



Australian Government
Registered Organisations Commission

19 January 2018

Ms Nadine Flood
National Secretary
The Community and Public Sector Union, PSU Group

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

Dear Ms Flood

The Community and Public Sector Union, PSU Group
Financial Report for the year ended 30 June 2017 - FR2017/154

I acknowledge receipt of the financial report for the year ended 30 June 2017 for the Community and Public Sector Union, PSU Group (CPSU-PSU). The financial report was lodged with the Registered Organisations Commission (ROC) on 15 December 2017.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

Whilst the 2017 report has been filed the following should be addressed in the preparation of the next financial report.

General Purpose Financial Report (GPFR)

Financial instruments disclosures

Australian Accounting Standard *AASB 7 Financial Instruments: Disclosures* details the reporting disclosures required by an entity in relation to financial instruments.

Some disclosures have been made at Note 18. However, not all the disclosures required by AASB 7 have been provided.

Fair value measurement disclosures

Australian Accounting Standard *AASB 13 Fair Value Measurement* details the reporting disclosures required for assets and liabilities that are measured at fair value.

This information has not been provided.

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', with a stylized flourish at the end.

KEN MORGAN
Financial Reporting Advisor
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 30th of June 2017

I, Nadine Flood, 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 Community and Public Sector Union 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 30th of November 2017; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 8th of December 2017 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.



Nadine Flood

National Secretary

Dated: 14/12/17



Community and Public Sector Union

Operating Report 2016-17

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Introduction

In the face of major challenges and heavy external pressures, CPSU members achieved some important milestones in 2016/17. The Turnbull Government continued its irresponsible and immoderate attacks on the public sector workforce. Nevertheless, after years of negotiating and campaigning by CPSU members for a fair outcome, a number of major Commonwealth agencies settled bargaining this year.

Safeguard, our Commonwealth bargaining campaign, was once again a key focus of the union. CPSU members remained determined to reach a fair outcome and maintained our pressure on management and the Turnbull Government by:

- Continuing and, where necessary, escalating industrial action;
- Rejecting bad agreements in No vote campaigns;
- Successfully lobbying for a Senate inquiry, which involved literally hundreds of submissions from CPSU members and bargaining teams and was completed in 2016;
- Using industrial levers effectively, including taking strategic and effective action in the Fair Work Commission; and
- Achieving agreements in several major agencies.

CPSU members continued to defend vital services to the community, saving over 4000 public sector jobs in these campaigns. Successful campaigns forced the Government to drop the privatisations of the Medicare payments process, the ASIC Registry and Australian Hearing. In August 2016 the CPSU, along with allies, mounted a very fast campaign that prevented the total de-funding of the Australian Renewable Energy Agency, saving jobs at both CSIRO and ARENA.

As the scale of the so-called Robodebt crisis became clear, CPSU members became deeply concerned about the impact it was having on the community, and issued an open letter to customers. Unfortunately, the Turnbull Government cut yet more DHS jobs in the May 2017 budget, despite the number of unanswered calls to DHS climbing higher and higher – reaching 42 million dropped calls in the first ten months of the 2016-17 financial year. We did have a big win securing the creation of 2000 permanent jobs for previously casual staff.

With growing inequality, wage suppression and job insecurity an increasing problem across the whole country, CPSU members continued to play a fundamental role in national debates on jobs, public services, industrial relations, and tax reform. We grew our network of community alliances, strengthened our increasingly sophisticated lobbying and political engagement, and contributed careful analysis and research to complex problems.

Ultimately, this work relied entirely on the engagement, skills and commitment of our delegates and members, who have taken on huge challenges in adverse circumstances and won some incredible victories. The CPSU Governing Council has provided leadership on addressing these issues, by forming policy and prosecuting plans throughout their agencies and workplaces.

Review of Principal Activities

Our CPSU Strategic Plan - Shaping our Future, which we are in the process of renewing, breaks our activities down into five broad areas. These are;

1. Being a union most employees want to join
2. Making positive changes every day
3. Taking on the big public and political issues
4. Delivering in bargaining
5. Being a modern, professional and credible union

Being a union most employees want to join

Now more than ever, union membership is vitally important. Our members have felt very keenly the wage suppression, job insecurity, cutbacks and loss of rights and conditions that are becoming increasingly common across the country. Added to that, the Turnbull Government has continued its reckless and extremist approach to public sector management, with the result that many of our members had spent four years in bargaining by the end of the 2016/17 financial year.

Union membership has been declining around the country and, with blocks put in place by our largest employer, resources tied up in an extended bargaining round and the large number of people leaving the public sector, the CPSU has not escaped this trend. Although we recruited large numbers of members, we did not recruit enough to balance people leaving the sector.

In 2016/17, we continued to adapt and change our recruiting and organising techniques. We:

- Recruited 5241 members;
- Invested in testing a program of social media recruitment messages, which showed promising results and which we will now scale up;
- Revamped our delegate material on asking people to join;
- Increased our Facebook supporter community from 8134 to 12,871;
- Sent both workplace leaders, staff and officials to Progress 2017 and the ACTU's NexGen conference, so that our leaders and organisers can learn and apply the very best campaigning and organising techniques.



Member Journey project

This year, we set up a member journey project that includes phone contact and structured email follow up over the first two years of membership. Starting in January 2017, we have sent automated welcome emails to all new members within 48 hours of joining.

We have also been calling new members to welcome them to the union within two weeks of joining. We spoke to more than 1000 new members in the 2016/17 financial year. New members also receive three-month and six-month emails that let them know about aspects of their membership (such as Journey Cover).

This process has been valuable in understanding why people join; and feedback from new members has been positive.

Making positive changes every day

CPSU members are working hard every day to make positive changes in our workplaces. Our delegates and workplace leaders play an incredible important role and are fundamental to our ability to win fair and decent outcomes for members. This year our delegates have:

- Continued to ensure members have a collective voice on change in the workplace;
- Represented individual members' issues;
- Spoken to non-members about joining, including speaking to thousands of new starters at induction; and
- Taken up the big issues concerning members, including resisting job losses, outsourcing and privatisation.

Delegates - our volunteer leaders

Our 2300 delegates are the face of the CPSU in the workplace, and are often the first point of contact should there be any issues.

Delegates are there for members not only in day-to-day representation but also just as importantly, they are someone on the ground to rely on. CPSU delegates receive support from organisers and formal in face training to assist them in this role, with some 388 attending training in the 2016/17 financial year. We have also developed an online training package and we are constantly upgrading and updating our delegate-specific webpage.

Workplaces can often be stressful environments due to increasing workloads and constant change - a delegate that is there to listen and support their colleagues can be a great relief. Delegates continue to deal with issues from very large national disputes through to the small day-to-day issues that come up at work. They help ensure that members have a voice and are heard by their employers.

Supporting members

The CPSU Member Service Centre is another incredibly important port of call for members. Members who find themselves in strife or need advice need to know they can reach help that is professional and supportive. In 2016/17, delegates, organisers and the Member Service Centre continued to work together to make a positive difference to the lives of members, every day.

This year, the Member Service Centre received 11,940 calls from members. We:

- Handled 6,069 industrial matters for members;
- Assisted by telephone at more than 1000 meetings between members and their employers;
- Provided advice and support to 2,867 delegates and activists; and
- Trained more than 100 delegates on representation.

This work makes a huge difference in the lives of members. For example, a working mum with young schoolchildren contacted the Member Service Centre for assistance as she was allocated to work only on overnight shifts at a distance of over an hour and a half away in an abattoir. This meant she missed seeing the kids during the evenings and mornings when she would return home and sleep during the day. The member and her family had no extended family or support networks available to help with their kids so it was difficult.

The CPSU Member Service Centre helped with written requests outlining the situation and getting a meeting with her employer. The Department met with the member and the phone organiser, and successfully negotiated a mutually agreeable and flexible outcome. This busy working mum is now able to work a combination of day and night shifts – a happy outcome.

Another member contacted the Member Service Centre for urgent assistance a few days before she was to finish up in her current position before transferring to another Commonwealth agency. She was concerned her old agency refused to allow her leave balance to the new agency, even though her new agency had agreed. This member had already attempted to resolve the issue without success. With very short notice and a tight deadline, the MSC organiser wrote a very compelling letter and the issue was resolved for a very grateful member who was able to start in her new role with all of her existing leave carried over.

National Aboriginal and Torres Strait Islander Caucus (NATSIC)

This year the CPSU made further progress in organising and representing Aboriginal and Torres Strait Islander members, including by participating in the ACTU campaign against the Community Development Program (CDP), which undermines the rights of 37,000 workers - of which 31,000 are Aboriginal and Torres Strait Islander workers.

Members also successfully resisted the continued attack on retaining provisions like NAIDOC Leave and cultural/ ceremonial leave as enforceable conditions in enterprise agreements, with a number of agencies, including the Department of the Prime Minister and Cabinet, agreeing to retain these conditions.

None of this work would be possible without Governing Council, delegates and workplace leaders working together to make workplaces better every single day.

Taking on the big public and political issues

We know that we cannot achieve all of our goals through workplace organising alone. Some battles – like public service funding and privatisation, are not won in the workplace, but in the broader political arena. Sometimes decision-makers, whether management or politicians, respond more to public than workplace pressure.

4000 jobs saved

This year, we have achieved some major victories. We started 2016/17 with the Federal Election, during which the Prime Minister was forced to cancel the planned outsourcing of our members' jobs in Medicare payments. After a large campaign supported by our expanding civil society alliances, in December the Turnbull Government dropped the proposed privatisation of the ASIC registry and abandoned plans to sell Australian Hearing. Through our work with the ALP and a number of other community groups, \$800m funding for ARENA was secured - saving ARENA's role as the cornerstone of Australia's renewable energy and saving CSIRO jobs. Combined, these campaigns have kept over 4,000 jobs in the public sector that would otherwise have been lost.

2000 permanent jobs created

The Robodebt crisis and the escalating levels of unanswered calls to Centrelink caused enormous stress to CPSU members in 2016/17. These members are already under enormous pressure from high workloads and job insecurity and concerns about the impact of this under-resourcing on clients. CPSU members have campaigned heavily for secure jobs in DHS. In addition to an open letter to Centrelink customers, CPSU members lobbied MPs and Senators and used social media to raise community awareness about the impact of the increasing casualisation of DHS jobs. As a result, DHS agreed to convert 2000 casual jobs into permanent staff.



Regional jobs not relocations

The announcement during the 2016 Federal Election campaign to move the Australian Pesticides and Veterinary Medicines Authority to Armidale has started an APS decentralisation push. On the back of a Senate Inquiry into the decision to move the APVMA, Barnaby Joyce launched a “get out of the cities” campaign in a bid to move APS jobs to regional Australia. The APVMA move has been strongly criticised by all key stakeholders. CPSU used the Inquiry process as an opportunity to draw attention to the cuts to regional public sector jobs that have occurred in agencies such as DHS, CSIRO, Defence and the ATO over the last few years.

We are calling on the government to stop these cuts and commit to increasing regional jobs, rather than trying to just move existing jobs like in APVMA. We also argue that it makes sense to maintain Canberra as a centre of excellence for public administration and policy capacity. At their party conference in late April, the Canberra Liberals unanimously endorsed as official policy, their opposition to relocation of public service agencies currently located in Canberra.

The economic debate

Ahead of the 2017-2018 Federal Budget the CPSU was involved in forming an alliance with 100 other civil society organisations on establishing a people's budget. This is part of a broader strategy to over time change the focus of the economic debate in this country to put people at the centre of government decision making. This initiative built on the strong relationships we have built with organisations that shared common concerns, like a tax base adequate to fund good public services, so we can extend our members' reach and influence by working together.

The May 2017 Budget contained a mix of cuts and some small wins, but did little to address the problems from ongoing staffing reductions and underinvestment that are emerging across the service. It was a budget characterised by a mix of pragmatism and ideology. There was a pleasing back down on a range of "zombie cuts" such as the paid parental leave "double dipping"; but at the same time, the Coalition government announced plans to privatise visa processing and outsource Immigration call centres, and to set up a 250-seat contract call centre for DHS. This will be a major campaign focus in 2017/18.



Broadening opposition to privatisation

The report from the People's Inquiry into Privatisation was due for release in October. This is a critical initiative where CPSU, working with other unions, is seeking to build a broad anti-privatisation movement.

We are currently developing a further proposal with Australian PSI affiliates for PSI funding for a public sector outsourcing research project. This has been a key part of our work with the PSI over the last eighteen months.



Unions under the gun

Since the Budget, the Coalition Government has also sharpened its attacks on unions with a range of legislative measures that aim to further restrict and in some cases criminalise a range of union activities. Superannuation, in particular all profit to member industry superannuation schemes, are also under attack. CPSU has worked with the ACTU and other unions to defend the rights of union members and ensure legislation is not passed which is designed to damage the capacity of unions to organise and represent workers.

Public services an election issue

In both the Northern Territory and Western Australian elections, the ALP was elected with significant swings against incumbent Liberal Governments; with privatisation a big issue in the West and public services an important issue in the Territory. Labor again formed government with the support of the Australian Greens in the ACT election, again with public services an important election issue.

Delegates and members at the forefront

Delegates and members have been at the forefront of all of this work. They have kept sustained pressure on the Government over bargaining, privatisation, decent jobs and good public services by participating in community campaigning, taking industrial action, leading No votes, running workplace meetings and holding thousands of conversations with their colleagues.

CPSU members working together have been able to both support their colleagues and amplify members' campaigning efforts. This collective work of union members has proven vital, including:

- More than 600 CPSU members and 20 bargaining teams being involved in the Senate Inquiry into APS bargaining;
- Over 2000 members participating in letter writing to MPs;
- Delegates and members meeting or calling MPs about issues to provide first hand examples of important issues affecting them and their workplaces; and
- Contributing their knowledge and expertise over a wide range of topics for inclusion in research papers or Inquiry submissions to further the goals of CPSU members.



The expertise and engagement of CPSU members in the broader public and political issues that affect us directly and affect society as a whole continue to be a contributing factor in the CPSU's ability to exercise influence and drive change.

Delivering in bargaining

The Commonwealth bargaining campaign remained a major focus of our bargaining work in 2016/17. Despite the Turnbull Government's efforts to enforce a reckless and extremist approach to bargaining across the Commonwealth public sector, the CPSU achieved significant shifts, through sustained campaigning and staying focussed on what is most important to our members.

Siege of attrition

The CPSU successfully lobbied for a Senate Inquiry into APS bargaining, which held hearings late last year. More than 600 CPSU members made individual submissions to the Inquiry, along with submissions from 20 CPSU bargaining teams. More than 20 CPSU members appeared at hearings, and presented compelling evidence about the damaging impacts of the Turnbull Government's approach to bargaining.

The report was called "Siege of attrition: the Government's APS Bargaining Policy" and it was scathing in its assessment of the Government's approach to bargaining and the APSC's implementation strategy. The report made a range of recommendations about improving the Government's approach to bargaining. While we didn't expect Government to take these up, the Inquiry Report did help, together with No votes and industrial action, in moving Government's interpretation of its Bargaining Policy in 2017. It also exposed across the parliament, the very real damage being done to working people, helping set the scene for the ACTU Change the Rules campaign.

Securing rights

In 2016/17 the CPSU also campaigned successfully to recommend employees vote "no" to substandard offers, including in DHS, ATO, Defence, DAWR, DIBP, the Courts, BOM, CSIRO, the FWC and others. Protected industrial action continued and was instrumental in keeping the pressure on for better deals, with members in DHS offices and the call centre network, BOM weather forecasters, and members in a number of other agencies taking action.

The CPSU launched coordinated action in the Fair Work Commission in 11 key APS agencies, which lead to intensive, supervised negotiations that resolved seemingly intractable issues in a number of major agencies (Defence, DAWR, and PM&C).

As a result of this sustained campaigning, by early 2017 agencies were able to restore significant enterprise agreement content and reinstate key rights that are important to CPSU members. This meant that by the end of 2016/17, workers in a number of key agencies decided to endorse proposed agreements where they had previously voted no. During 2016/17, bargaining was resolved in major agencies including the Australian Tax Office, the Departments of Defence and Prime Minister and Cabinet and the CSIRO.



Bargaining not over

However, by the end of the financial year, bargaining was unresolved in the biggest agency, Department of Human Services, which represents more than a quarter of the APS, largely because DHS management maintained a hard-line agenda of cutting conditions such as working hours, consultation, and part time access to overtime. Bargaining had also not been resolved in a number of other agencies including the amalgamated Federal Court and BoM.



The Department of Immigration and Border Protection also remains unresolved. In October 2016, DIBP became the first, and to date only, agency to be able to access arbitration in the Fair Work Commission after industrial action was terminated. By the end of June, hearings at the Fair Work Commission had not yet commenced on this case.

Territory bargaining

During 2016/17 we started bargaining for the ACT Government Public Service. Whilst progress is slow, we have been able to secure back pay from October 2017.

We will be seeking increases to the ACT Government superannuation contribution to 12.5% from 10.5% in enforceable agreements and pay rises that will put staff ahead of increases in cost of living. The Government's position remains one of no changes to Superannuation and pay increases at CPI.

Bargaining for the Northern Territory Public Service General Agreement started in April 2017. Negotiations were slow in the first few months, with the NT Government wages policy restricting the ability to bargain, and limiting pay rises to 2.5% a year for 4 years.



Being a modern, professional and credible union

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.



Governance

In 2016/17 we made progress in a range of areas of governance. The National Secretary and Director of Governance and Operations continues to ensure that our financial and governance processes are adhered to and under continual review, including:

- working with the ACTU and other bodies to ensure that good governance remains front of mind and that appropriate protocols are in place;
- preparing for the implementation of the Registered Organisation Commission;
- meeting all formal financial, industrial and electoral reporting requirements under 9 regulatory regimes applying to the CPSU;
- maintaining high levels of understanding of governance requirements and principles; and
- specific and updated training and information for CPSU officials, the CPSU Governing Council and senior staff.

Change projects

We are also progressing a range of internal change projects designed to improve our union's sustainability and effectiveness including:

- What We Do – we have undertaken a range of digital, data, communications and ICT projects, such as automating previously manual reports, transfer of email to Mailchimp, allowing better data and reporting;
- Who Does What – we have made changes to organising team structures, senior staff and officials roles to free up staff time for new capacities we need with rapid changes to our work and multiple issues faced by members; and
- How Much We Spend – we have focussed on tight contract management, systems and staffing changes so our union remains financially sustainable and we can free up budget for new initiatives.

Financial Matters

Number of staff and members

The CPSU employed 215 staff as at 30 June 2017.

As at 30 June 2017 the CPSU had 50,193 members. This figure includes members of the CSIRO Staff Association, which had 2,196 members at 30 June 2017.

Operating result

The Executive Committee determined to run a small budget deficit in order to meet member needs. This decision was not taken lightly, but EC determined that the difficult situation that faced our members with job losses, multiple attacks on public services by Government, protracted bargaining disputes and the continued fight required to maintain existing rights and conditions, justified such a deficit. The union remains in a sound financial position based on over a decade of running surplus budgets previously.

We finished the financial year with a deficit of \$630,264, which represents 2.0% of our revenue of \$31,004,234. The CPSU remains in a strong financial position having built up cash reserves from running surpluses in previous years. The CPSU Executive Committee is also committed to taking the steps required to bring the budget in balance in the future while still maintaining the level of support, representation and advocacy that members are entitled to.

Our reserves as at 30 June 2017 stood at \$35.6M representing a decrease of \$630,264. There were no significant changes in financial affairs in the 2016-2017 financial year.

About our results

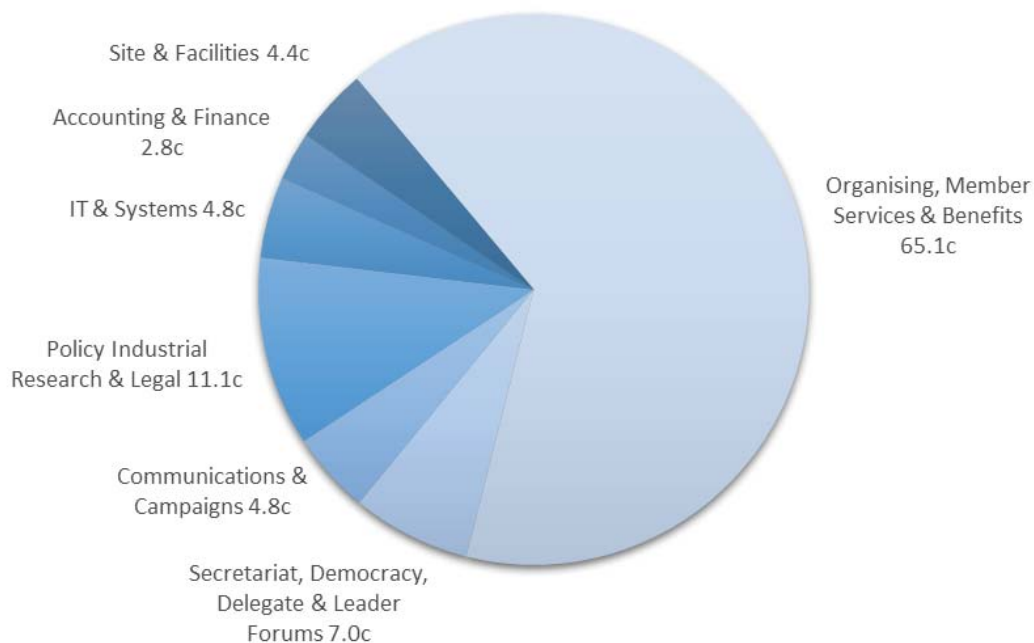
As predicted, with ongoing high demands across the union, we have continued to invest in whole of union and public campaigns such as Safeguard Commonwealth bargaining, all the while ensuring the union remains in a sound financial position.

Financial accountability and governance

The CPSU has made available to all members detailed information on our financial accountability and governance process. CPSU makes available to any delegate or member and puts on our website a detailed outline of our union's approach on a wide range of governance matters, ranging from credit card expenditure to internal controls, setting of officials' salaries to travel and superannuation boards. This has been a useful tool to inform member queries on these matters in a transparent and easily accessible manner.

This information can be accessed by members through the CPSU website: <http://www.cpsu.org.au/about-cpsu/governance>

Where your dollar goes



Names of Committee of Management members and period positions held during the financial year

Members of the Executive Committee during the 2016/17 financial year are as follows:

Nadine Flood	(National Secretary)	1 July 2016 – 30 June 2017
Michael Tull	(Assistant National Secretary)	1 July 2016 – 30 June 2017
Alistair Waters	(National President)	1 July 2016 – 30 June 2017
Lisa Newman	(Deputy National President)	1 July 2016 – 30 June 2017
Rupert Evans	(Deputy National President)	1 July 2016 – 30 June 2017
Beth Vincent-Pietsch	(Deputy Secretary)	1 July 2016 – 30 June 2017
Melissa Donnelly	(Deputy Secretary)	1 July 2016 – 30 June 2017

Remuneration and disclosures

Relevant remuneration of CPSU officials

Under section 148A of the Fair Work (Registered Organisations) Act 2009, prior to the 2016 amendments, and rule 4A.5 of the CPSU Rules, 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 66 elected workplace delegates and the full-time officers of the union) must vote to approve any variation in the CPSU Officials' Salaries and Conditions.

The remuneration of paid Officials was frozen by the Governing Council in 2015 at the request of the National Secretary, to show solidarity with APS members subject to a Government imposed wage freeze. No increase to official's remuneration has been made in 2015 to 2017.

Superannuation trustees

Nadine Flood, a CPSU officer, is currently a Director of the Commonwealth Superannuation Corporation and Michael Tull, a CPSU officer, is currently a Trustee Director Member Representative of the Australia Post Super Scheme. Sunil Kemppi, a CPSU employee, is currently a Director of the Commonwealth Superannuation Corporation. They are:

- i. a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- ii. a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

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.

Employees who are directors of companies that are trustees of superannuation funds

Stephen Thompson is an employee who is the director of a company that is a trustee of a superannuation fund.

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.

A handwritten signature in black ink, appearing to read 'N. Flood', written in a cursive style.

Nadine Flood
National Secretary

30 November 2017

PSU Group and NOC Officers Disclosures Financial Year Ending 30/6/17

Officer	Period in Office	Remuneration						Relevant non-cash	Total	
		Allowance	Allowances	Fees*	Leave Cashed Out	Superannuation	Total Remuneration	Type	Relevant non-cash benefits	Relevant Remuneration and non-cash benefits
Nadine Flood	01/07/2016 - 30/06/2017	162,129	-	-	-	24,968	187,097	Vehicle	12,098	199,195
Michael Tull	01/07/2016 - 30/06/2017	135,179	-	-	83,122	23,042	241,343	Vehicle	12,270	253,613
Alistair Waters	01/07/2016 - 30/06/2017	129,278	-	-	-	23,270	152,548	NIL	-	152,548
Lisa Newman	01/07/2016 - 30/06/2017	122,453	-	-	-	18,858	141,311	NIL	-	141,311
Rupert Evans	01/07/2016 - 30/06/2017	122,453	-	-	-	18,858	141,311	NIL	-	141,311
Beth Vincent-Pietch [^]	01/07/2016 - 30/06/2017	111,957	-	-	-	17,241	129,198	NIL	-	129,198
Melissa Donnelly [^]	01/07/2016 - 30/06/2017	122,274	-	-	-	18,830	141,104	NIL	-	141,104
Sinddy Ealy	01/07/2016 - 30/06/2017	113,894	-	-	6,571	18,552	139,017	NIL	-	139,017
TOTAL		1,019,617	-	-	89,693	163,619	1,272,929		24,368	1,297,297

CSIRO Section Disclosure

Sam Popovski	1/07/2016 - 30/06/2017	113,894	-	-	-	17,540	131,434	NIL	-	131,434
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* Fees. All fees received as a result of an official sitting on a board are paid directly to the CPSU PSU Group and not to the individual

[^] Part Time for some or all of the period 01/07/2016 - 30/06/2017

Officer	Position	Annual Salary (full time rate)
Nadine Flood	National Secretary	162,129
Michael Tull	Assistant National Secretary	135,074
Alistair Waters	National President	128,764
Lisa Newman	Deputy National President	122,453
Rupert Evans	Deputy National President	122,453
Beth Vincent-Pietch	Deputy Secretary	122,453
Melissa Donnelly	Deputy Secretary	122,453
Sinddy Ealy	Section Secretary	113,894

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP

**Annual Financial Report For The Year Ended
30 June 2017**

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
30 JUNE 2017

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**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
COMMITTEE OF MANAGEMENT STATEMENT
FOR YEAR ENDED 30 JUNE 2017**

On 29 / 11 / 2017 the Committee of Management of the CPSU Group Governing Council passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2017:

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (*Registered Organisations*) Act 2009 (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the 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 a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Registered Organisations Commission under section 273 of the RO Act, there has been compliance.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period

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

Signature of designated officer: 

Name and title of designated officer. Nadine Flood, National Secretary. Dated: 29/11/17

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Revenue	3A	31,004,234	33,020,602
Other Income			
Donations	3B	64,711	365,531
Total Income		31,068,945	33,386,133
Depreciation and Amortisation	4	(705,501)	(670,808)
Impairment Loss on Assets	4	-	-
Employee Benefits Expense	4	(20,872,090)	(22,107,396)
Other expenses from ordinary activities	4	(10,121,618)	(11,538,868)
NET DEFICIT FOR THE YEAR		(630,264)	(930,939)
Other comprehensive income		-	-
Items that will not be subsequently reclassified to profit or loss:			
- Revaluation Increment on Land & Buildings		-	12,860,000
Total comprehensive income for the year		(630,264)	11,929,061

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 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	11,901,271	12,385,907
Trade and other receivables	6	458,377	334,241
Other current assets	7	499,510	499,094
TOTAL CURRENT ASSETS		12,859,158	13,219,242
NON-CURRENT ASSETS			
Financial assets	8	140,000	140,000
Property, Plant and Equipment	9	28,743,532	29,324,289
TOTAL NON-CURRENT ASSETS		28,883,532	29,464,289
TOTAL ASSETS		41,742,690	42,683,531
CURRENT LIABILITIES			
Trade and other payables	10	1,650,706	1,571,626
Provisions - employee benefits	11	4,305,424	4,540,531
TOTAL CURRENT LIABILITIES		5,956,130	6,112,157
NON-CURRENT LIABILITIES			
Provisions - employee benefits	11	207,515	362,065
TOTAL NON-CURRENT LIABILITIES		207,515	362,065
TOTAL LIABILITIES		6,163,645	6,474,222
NET ASSETS		35,579,045	36,209,309
EQUITY			
Reserves	13	22,613,071	22,550,892
General fund balance		12,965,974	13,658,417
TOTAL EQUITY		35,579,045	36,209,309

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 2017

	Capital Profits and Asset Revaluation Reserve	Death and Benevolent Fund	Campaign Fund	General Fund	Total
Balance at 1 July 2015	9,546,597	46,664	-	14,686,987	24,280,248
Surplus on Campaign Fund transferred (Note 22)	-	-	97,631	(97,631)	-
Funds transferred	-	-	-	(930,939)	(930,939)
Net deficit for the year	12,860,000	-	-	-	12,860,000
Balance at 30 June 2016	22,406,597	46,664	97,631	13,658,417	36,209,309
Surplus on Campaign Fund transferred (Note 22)	-	-	62,179	(62,179)	-
Net deficit for the year	-	-	-	(630,264)	(630,264)
Balance at 30 June 2017	22,406,597	46,664	159,810	12,965,974	35,579,045

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 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and others		33,824,340	33,252,780
Payments to suppliers		(12,891,654)	(11,346,245)
Payments to employees		(21,493,404)	(22,256,431)
Interest received		200,825	286,688
Receipts from other reporting units/controlled entities	14(b)	-	-
Net cash (used in) operating activities	14(a)	<u>(359,893)</u>	<u>(63,209)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(124,743)	(479,145)
Payments to other reporting units/controlled entities	14(b)	-	-
Net cash (used in) investing activities		<u>(124,743)</u>	<u>(479,145)</u>
Net (decrease) in cash held		(484,636)	(542,354)
Cash at beginning of financial year		12,385,907	12,928,261
Cash at end of financial year	5	<u>11,901,271</u>	<u>12,385,907</u>

The accompanying notes form part of these financial statements.

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
RECOVERY OF WAGES ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2017**

	2017 \$	2016 \$
CASH ASSETS IN RESPECT OF RECOVERED MONEY AT BEGINNING OF YEAR	-	-
Receipts		
Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	-	-
Total Receipts	-	-
Payments		
Deductions of amounts due in respect of membership for:		
12 months or less	-	-
Greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of	-	-
Deductions of fees or reimbursements of expenses	-	-
Payments to workers in respect of recovered money	-	-
Total Payments	-	-
Cash Assets in Respect of Recovered Money at End of Year	-	-
Number of workers to which the monies recovered relates	-	-
Aggregate payables to workers attributable to recovered monies but not yet distributed:		
Payable balance	-	-
Number of workers the payable relates to	-	-
Fund or account operated for recovery of wages	-	-

The Union assists a member for the claim for any recovery of the member's wages, such recoveries are received directly by the member. Any expense in relation to the assistance provided to the member is borne by the Union as a service to the member.

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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

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) Comparative amounts

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

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

(i) Adoption of New Australian Accounting Standard requirements

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 2016. The Union's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Union, are considered insignificant.

No accounting standards have been adopted earlier than the application date stated in the standards.

(c) 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 reporting unit in respect of services provided by employees up to reporting date.

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.

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

(d) Leases

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

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

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

(e) Revenue

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

Revenue is recognised to the extent that it is probable that the future economic benefits will flow to the entity and the revenue can be measured reliably.

Revenue from subscriptions is recognised in the period to which it relates.

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

Rental revenue for future period is deferred and included as Deferred Rental Income.

Interest revenue is recognised on a proportional basis taking into account the interest rate applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

(f) 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 and bank overdrafts.

(g) 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.

(h) Financial Instruments

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

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

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Financial Assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The Union's financial assets comprise only the loans (including seed funding) and receivables.

(i) Loan and Receivables

Trade receivables, loans and other receivables (including seed funding) that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at cost less impairment.

(ii) Impairment of financial assets

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

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

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

(iii) Derecognition of financial assets

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

Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or 'other financial liabilities'. The Union has only other financial liabilities.

(i) Other financial liabilities

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

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

(ii) Derecognition of financial liabilities

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

(i) 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 2017**

(j) 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	
	2017	2016
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.

(k) 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.

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

(l) Taxation

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

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

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

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

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

(m) 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(k), 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.

(n) 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.

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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.

(o) Other Matters in Respect of Fair Work (Registered Organisations) Act 2009

For the balance of the general fund see Statement of Changes in Equity.

The Union does not receive any financial support from another reporting unit to continue on a going concern basis.

(p) 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

(a) In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009 subsection 272(5), the attention of members is drawn to the provisions of subsections (1), (2) and (3) of section 272 which read as follows:

- (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).

(b) There were no recovery of wages activity for the financial year ended 30 June 2017.

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Note 3A Revenue

		2017	2016
		\$	\$
Income from:	Note		
- Subscriptions Received		28,677,027	30,645,742
- Interest Received - deposits with banks		200,825	286,668
- Management Fee - CSIRO Staff Association		83,479	94,078
- Rental Trading - CPSU Properties		1,834,213	1,839,672
- Directors fee	15	206,182	148,847
- Sundries		2,509	5,595
- Capitation fees		-	-
- Levies		-	-
- Financial support from another reporting unit.		-	-
Total revenue		31,004,234	33,020,602

Note 3B Grants or Donations

	2017	2016
	\$	\$
- Donations in relation to campaign fund	64,711	365,531
- Grants	-	-
	64,711	365,531

Note 4 Deficit from Ordinary Activities

Expenses	2017	2016
	\$	\$
Administration Expenses		
- Consideration to employers for Payroll Deduction for Subscriptions	2,222	2,924
- Compulsory ACTU Campaign Industrial Levies (a)	-	104,112
- Fees/allowance - Meeting and Conferences	-	-
- Conference and Meeting Expenses	377,387	381,137
- Capitation fee	-	-
- Penalties imposed on the organisation under the RO Act or RO Regulations	-	-
	379,609	488,173

(a) The purpose of the levies was to support movement wide community campaigning and related activities in the interests of working people. As has been demonstrated in the past when unions and their members work together in their workplaces and in their communities for a common cause we are powerful force for social good.

Depreciation and amortisation	2017	2016
	\$	\$
- Buildings	332,118	217,225
- Leasehold Improvements	243,637	186,621
- Freehold Improvements	5,531	149,465
- Plant and Equipment	124,214	117,496
Total Depreciation and Amortisation	705,501	670,807

Remuneration of Auditor	2017	2016
	\$	\$
- Audit - Current Year	41,000	40,000
- Other Services	20,650	19,000
	61,650	59,000

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.

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Employee Expenses	2017	2016
	\$	\$
Holders of Office:		
- Salaries and Wages	1,025,071	1,000,731
- Superannuation	163,619	159,377
- Leave and Other Entitlements	14,017	50,510
- Separation and Redundancies	-	-
- Remote Locality Allowance	-	-
- Living Away From Home Allowance	-	-
- Other Employee Benefits	-	-
Subtotal Employee Expenses Holders of Office	1,202,707	1,210,618
Employees other than office holders:		
- Salaries and Wages	16,639,020	17,359,040
- Superannuation	2,640,930	2,822,798
- Leave and Other Entitlements	85,514	640,871
- Separation and Redundancies	231,657	6,953
- Remote Locality Allowance	46,420	38,860
- Living Away From Home Allowance	20,808	17,327
- Other Employee Benefits	5,035	10,928
Subtotal Employee Expenses Employees Other Than Office Holders	19,669,383	20,896,777
Total Employee Expenses	20,872,090	22,107,396
	2017	2016
	\$	\$
Affiliation Fees		
- Australian Council of Trade Unions	301,724	244,900
- Unions NSW	35,529	34,995
- SA Unions	18,179	17,946
- Queensland Council of Unions	45,573	44,310
- Unions ACT	39,487	38,597
- Unions NT	13,987	14,667
- Unions Tasmania	8,343	8,483
- Trades Hall Council VIC	58,832	41,787
- Unions WA	24,548	23,284
- Geelong Trades Hall Council	147	146
- Gippsland Trades & Labour Council	1,236	1,164
- Newcastle Trades Hall Council	1,604	1,581
- Queensland Council of Unions Cairns	110	150
- Queensland Council of Unions Townsville	100	100
- SA May Day Collective	318	318
- ALP - VIC	45,224	44,335
- ALP - NSW	49,775	50,594
- ALP - QLD	34,477	34,339
- ALP - SA	14,622	13,785
- ALP - ACT	30,625	31,500
- ALP - NT	8,893	9,197
- ALP - WA	19,464	18,305
- ALP - TAS	4,116	4,235
- Public Services Internationale	38,463	38,691
- UNI Global Union	10,040	12,624
- Union Shopper Inc.	38,978	39,163
- Shop Rite Enterprises	2,560	2,462
- APHEDA	2,252	2,400
- Prison Officers Association of Australasia	-	192
- AFTINET	264	220
Total Affiliation Fees	849,469	774,470

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
Legal Costs		
- Litigation	-	-
- Other legal matters	228,191	165,964
	<hr/>	<hr/>
Write-down and impairment of assets		
Asset write-downs and impairments of:		
- Plant and equipment	-	-
	<hr/>	<hr/>
Operating Lease Rentals		
- Minimum Lease Payments	1,550,475	1,590,577
	<hr/>	<hr/>
Grants & Donations		
	2017	2016
	\$	\$
Grants:		
Total paid that were \$1,000 or less	225	575
Total paid that exceeded \$1,000 in relation to CPSU Member Skills/Qualification Grant Program	23,972	29,886
	<hr/>	<hr/>
	24,197	30,461
	<hr/>	<hr/>
Donations:		
Total paid that were \$1,000 or less	2,439	1,858
Total paid that exceeded \$1,000		
- Union Aid Abroad - APHEDA (Education and aid abroad)	44,000	44,000
- Centre for Australian Progress A24 Civil Society alliance. Community engagement support on economic and social policy development.	15,000	-
	<hr/>	<hr/>
	61,439	45,858
	<hr/>	<hr/>
	85,636	76,319
	<hr/> <hr/>	<hr/> <hr/>

Note 5 Cash and Cash Equivalents

	2017	2016
	\$	\$
Cash on Hand	5,487	5,614
Cash at Bank	11,895,784	12,380,293
	<hr/>	<hr/>
	11,901,271	12,385,907
	<hr/> <hr/>	<hr/> <hr/>

Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes:

Cash on Hand	5,487	5,614
Cash at Bank	11,895,784	12,380,293
	<hr/>	<hr/>
	11,901,271	12,385,907
	<hr/> <hr/>	<hr/> <hr/>

Note 6 Trade and Other Receivables

	2017	2016
	\$	\$
Current		
Receivables from other reporting unit - CSIRO Staff Association	212,970	112,320
Provision for doubtful debts	-	-
Trade and other debtors	69,782	50,553
Owing by Shared Advantage Ltd	175,626	171,368
	<hr/>	<hr/>
	458,377	334,241
	<hr/> <hr/>	<hr/> <hr/>

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.

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Note 7 Other Current Assets

	2017	2016
	\$	\$
Prepayments	499,510	499,094
	<u>499,510</u>	<u>499,094</u>

Note 8 Financial assets

	2017	2016
	\$	\$
Non-current		
Seed Funding to Shared Advantage Limited		
- At cost	225,000	225,000
- Less Provision for Impairment Loss	(85,000)	(85,000)
	<u>140,000</u>	<u>140,000</u>

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

Movement in Provision for Impairment Loss

	2017	2016
Balance 1 July	85,000	85,000
Impairment loss reversed	-	-
Balance 30 June	<u>85,000</u>	<u>85,000</u>

Note 9 Property, Plant and Equipment

	2017	2016
	\$	\$
Land and Buildings		
Freehold land and buildings including freehold improvement at independent valuation	28,160,158	28,105,781
Less Accumulated Depreciation	(408,419)	(70,771)
Net Land and Buildings	<u>27,751,739</u>	<u>28,035,010</u>
Leasehold Improvements		
At Cost	2,123,501	2,114,441
Less Accumulated Depreciation	(1,718,326)	(1,474,688)
Net Leasehold Improvements	<u>405,175</u>	<u>639,753</u>
Plant and Equipment		
At Cost	3,524,446	3,813,910
Less Accumulated Impairment Loss	-	(298,500)
Less Accumulated Depreciation	(2,948,279)	(2,894,348)
Net Plant and Equipment	<u>576,167</u>	<u>621,062</u>
Website		
At Cost	122,441	122,441
Less Accumulated Depreciation	(111,990)	(93,977)
Net Website	<u>10,451</u>	<u>28,464</u>
Total Land, Buildings, Plant and Equipment	<u>28,743,532</u>	<u>29,324,289</u>

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. As at the date of revaluation, being 30 June 2016, the properties' fair values are based on valuations performed by Jones Lang LaSalle Incorporated, an accredited independent valuer.

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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.

2017	Balance at beginning of year	Additions	Disposal	Depreciation/ Amortisation expense	Carrying amount at the end year
Land and Buildings	28,035,010	54,376	-	(337,649)	27,751,738
Leasehold Improvements	639,753	9,060	-	(243,637)	405,176
Plant and Equipment	621,062	61,307	-	(114,002)	568,367
Website	28,464	-	-	(10,212)	18,252
Total	29,324,289	124,743	-	(705,501)	28,743,532

Note 10 Trade and Other Payables

	2017 \$	2016 \$
Current		
Accounts Payable and Accruals	1,130,792	1,179,810
Deferred rental income	134,938	-
Payables to other reporting unit - CSIRO Staff Association	-	2,037
GST Payable	289,108	286,999
Consideration to employers for payroll deductions	-	-
Legal costs payable in relation to:	-	-
- Litigation	-	-
- Other legal matters	95,867	102,780
	1,650,706	1,571,626

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

Note 11 Provisions - Employee Benefits

	2017 \$	2016 \$
Current		
Holders of Office:		
Annual Leave	172,565	173,341
Long Service Leave	273,504	346,775
Separation and Redundancies	-	-
Other	-	-
	446,069	520,116
Employees other than office holders:		
Annual Leave	1,526,551	1,754,455
Long Service Leave	2,101,147	2,265,960
Separation and Redundancies	231,657	-
Other	-	-
	3,859,355	4,020,415
Total Current Provisions - Employee benefits	4,305,424	4,540,531

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
Non-Current		
Holders of Office:		
Annual Leave	-	-
Long Service Leave	-	-
Separation and Redundancies	-	-
Other	-	-
	-	-
Employees other than office holders:		
Annual Leave	-	-
Long Service Leave	207,515	362,065
Separation and Redundancies	-	-
Other	-	-
	207,515	362,065
Total Non-Current Provisions - Employee benefits	207,515	362,065

Note 12 Commitments

	2017	2016
	\$	\$
(a) Operating Lease Commitments - as lessee		
Future minimum rentals payable under non-cancellable operating leases as at 30 June are as follows:		
- not later than 1 year	1,476,198	1,430,704
- later than 1 year but not more than 5 years	2,774,594	1,544,394
Balance at the end of the year	4,250,792	2,975,097

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

	2017	2016
	\$	\$
(b) Operating Lease Commitments - as lessor		
Future minimum rentals receivable under non-cancellable operating leases as at 30 June are as follows:		
- not later than 1 year	1,546,640	1,520,200
- later than 1 year but not more than 5 years	955,349	2,279,326
Balance at the end of the year	2,501,989	3,799,526

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.

(c) Capital Commitments

At 30 June 2017 the entity has no capital commitments (2016: NIL).

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Note 13 Reserves

	2017 \$	2016 \$
Capital Profits and Asset Revaluation Reserve	22,406,597	22,406,598
Death and Benevolent Fund (a)	46,664	46,664
Campaign Fund (b)	159,810	97,631
Balance at the end of the year	<u>22,613,071</u>	<u>22,550,892</u>
(a) Death and Benevolent Fund		
Balance bought forward	46,664	46,664
Fund used	-	-
Balance carried forward	<u>46,664</u>	<u>46,664</u>
(b) Campaign Fund		
Balance bought forward	97,631	-
Transferred to reserve	62,179	97,631
Balance carried forward	<u>159,810</u>	<u>97,631</u>

Note 14 Cash Flow Information

	2017 \$	2016 \$
(a) Reconciliation of Cash Flow from Operations with Operating Deficit		
Operating deficit	(630,264)	(930,939)
Non cash flow in operating deficit:		
Depreciation and amortisation	705,501	670,808
Impairment loss on assets	-	-
Movement in reserve account	-	-
(Increase)/Decrease in trade debtors	(124,138)	153,335
(Increase)/Decrease in prepayments	(416)	80,253
Increase/(Decrease) in provisions	(621,314)	149,034
Increase/(Decrease) in trade creditors and accruals	310,738	(185,699)
Net cash (used in) operating activities	<u>(359,893)</u>	<u>(63,209)</u>
(b) Cash Inflow Information		
Cash inflows		
Shared Advantage Limited	-	-
Total cash inflows	<u>-</u>	<u>-</u>
Cash outflows		
Shared Advantage Limited	-	-
Total cash outflows	<u>-</u>	<u>-</u>

Note 15 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 details of remuneration disclosures relating to key management personnel, refer to Note 16 Key Management Personnel Compensation.

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

(b) **Controlled Entity**

The Union has the power to participate in the financial and operating policy of the entity.

Shared Advantage Ltd (a company limited by guarantee) is the controlled entity. The controlled entity's net assets represent less than 1 % of the Union's net assets. The Union apportions the direct cost of the payroll to the entity at cost. For details of amounts due by the controlled entity, refer to Note 6 and 8.

(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 16 Key Management Personnel Remuneration for the Reporting Period

	2017	2016
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	2,719,378	2,744,663
Annual leave accrued	210,608	219,728
Remote Localities Allowance	5,656	5,519
Living Away from Home Allowance	-	-
Total short-term employee benefits	2,935,641	2,969,910
Post-employment benefits		
Superannuation	441,756	442,542
Total post-employment benefits	441,756	442,542
Other long-term benefits		
Long service leave	163,874	64,851
Total other long-term benefits	163,874	64,851
Total	3,541,271	3,477,303

Note 17 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 2017.

Note 18 Financial Instruments

(a) **Interest Rate Risk**

Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates. The Union's exposure to interest rate risk as at 30 June 2017 is limited to cash and term deposits of \$11,901,217

(b) **Credit Risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

(c) Net Fair Values

For other assets and other liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and notes to and forming part of the financial statements.

Note 19 Contingent Liabilities

	2017	2016
(a) Guarantees	\$	\$
Bank Guarantees	486,824	434,465
	486,824	434,465

Note 20 Events After the Balance Sheet Date

There were no events that occurred after 30 June 2017, or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Union.

Note 21 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 22 Campaign Fund

The CPSU campaign fund was established to provide support to members, through current and future campaigns, some of whom lost considerable income taking industrial action in order for the union as a whole to fight for decent public services, fair workplace rights and secure jobs.

	2017	2016
	\$	\$
Contribution by CPSU	50,000	300,000
Donations	14,711	65,529
	64,711	365,529
Deduct		
- Members standdown payments	(2,662)	(266,307)
- Bank refund/(charges)	130	(1,591)
Surplus retained	62,179	97,631



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

We have audited the financial report of CPSU, The Community and Public Sector Union, PSU Group ("the Union") which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2017, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Union as at 30 June 2017, 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).

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are 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 our audit of the financial report in Australia. We have also fulfilled my other ethical responsibilities in accordance with the Code.

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

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

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

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

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

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Union is responsible for the preparation and fair presentation of the financial report 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 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 Union'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 Union or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for 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 Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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. We are responsible for the direction, supervision and performance of the Union audit. We remain solely responsible for our audit opinion.

We 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 our audit.

We declare that Pran Jiwan Rathod is an approved auditor, a member of CPA and hold a current Public Practice Certificate.

Report on the Recovery of Wages Activity financial report

Opinion on the recovery of wages activity financial report

The scope of our work extended to the recovery of wages activity and I have audited the recovery of wages activity financial report for the year ended 30 June 2017

In our opinion, the financial statements and notes and recovery of wages activity financial report properly and fairly report all information required by the reporting guidelines of the General Manager, including:

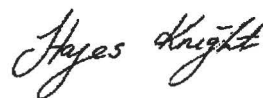
- (a) any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
- (b) any donations or other contributions deducted from recovered money.

Responsibilities

The Committee of Management is responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with the reporting guidelines of the General Manager. Our responsibility is to express an opinion on the recovery of wages activity financial report, based on our audit conducted in accordance with Australian Auditing Standards.



Pran Rathod - Director Audit Services



Hayes Knight (NSW) Pty Ltd

Date at Sydney, this 29th day of November 2017

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/15