



Australian Government

Australian Industrial Registry

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Ms Pauline Gallagher  
Section Secretary  
CSIRO Section  
CPSU, The Community and Public Sector Union - PSU Group  
575 Bourke Street  
Melbourne Victoria 3000

Dear Ms Gallagher

**Financial documents for year ended 30 June 2006 - FR2006/346  
Schedule 1 of the Workplace Relations Act 1996 (the RAO Schedule)**

I have received the financial reports lodged today for the CSIRO Section of the PSU Group of the CPSU for the year ended 30 June 2006.

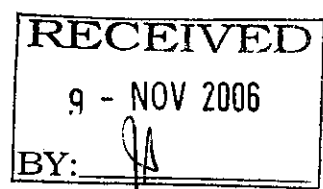
The documents have been filed.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Michael Ellis'.

Michael Ellis  
Deputy Industrial Registrar

9 November 2006



Community and Public Sector Union

8 November 2006

057.3/C3-50

Industrial Registrar  
Australian Industrial Registry  
Level 35  
Nauru House  
80 Collins Street  
MELBOURNE VIC 3000

FR 2006/346.  
Lodged 9 Nov 2006.

Dear Sir

**RE: Financial Documents for year ended 30 June 2006**

Please find attached the Certificate of the Secretary together with the Financial Statements and Operating Report (Full Report) of the CSIRO Section – CPSU as at 30 June 2006.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Pauline Gallagher', with a long horizontal flourish extending to the right.

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 of the COMMUNITY AND PUBLIC SECTOR UNION, 11<sup>TH</sup> FLOOR, 575 BOURKE STREET, MELBOURNE VIC 3000, certify that the full financial reports, comprising the audited financial statements and operating report for the year ending 30 June 2006 were made available to all members of the Section on 6 October 2006. On that day, the Full Report was placed on the website of the CSIRO Section (also known as the CSIRO Staff Association) and members were advised of their location by email. All workplace delegates and contacts/distributors 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.

The First Meeting, a meeting of the Committee of Management held by telephone conference on 4 October 2006, accepted the General Purpose Financial Report and the Operating Report 2005-06.

The Second Meeting in accordance with s266 of the RAO Schedule was a General Meeting of Members and was held in Adelaide at CSIRO Land and Water, Urrbrae SA 5064 on Friday 27 October 2006 at 1:00pm. The Full Report was accepted.

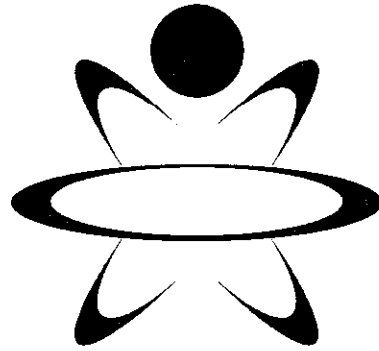
The Full Report was also accepted by the Committee of Management at its regular meeting on Friday 27 October 2006 at the Australain Centre for Plant Functional Genomics, Waite Campus, University of Adelaide, Urrbrae SA 5064.

Please find enclosed a copy of the Full Report of the CSIRO Section CPSU (CSIRO Staff Association) that was provided to members of the Section on 6 October 2006 and accepted by a general meeting of members on 27 October 2006.

A handwritten signature in black ink, appearing to read 'P. Gallagher', with a long horizontal line extending to the right.

Pauline Gallagher  
Section Secretary

8 November 2006



## **CSIRO Staff Association**

### ***OUR CAUSE***

***To protect and progress the interests of our members in CSIRO and in society***

***We do this as the democratic voice for staff***

***We advocate for CSIRO and science***

***We provide the means to promote a community of staff in CSIRO so that we can assist members to enforce their rights.***

## **Operating Report**

**1 July 2005 - 30 June 2006**

## **From the Staff Association President**

The past year has been dominated by enterprise bargaining, not just for our staff, who contributed with great skill and commitment, but also directly for many of our Councillors, state executive members, delegates, and even down to input and help from many members. Overall, the collective effort we have been able to sustain has been impressive and vital in pursuing our best interests and the best interests of the organisation we work in.

My reflections last year considered change in CSIRO mainly in an external context. The change process even now shows no relent, with our own internal restructuring the driving force. Our future within CSIRO is highly uncertain with the Organisation attempting to construct the new face of Government science. As these bureaucratic processes unfold, the Staff Association, through all of its members, must be active to promote the interests of the science base and the jobs that support it. We must be active to ensure fairness for those facing change and disruption, and we must be active to keep a unified collective of staff. Past history tells us to be wary, but the chance to improve Australia's public sector science, against the trends world-wide, means that we may have new opportunities to stem the continual loss from the science base.

The Union itself continues to adapt to a changing world and with the new Enterprise Agreement has established a core role in influencing the change process for the next three years. Our collective voice, through the professional channels of the Union should help guide the workforce planning, reduction of bureaucracy and support service provision which is vital for the success of CSIRO and work life of our members. To achieve this we must understand the essential need to build up our collective input from the membership, recruiting in the workplace, giving input and support to delegates, Councillors and the officials, and for everyone to be involved.

I thank the Delegates, Organisers, Secretary and Office staff, Councillors and the Staff Association Executive for their time and efforts to make the working lives of people in CSIRO better and more secure. I would particularly like to thank the retiring members of Council: Deputy President Warren Hicks, Queensland Councillor Merle Thomas and South Australian Councillor Ben Scherer for their efforts over the years and wish them the best into the future.



Dr Michael Borgas  
President  
29 September 2006

## **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 employed 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 aims to bring members together collectively to protect and improve the interests of members by:

- Assisting members in enforcing their rights at work including the rights to
  - i) fair and equitable treatment at work
  - ii) fair recognition and remuneration for merit
  - iii) freedom from discrimination and harassment
  - iv) a healthy and safe environment at work
- Representing the views of members to their Organisation's management
- Making claims or representations on behalf of members to appropriate tribunals
- Providing a voice for the membership to Government and other political or policy bodies in the interests of the CSIRO or the AAO and their staff
- Co-operating with other parts of the CPSU, other unions and organisations on matters of common interest.

The Association's primary source of income is from member subscriptions, which for the year to 30 June 2006 were:

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

The Association also receives income from its cash investments in the form of interest and unrealised gains from equity investments. In the 05/06 financial year, returns on investments contributed 8.9% of income.

## **Right of members to resign**

Members have the right to resign at any time from the Association by providing a written notice of resignation to the Association Secretary, in accordance with Rule 5.3 of Chapter B of the CPSU (PSU Group). At least two weeks' notice is required except where the member ceases to be eligible to be a member of the Association.

The Rules of the CPSU are available at:  
<http://www.airc.gov.au/organisations/list/090vpsu.htm>

## Membership

Membership of the Association at 30 June 2005 stood at 3180 members, of which 226 were unfinancial. This was a net decrease of 42 members over the year. This was a reversal of the growth that had been experienced in the previous year at the start of enterprise bargaining in CSIRO.

The proportion of unfinancial members has grown from 5.7% in 2005 to 7.1%. Most members who leave CSIRO do not tend to advise their formal resignation to the Association office.

The number of members who resigned from the Association was down from 16 in 2005 to 13 in 2006.

Even though 229 new members joined the Association through the year, 271 members ceased their membership – a turnover of 8.5%. This was lower than the 2005 turnover of 11%. An increasing proportion of CSIRO staff were employed on specified term status at the same time as valued longstanding members are leaving CSIRO employment.

Membership in the Anglo-Australia Observatory (AAO) remains stable at 13 after one member left employment through the year.

The Staff Association does not recruit new members in the National Measurement Institute but continues to provide service to the 54 members retained from the former National Measurement Laboratory.

The ongoing challenge to retain and grow our membership density in CSIRO and the AAO remains a top priority if the Association is to succeed in its cause, not only in enterprise bargaining but in furthering the interests of our membership at work.

Membership Year to 30th June 2006							
	Recruited	Cessations			Membership		
		Cancelled*	RRR*	Total	Unfinancial	Members	Growth
ACT	61	5	67	72	31	542	-11
NA	4	1	4	5	8	67	-1
NSW	32	2	78	80	22	610	-48
QLD	21	0	27	27	25	380	-6
SA	30	1	21	22	19	239	8
TAS	2	0	2	2	10	175	0
VIC	62	2	36	38	76	920	24
WA	17	2	23	25	35	247	-8
<b>TOTAL</b>	<b>229</b>	<b>13</b>	<b>258</b>	<b>271</b>	<b>226</b>	<b>3180</b>	<b>-42</b>

\* Left the Association but not their employment

# Left their employment

## Committee of Management – Association Council

The Association's Committee of Management is the CSIRO Staff Association (CSIRO Section) Council. This Council is a democratically elected body that brings together representation from the Sub-Sections.

Not only does it carry the responsibility for management of the finances and resources of the Staff Association within the CPSU, but it also develops and implements Association policy at the national level, contributes to CPSU policy and its implementation within the Section, determines and drives national campaigns and activities and ensures that issues affecting the membership in all parts of the Association are considered for action. Members and Sub-

Section Delegates Committees look to the Council for informed decision-making and leadership for the Association on matters of general significance or high priority. But they also expect the Council to seek and represent collective views of members on a regular basis.

The Council is made up of:

**Section Executive Officers 2006**

Section President	Michael Borgas
Section Deputy Presidents	Christiane Ludwig Steve McEvoy
Section Secretary	Pauline Gallagher
Section Treasurer	Russell Marnock

**Section Councillors 2006**

ACT	Eric Hines
NA	Garry Rabbett
NSW	Philip Hendry
SA	Ilma Lo Iacono
QLD	Ian McLeod
TAS	Neil White
VIC	Greg Short
WA	Suzy Rea

The members of the Council were elected to office for three years from 1 January 2006 following national elections conducted through the Australian Electoral Commission in September – November 2005.

Prior to that date, the following members held office:

**Section Executive Officers 2005**

Section President	Michael Borgas
Section Deputy Presidents	Christiane Ludwig Warren Hicks
Section Secretary	Pauline Gallagher
Section Treasurer	Russell Marnock

**Section Councillors 2005**

ACT	Eric Hines
NA	Garry Rabbett
NSW	Steve McEvoy
SA	Ben Scherer
QLD	Merle Thomas
TAS	Neil White
VIC	Greg Short
WA	Anthony Schlink

The new term of office also marked the full implementation of a new structure for the CPSU PSU Group. The Section welcomed back its Secretary to full-time allocation after several years of the Secretary having carried the additional office of Science Division Secretary. The Science division was ceased as an elected structure in the new CPSU.

**Representation on the CPSU Governing Council**

The Section Secretary, Pauline Gallagher is a member of the CPSU Governing Council. The CSIRO Section also elects two Governing Councillor positions for the three year term. Section Treasurer Russell Marnock was re-elected to one of these offices from 1 January 2006 and the CSIRO Staff Association Council appointed Deputy President Christiane Ludwig to the second position until national elections to fill casual vacancies would be held in the second half of 2006.



## Association Council Business

Council regularly conducts its annual planning for the calendar year at the February Council Meeting. With the Council newly elected for a three year term, it was timely for this national body to review its directions for the longer term.

### Outcomes of Council Planning 2006

#### **OUR CAUSE**

*To protect and progress the interests of our members in CSIRO and in society*

*We do this as the democratic voice for staff*

*We advocate for CSIRO and science*

*We provide the means to promote a community of staff in CSIRO so that we can assist members to enforce their rights.*

#### **THREE-YEAR DIRECTIONS**

- **Structure and job security.**  
This includes structural change in employment such as the Research Support Services (RSS) major change project and the science investment process (SIP), job security as affected by specified term employment and the skills shortage, contracting out of functions, and matters to be progressed in the Enterprise Agreement such as workforce planning.
- **Advocating for CSIRO.**  
This includes the promotion of science in society, increased appropriation funding for CSIRO and CSIRO's security.
- **Industrial interests.**  
This includes a greater emphasis on occupational health and safety, campaigning against the industrial relations reforms of Government and counters to anti-union tactics by our employers.
- **Strengthening our voice.**  
This seeks to increase our membership density and enhance the pride of our members in their Association, to increase our credibility and impact for members.
- **Advocating for science.**  
This looks to securing long-term science through supporting and advocating on scientific integrity, bottom-up science, moral rights and the capacity for scientists to speak publicly, and countering the bureaucracy that is causing an erosion of science.
- **Collective conditions.**  
This includes enforcement of the Enterprise Agreements, preparation for the next round of collective bargaining and strategies to assist members on individual contracts.
- **Fair and equal treatment.**  
This includes support for diversity, equity, parity on pay and conditions and action on corporate bullying.

#### **PRIORITIES FOR 2006**

Overarching priority to build membership and involvement of members in the Association

1. Research Support Services major change project – consultation with management and support for members

2. Science advocacy – a new social contract for CSIRO – public advocacy in the lead-up to the new 2007 triennial funding agreement.
3. Specified terms enforcement of provisions – enforcement of the new Enterprise Agreement to reverse the erosion of indefinite employment in CSIRO.
4. Occupational Health and Safety – upgrade support for Health and Safety Representatives with better processes and advocacy on issues.
5. Your Rights At Work – participation in the union movement's campaign against the new IR laws

### **Council Meetings**

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 46 14 - 15 October 2005 at Floreat and Northbridge WA
- CM 47 23 - 25 February 2006 at Hobart TAS
- CM 48 16 – 17 June 2006 at Melbourne VIC.

At CM46 Council's main business was to:

- hear reports on the conclusion of enterprise bargaining in CSIRO, conduct a review of the process and outcomes and prepare for the matters to be progressed through the life of the new Agreement;
- review the status of the support services restructures and the effects on staff to date – Council considered ways of improving the consultation with Corporate management and strategies going forward with the change projects;
- consider the likely impacts of proposed changes to the Workplace Relations Act 1996 on the Australian workforce and developments in the ACTU and the CPSU for the major national campaign 'Your Rights at Work'.

At CM47 Council:

- endorsed the priorities and campaign plans for 2006 developed in the planning session;
- resolved to increase expenditure on Association merchandise for promotional purposes;
- determined to seek a vote of the membership before providing further financial support to the CPSU Your Rights at Work campaign and that any contributions would be paid from reserves rather than from a new levy on the membership of the Section;
- resolved to support CSIRO environment training for our OHS Policy Committee members to ensure their ability to participate fully in the new combined Corporate Health Safety and Environment Committee;
- formed a sub-committee to work on workforce issues in the RSS project with the CSIRO Enterprise Transition Team;
- resolved to take up with Corporate People and Culture the issue of better transitional arrangements regarding the recreation leave cap.

At CM48 Council mainly:

- reviewed progress on the Association's 2006 priority campaigns and carried resolutions to progress each item as appropriate;
- considered progress on the matters to be progressed in the CSIRO Enterprise Agreement;
- considered a science policy proposal for the lead-up to the 2007 Federal Budget;
- resolved to take up the issue of the site engineering services consolidations and outsourcing of trades functions in addition to the RSS priority;
- moved an action in support of members in Queensland affected by the proposed developments at Boggo Road/Coopers Plains;
- determined to promote the outcomes of the Post Doctoral Fellowships workshops;
- ratified an Association budget for 2006/07.

## Committees of Council

1. **The Specified Term Contracts Committee** (Terms Committee) is convened by Deputy President Ludwig. It has held a number of meetings by telephone this year to complete the terms enforcement campaign plan and oversee its implementation. Much of the campaign work has been conducted by the Association's organising team to do with the industrial dispute before the Australian Industrial Relations Commission, but the Committee has provided significant input on communications with staff on fixed terms – the Committee also published a special newsletter on fixed term employment in June 2006.

The Terms Committee has provided support to the joint Post Doc workshop arranged by Consultative Council, which developed new provisions for the CSIRO Enterprise Agreement 2005-2008 and recommendations for an advanced program of support for Post Doctoral Fellowships.

2. **The Occupational Health and Safety Policy Committee** (OHS Policy Committee) has continued its work in conjunction with the CSIRO Health Safety and Environment Committee and has met regularly to monitor and improve OHS in CSIRO. In the 05/06 year, the policy committee, convened by VIC Councillor Greg Short with the assistance of Organiser Ian Treloar, completed a project to set up clearer protocols for the Association to elect and support Health and Safety Representatives, participated in the CSIRO Health and Safety Conference in Adelaide in November 2005 and has undergone environment training to expand their capability on the Corporate OHSE Committee.

The Committee has maintained oversight of proposed changes to the Occupational Health and Safety (Commonwealth Employment) Act 1991 which may remove the right of unions to be active partners in OHS structures. They have also taken up the issue of work-related stress with Corporate representatives following the Association's SA Stress Survey in the previous year, our IT Stress Survey in late 2005 and CSIRO's participation in the Work Outcomes Research and Cost Benefit (WORC) Project.

3. **The Research Policy Committee** was reconvened in November 2005 after a number of inactive years. The Committee comprises representatives from each Sub-Section and discusses science policy strategies to benefit members. It met five times in the 2005/06 year; four meetings were by telephone conference and one was an in-face workshop on 10 February 2006 to develop the Science and Society campaign plan for Council.

Apart from the development of the plan, its outputs this year have included: finalisation of a science policy position paper ahead of the 2007 federal budget; collation of member feedback on the CSIRO Science Investment Process; and contributed to the Staff Association submission to the Productivity Commission's influential *inquiry into the economic, social and environmental returns on public support for science and innovation in Australia*. This submission was completed after the end of the financial year.

## **Principal Activities in 05/06**

### **CSIRO Enterprise Bargaining**

The Association Council saw our CSIRO enterprise bargaining campaign plan "*Creating a Better Workplace Together in CSIRO*" through to a successful conclusion when the new *CSIRO Enterprise Agreement 2005-2008* was certified by the Australian Industrial Relations Commission on 13 November 2005.

The main new features of the new Agreement for staff:

- Three guaranteed salary increases, each of 4%, over the life of the Agreement;
- Provision for supplementary salary increases at the discretion of the CEO, where the CSIRO's Strategic Goals are achieved and exceeded;
- Specifies the new default superannuation fund for CSIRO as the PSS (accumulation plan) which has a legislated employer contribution requirement of 15.4%;
- Effective paid maternity leave of 18 weeks, also available for adoptive mothers, and an increase to 4 weeks of paid parental leave for the second carer;
- Clearer, more enforceable provisions regarding the making of fixed term contracts;
- Expanded requirements for the training and development of Post Doctoral Fellows, along with the capacity for Fellowships to be appointed for up to 6 years.

There were trade-offs that included:

- A 45-day cap on the accrual of recreation leave;
- A new standard for eligibility for remote localities that such that Darwin and Townsville are no longer considered remote;
- A payment in lieu of remote localities former air travel entitlements that has also reduced recreation leave entitlements for staff at Alice Springs;
- Removal of the obligation of management to consult with staff on high level strategic decisions.

The Association worked co-operatively with CSIRO Corporate People and Culture behind the scenes to support the elected Enterprise Agreement Working Group (EAWG) and to negotiate the final detail. On balance, the Agreement delivered significant gains in conditions to members for a better work-life balance and a better basis for improving job security for staff generally.

Members were able to have an active say in the bargaining. In addition to the meetings of members reported previously, workplace meetings were held in August to consider the conclusions of the EAWG and again in September to vote on the final Agreement prior to it going to an all staff vote. These meetings identified contentious and difficult points, particularly to do with the conditions for the pay rises, the recreation leave cap and remote localities changes. However the final package received a resounding endorsement from members with 96% of the membership vote in favour.

The EAWG representatives, almost all active members of the Association, put in a massive effort to counter the CSIRO Executive Management's hostile, condition-stripping bargaining agenda. Despite the support the representatives received from the Association and from staff in their business groups, the pressure on these representatives was extremely high. The Council recognised the good work they had done in seeing the bargaining through to completion and made their thanks to the EAWG public.

### **Enterprise Agreement Implementation**

A number of matters were defined in the Agreement for progressing during its life. These include:

- Development of more effective workforce planning to improve job security;
- A working group to reduce excess bureaucracy;

- Completion and implementation of the special provisions for Post Doctoral Fellowships;
- An assessment of demand and capacity for better provision of work-based childcare;
- An annual workshop on better organisational consultation
- A review of the Duty at Sea conditions following effective implementation of the Sea Safety Strategy and other considerations.

In 2006, members of the Association Executive met with Corporate People and Culture representatives twice on these matters. Apart from the successful effort on Post Doctoral Fellowships, progress has been slow in other areas. Council is looking to better outcomes for members in the coming year.

### **Research Support Services Restructure**

IT services had been restructured in 2004, transferring IT staff to a corporate line management and a new model of service provision. Although this model appeared to offer many opportunities for higher level function and service, it placed a large proportion of IT staff under a high level of stress and excessive workload and delivered a reduced level of satisfaction for users that continued through 05/06.

The Staff Association ran a work-related stress survey of IT staff through October and November 2005. Most of the respondents were in Business Support, working directly with IT users in their workplaces in response to user requests. The results of the survey indicated a strong dissatisfaction with communication from their senior management and a loss of control over their work and workload. Worryingly, 31% of respondents reported feeling bullied.

When the CSIRO Executive presented their Major Change Projects to an Association delegation on 10 May 2005, the Council noted the significance of corporatisation of many support services and set up a special RSS project group for consultation on this particular Major Change Project. This team was lead by Deputy President Steve McEvoy. They wished to ensure that the shortcomings in the IT restructure were not repeated for the other functions, which included Libraries and Property and Facilities. This group met with Corporate representatives on a number of occasions in 2005 and were provided with information. But despite their informed comment they found that they were unable to influence the decision-making.

Yet the scale and impact of the Research Support Services (RSS) major change project was not revealed to us until late October 2005 when leaks to the media revealed that some 1200 jobs would be affected by the RSS and up to 300 positions would be cut to generate cost savings. Since that time the RSS project group concentrated their efforts on seeking fair treatment for affected staff.

In 2006, dialogue has continued with the RSS Implementation Team regarding positions, the organisation of work, the quality of services and the nature of continuing services for regional laboratories. A major priority for us has been that removal of the support staff from divisional responsibility should not put more work back onto the research staff.

We have had considerable interaction with the Enterprise Transition Team (responsible for management of people issues into the new structures) in 2006 regarding fair selection processes for the new positions in the various functions, adequate advice to affected staff regarding their status and prospects, fair and equal treatment of fixed term staff in building the new services, and proper access to redundancy options and entitlements. We have had some success in these practical aspects.

DP McEvoy made a comprehensive presentation to Consultative Council on 25 May 2006 regarding the RSS change project and its effects to date. It was noted that the Staff Association input to the restructuring was providing the most robust and useful comment. The pain and stress being experienced in the Organisation as a consequence of the RSS continues through 2006 and the Staff Association will continue to pursue accountability for it.

## **IR Reform and 'Your Rights at Work'**

Early 2006 saw the Government make radical changes to the *Workplace Relations Act 1996* and its regulations that will have major negative effects on inequality and social division in Australian society. While the Association ensured that the new CSIRO Enterprise Agreement was certified under the old legislation, the legislative changes in March 2006 started to have an impact on our membership and operations immediately. This was most evident in the loss of access to unfair dismissal protection for members if they are made redundant in a restructure or for similar operational reasons.

The Association continued its active support for the ACTU's campaign 'Your Rights at Work', begun in early 2005, and participated in the CPSU's activities to support the campaign. Association members turned out in strength for the National Day of Protest on 15 November 2005 and participated in a range of protest activities during the National Week of Action on 25 June – 1 July 2006.

These activities have turned out to be great opportunities for members to get together and enjoy a non-routine activity with national impact. A number of members in different workplaces have signed up as Community Campaigners in the CPSU's plan of activities and have requested workplace information sessions on the new industrial laws.

## **Post Doctoral Fellowship Conditions**

The Association has worked with the CSIRO Executive through the Consultative Council on a joint initiative to support Post Doctoral Fellows (PDFs) in CSIRO better and more consistently.

The first roundtable on 14 December 2004 had defined the purpose of CSIRO offering Post Doctoral Fellowships. The second meeting on 24 June 2005 had been a workshop of Post Doc representatives who identified a large number of areas for improvement on treatment of Post Docs as well as their conditions of employment. In the second half of 2005, the outcomes of both these meetings were developed into a set of special conditions for PDFs which were included in the CSIRO Enterprise Agreement 2005-2008. The main features of these new enforceable conditions are:

- Ensuring that all PDFs have a tailored training and development plan designed to enable their development to independent researchers;
- Ensuring PDFs know their training and development plan and have a say in it;
- Retaining the requirement for a designated PDF to be within 6 years of graduation but allowing for part time arrangements and breaks in employment;
- Allowing for fellowships up to 6 years or equivalent on a cumulative basis, but with each fellowship for no longer than three years.

The Staff Association continued consultations with groups of Post Docs around the main centres into 2006. On 12 May 2006 Executive Team member Dr Steve Morton chaired a final workshop with Staff Association Post Doc representatives. This meeting presented the priority issues from the consultations: quality of projects for PDFs; essential training and development activities; mentoring, networks and co-ordination. Its recommendations to go forward to the Executive Team for action covered:

- Project design – providing the opportunity to generate new scientific knowledge with limits on commercially sensitive research and the support for participation in scientific conferences or equivalent.
- Training and Development – including training and development funding as part of a project proposal, requiring a minimum of 5 days per year formal training with more emphasis on management and strategy training for second fellowships.
- Support for individuals – providing access to mentors and instituting a national post-doc co-ordinator to provide national oversight of the program (including delivery of training and development) and to arrange sharing of information and networking across CSIRO.

On full implementation, this package for Post Doctoral Fellowships will set a new benchmark in post doc programs and early-career researcher development. It is a significant achievement for the Staff Association.

### **Enforcement of Specified Term Employment Requirements**

The proportion of fixed term employees in CSIRO has been growing steadily and by the end of June 2006 was 27.1% of staff. The standard form of tenure for CSIRO staff is indefinite employment, which carries with it a greater sense of stability and commitment to CSIRO. Even though certain criteria had to be met for the making of most fixed term appointments, it was clear to the Terms Committee and the Association that in many cases the criteria did not appear to have been considered.

As new staff were appointed to the new ongoing CSIRO IT service, many of them were employed for fixed terms. In November 2005, specified term staff in the scope of the RSS project were told that their contracts would not be renewed and they would not be considered for conversion to indefinite tenure. A system of preference against the staff on terms was applied to the selection of staff for jobs in the new RSS functions. This would have excluded many staff inappropriately appointed on fixed terms from competing on equal terms for the ongoing positions.

The Staff Association took up the matter with Corporate Executives seeking fairer treatment. Our concerns were not taken seriously in the first instance and information requested was not adequately provided, so the Staff Association referred the matter to the Australian Industrial Relations Commission in March 2006. In doing so the dispute was expanded to include all other contract staff appointed inappropriately on specified terms. The matter has been in conciliation since its first hearing on 19<sup>th</sup> April 2006 and is continuing with very slow but demonstrable effect into 06/07.

In 05/06, the Staff Association spent \$7013 (including GST) on legal advice and representation to progress this dispute with the assistance of the Australian Industrial Relations Commission.

### **Assisting our Members**

The Association continued to provide support to members individually in their workplaces and on a needs basis as a major function. The office supported members with their individual grievances, both internally and with external tribunals. Significant issues for members this year included reclassification and bullying, particularly bullying by line management, and the impacts of the major organisational restructuring that has proceeded through the year.

Processes such as the reallocation of appropriation funds from Government through the Science Investment Process and changing research priorities have increased the need for Association representation of groups as well as individuals. One notable example was the announcement of the closure of the Woodville North Laboratory on 18 April. The Association made representations to the Divisional management, the Executive management and politically on behalf of our members at Woodville. This effort will continue while the site remains open.

Members have required advice and assistance with a wide range of matters such as termination of employment, redeployment, reclassification appeals, Clause 11 individual contracts, superannuation and ComCare claims. This year was notable for the high proportion of women members who sought assistance from the Association office.

## **John Little Scholarships**

Every year the Staff Association awards a number of scholarships in memory of the late Mr John Little, an active and committed stalwart of the former CSIRO Technical Association. The scholarships are awarded in recognition of the increasing professionalism of technicians and aim to assist members in the technical ranks to achieve qualifications up to a first degree or equivalent. The Scholarships are worth \$750 each.

In 2005, the winners were:

Mr Justen Bremmell from CSIRO Minerals in Victoria

Ms Cathryn Seccafien from CSIRO Molecular and Health Technologies in South Australia.

In 2006, the winners were:

Ms Karen O'Rourke from CSIRO Sustainable Ecosystems in ACT

Mr Joshua Korrei from CSIRO IT in ACT.

## **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 with the Chief Executive on changes in CSIRO, the scientific community and relationships with Parliament. The Association Council is responsible for appointing our delegation and bringing staff matters to the agenda.

Meetings of the Consultative Council were held on 8 December 2005 and 25 May 2006. The Association has continued to be active this year regarding science quality, the competition for talent and the allocation of appropriations within CSIRO. However our big items this year have been the organisational change projects and restructuring.

At the December meeting, the Staff Association raised the issue of work-related stress in the IT function following the implementation of CSIRO IT. Our representatives were briefed on CSIRO's involvement in the WORC Project, a project conducted by the University of Queensland to identify employees with symptoms of depression, and the new CSIRO Health and Wellbeing Strategy. The Staff Association provided comment on the quality limitations of these projects and advocated for better management of work-related stress.

The Consultative Council received a report on the implementation of One IT and levels of user satisfaction with the new service. A presentation was given by Corporate Property on the Internal Leasing Scheme and the meeting was able to discuss concerns about the ongoing move to open plan office and laboratory space. A substantial part of the meeting was spent on the RSS project, notably about problems with communication and the need for better provision of relevant information to staff.

At the May meeting Deputy President McEvoy gave a strong presentation on the impact of RSS on staff and the services based on feedback from the membership. This provided a very sobering insight into the change process which is being driven through without compromise to affected staff. The meeting discussed organisational leadership and succession planning at Executive level in the context of the upcoming negotiations with Government on a new triennial Funding Agreement. Our representatives also reported on the successful final Post Doctoral Fellowships workshop and the recommendations to be taken forward to the CSIRO Executive Team for acceptance and implementation.



## Our Team

The main office of the Association is in Melbourne at the CPSU Office, 11/575 Bourke Street, Melbourne 3000.

The Section Secretary position is salaried. Dr Pauline Gallagher held this office together with the office of Science Division Secretary until 31 December 2006. Prior to that date the Association paid for 0.66 of the combined secretariats.

At 30 June 2006, the Association employed 5.2 effective full time (EFT) organiser positions, 1 EFT research officer and 2.2 EFT administrative staff. Staff not located in Melbourne work out of the CPSU offices in each capital city or centre.

<b>Research Officer</b>	<b>Location</b>	<b>Responsibility</b>
Sam Popovski	ACT	Science Policy
<b>Organiser</b>		
April Byrne	Melbourne	QLD (and NA in Peter Vesely's absence)
Rod Drinkwater	ACT	ACT and Southern NSW
Ben Jones	Sydney	NSW
Peter Vesely	Townsville	Northern Australia 1 day/week (on unpaid leave of absence from January 2006)
Ian Treloar	Adelaide	SA and WA
Nathan Oakes	Melbourne	VIC and TAS
<b>Office staff</b>		
Mary Anne Macko	Finance and Administration	4 days/week (on extended leave from February 2006)
Lorna Craig	Membership and Administration	fulltime
Mihkel Keays	Finance	2 days/week (temporary replacement for Ms Macko)

With the exception of Peter Vesely's position in Townsville, the Association's organising staff no longer have allocations to other teams in the CPSU. This change was a consequence of the CPSU's restructure in the second half of 2005 that dissolved the divisional structure.

## Financial Changes of Note in 05/06

The Association returned an operating surplus for the year of \$65,750. This was a good outcome for the year even though it was down on the 04/05 year by \$145,849.

The Association's income increased by \$33,523 on the previous year. This was due to:

- i) adjustment to normal subscriptions of \$17,727 with the CSIRO 4% pay rise effective from 13 November 2005;
- ii) increase in investment income of \$7,786;
- iii) increase in interest from term deposits of \$8,010.

Overall expenditure on salaries and related increased significantly, up by \$165,055 this year from the 04/05 year. This was due to:

- i) The appointment of a full-time research officer to build the Associations capacity in science policy and advocacy for government science;
- ii) The shift of secretary and organiser allocations to full-time with the Association, following the CPSU restructure in 2005;
- iii) An increase in office staff to cover absences and upgrade the Association's administrative protocols and records management. Ms Aspa Papas, who was employed with the Association from 6 March 2006 in this new Organising Support function resigned on 2 June 2006;
- iv) Associated increase in recruitment costs.

The Council had determined that the Research Officer position should be funded by reserves. The cost of the appointment, however, did not exceed income available during the year although it reduced the operating surplus significantly.

The cost of Council meetings increased by \$13,477 over the previous year. The 04/05 expenditure on this item had been slightly reduced due to cost sharing with an EAWG meeting. This year, expenditure on airfares was higher because two of the three Council meetings were held outside of Melbourne: the meeting in Perth involved more extensive travel for most of the Council and staff; and the meeting in Hobart included additional representatives from each Sub Section Delegates Committee for the Council Planning.

Expenditure on site visits was reduced by \$9,147 due to changed activities during the enterprise bargaining campaign. This is anticipated to increase again in coming years.

Our legal costs increased by \$6,176, reflecting an increased need for legal advice under the Government's IR reform agenda as well as legal services to pursue the specified term employment dispute against CSIRO.

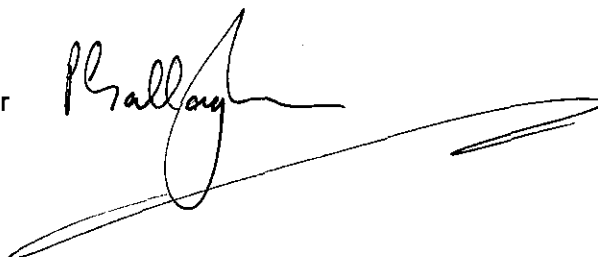
### **Statement on Superannuation Trustees**

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 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.

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  
3 October 2006

A handwritten signature in black ink, appearing to read 'P. Gallagher', is written over a long, horizontal, slightly wavy line that serves as a signature line.

## CSIRO STAFF ASSOCIATION

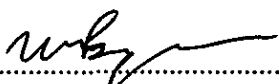
### COMMITTEE OF MANAGEMENT CERTIFICATE

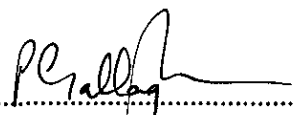
On *4 October 2006* the Committee of Management of CSIRO Staff Association passed the following resolution in relation to the general purpose financial report of the reporting unit for the financial year ended 30 June 2006:

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**  
Section Secretary

Dated this *5<sup>th</sup>* day of *October*, 2006.

**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 2006 is set out on pages 4 to 22.

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, RAO Schedule, RAO Regulations 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, RAO Schedule, RAO Regulations 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**

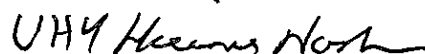
In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

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

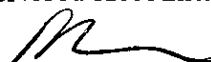
**Audit Opinion**

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, RAO Schedule, RAO Regulations 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 2006; 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.



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



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

Dated this 5<sup>TH</sup> day of OCTOBER, 2006.

**CSIRO STAFF ASSOCIATION**  
**INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2006 \$	2005 \$
Revenue	4	1,162,210	1,128,687
Other Expenses		<u>1,096,460</u>	<u>917,088</u>
PROFIT/(LOSS) BEFORE INCOME TAX		65,750	211,599
INCOME TAX EXPENSE	1(a)	<u>-</u>	<u>-</u>
PROFIT/(LOSS) AFTER INCOME TAX	6	<u>65,750</u>	<u>211,599</u>

The accompanying notes form part of this financial report.

## CSIRO STAFF ASSOCIATION

### BALANCE SHEET AS AT 30 JUNE 2006

	Note	2006 \$	2005 \$
<b>EQUITY</b>			
Accumulated Funds		1,427,815	1,362,065
Reserves		<u>160,525</u>	<u>73,561</u>
<b>TOTAL EQUITY</b>		<u><b>1,588,340</b></u>	<u><b>1,435,626</b></u>
Represented by:			
<b>CURRENT ASSETS</b>			
Cash & Cash Equivalents	8	976,904	893,650
Receivables	9	12,307	11,906
Financial Assets	10	799,884	668,874
Other	11	<u>2,662</u>	<u>2,591</u>
<b>TOTAL CURRENT ASSETS</b>		<u><b>1,791,757</b></u>	<u><b>1,577,021</b></u>
<b>NON-CURRENT ASSETS</b>			
Plant & Equipment	12	<u>22,798</u>	<u>36,037</u>
<b>TOTAL ASSETS</b>		<u><b>1,814,555</b></u>	<u><b>1,613,058</b></u>
<b>CURRENT LIABILITIES</b>			
Payables	13	145,329	119,560
Provisions	14	<u>80,886</u>	<u>57,872</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u><b>226,215</b></u>	<u><b>177,432</b></u>
<b>TOTAL LIABILITIES</b>		<u><b>226,215</b></u>	<u><b>177,432</b></u>
<b>NET ASSETS</b>		<u><b>1,588,340</b></u>	<u><b>1,435,626</b></u>

The accompanying notes form part of this financial report.

**CSIRO STAFF ASSOCIATION**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2006**

	<b>Accumulated Funds</b>	<b>Available-for-Sale Financial Instruments Gain Reserve</b>	<b>Total</b>
	\$	\$	\$
<b>Balance at 1 July 2004</b>	<b>1,150,466</b>	-	<b>1,150,466</b>
Profit/(Loss) for the year	211,599	-	211,599
Adjustment to opening Available-for-Sale Financial Instruments Gain Reserve on first time adoption of Australian Equivalents to International Reporting Standards	-	29,750	29,750
Available-for-sale financial assets valuation gains/(losses) taken to equity	<u>-</u>	<u>43,811</u>	<u>43,811</u>
<b>Balance at 30 June 2005</b>	<b>1,362,065</b>	<b>73,561</b>	<b>1,435,626</b>
Profit/(Loss) for the year	65,750	-	65,750
Available-for-sale financial assets valuation gains/(losses) taken to equity	<u>-</u>	<u>86,964</u>	<u>86,964</u>
<b>Balance at 30 June 2006</b>	<b><u>1,427,815</u></b>	<b><u>160,525</u></b>	<b><u>1,588,340</u></b>

The accompanying notes form part of this financial report.



**CSIRO STAFF ASSOCIATION**  
**STATEMENT OF INCOME AND EXPENDITURE**  
**FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2006 \$	2005 \$
<b>INCOME</b>			
Membership Subscriptions		1,059,040	1,041,313
Interest Received		49,569	41,559
Investment Income		<u>53,601</u>	<u>45,815</u>
		<u>1,162,210</u>	<u>1,128,687</u>
<b>EXPENDITURE</b>			
<b>Salaries and Related Expenditure</b>			
Elected Officials		66,067	53,568
Industrial & Administrative Staff		<u>437,482</u>	<u>361,301</u>
<i>Total Salaries</i>		<i>503,549</i>	<i>414,869</i>
Payroll Tax		28,186	22,463
Workers Compensation Insurance		11,764	9,545
Superannuation		78,307	55,767
Staff Amenities & Training		13,769	4,854
Secondment		-	4,936
Provision for Annual Leave		13,814	(236)
Provision for Long Service Leave		39,761	6,534
Casual Staff & Consultancy		-	11,993
Relocation Costs		2,000	-
Recruitment		<u>7,918</u>	<u>3,288</u>
Total Salaries & Related Expenditure		699,068	534,013
<b>Administrative &amp; Equipment Overheads</b>			
Accounting & Audit Fees		6,760	6,300
Amortisation		7,373	7,373
Bank Charges		908	1,354
Cleaning		-	1,687
Depreciation		6,872	3,384
Electricity		3,600	3,573
Furniture & Computer Equipment (less than \$1,000)		373	1,539
Investment Management Fees		6,697	7,624
Interest Paid		130	-
National Office Charge		74,133	72,892
Postage & Freight		11,005	12,916
Printing & Stationary		19,953	12,694
Rent & Outgoings		73,869	55,617
Sundry Expenses		1,352	9,223
Telephone		29,292	27,597
Website Service Agreement		<u>176</u>	<u>164</u>
Total Administrative & Equipment Overheads		242,493	223,937

The accompanying notes form part of this financial report.

**CSIRO STAFF ASSOCIATION**  
**STATEMENT OF INCOME AND EXPENDITURE**  
**FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2006 \$	2005 \$
<b>EXPENDITURE <i>continued</i></b>			
<b>Industrial Expenditure</b>			
Affiliation Fees	1(g)	4,167	4,087
Cabcharge		18,257	14,807
Council Meeting Expenses		54,708	41,231
CSIRO Consultative Council		1,394	101
Donations	1(h)	50	11,000
Enterprise Bargaining Agreement		9,981	16,126
FASTS Board Meetings		1,607	771
Focus Groups		-	15,319
Industrial Support & Representation		1,352	4,224
Legal Costs		10,392	4,216
Library & Publications		5,052	3,459
Membership Expenses		-	349
Occupational Health & Safety		5,308	508
Presidential Expenses		434	-
Promotions & Merchandising		3,582	-
PSU Matters		-	318
Research Policy Committee		2,952	853
Research Support Service		3,393	-
Science Meets Parliament		3,814	4,412
Scholarship Awards		3,000	-
Site Visits		11,000	20,147
Sub-Section Activities		3,925	4,987
Term Contract Expenses		2,184	6,898
Training & Conferences		2,974	4,016
Travelling Expenses		4,352	1,309
YRAW Campaign		1,021	-
Total Industrial Expenditure		<u>154,899</u>	<u>159,138</u>
Total Expenditure		<u>1,096,460</u>	<u>917,088</u>
<b>OPERATING SURPLUS/(DEFICIT) FOR YEAR</b>		<u>65,750</u>	<u>211,599</u>

The accompanying notes form part of this financial report.

**CSIRO STAFF ASSOCIATION**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2006 \$	2005 \$
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>			
Membership Subscriptions		1,165,758	1,145,444
Interest Received		43,649	40,858
Payments to Suppliers & Employees		(225,349)	(238,532)
Payments to CPSU National Office		<u>(899,797)</u>	<u>(785,194)</u>
Net Cash Provided by Operating Activities	16 (b)	<u>84,261</u>	<u>162,576</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payment for Office Furniture and Equipment		<u>(1,007)</u>	<u>(23,086)</u>
Net Cash Used in Investing Activities		<u>(1,007)</u>	<u>(23,086)</u>
Net Increase in cash held		83,254	139,490
Cash & Cash Equivalents at Beginning of Year		<u>893,650</u>	<u>754,160</u>
Cash & Cash Equivalents at End of Year	16 (a)	<u><u>976,904</u></u>	<u><u>893,650</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 2006**

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

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, the Reporting Guidelines of the Industrial Registrar and other mandatory professional reporting requirements in Australia. The financial report complies with all Australian equivalents to International Financial Reporting Standards in their entirety.

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

**Basis of Preparation**

*First-time Adoption of Australian Equivalents to International Financial Reporting Standards*

The financial report has been prepared in accordance with the Australian equivalents to International Financial Reporting Standards (IFRS) from 1 January 2005. The changes resulting from the introduction of Australian equivalents to International Financial Reporting Standards (IFRS) relate only to disclosure requirements and do not affect the value of amounts reported in the financial statements.

In accordance with the requirements of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments resulting from the introduction of IFRS have been applied retrospectively to 2005 comparative figures excluding cases where optional exemptions available under AASB 1 have been applied. These accounts are the first financial statements of the Association to be prepared in accordance with Australian equivalents to IFRS.

The accounting policies set out below have been consistently applied to both years presented.

*Reporting Basis and Conventions*

The financial report has been prepared on an accruals basis using 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.

**Accounting Policies**

**(a) 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.

**CSIRO STAFF ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

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

**(b) Plant & Equipment**

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

**Plant and Equipment**

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

**Depreciation**

The depreciable amount of all fixed assets including property, but excluding artworks, are depreciated on a straight line or diminishing value basis over their useful lives to the entity commencing from the time the asset is held ready for use.

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

Leasehold Improvements	16.7%
Furniture & Equipment	20-40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

**(c) Financial Assets**

Investments classified as available for sale are measured at fair value. Gains or losses on these investments are recognised directly to equity in a net unrealised gain reserve until the investment is sold or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity for that asset is included in the Income Statement.

**(d) Impairment of Assets**

At each reporting date, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Income Statement.

**CSIRO STAFF ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

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

**(e) Employee Benefits**

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

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.

**Measurement of short-term and long-term employee benefits**

Short-term employee benefits are those benefits that are expected to be settled within 12 months, and are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. They include wages and salaries, annual leave and long service leave that are expected to be settled within 12 months.

Long-term employee benefits are those benefits that are not expected to be settled within 12 months, and are measured at the present value of the estimated future cash outflows to be made by the entity in respect to services provided by employees up to the reporting date. They include long service leave not expected to be settled within 12 months.

The present value of long-term employee benefits is calculated in accordance with AASB 119: Employee Benefits. Long-term employee benefits are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on national Government guaranteed securities with terms to maturity that match, as closely as possible, the estimate future cash outflows.

**Classification of employee benefits as current and non-current liabilities**

Employee benefit provisions are reported as current liabilities where the entity does not have an unconditional right to defer settlement for at least 12 months. Employee benefit provisions that are reported as non-current liabilities include long term benefits that do not qualify for recognition as a current liability, and are measured at present value.

**Superannuation**

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

**CSIRO STAFF ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

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

**(f) 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.

**(g) Comparative Figures**

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

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

**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 2006

#### 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 -	Steve McEvoy ( <i>Elected 1 January 2006</i> ) Christiane Ludwig Warren Hicks ( <i>Term of Office ended 31 December 2005</i> )
Section Secretary -	Pauline Gallagher
Section Treasurer	Russell Marnock

#### Committee of Management-

ACT	- Eric Hines
NA	- Garry Rabbett
SA	- ILma Lo Lacono ( <i>Elected 1 January 2006</i> ) - Ben Scherer ( <i>Term of Office ended 31 December 2005</i> )
VIC	- Greg Short
NSW	- Philip Hendry ( <i>Elected 1 January 2006</i> ) - Steve McEvoy ( <i>Term of Office ended 31 December 2005</i> )
QLD	- Ian McLeod ( <i>Elected 1 January 2006</i> ) - Merle Thomas ( <i>Term of Office ended 31 December 2005</i> )
TAS	- Neil White
WA	- Suzy Rea ( <i>Elected 1 January 2006</i> ) - Anthony Schlink ( <i>Term of Office ended 31 December 2005</i> )

- (b) Key Management Personnel

Key Management Personnel includes only the members of the Committee of Management named above.

- (c) Key Management Personnel Compensation

	Total	Short-term Employee Benefits	Post- Employment Benefits	Other Long-term Benefits	Termination Benefits	Share Based Payment
	\$	\$	\$	\$	\$	\$
<b>2006</b>						
Total Compensation	105,582	87,595	-	17,987	-	-
<b>2005</b>						
Total Compensation	54,351	60,531	-	(6,180)	-	-

- (d) 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.
- (e) Transactions between the Council and the Section were conducted on normal commercial terms in respect of membership fees and reimbursements.



**CSIRO STAFF ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

**NOTE 4: EMPLOYEE BENEFITS**

**Year Ended 30 June 2006:**

	<b>Elected Officials \$</b>	<b>Administrative &amp; Industrial Staff \$</b>	<b>Total \$</b>
Employee benefits paid to employees during the year:			
Wages & Salaries	\$ 71,483	\$ 442,193	\$ 513,676
Annual Leave and Sick Leave	\$ 5,279	\$ 47,959	\$ 53,238
Long Service Leave (Refer Note 1(c))	\$ -	\$ 1,613	\$ 1,613
Superannuation	\$ 16,112	\$ 62,196	\$ 78,308
Employee benefits paid to the CPSU National Office in respect to employees during the year (Refer Note 1(c)):			
Long Service Leave	\$ 10,181	\$ 19,764	\$ 29,945

**Year Ended 30 June 2005:**

	<b>Elected Officials \$</b>	<b>Administrative &amp; Industrial Staff \$</b>	<b>Total \$</b>
Employee benefits paid to employees during the year:			
Wages & Salaries	\$ 50,371	\$ 326,524	\$ 376,895
Annual Leave and Sick Leave	\$ 3,196	\$ 43,893	\$ 47,089
Long Service Leave (Refer Note 1(c))	\$ -	\$ -	\$ -
Superannuation	\$ 6,964	\$ 48,803	\$ 55,767
Employee benefits paid to the CPSU National Office in respect to employees during the year (Refer Note 1(c)):			
Long Service Leave	\$ (4,692)	\$ 9,104	\$ 4,412

## CSIRO STAFF ASSOCIATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

	2006 \$	2005 \$
<b>NOTE 5: REVENUE</b>		
Operating activities:-		
- Contributions Received	1,059,040	1,041,313
- Interest (other persons/corporations)	49,569	41,559
- Investment Income	<u>53,601</u>	<u>45,815</u>
Total Revenue	<u>1,162,210</u>	<u>1,128,687</u>

### NOTE 6: PROFIT FROM ORDINARY ACTIVITIES

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	6,872	3,384
Amounts set aside to Provisions:		
- Long Service Leave	9,320	2,122
- Annual Leave	13,814	(236)

### NOTE 7: AUDITING EXPENSES

Amounts receivable or due and receivable by the auditors in respect of:

Auditing the financial report	4,750	4,400
Other services	<u>2,010</u>	<u>1,900</u>
	<u>6,760</u>	<u>6,300</u>

Other services provided by the Auditor are in the nature of other audit procedures, taxation advice and assistance with accounting disclosure.

The auditors do not receive any other benefit from the School

**CSIRO STAFF ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

	2006 \$	2005 \$
<b>NOTE 8: CASH &amp; CASH EQUIVALENTS</b>		
Cash on Hand	500	450
Cash Held at Call with Credit Unions:		
Cash with Members Australia Credit Union	129,117	151,035
Cash with Laboratories Credit Union	107,328	36,065
Cash with Credit Unions - Sub Sections	1,303	1,301
Cash on Deposit with Credit Unions:		
Deposits with Members Australia Credit Union	191,923	180,723
Deposits with Laboratories Credit Union	<u>546,733</u>	<u>524,076</u>
	<u>976,904</u>	<u>893,650</u>
 <b>NOTE 9: RECEIVABLES</b>		
CPSU National Office	-	967
Sundry Debtors	26	4,578
Accrued Interest	<u>12,281</u>	<u>6,361</u>
	<u>12,307</u>	<u>11,906</u>
 <b>NOTE 10: FINANCIAL ASSETS</b>		
Available for Sale Financial Assets:		
Shares in Members Australia Credit Union	10	10
Managed Funds Investment	<u>799,874</u>	<u>668,864</u>
	<u>799,884</u>	<u>668,874</u>

## CSIRO STAFF ASSOCIATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

	2006 \$	2005 \$
<b>NOTE 11: OTHER ASSETS</b>		
Prepayments	<u>2,662</u>	<u>2,591</u>
	<u>2,662</u>	<u>2,591</u>
 <b>NOTE 12: PLANT &amp; EQUIPMENT</b>		
Leasehold Improvements	44,240	44,240
Less: Accumulated Amortisation	<u>(33,180)</u>	<u>(25,806)</u>
	<u>11,060</u>	<u>18,434</u>
Office Furniture & Equipment	60,671	59,664
Less: Accumulated Depreciation	<u>(48,933)</u>	<u>(42,061)</u>
	<u>11,738</u>	<u>17,603</u>
	<u>22,798</u>	<u>36,037</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
<b>Year Ended 30 June 2006:</b>			
Balance at the beginning of year	\$ 18,434	\$ 17,603	\$ 36,037
Additions		1,006	1,006
Disposals	-	-	-
Depreciation/Amortisation	<u>(7,373)</u>	<u>(6,872)</u>	<u>(14,245)</u>
Carrying amount at end of year	<u>\$ 11,061</u>	<u>\$ 11,737</u>	<u>\$ 22,798</u>
 <b>Year Ended 30 June 2005:</b>			
Balance at the beginning of year	\$ 25,807	\$ -	\$ 25,807
Additions	-	20,987	20,987
Disposals	-	-	-
Depreciation/Amortisation	<u>(7,373)</u>	<u>(3,384)</u>	<u>(10,757)</u>
Carrying amount at end of year	<u>\$ 18,434</u>	<u>\$ 17,603</u>	<u>\$ 36,037</u>

## CSIRO STAFF ASSOCIATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

	2006 \$	2005 \$
<b>NOTE 13: ACCOUNTS PAYABLE</b>		
CPSU National Office	63,870	77,642
Sundry Creditors	<u>81,459</u>	<u>41,918</u>
	<u>145,329</u>	<u>119,560</u>
 <b>NOTE 14: PROVISIONS</b>		
<b>Current</b>		
Employee Benefits - short term benefits at nominal value:		
Provision for Annual Leave	58,486	44,672
Provision for Long Service Leave Oncosts	<u>22,400</u>	<u>13,200</u>
	<u>80,886</u>	<u>57,872</u>
 (a) Provision for Annual Leave in respect to:		
Elected Officials	19,292	20,324
Administrative and Industrial Staff	<u>39,194</u>	<u>24,348</u>
	<u>58,486</u>	<u>44,672</u>
 (b) Provision for Long Service Leave Oncosts in respect to:		
Elected Officials	9,044	3,538
Administrative and Industrial Staff	<u>13,356</u>	<u>9,662</u>
	<u>22,400</u>	<u>13,200</u>

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

#### **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	56,937	32,642
- later than one year but not later than five years	<u>29,163</u>	<u>51,831</u>
	<u>86,100</u>	<u>84,473</u>

**CSIRO STAFF ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

**2006**            **2005**  
**\$**                    **\$**

**NOTE 16: CASH FLOW INFORMATION**

**(a) Reconciliation of Cash & Cash Equivalents**

For the purposes of the Cash Flow Statement, cash includes cash on hand and cash held at call and on deposit with financial institutions.

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

Cash on Hand	500	450
Cash Held at Call with Credit Unions	237,748	188,401
Cash on Deposits with Credit Unions	<u>738,656</u>	<u>704,799</u>
	<u>976,904</u>	<u>893,650</u>

**(b) Reconciliation of Net Cash Provided by Operating Activities to Operating Profit**

Operating profit/(loss) for year	65,750	211,599
Non-cash flows in operating profit		
Depreciation	6,872	3,384
Amortisation	7,373	7,373
Changes in assets and liabilities		
(Increase)/Decrease in Receivables	(401)	(216)
(Increase)/Decrease in Other Assets	(71)	(1,140)
(Increase)/Decrease in Other Financial Assets	(44,045)	(37,684)
Increase/(Decrease) in Accounts Payable	25,768	(22,624)
Increase/(Decrease) in Employee Provisions	<u>23,015</u>	<u>1,884</u>
Net Cash Provided by/(Used in) Operating Activities	<u>84,261</u>	<u>162,576</u>

**(c) Financing Facilities**

The Section has no overdraft facilities.

**CSIRO STAFF ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

2006  
\$                      2005  
\$

**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>	
	2006	2005	2006	2005	2006	2005
(i) Financial assets						
Cash and Bank deposits	500	450	237,748	188,401	738,656	704,799
Other Financial Assets	574,734	452,597	37,097	73,868	188,053	142,399
Receivables	<u>12,307</u>	<u>11,906</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total financial assets	<u>587,541</u>	<u>464,953</u>	<u>274,845</u>	<u>262,269</u>	<u>926,709</u>	<u>847,198</u>
(ii) Financial liabilities						
Accounts Payable	<u>145,329</u>	<u>119,560</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total financial liabilities	<u>145,329</u>	<u>119,560</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(iii) Weighted average interest rate of financial assets and liabilities above						
Cash and Bank					3.97%	3.58%
Deposits					5.54%	5.39%
Other Financial Assets					5.20%	5.68%

**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 2006.

**17(e) Liquidity Risk**

The Section manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash funds are maintained.

## CSIRO STAFF ASSOCIATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
	\$	\$

#### NOTE 18: IMPACT OF ADOPTION OF AIFRS

The impacts of adopting AIFRS on the total assets and equity as reported under previous Australian Generally Accepted Accounting Principles (AGAAP) are illustrated below.

	30 June 2005	1 July 2004
<b>(a) Reconciliation of Total Assets as presented under previous AGAAP to that under AIFRS:</b>		
Total assets under previous AGAAP	1,539,497	1,350,738
Recognition of deferred gain on available-for-sale financial assets (i)	<u>73,561</u>	<u>29,750</u>
Total assets under AIFRS	<u><u>1,613,058</u></u>	<u><u>1,380,488</u></u>
<b>(b) Reconciliation of Total Equity as presented under previous AGAAP to that under AIFRS:</b>		
Total equity under previous AGAAP	1,362,065	1,150,466
<i>Adjustments to Other Reserves:</i>		
Recognition of deferred gain on available-for-sale financial assets (i)	<u>73,561</u>	<u>29,750</u>
Total equity under AIFRS	<u><u>1,435,626</u></u>	<u><u>1,180,216</u></u>

- (i) Unrealised gains on fair value available-for-sale financial assets are recognised in equity until the asset's disposal, in accordance with AASB 139 "Financial Instruments: Recognition and Measurement". Under AGAAP, these investments were measured at cost with a carrying value of \$595,303 at 30 June 2005.