

CSIRO Staff - CSIRO'S Future

**CSIRO Staff Association**

A Section of the Community and Public Sector Union

29 October 2004

057.3/44-C3

Industrial Registrar  
Australian Industrial Registry  
Nauru House  
80 Collins Street  
MELBOURNE VIC 3000

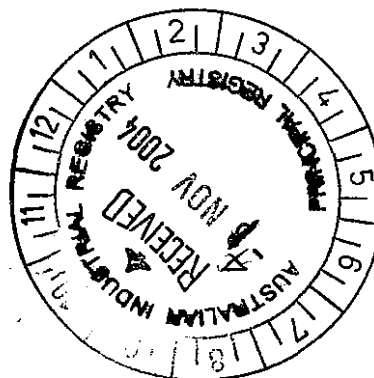
Dear Sir

**RE: FINANCIAL STATEMENTS – FR2004/431**

Please find attached a Statutory Declaration together with Financial Statements and Operating Report of the CSIRO Section – CPSU as at 30 June 2004.

Yours sincerely

Pauline Gallagher  
Section Secretary



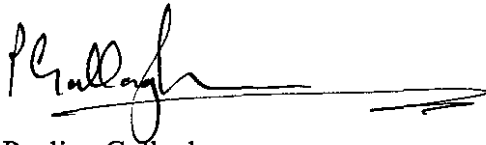
## Certificate of Secretary

As required by Schedule 1B, s268 of the Workplace Relations Act 1996

I, PAULINE GALLAGHER, being SECTION SECRETARY of the CSIRO SECTION – CPSU, 11<sup>TH</sup> FLOOR, 575 BOURKE STREET, MELBOURNE VIC 3000 certify that the financial documents were made available to all members of the Section on 30 September 2004. The full report was placed on the CSIRO Staff Association website and members were advised of their location by email. All workplace delegates and contacts received an electronic copy of the reports by email and a hard copy of the financial statements by mail for distribution to members on request. Hard copies were also posted to all retired members.

The First Meeting was a meeting of the Committee of Management, held by telephone conference on 13<sup>th</sup> September 2004. The Second Meeting in accordance with s266 of the RAO Schedule was a General Meeting of Members and was held in Canberra at CSIRO Discovery, Black Mountain Laboratories, Clunies Ross Street on Friday the 22 October 2004 at 12:30pm.

The full report was also accepted by the Committee of Management at its meeting CM43 on the same day.



Pauline Gallagher  
Section Secretary

Declared at Melbourne, the <sup>th</sup>28 day of October 2004.

Before me:



**MARY-ANN COOPER**  
575 BOURKE STREET MELBOURNE 3000  
A current practitioner under the Legal  
Practice Act 1996 (Vic).

**CSIRO STAFF ASSOCIATION**  
**OPERATING REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2004**

**From The President**

The past year has been a period of accelerated change for the Staff Association. This reflects change underway in both CSIRO and the CPSU.

With sadness we note the loss of many longstanding members representing vast science capacity lost to the organisation. We also lost capacity in the association, with retirements of Industrial Officer Gail Dickson, Councillor Jock Buselli and the resignation of Secretary Sandy Ross. With particular sadness we also note the passing of former Councillor Sam Blaikie.

Change in CSIRO was dominated by Flagships and threats from reviews. The collaboration review was a significant risk, but the outcome reflected in the 2004 budget is small funding increases for government science through CSIRO, against the trends world-wide and other Government laboratories. Despite this, a constant theme from members is the continual loss from the science base with no evident plan or funding to address this loss.

Change in the Union itself was reflected by a new Secretary, with Pauline Gallagher now meeting the challenges of the new job, both in CSIRO and more broadly in the Science Division. Through the science Division we are able to be the voice of Government science, the fortunes of which overall are critical for our future employment. Significant management change is also underway in the CPSU, which represents a major task for Pauline and the Staff Association employees.

For the future, emerging organisation amongst younger term staff and post docs in CSIRO is important. This must be encouraged because the Staff Association depends on recruiting these people and supporting their efforts to secure the science and technology base.

Finally, I thank the Delegates, Industrial Officers, Secretary and Office Staff, Councillors and the Staff Association executive for their time and efforts to make the working lives of CSIRO better and more secure.



Dr Michael Borgas  
President CSIRO Staff Association

**CSIRO STAFF ASSOCIATION**  
**OPERATING REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2004**

**About the Association**

The CSIRO Staff Association (the Association) is a Section of the Community and Public Sector Union PSU Group within its Science Division.

The Association represents the professional and industrial interests of members in the CSIRO, the Anglo Australian Observatory, Co-operative Research Centres (CRCs) and members who have been previously employed by these organisations (retired members). We also provide assistance to post graduate student members who are conducting research for their qualification in CSIRO.

The Association's primary source of income is from member subscriptions, which for the year to 30 June 2004 were:

- 0.55% of gross salary for full members;
- \$25 for retired members;
- \$10 for student members.

Members have the right to resign at any time from the Association by providing a written resignation with two weeks' notice to the Association office.

**Membership**

Membership of the Association at 30 June 2004 stood at 3161 members, of which 268 were unfinancial. This was a net loss of 33 members over the year, due largely to members leaving CSIRO employment. This loss of membership continues a gradual trend evident since 1998 and is in part attributable to the mature age profile of our regular membership and staff of CSIRO.

<b>Membership Year to 30th June 2004</b>							
	<b>Recruited</b>	<b>Cessations</b>			<b>Membership</b>		
		<b>Cancelled*</b>	<b>RRR<sup>#</sup></b>	<b>Total</b>	<b>Unfinancial</b>	<b>Members</b>	<b>Growth</b>
<b>ACT</b>	44	2	30	32	51	582	12
<b>NA</b>	5	3	9	12	6	69	-7
<b>NSW</b>	52	0	103	103	51	609	-51
<b>QLD</b>	48	2	31	33	41	379	15
<b>SA</b>	24	0	30	30	10	209	-6
<b>TAS</b>	9	0	2	2	9	173	7
<b>VIC</b>	55	4	58	62	80	919	-7
<b>WA</b>	23	0	19	19	20	221	4
<b>TOTAL</b>	260	11	282	293	268	3161	-33

\* Left the Association but not their employment

# Left their employment

## **Committee of Management**

The Association's Committee of Management was formed by the Section Executive Officers

Section President	Michael Borgas
Section Deputy Presidents	Warren Hicks Christiane Ludwig
Section Secretary	Sandy Ross <i>resigned 28 January 2004</i> Pauline Gallagher <i>appointed 29 January 2004</i>
Section Assistant Secretary	Pauline Gallagher <i>resigned 28 January 2004, position abolished 29 January 2004</i>
Section Treasurer	Russell Marnock

and Regional Councillors

ACT	Tanya Jacobson <i>resigned 7 June 2004</i> Eric Hines <i>appointed 15 June 2004</i>
NA	Garry Rabbett
NSW	Stephen McEvoy <i>appointed 29 August 2003</i>
SA	Ben Scherer <i>appointed 26 March 2004</i>
QLD	Merle Thomas
TAS	Neil White
VIC	Greg Short
WA	Anthony Schlink

Three in-face meetings of the Association Council were held during the year as well as a number of meetings by telephone conference. The in-face meetings were

CM 40	31 October – 1 November 2003 at North Ryde NSW
CM 41	27 – 28 February 2004 at Melbourne VIC
CM 42	24 – 25 June 2004 at Melbourne VIC

Council conducted its annual planning for the calendar year at CM 41 and set priorities on the issues of Flagships implementation, an Internal Labour Market, corporatisation of support services and improving our organisation as an association.

At CM 43 Council undertook a major strategic planning exercise in preparation for enterprise bargaining for a new Certified Agreement. Preliminary negotiations for a new Agreement are scheduled to start in November 2004 and the current Agreement expires in November 2005. The result of this exercise was a strategic plan for bargaining "*Creating a Better Workplace Together in CSIRO.*"

## **Principal Activities in 03/04**

### **• Flagships and fallout**

Significant funding was redirected from divisional budgets to support the new Flagships Research program as of 1 July 2003. Divisions conducted major redirections of their research at the same time and some announced job cuts. Among them were Exploration and Mining, Telecommunications and Industrial Physics, Mathematics and Information Sciences and Food Science Australia. The Association provided support to members, collectively through workplace meetings, advocacy for

staff with divisional and corporate management and in the public media, and on an individual basis.

The best success was achieved in Food Science Australia where we worked with other unions and the Human Resources personnel in the Division to encourage the use of flexible work options such as job-sharing, reduced working year, access to paid and unpaid leave to reduce liabilities and minimise the number of positions lost. As a result, the actual positions lost were reduced by almost half.

- **Internal Labour Market**

Divisional boundaries have been the biggest hurdle to effective retention of staff. The Staff Association has called for better workforce planning and greater co-operation between divisions of CSIRO on the movement of staff members for many years. This year, prompted by the risk that the work of many staff members would be changed or ceased because of rapid change in research directions and support operations, the Staff Association succeeded in getting a CSIRO Corporate People Development project set up to provide for faster and better ways of deploying staff capability around CSIRO.

One product of this Strategic Staffing Project was "*Jobs Central*", an upgraded web-based one-stop shop for internal vacancies, redeployments, substitution for redundancy, career development and links to external partners of CSIRO and employers of relevance to staff. A greater achievement was a shift in mindset among divisions to retain staff more and give them more control in redundancy situations. Nevertheless, it is still disappointing that 157 staff were retrenched from CSIRO last year and a large but undocumented number of fixed term employees were terminated. Our work in this area is continuing.

- **Science Policy and Funding for CSIRO**

The Association continued its affiliation with the Federation of Australian Scientific and Technological Societies (FASTS) and supported a delegation to participate in their annual Science Meets Parliament event in October 2003.

This year we made a submission to the Government's Research Collaboration Review and responded publicly to the Review's report which was released in March 2004. We also published responses to the Government's 2004 Innovation Statement "*Backing Australia's Ability – Building our future through science and innovation*" released on 6 May 2004 and the Federal Budget 2004 funding for CSIRO. This year President Borgas attended Parliament House for the Budget and made comment to the media in partnership with the President of the National Tertiary Education Union. Together they presented a united voice in response from the Australian research community.

The Association invited local Members of Parliament in Geelong to meet with members at the Belmont Laboratory of Textile and Fibre Technology and share a BBQ lunch with them on 29 June 2004. The division was undergoing a second review of research directions in as many months and members were feeling very unrecognised for the national contribution they made through their research for the wool industry. Shadow Science Minister Senator Kim Carr addressed the meeting and stated strong support for the Laboratory. Science Minister Peter McGauran was

invited but had to extend his apologies. A strong message members picked up from the event was how little the local politicians knew about the Laboratory and its work.

- **Membership Drive**

The Association conducted a CSIRO-wide recruitment drive through the months of July, August and September. This year members were encouraged to sign up non-members for the chance to win one of two prizes – one for recruiters and one for new members who joined during the drive. The winners were Julian Mattay from Mt Gambier and Marie Louise Bartolucci from Griffith. The prizes were vouchers to the value of \$2000 in goods from Union Shopper. Union Shopper sponsored \$500 of each of the prizes. 150 new members were signed up during the drive.

- **Satisfaction Survey**

Council contracted Essential Media Communications to conduct a research project into attitudes and perceptions of members to the Association and the quality of communications at different levels of the Association. The first part of the project was a written survey of delegates and deputy delegates which was conducted by email in May 2004. This survey found that respondents were generally satisfied with the Association and felt we were doing a good job. But it also identified the need for greater support and training for our delegates to do their job in the workplace and for more face to face interaction. It reiterated that our most important functions are enterprise bargaining and support for individual members with grievances and problems at work.

### **Committees of Council**

1. **The Specified Term Contracts Committee** met in face in February. It has produced a special newsletter for fixed term staff "*On Our Terms*" and worked on conditions for Post Doctoral Fellows in CSIRO. There are three different schemes operating in CSIRO with different treatment of the post docs. A proposal for a joint workshop with the CSIRO Executive on the issue has been taken to the CSIRO Consultative Council.
2. **The Occupational Health and Safety Committee** has continued its work in conjunction with the CSIRO OHSE Committee. Negotiations have been continuing on a new OHS Agreement between the unions and CSIRO at the same time as bureaucracy around OHS has expanded alarmingly. This Committee is working to revitalise its support for Health and Safety Representatives and re-establish Association control over HSR elections in all designated work areas.

### **The CSIRO Consultative Council**

This forum is established under CSIRO's Act and is where the unions meet with CSIRO Executive and Corporate Management twice a year to work cooperatively on issues and initiatives. It is an important opportunity to exchange differing perspectives on changes in CSIRO, the scientific community and relationships with Parliament.

The Association Council is responsible for appointing our delegation and setting agenda items.

Some of the issues the Association has progressed through Consultative Council this year were whether CSIRO should require staff to sign Moral Rights Consents, diversity and women in science, effort logging, impacts of the Flagships program, support services at multi-divisional sites Divisional restructuring and the increasing abuse of fixed term employment provisions. One outcome of the Consultative Council was a Flagships information event hosted by the Association at the Clayton VIC site in February.

### **Changes of Note**

The National Measurement Institute was established by Parliament to come into being on 1 July 2004. It is the amalgamation of CSIRO's National Measurement Laboratory with the Australian Government Analytical Laboratories and the National Standards Commission. Our workplace delegate in the NML had significant involvement in the successful CPSU negotiations for a certified agreement to come into effect as soon as the new Institute came into being. Members were therefore not left without coverage by a certified agreement through the transmission of business and they achieved better conditions of employment than if they had been moved onto the conditions of employment covering the parent Department.

A new membership system has been implemented in 2004. This is now built on open source software with tailoring to our particular needs and reporting requirements.

Since Sandy Ross resigned from the Secretary position in January, Acting Secretary Pauline Gallagher took the opportunity prior to election to review the Association's operations, staffing and work requirements. The Assistant Secretary position was abolished with the intention that the salary be used for resources other than an elected position. This allowed the appointment of Nathan Oakes in the Melbourne office to provide more on the ground organising for our members in Tasmania, Geelong and Werribee.

The accounts of the Sub-Section Delegate Committees (SDCs) have been centralised in the Melbourne Office to cut costs on auditing and allow for more timely and efficient preparation of the Financial Statements. SDC activities are now funded by cash advance or reimbursement to the SDC as requested for activities.

### **Our Team**

The main office of the Association is in Melbourne at the CPSU Office, 11/575 Bourke Street, Melbourne 3000. Staff around Australia work out of the CPSU offices in each capital city or centre.

#### **Organisers**

ACT	Rod Drinkwater
NSW	Gail Dickson <i>until August 2003</i>
	Marj O'Callaghan <i>from December 2003</i>
NA	Peter Vesely <i>1 day/week</i>



QLD April Byrne *3 days/week*  
SA Ian Treloar *2 days/week*  
VIC Trev Ward *3 days/week*  
VIC/TAS Nathan Oakes *from April 2004*  
WA Kris Turner *1.5 days/week*

Science Division Assistant Secretary Chris Clarke is allocated to the Association 1 day per week.

**Office staff**

Mary Anne Macko Finance and Administration  
Lorna Craig Membership and Administration  
Sarah Excell General Administration *3 days/week until March 2004.*

**Statement on Superannuation Trustees**

The CSIRO Staff Association does not have any officer or member who is known to be

- i) a trustee of a superannuation entity or an exempts 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.

This report has been prepared in accordance with the requirements of the Registration and Accountability of Organisations Schedule (RAO) 1B to the Workplace Relations Act 1996.



Pauline Gallagher  
Secretary  
22 October 2004

# CSIRO STAFF ASSOCIATION

## COMMITTEE OF MANAGEMENT CERTIFICATE

On *13 September* <sup>2004</sup> the Committee of Management of CSIRO Staff Association passed the following resolution in relation to the general purpose financial report of the reporting unit for the financial year ended 30 June 2004:

The Committee of Management declares in relation to the general purpose financial report that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the Reporting Guidelines of the Industrial Registrar;
- (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) 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 RAO Schedule and the RAO Regulations; and
  - (iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
  - (v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
  - (vi) there have been no orders for inspection of financial records made by the Commission under section 273 of the RAO Schedule during the period.

For the Committee of Management:



.....  
**MICHAEL BORGAS**  
Section President



.....  
**PAULINE GALLAGHER**  
Acting Section Secretary

Dated this *16* day of *September*, 2004.

# **CSIRO STAFF ASSOCIATION**

## **INDEPENDENT AUDIT REPORT**

### **Scope**

#### **The financial report and Committee of Management responsibility**

The financial report of the CSIRO Staff Association for the year ended 30 June 2004 is set out on pages 5 to 18.

The Section's Committee of Management are responsible for the preparation and true and fair presentation of the financial report in accordance with Australian Accounting Standards, the Reporting Guidelines of the Industrial Registrar and other mandatory financial reporting requirements in Australia. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

#### **Audit Approach**

We conducted an independent audit in order to express an opinion to the members of the Section. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with Australian Accounting Standards, the Reporting Guidelines of the Industrial Registrar and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Section's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- o examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- o assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

#### **Independence**

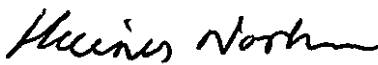
In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.


**CSIRO STAFF ASSOCIATION**  
**INDEPENDENT AUDIT REPORT**

**Audit Opinion**

In our opinion,

- (i) there were kept by the Section, in respect of the year, satisfactory accounting records detailing the source and nature of the income of the Section (including income from members) and the nature and purpose of the expenditure;
  - (ii) the attached financial report, prepared in accordance with applicable Australian Accounting Standards, the Reporting Guidelines of the Industrial Registrar and other mandatory professional reporting requirements in Australia, are properly drawn up so as to give a true and fair view of:
    - (a) the financial affairs of the Section as at 30 June 2004; and
    - (b) the income and expenditure, results and cash flows of the Section for the year then ended;
- and
- (iii) all information and explanations required for the purpose of the audit under Section 257(2), were provided by the officers or employees of the Section.

  
**Haines Norton**  
**Chartered Accountants**

  
**R.H. Hutton**  
**Registered Company Auditor**


Dated this 17<sup>TH</sup> day of ~~SEPTEMBER~~, 2004.

**CSIRO STAFF ASSOCIATION**  
**ACCOUNTING OFFICERS CERTIFICATE**

I, Russell Marnock, being the Section Treasurer and the officer responsible for keeping the accounting records of the CSIRO Staff Association, certify that as at 30 June 2004 the number of members of the Section was 3,161.

In my opinion:-

1. the attached financial report shows a true and fair view of the Section results as at 30 June 2004.
2. a record has been kept of all monies paid by, or collected from, members and all monies so paid or collected have been credited to the bank account to which those monies are to be credited, in accordance with the rules of the Section;
3. before any expenditure was incurred by the Section approval of the incurring of the expenditure was obtained in accordance with the rules of the Section;
4. with regard to funds of the Section raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such fund for the purposes other than those for which the fund was operated;
5. no loans or other financial benefits, other than remuneration in respect of their full time employment with the Section, or honorarium or allowances authorised in accordance with the rules of the Section, were made to persons holding office in the Section.
6. the register of members of the Section was maintained in accordance with the RAO Schedule.

  
.....  
**RUSSELL MARNOCK**  
**Section Treasurer**

Dated this <sup>13<sup>th</sup></sup> day of September, 2004.

**CSIRO STAFF ASSOCIATION**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 30 JUNE 2004**

	Note	2004 \$	2003 \$
REVENUE FROM ORDINARY ACTIVITIES	4	1,063,217	1,029,792
Other Expenses from ordinary activities		<u>864,322</u>	<u>983,215</u>
PROFIT/(LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX		198,895	46,577
INCOME TAX EXPENSE RELATING TO ORDINARY ACTIVITIES	1(b)	<u>-</u>	<u>-</u>
PROFIT/(LOSS) FROM ORDINARY ACTIVITIES AFTER INCOME TAX	6	<u>198,895</u>	<u>46,577</u>

The accompanying notes form part of this financial report.

**CSIRO STAFF ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2004**

	Note	2004 \$	2003 \$
<b>MEMBERS FUNDS</b>			
Accumulated Funds	7	<u>1,150,466</u>	<u>951,571</u>
<b>TOTAL MEMBERS FUNDS</b>		<u><u>1,150,466</u></u>	<u><u>951,571</u></u>
Represented by:			
<b>CURRENT ASSETS</b>			
Cash assets	8	213,418	45,369
Receivables	9	11,690	16,438
Other financial assets	10	1,098,372	1,023,538
Other	11	<u>1,451</u>	<u>12,320</u>
<b>TOTAL CURRENT ASSETS</b>		<u><u>1,324,931</u></u>	<u><u>1,097,665</u></u>
<b>NON-CURRENT ASSETS</b>			
Office furniture and equipment	12	<u>25,807</u>	<u>33,180</u>
<b>TOTAL ASSETS</b>		<u><u>1,350,738</u></u>	<u><u>1,130,845</u></u>
<b>CURRENT LIABILITIES</b>			
Payables	13	144,286	98,484
Provisions	14	<u>55,986</u>	<u>80,790</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u><u>200,272</u></u>	<u><u>179,274</u></u>
<b>TOTAL LIABILITIES</b>		<u><u>200,272</u></u>	<u><u>179,274</u></u>
<b>NET ASSETS</b>		<u><u>1,150,466</u></u>	<u><u>951,571</u></u>

The accompanying notes form part of this financial report.

## CSIRO STAFF ASSOCIATION

### STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004 \$	2003 \$
<b>INCOME</b>			
Membership Subscriptions		1,004,712	938,799
Interest Received		30,199	29,825
Sundry Income		-	59
HSBC Investment Income		28,306	34,327
Training & Conference Income		-	26,782
		<u>1,063,217</u>	<u>1,029,792</u>
<b>EXPENDITURE</b>			
<b>Salaries and Related Expenditure</b>			
Elected Officials		105,598	116,435
Industrial & Administrative Staff		<u>331,284</u>	<u>310,514</u>
<i>Total Salaries</i>		436,882	426,949
Payroll Tax		25,137	23,483
Workers Compensation Insurance		11,212	10,604
Superannuation		53,458	62,599
Staff Amenities & Training		5,034	4,235
Secondment		6,405	9,805
Provision for Annual Leave		(20,078)	13,409
Provision for Long Service Leave		11,931	22,710
Casual Staff & Consultancy		2,854	8,437
Recruitment		5,330	-
Total Salaries & Related Expenditure		<u>538,165</u>	<u>582,231</u>
<b>Administrative &amp; Equipment Overheads</b>			
Accounting & Audit Fees		5,155	4,865
Amortisation		7,373	7,373
Bank Charges		1,022	1,605
Cleaning		2,892	2,892
Depreciation		-	341
Electricity		3,600	3,600
Furniture & Computer Equipment (less than \$1,000)		272	1,967
HSBC Management Fees		6,637	6,245
Interest Paid		108	-
National Office Charge		70,330	65,716
Postage & Freight		9,639	6,960
Printing & Stationary		31,073	21,040
Provision for Diminution of Investment		(23,065)	15,065
Rent & Outgoings		46,719	48,316
Sundry Expenses		13,350	6,451
Telephone		29,293	27,731
Website Service Agreement		7,743	4,882
Total Administrative & Equipment Overheads		<u>212,141</u>	<u>225,049</u>

The accompanying notes form part of this financial report.



## CSIRO STAFF ASSOCIATION

### STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004 \$	2003 \$
<b>EXPENDITURE <i>continued</i></b>			
<b>Industrial Expenditure</b>			
Affiliation Fees	1(g)	4,256	3,998
Cabcharge		13,159	13,372
Classification & Salary Working Group		-	241
Council Meeting Expenses		40,853	62,311
CSIRO Consultative Council		1,582	2,768
Donations	1(h)	241	3,418
Enterprise Bargaining Agreement		-	62
FASTS Campaign		2,630	1,108
Industrial Support & Representation		4,735	7,185
ILM Search Conference		-	2,044
Legal Costs		-	2,791
Library		6,581	3,616
Membership Expenses		958	1,189
Occupational Health & Safety		2,579	(4,345)
PSU Matters		309	134
Science Meets Parliament		431	907
Scholarship Awards		3,000	750
Surveys/Research/NZ Exchange		4,736	6,752
Service Agreement		-	780
Site Visits		7,851	9,815
Sub-Section Activities		8,644	8,254
Term Contract Expenses		-	5,640
Training & Conferences		6,027	41,588
Travelling Expenses		5,444	1,557
<b>Total Industrial Expenditure</b>		<u>114,016</u>	<u>175,935</u>
<b>Total Expenditure</b>		<u>864,322</u>	<u>983,215</u>
<b>OPERATING SURPLUS/(DEFICIT)FOR YEAR</b>		<u>198,895</u>	<u>46,577</u>

The accompanying notes form part of this financial report.

**CSIRO STAFF ASSOCIATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2004**

	Note	2004 \$	2003 \$
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>			
Membership Subscriptions		1,106,191	1,032,679
Interest received		35,467	21,860
Other Income		-	29,525
Payments to Suppliers & Employees		(201,513)	(1,177,411)
Payments to CPSU National Office		(741,390)	-
Interest and other costs of finance paid		<u>(107)</u>	<u>-</u>
Net Cash Provided by/(Used in) Operating Activities	16 (b)	<u>198,648</u>	<u>(93,347)</u>
Net Increase/(Decrease) in cash held		198,648	(93,347)
Cash at Beginning of Year		<u>555,512</u>	<u>648,859</u>
Cash at End of Year	16 (a)	<u><u>754,160</u></u>	<u><u>555,512</u></u>

The accompanying notes form part of this financial report.

# CSIRO STAFF ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, the Reporting Guidelines of the Industrial Registrar and other mandatory financial reporting requirements in Australia. The financial report is prepared on the basis of historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the significant accounting policies adopted by the entity in the preparation of the financial statements.

**(a) Property, Plant & Equipment**

Property, Plant and Equipment are brought to account at cost. The depreciable amount of all fixed assets are depreciated over their estimated useful lives commencing from the time the asset is held ready for use.

**(b) Income Tax**

No provision for income tax is required as the Section is exempt from income tax under Section 50-15 (3.2) of the Income Tax Assessment Act 1997.

**(c) Employee Benefits**

Provision is made for the Section's liability for annual leave arising from services rendered by employees to balance date. The calculation of the liability for annual leave recognised in these financial statements as at 30 June 2004, includes the provision for employment on-costs payable on the benefits. The provision for long service leave represents only employee on-costs related to benefits, with the liability for employee benefits being met by the National Office.

Employees are entitled to long service leave from 1 July 2002 at the rate of 7.2 days per year of service, pro-rata after 5 years service with the Section. Previously up to 30 June 2002, the entitlement was 10.8705 days per year of service, pro-rata after 3 years service with the Section. The movement in the provision for long service leave during the year is paid to the National Office and is expensed in these accounts.

**(d) Investments**

Investments in managed funds are measured on the cost basis. The carrying amount of investments are reviewed annually to ensure it is not in excess of the recoverable amount. The recoverable amount is assessed from the quoted market value for listed investments or the underlying net assets for other non-listed investments. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

**(e) Leases**

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

# CSIRO STAFF ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

#### (f) Adoption of Australian Equivalents to International Financial Reporting Standards

Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) effective for financial years commencing 1 January 2005. This requires the production of accounting data for future comparative purposes at the beginning of the next financial year.

The Sections management, along with its auditors, will undertake an assessment of the significance of these changes and make the necessary preparations for their implementation.

#### (g) Affiliation fees were paid during the year to FASTS and The Union Shopper.

#### (h) Donations were made during the year to The Anti Cancer Council, National Heart Foundation and the TAS Sub-Section (Clean up day).

### NOTE 2: INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act 1996 Schedule 1B (RAO), the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of section 272 which reads as follows:

- (1) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.
- (2) An organisation shall, on application made under subsection (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such manner, and within such time, as is prescribed.
- (3) A Registrar may only make an application under subsection (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

# CSIRO STAFF ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

### NOTE 3: RELATED PARTY INFORMATION

- (a) The names of persons who formed part of the Section Executive at any time during the year were:-

Section President -	Michael Borgas
Section Deputy Presidents -	Warren Hicks Christiane Ludwig
Acting Section Secretary -	Pauline Gallagher ( <i>appointed 29 January 2004</i> )
Section Secretary -	Sandy Ross ( <i>resigned 28 January 2004</i> )
Section Assistant Secretary -	<i>Position abolished 29 January 2004</i> Pauline Gallagher ( <i>resigned 28 January 2004</i> )
Section Treasurer	Russell Marnock ( <i>elected 1 January 2003</i> )

#### Committee of Management-

ACT	- Eric Hines ( <i>appointed 15 June 2004</i> ) - Tanya Jacobson ( <i>resigned 7 June 2004</i> )
NA	- Garry Rabbett
SA	- Ben Scherer ( <i>appointed 26 March 2004</i> ) - <i>Vacant until 25 March 2004</i>
VIC	- Greg Short
NSW	- Steve McEvoy ( <i>appointed 29 August 2003</i> ) - Jock Buselli ( <i>resigned 28 August 2003</i> )
QLD	- Merle Thomas
TAS	- Neil White
WA	- Anthony Schlink

- (b) Amounts were paid for and recovered from the National Office of the CPSU and other Branches and Sections on receipt of invoices during the year.
- (c) Transactions between the Council and the Section were conducted on normal commercial terms in respect of membership fees and reimbursements.

### NOTE 4: EMPLOYEE BENEFITS

	Elected Officials	Administrative & Industrial Staff	Total
Employee benefits paid to employees during the year:			
Wages & Salaries	\$ 79,615	\$ 281,765	\$ 361,380
Annual Leave and Sick Leave	\$ 25,983	\$ 49,519	\$ 75,502
Long Service Leave (Refer Note 1(c))	\$ 27,217	\$ 14,938	\$ 42,155
Superannuation	\$ 44,988	\$ 8,470	\$ 53,458
Employee benefits paid to the CPSU National Office in respect to employees during the year (Refer Note 1(c)):			
Long Service Leave	\$ 5,563	\$ 11,093	\$ 16,656

# CSIRO STAFF ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

	2004	2003
	\$	\$
<b>NOTE 5: REVENUE</b>		
Operating activities:-		
- Contributions Received	\$ 1,004,712	\$ 938,799
- Conference Income - WAIS2	-	26,782
- Interest (other persons/corporations)	30,199	29,825
- HSBC Investment Income	28,306	34,327
- Other Revenue	-	59
	\$ 1,063,217	\$ 1,029,792
Total Revenue		
 <b>NOTE 6: PROFIT FROM ORDINARY ACTIVITIES</b>		
Profit from ordinary activities has been determined after:-		
(a) Expenses:		
Amortisation of non-current assets:		
- leasehold improvements	\$ 7,373	\$ 7,373
Depreciation of non-current assets:		
- office furniture and equipment	-	341
- office furniture and equipment - sub sections	-	49
Total depreciation	\$ -	\$ 390
Amounts set aside to Provisions:		
- Long Service Leave and Sick Leave	\$ (28,482)	\$ 5,439
- Annual Leave	\$ (20,078)	\$ 13,409
Auditors' remuneration in respect of:		
- Audit	\$ 4,190	\$ 3,990
- Other services	\$ 965	\$ 875
<i>(The auditors do not receive any other benefits)</i>		

# CSIRO STAFF ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

	2004 \$	2003 \$
<b>NOTE 7: MEMBER FUNDS</b>		
Accumulated funds at the beginning of the financial year	951,571	904,994
Surplus for the year	<u>198,895</u>	<u>46,577</u>
Accumulated funds at the end of the financial year	<u>1,150,466</u>	<u>951,571</u>
<b>NOTE 8: CASH ASSETS</b>		
Cash on Hand	400	250
Cash with Members Australia Credit Union	120,694	12,039
Cash with Laboratories Credit Union	90,753	24,190
Cash with Credit Unions - Sub Sections	<u>1,571</u>	<u>8,890</u>
	<u>213,418</u>	<u>45,369</u>
<b>NOTE 9: RECEIVABLES</b>		
CPSU National Office	967	3,303
Sundry Debtors	5,063	2,207
Accrued Interest	<u>5,660</u>	<u>10,928</u>
	<u>11,690</u>	<u>16,438</u>
<b>NOTE 10: OTHER FINANCIAL ASSETS</b>		
Deposits with Members Australia Credit Union	170,553	164,129
Deposits with Laboratories Credit Union	370,189	346,014
Shares in Members Australia Credit Union	10	10
HSBC Managed Funds Investment - Note(a)	<u>557,620</u>	<u>513,385</u>
	<u>1,098,372</u>	<u>1,023,538</u>
<b>(a) HSBC Managed Funds Investment</b>		
HSBC Managed Funds Investment - at cost	557,620	536,450
Provision for Dimunition in Value	<u>-</u>	<u>(23,065)</u>
	<u>557,620</u>	<u>513,385</u>
Cost Represented by:		
Cash	38,549	86,227
Commercial Bills	15,000	15,034
Equities	221,397	216,799
Fixed Interest Securities	115,490	139,056
Overseas Unit Trusts	110,380	-
Property	<u>56,804</u>	<u>56,269</u>
	<u>557,620</u>	<u>513,385</u>
HSBC Managed Funds Market Value	587,370	513,385

# CSIRO STAFF ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

	2004 \$	2003 \$
<b>NOTE 11: OTHER ASSETS</b>		
Prepayments	<u>1,451</u>	<u>12,320</u>
	<u>1,451</u>	<u>12,320</u>

### NOTE 12: OFFICE FURNITURE & EQUIPMENT

Leasehold Improvements	44,240	44,240
Less: Accumulated Amortisation	<u>(18,433)</u>	<u>(11,060)</u>
	<u>25,807</u>	<u>33,180</u>
Office Furniture & Equipment	38,677	38,677
Less: Accumulated Depreciation	<u>(38,677)</u>	<u>(38,677)</u>
	<u>-</u>	<u>-</u>
	<u>25,807</u>	<u>33,180</u>

#### a. Movements in Carrying Amounts

Movements in carrying amounts for each class of office furniture & equipment between the beginning and end of the current financial year:

	Leasehold Improvements	Office Furniture & Equipment	Total
Balance at the beginning of year	\$ 33,180	\$ -	\$ 33,180
Additions	-	-	-
Disposals	-	-	-
Depreciation/Amortisation	<u>(7,373)</u>	<u>-</u>	<u>(7,373)</u>
Carrying amount at end of year	<u>\$ 25,807</u>	<u>\$ -</u>	<u>\$ 25,807</u>

### NOTE 13: ACCOUNTS PAYABLE

CPSU National Office	118,627	34,752
Sundry Creditors	<u>25,659</u>	<u>63,732</u>
	<u>144,286</u>	<u>98,484</u>



# CSIRO STAFF ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

	2004 \$	2003 \$
<b>NOTE 14: PROVISIONS</b>		
Provision for Annual Leave	44,908	64,987
Provision for Long Service Leave On-costs	<u>11,078</u>	<u>15,803</u>
	<u>55,986</u>	<u>80,790</u>
(a) Aggregate employee entitlement liability	<u>55,986</u>	<u>80,790</u>
(b) Number of employees at year end	<u>11</u>	<u>8</u>
(c) Provision for Annual Leave in respect to:		
Elected Officials	8,667	25,726
Administrative and Industrial Staff	<u>36,241</u>	<u>39,261</u>
	<u>44,908</u>	<u>64,987</u>
(d) Provision for Long Service Leave Oncosts in respect to:		
Elected Officials	5,026	9,681
Administrative and Industrial Staff	<u>6,052</u>	<u>6,122</u>
	<u>11,078</u>	<u>15,803</u>

Refer to Note 1(c) for accounting policy in respect to these provisions for employee entitlements.

### NOTE 15: CAPITAL AND LEASING COMMITMENTS

The following commitments relate to the lease for the premises at Level 11, 575 Bourke Street, Melbourne, which was entered into on 1 January 2002 for a period of six years with no option to renew.

#### (a) Rental Commitments

Non-cancellable operating leases contracted for but not capitalised in the accounts

Payable:

- not later than one year	31,088	29,608
- later than one year but not later than five years	<u>84,473</u>	<u>115,561</u>
	<u>115,561</u>	<u>145,169</u>

# CSIRO STAFF ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

	2004	2003
	\$	\$

### NOTE 16: CASH FLOW INFORMATION

#### (a) Reconciliation of Cash

For the purposes of the Statement of Cashflows, cash includes cash on hand, cash at bank and investments in money market instruments.

Cash at the end of the reporting period is reconciled to the related items in the balance sheet as follows:

Cash on Hand	400	250
Cash with Credit Unions	213,018	45,119
Deposits with Credit Union	<u>540,742</u>	<u>510,143</u>
	<u>754,160</u>	<u>555,512</u>

#### (b) Reconciliation of Net Cash Provided by Operating Activities to Operating Surplus

Operating surplus for year	198,895	46,577
Non-cash flows in operating profit		
Depreciation	-	341
Amortisation	7,373	7,373
Provision for Diminution in Investments	(23,065)	15,065
Non-Cash Sub Section Activities	-	60
Changes in assets and liabilities		
(Increase)/Decrease in Receivables	4,748	(7,752)
(Increase)/Decrease in Other Assets	10,869	(618)
(Increase)/Decrease in Other Financial Assets	(21,170)	(27,467)
Increase/(Decrease) in Accounts Payable	45,800	(141,059)
Increase/(Decrease) in Employee Provisions	<u>(24,802)</u>	<u>14,133</u>
Net Cash Provided by/(Used in) Operating Activities	<u>198,648</u>	<u>(93,347)</u>

#### (c) Financing Facilities

The Section has no overdraft facilities.

# CSIRO STAFF ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

2004                      2003  
\$                              \$

### NOTE 17: FINANCIAL INSTRUMENTS

#### 17(a) Terms, conditions and accounting policies

The Section's terms, conditions and accounting policies of financial instruments are those adopted by businesses in Australia generally.

#### 17(b) Interest rate risk

The Section's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised are as follows;

<u>Financial Instruments</u>	<u>Non-interest bearing</u>		<u>Floating interest Rate</u>		<u>Fixed interest Rate</u>	
	2004	2003	2004	2003	2004	2003
(i) Financial assets						
Cash and Bank deposits	400	250	213,018	45,119	540,742	510,143
Other Financial Assets	388,582	273,068	38,549	86,277	130,489	154,090
Receivables	<u>11,690</u>	<u>16,438</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total financial assets	<u>400,672</u>	<u>289,756</u>	<u>251,567</u>	<u>131,396</u>	<u>671,231</u>	<u>664,233</u>
(ii) Financial liabilities						
Accounts Payable	<u>144,286</u>	<u>98,484</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total financial liabilities	<u>144,286</u>	<u>98,484</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(iii) Weighted average interest rate of financial assets and liabilities above						
Cash and Bank					2.90%	3.48%
Deposits					4.82%	5.15%
Other Financial Assets					5.15%	6.30%

#### 17(c) Credit Risk

The Section has no significant exposure to credit risk.

#### 17(d) Net Fair values

The net fair values of the Section's financial assets and financial liabilities are not expected to be significantly different from each class of asset and liability as disclosed above and recognised in the balance sheet as at 30 June 2004.



**Australian Government**  
**Australian Industrial Registry**

Level 35, Nauru House  
80 Collins Street, Melbourne, VIC 3000  
GPO Box 1994S, Melbourne, VIC 3001  
Telephone: (03) 8661 7777  
Fax: (03) 9654 6672

Ms Pauline Gallagher  
Section Secretary  
CPSU, the Community and Public Sector Union - PSU Group  
CSIRO Section  
11th Floor  
575 Bourke Street  
MELBOURNE VIC 3000

Dear Ms Gallagher,

**Re: Financial reports for year ended 30 June 2004 - FR2004/431  
Schedule 1B of the Workplace Relations Act 1996 (the RAO Schedule)**

Receipt is acknowledged of the financial reports of the CSIRO Section of the PSU Group of the CPSU, the Community and Public Sector Union for the year ended 30 June 2004. The documents were lodged in the Industrial Registry on 4 November 2004.

The documents have been filed.

I direct your attention to the following comments concerning the reports and the financial reporting obligations under the RAO Schedule. Please note that these matters are advised for assistance in the future preparation of financial reports; no further action is required in respect of the subject documents.

**Auditor's report**

The opinion of the auditor made under the auditor's report is expressed in terms previously required under the *Workplace Relations Act 1996*. The RAO Schedule, under subsection 257(5), now sets out the matters upon which an auditor is required to make an opinion. The following wording would satisfy the requirements of the Schedule:

*"In our opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements of the RAO Schedule."*

You may wish to forward a copy of this letter to the reporting unit's auditor.

**Operating report**

***Right of members to resign:***

The details provided in relation to the right of members to resign from the reporting unit under section 174 of the RAO Schedule do not fully comply with the requirements set out in rule 1.6 of Chapter B - PSU Group Rules. It would be preferable, on future occasions, to provide the required details in the terms adopted under subrule 1.6(a). Those terms are sufficient to satisfy the requirement of subsection 254(2)(c).

***Date of report:***

The operating report is dated 22 October 2004. However, the secretary's certificate indicates that the financial documents were provided to members prior to that date, i.e. on 30 September 2004. Under subsection 265(1)(a) of the RAO Schedule, a full report includes a copy of the operating report to which the full report relates. Accordingly, in future, the operating report should be prepared and dated on or prior to the date of its provision to members. I note that the copy of the full report placed on the reporting unit's website is also dated 22 October 2004.

**Committee of management statement**

Please note that under 18(c) of the reporting guidelines, applicable for the purposes of section 253 of the RAO Schedule, the committee of management statement requires the signature of one designated officer only.

**Accounting officer's certificate**

The financial documents include an accounting officer's certificate which replicates the requirements previously required under subsection 273(2) of the Act. Please note that there is no requirement under the RAO Schedule to lodge an accounting officer's certificate.

**Notes to accounts**

***Information to be provided to members***

Note 2 of the notes to the financial statements correctly draws the attention of members of the reporting unit to section 272 of the RAO Schedule. However, it incorrectly cites the relevant subsections required to be notified under subsection 272(5). Those subsections read as follows:

*"(1) A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.*

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

*(3) A reporting unit must comply with an application made under subsection (1)."*

Should you wish to discuss any of the matters raised in this letter, I may be contacted on (03) 8661 7775.

Yours sincerely



Ruth Hansen  
Statutory Services Branch

26 November 2004