As at 1 July 2020	553,845	1,818,544	269,415	2,641,804
Additions	6,961	219,527	-	226,488
Depreciation	(157,962)	(954,213)	(125,593)	(1,237,768)
As at 30 June 2021	<u>402,844</u>	<u>1,083,858</u>	<u>143,822</u>	<u>1,630,524</u>

Note 10B Leases

	2021 \$	2020 \$
Current	915,429	1,303,027
Non-current	<u>1,011,707</u>	<u>1,733,541</u>
Total	<u>1,927,136</u>	<u>3,036,568</u>

The maturity analysis of lease liabilities is disclosed in note 21D.

Reporting unit as a lessee

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	Motor vehicle \$	Leasehold property \$	Other equipment \$	Total \$
As at 1 July 2020	553,575	2,205,814	277,179	3,036,568
Additions	6,961	219,527	-	226,488
Accretion of interest	19,572	76,495	8,788	104,855
Payments	(172,995)	(1,132,670)	(135,110)	(1,440,775)
As at 30 June 2021	<u>407,113</u>	<u>1,369,166</u>	<u>150,857</u>	<u>1,927,136</u>

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Note 11 Trade payables

	2021	2020
	\$	\$
Current		
Accounts payable and accruals	1,454,315	1,075,320

Note 12 Other payables

Incentive received in advance	27,450	46,826
Payables to other reporting unit - CSIRO Staff Association (Note 27)	384	-
Wages payable	236,832	160,170
GST payable	172,845	181,239
Payable to employers for making payroll deductions of membership subscriptions	-	-
Legal costs payable in relation to:	-	-
- Litigation	-	-
- Other legal costs	20,000	17,803
	457,511	406,038

The settlement for trade and other payable is usually made within 30 days

Note 13 Other liabilities

	2021	2020
	\$	\$
Current		
Refund of holding deposit		
- Deposit on proposed property sale	-	16,016,000
	-	16,016,000
Non-current		
Rental bond received	160,778	-

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Note 14 Provisions - employee benefits

	2021	2020
	\$	\$
Current		
Holders of office:		
Annual leave	127,530	112,110
Long service leave	294,380	306,321
Separation and redundancies	-	-
Other	-	-
	421,910	418,431
Employees other than office holders:		
Annual leave	1,751,514	1,643,997
Long service leave	2,376,352	2,147,627
Separation and redundancies	-	-
Other	-	-
	4,127,866	3,791,624
Total current provisions - employee benefits	4,549,776	4,210,055
Non-current		
Holders of office:		
Annual leave	-	-
Long service leave	-	-
Separation and redundancies	-	-
Other	-	-
	-	-
Employees other than office holders:		
Annual leave	-	-
Long service leave	204,782	201,233
Separation and redundancies	-	-
Other	-	-
	204,782	201,233
Total non-current provisions - employee benefits	204,782	201,233

Included in the provision is a liability for movements in the provision for long service leave in relation to CSIRO employees. Such amounts are recharged to CSIRO Staff Association, and included in amounts owing by CSIRO Staff Association (Note 27).

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Note 15 Commitments

(a) Operating lease commitments - as lessor	2021	2020
	\$	\$

Future minimum rentals receivable under non-cancellable operating leases as at 30 June are as follows:

- not later than 1 year	212,100	2,346,310
- later than 1 year but not more than 5 years	352,795	5,361,189
Balance at the end of the year	564,895	7,707,499

The property lease commitments are non-cancellable operating leases with remaining lease terms of between 1 year and 5 years. Increases in lease commitments may occur in line with CPI or market rent reviews in accordance with the agreements including major tenancy leases.

(b) Capital commitments

At 30 June 2021 the Union had no capital commitments (2020: NIL).

Note 16 Equity

16A General funds

	2021	2020
	\$	\$
Retained profit at the beginning of the year	6,867,934	7,946,360
Surplus on General Fund transferred	-	(138)
Funds transferred	50	-
Deficit for the year	(868,281)	(1,078,288)
Retained profit at the end of the year	5,999,703	6,867,934

16B Reserves

	2021	2020
	\$	\$
Capital profits and asset revaluation reserve		
Balance brought forward	51,963,659	51,963,659
Unrealised gain in investment	824,535	-
Asset revaluation increment	18,444,521	-
Balance carried forward	71,232,715	51,963,659

Death and benevolent fund

Balance brought forward	42,164	42,164
Fund used	(4,500)	-
Balance carried forward	37,664	42,164

Campaign fund

Balance brought forward	14,898	14,760
Transferred from general fund	-	138
Transferred to general fund	(50)	-
Balance carried forward	14,848	14,898

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NOTES TO THE FINANCIAL STATEMENTS
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Note 17 Cash flow information

	2021	2020
	\$	\$
(a) Cash flow reconciliation		
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:		
Cash and cash equivalents as per:		
Statement of cash flows	11,409,361	23,016,590
Statement of financial position	11,409,361	23,016,590
Difference	-	-
Reconciliation of cash flow from operations with operating deficit		
Operating deficit	(868,281)	(1,078,288)
Non cash flow in operating deficit:		
Impairment of fixed assets	-	318,789
Depreciation and amortisation	329,602	899,718
Loss on disposal of fixed assets	7,166	13,263
Adjustment on AASB 16	-	(179,208)
Depreciation on right of use assets	1,237,768	1,243,458
(Increase)/Decrease in trade debtors	(1,034)	(46,964)
(Increase)/Decrease in prepayments	442,519	(633,753)
(Increase)/Decrease in ROU assets	(226,488)	(3,885,262)
Increase/(Decrease) in lease liabilities	226,488	4,316,462
Increase/(Decrease) in provisions	343,270	303,778
Increase/(Decrease) in trade creditors and accruals	378,995	(397,645)
Increase/(Decrease) in other liabilities	212,251	(4,319)
Increase/(Decrease) in Death and Benevolent Fund	(4,500)	-
Net cash provided by operating activities	2,077,756	870,029
(b) Cash inflow information		
Cash inflows		
Shared Advantage Limited	-	-
CSIRO Staff Association	1,470,727	1,286,909
Total cash inflows	1,470,727	1,286,909
Cash outflows		
CSIRO Staff Association	(4,110)	(4,738)
Total cash outflows	(4,110)	(4,738)

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Note 18 Related party information

The Union's related parties include the following:

(a) Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Union, directly or indirectly, are considered key management personnel. For CPSU PSU Group this included Elected Officials, Regional Secretaries and Directors. For details of remuneration disclosures relating to key management personnel, refer to Note 19 Key Management Personnel Compensation.

(b) Controlled entity

The Union has a controlled entity, Shared Advantage Ltd. This subsidiary has not been consolidated as both its revenue and net assets represent less than half a percentage of the total revenue and net assets of the Union. Consolidation will not provide any further useful information than what is currently disclosed in the Union's financial statements.

(c) Board representation

As discussed in the Operating Report, one or more nominees of the Union sit on certain Boards. No director's fee has been received personally by the officers of the Union with respect to these Boards. All such director's fees have been received by the Union and are disclosed in Note 3.

(d) Office holders

There have been no other transactions between the office holders and their Union other than reimbursement by the Union 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 it is reasonable to expect would have been adopted by parties at arm's length.

Note 19 Key management personnel remuneration for the reporting period

	2021 \$	2020 \$
Short-term employee benefits		
Salary (including annual leave taken)	2,540,318	2,524,867
Annual leave accrued	208,992	185,789
Remote Localities Allowance	6,118	5,941
Living Away from Home Allowance	-	-
Total short-term employee benefits	2,755,428	2,716,597
Post-employment benefits		
Superannuation	403,707	399,203
Total post-employment benefits	403,707	399,203
Other long-term benefits		
Long service leave	21,421	29,600
Total other long-term benefits	21,421	29,600
Termination benefits	27,889	47,694
Total	3,208,445	3,193,094

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Note 20 Transactions with key management personnel and their family members

There were no transactions with key management personnel and their family members for the year ended 30 June 2021.

Note 21 Financial instruments

(a) Interest rate risk

Interest rate risk is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates. The Union's exposure to interest rate risk at 30 June 2021 is limited to cash and term deposits of \$11,409,361.

Risk is minimised through investing surplus in financial institutions that maintain a high credit rating.

(b) Credit risk

Credit risk is the exposure to financial assets arising from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Union. The Union's risk exposure relates to trade receivables \$273,315 and seed funding \$140,000 to its related party.

Risk is minimised by carrying out a credit risk assessment of the party and following up receivables for payments on a timely basis.

(c) Liquidity risk

Liquidity risk arises from the possibility that the Union might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The risk is managed through the following mechanisms:

- Preparing forward- looking cash flow analysis in relation to its operating, investing and financing activities
- Maintaining a reputable credit profile
- Only investing surplus cash with major financial institutions

Note 21A Categories of financial instruments

	2021 \$	2020 \$
Financial assets		
At amortised cost:		
Cash and cash equivalents	11,409,361	23,016,590
Trade and other receivables	273,315	272,281
Seed funding	140,000	140,000
	<u>11,822,676</u>	<u>23,428,871</u>
Fair value through other comprehensive income:		
Available-for-sale assets	40,824,536	-
Carrying amount of financial assets	<u><u>52,647,212</u></u>	<u><u>23,428,871</u></u>
Financial liabilities		
Other financial liabilities:		
Trade payables	1,454,315	1,075,320
Other payables	457,511	406,038
Other liabilities	-	16,016,000
Carrying amount of financial liabilities	<u><u>1,911,826</u></u>	<u><u>17,497,358</u></u>

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Note 21B Net income and expense from financial assets and financial liabilities

	2021 \$	2020 \$
Lease Liabilities		
Interest expense on lease liabilities	(104,855)	(136,471)
Held-to-maturity		
Interest revenue	108,377	141,481
Net income from financial assets	<u>3,522</u>	<u>5,010</u>

Note 21C Credit risk

The Union's credit risk extends to trade debtors and seed funding, which are stated at recoverable amounts.

The Union measures its credit risk exposure on an individual specific account basis. Trade receivables and other receivables are reported at fair value less any provision for doubtful debts. Trade receivables are reviewed on an ongoing basis. Debts which are known to be un-collectible are written off. A provision for doubtful receivables is established where there is subjective evidence that the receivable may not be collectable in full. Movements on the provision are recognised directly to the income statement.

Note 21D Liquidity risk

Lease liability maturities for 2021

	0 - 1 year \$	1- 2 years \$	2- 5 years \$	>5 years \$	Total \$
	915,431	583,257	428,449	-	1,927,137
Total	<u>915,431</u>	<u>583,257</u>	<u>428,449</u>	<u>-</u>	<u>1,927,137</u>

Lease liability maturities for 2020

	0 - 1 year \$	1- 2 years \$	2- 5 years \$	>5 years \$	Total \$
	1,303,027	873,443	860,098	-	3,036,568
Total	<u>1,303,027</u>	<u>873,443</u>	<u>860,098</u>	<u>-</u>	<u>3,036,568</u>

Note 21E Market risk

Interest rate risk

Sensitivity analysis of the risk that the entity is exposed to for 2021

	Change in risk variable %	Effect on	
		Profit and loss \$	Equity \$
Interest rate risk	1%	114,000	114,000
Interest rate risk	-1%	(114,000)	(114,000)

Sensitivity analysis of the risk that the entity is exposed to for 2020

	Change in risk variable %	Effect on	
		Profit and loss \$	Equity \$
Interest rate risk	1%	207,000	207,000
Interest rate risk	-1%	(207,000)	(207,000)

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Note 22 Fair value measurement

Note 22A Financial assets and liabilities

Management of the Union 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 following table contains the carrying amounts and related fair values for the Union's financial assets and liabilities:

	Carrying Amount 2021 \$	Fair Value 2021 \$	Carrying Amount 2020 \$	Fair Value 2020 \$
Financial assets				
Cash	11,409,361	11,409,361	23,016,590	23,016,590
Receivables	273,315	273,315	272,281	272,281
Seed Funding	140,000	140,000	140,000	140,000
Available-for-sale assets	40,824,536	40,824,536	-	-
Total	52,647,212	52,647,212	23,428,871	23,428,871
Financial liabilities				
Trade payables	1,454,315	1,454,315	1,075,320	1,075,320
Other payables	457,511	457,511	406,038	406,038
Other liabilities	-	-	16,016,000	16,016,000
Total	1,911,826	1,911,826	17,497,358	17,497,358

Note 22B Financial and non-financial assets and liabilities fair value hierarchy

Fair value hierarchy - 30 June 2021

	Date of valuation	Level 2 \$
Assets measured at fair value		
Property	30/06/2021	840,000
Property - Valued at cost	-	29,465,940
Total		30,305,940

Fair value hierarchy - 30 June 2020

	Date of valuation	Level 2 \$
Assets measured at fair value		
Properties	30/06/2019	56,540,000
Total		56,540,000

Except for the properties which are measured at level 2 of fair value hierarchy as disclosed below, all other financial and non-financial assets and liabilities are measured at level 1 of the fair value hierarchy.

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NOTES TO THE FINANCIAL STATEMENTS
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Note 23 Contingent liabilities

	2021	2020
	\$	\$
(a) Guarantees		
Bank Guarantees	439,285	420,129
	<u>439,285</u>	<u>420,129</u>

Note 24 Events after the reporting period

- (a) As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the Union is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the Union.

Note 25 Financial support

The Union has agreed to provide financial support to its related entity, Shared Advantage Ltd (a company limited by guarantee) in order that it is able to meet its debts as and when they become due and payable. Such financial support includes initial funding and working capital needs. The amounts are unsecured, interest free and payable as and when the related party has funds to do so.

Note 26 Campaign fund

The CPSU campaign fund was established to provide support to members, through current and future campaigns.

	2021	2020
	\$	\$
Donations	70	260
	<u>70</u>	<u>260</u>
Deduct		
- Bank refund/(charges)	(120)	(122)
Surplus retained	<u>(50)</u>	<u>138</u>

Note 27 Transactions with CSIRO Staff Association

The CSIRO Staff Association is a section of the Community and Public Sector Union (CSPU).

Amounts paid for by CSIRO Staff Association were recovered from the CPSU - PSU Group on receipt of invoices during the year.

The CPSU - PSU Group processes and administers the payroll function for the CSIRO Staff Association. The CSIRO Staff Association reimburses the CPSU - PSU Group for the Section's employees payroll cost, including superannuation, payroll tax and Workcover, on a monthly basis. The CSIRO Staff Association also pays the Section's share of costs and other reimbursements to the CPSU - PSU Group including the Melbourne office rent, interstate office rents, insurance, telephone, photocopier charges, travel expenses, affiliation fees and movement in LSL provision (refer Note 1(d)).

The CSIRO Staff Association pays management fees to the CSPU - PSU Group, calculated at 7% of Membership Subscription revenue.

The CSIRO Staff Association is registered for GST on a consolidated basis with the CPSU - PSU Group. The net GST on the Section's income and expenses is paid at the end of each month to the CPSU - PSU Group.

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
OFFICER DECLARATION STATEMENT**

I, Melissa Donnelly, being the National Secretary of PSU Group, declare that the following activities did not occur during the reporting period ending 30 June 2021.

The reporting unit did not:

- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit



Melissa Donnelly, National Secretary

Dated at Sydney, this 29th day of October 2021