

16 December 2016

Mr Sam Popovski
Secretary
Community and Public Sector Union – PSU Group, CSIRO Section

By email: sam.popovski@cpsu.org.au



Dear Mr Popovski

Re: Lodgement of Financial Statements and Accounts – Community and Public Sector Union, PSU Group, CSIRO Section - for year ended 30 June 2016 (FR2016/75)

I refer to the financial report for the Community and Public Sector Union, PSU Group, CSIRO Section. The report was lodged with the Fair Work Commission on 12 December 2016.

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

Please note that the financial report for the year ending 30 June 2017 may be subject to an advanced compliance review.¹

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Should you require further information on the financial reporting requirements of the Act, I may be contacted on (02) 6746 3283 or 0429 462 979 or by email at stephen.kellett@fwc.gov.au

Yours sincerely



Stephen Kellett
Senior Adviser
Regulatory Compliance Branch

¹ The full range of disclosure requirements that may apply can be found itemised on the advanced assessment form available at <https://www.fwc.gov.au/documents/documents/organisations/factsheets/org-financial-report-checklist-advanced.pdf>

From: KELLETT, Stephen
Sent: Friday, 16 December 2016 9:14 AM
To: 'Sam.Popovski@cpsu.org.au'
Subject: Financial reporting - CSIRO Section - y/e 30 June 2016 - filing

Dear Mr Popovski

Please see attached my letter in relation to the above.

Yours faithfully

STEPHEN KELLETT
Regulatory Compliance Branch
FAIR WORK COMMISSION

80 William Street
EAST SYDNEY NSW 2011

(ph) (02) 6746 3283
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(email) stephen.kellett@fwc.gov



CPSU CSIR FR2016
75 (primary final).pdf

From: Sam Popovski [<mailto:Sam.Popovski@cpsu.org.au>]

Sent: Monday, 12 December 2016 11:37 AM

To: Orgs

Subject: On CMS FR2016/75 Lodgement of Full Financial Report, CSIRO Section, Community and Public Sector Union, PSU Group

Dear FWC,

Please find attached the following documents:

1. Certificate of Secretary of CSIRO Staff Association (CSIRO Section, Community and Public Sector Union, PSU Group);
2. Financial Statements 2015-16 of CSIRO Staff Association; and
3. Operating Report 2015-16 of CSIRO Staff Association.

The documents constitute the lodgement of the full financial report as per the requirements of the *RO Act*.

Yours sincerely,
Sam.

Sam Popovski | Secretary | CSIRO Staff Association (CSIRO Section of the CPSU) | Mobile 0417 474 163 | Phone 03 8620 6348 | sam.popovski@cpsu.org.au | www.cpsu-csiro.org.au |

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.

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CSIRO SA Operating Report 2015-16.pdf



CSIRO SA financial statement 2016 - Sig1Section CPSU s.268 F



Certificate CSIRO

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Australia
Phone: +613 8620 6348
Fax: +613 8620 6347
Email: csstaff@cpsu.org.au
Web: www.cpsu-csiro.org.au

A section of the Community and Public Sector Union



Certificate of Secretary

Lodged in accordance with s268 of the Fair Work (Registered Organisations) Act 2009

I, SAM POPOVSKI, being SECTION SECRETARY of the CSIRO SECTION of the COMMUNITY AND PUBLIC SECTOR UNION (CPSU), 10TH FLOOR, 440 COLLINS STREET, MELBOURNE VIC 3000 (also known as the CSIRO Staff Association), certify that the Full Report, comprising the audited financial statements and operating report for the year ending 30 June 2016, was made available to all members of the Section on 14 November 2016.

The Full Report was made available on the CSIRO Staff Association website and all members were contacted by email to advise of the availability of the Full Report on the website.

The Committee of Management, the CSIRO Staff Association Council, voted to accept the Full Report, through formal motion, on 7 November 2016. A general meeting of members, held at the CSIRO Aspendale site in Victoria on 8 December 2016, accepted the Full Report.

Please find enclosed a copy of the Full Report of the CSIRO Section of the CPSU (CSIRO Staff Association) that was provided to members of the Section on 14 November 2016 and accepted by a general meeting of members on 8 December 2016.



Sam Popovski
Section Secretary

12 December 2016

CSIRO STAFF ASSOCIATION

COMMITTEE OF MANAGEMENT CERTIFICATE

On the 7th day of November 2016, the Committee of Management of CSIRO Staff Association passed the following resolution in relation to the general purpose financial report for the financial year ended 30 June 2016:

The Committee of Management declares that in its opinion:


- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the Reporting Guidelines of the General Manager of the Fair Work Commission (General Manager) and other requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the general purpose financial report relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting units have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request of a member of the reporting unit or the General Manager duly made under section 272 of the RO Act has been provided to the member or the General Manager; and
 - (vi) where any order for inspection of financial records made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) where the reporting unit has not derived revenue from undertaking recovery of wages activity, include the statement 'no revenue has been derived from undertaking recovery of wages activity during the reporting period' or
- (g) where the reporting unit has derived revenue from undertaking recovery of wages activity:
 - (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the General Manager; and
 - (ii) the committee of management caused the auditor to include in the scope of the audit required under section 257(1) of the RO Act all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and

CSIRO STAFF ASSOCIATION

COMMITTEE OF MANAGEMENT CERTIFICATE

- (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
- (iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursed of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
- (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

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


.....
MICHAEL BORGAS
Section President


.....
SAM POPOVSKI
Section Secretary

Dated this: 7th day of November, 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CSIRO STAFF ASSOCIATION

Report on the Financial Report

We have audited the accompanying financial report of CSIRO Staff Association which comprises the Statement of Financial Position at 30 June 2016, the Statement of Comprehensive Income, Statement of Recognised Income and Expense, Statement of Cash Flows and Statement of Receipts and Payments for Recovery of Wages Activity for the year then ended, notes comprising a summary of significant accounting policies, other explanatory information and the Committee of Management Statement.

Committee of Management's responsibility for the Financial Report

The Committee of Management are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations), the Reporting Guidelines of the General Manager of the Fair Work Commission and any other requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009. This responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Audit Responsibility

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

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

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

Independence

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE CSIRO STAFF ASSOCIATION

Audit Opinion

In our opinion, under section 257(5) of the Fair Work (Registered Organisations) Act 2009, the general purpose financial report of CSIRO Staff Association for the year ended 30 June 2016 is presented fairly in accordance with any of the following that apply in relation to the reporting unit:

- (a) the Australian Accounting Standards;
- (b) in relation to recovery of wages activity;
 - (i) that the scope of the audit encompassed recovery of wages activity;
 - (ii) that the financial statements and notes and recovery of wages activity financial report properly and fairly report all information required by the reporting guidelines of the General Manager of the Fair Work Commission, including;
 - 1. any fees charged to or reimbursements of expenses claimed from members and others for recovery of wages activity; and
 - 2. any donations or other contributions deducted from recovered money; and
- (c) any other requirements imposed by these Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

Going Concern

The auditor declares that as part of the audit of the financial statements, it was concluded that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of the CSIRO Staff Association for the year ended 30 June 2016 included on the CSIRO Staff Association's website. The organisation's Committee of Management are responsible for the integrity of the CSIRO Staff Association's website. We have not been engaged to report on the integrity of the CSIRO Staff Association's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

Approved Auditor

The auditor declares that he is an approved auditor who is a member of The Institute of Chartered Accountants in Australia and holds a current Public Practice Certificate.


McLean Delmo Bentleys Audit Pty Ltd


A.G. Roberts
Registered Company Auditor

Dated this 14th day of November, 2016.

CSIRO STAFF ASSOCIATION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
Revenue	5	1,448,675	1,378,549
Expenses	6	(1,519,504)	(1,544,218)
Impairment of Investments	1(d), 6, 10(a)	<u>-</u>	<u>(3,987)</u>
Profit/(loss) before income tax		(70,829)	(169,656)
Income tax expense	1(a)	<u>-</u>	<u>-</u>
Profit/(loss) for the year		(70,829)	(169,656)
 Other comprehensive income:			
Net gain/(loss) on revaluation of financial assets		<u>33,741</u>	<u>(75,751)</u>
Other comprehensive income for the year, net of tax		<u>33,741</u>	<u>(75,751)</u>
Total comprehensive income for the year		<u><u>(37,088)</u></u>	<u><u>(245,407)</u></u>

The accompanying notes form part of this financial report.

CSIRO STAFF ASSOCIATION
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	2016 \$	2015 \$
EQUITY			
Accumulated Funds		1,291,109	1,361,938
Reserves		<u>54,362</u>	<u>20,621</u>
TOTAL EQUITY		<u>1,345,471</u>	<u>1,382,559</u>
Represented by:			
CURRENT ASSETS			
Cash & Cash Equivalents	8	757,163	1,108,990
Receivables	9	17,492	27,301
Financial Assets	10	813,799	708,067
Other	11	<u>-</u>	<u>3,448</u>
TOTAL CURRENT ASSETS		<u>1,588,454</u>	<u>1,847,806</u>
NON-CURRENT ASSETS			
Plant & Equipment	12	<u>2,264</u>	<u>1,896</u>
TOTAL ASSETS		<u>1,590,718</u>	<u>1,849,702</u>
CURRENT LIABILITIES			
Payables	13	125,996	301,594
Other Liabilities	14	-	44,923
Provisions	15	<u>119,251</u>	<u>120,626</u>
TOTAL CURRENT LIABILITIES		<u>245,247</u>	<u>467,143</u>
TOTAL LIABILITIES		<u>245,247</u>	<u>467,143</u>
NET ASSETS		<u>1,345,471</u>	<u>1,382,559</u>

The accompanying notes form part of this financial report.

CSIRO STAFF ASSOCIATION

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

Total	Accumulated Funds	Available-for-Sale Financial Instruments Reserve	
	\$	\$	\$
Balance at 30 June 2014	1,531,594	96,372	1,627,966
Profit / (Loss) for the year	(169,656)	-	(169,656)
Total other comprehensive income for the year	<u>-</u>	<u>(75,751)</u>	<u>(75,751)</u>
Balance at 30 June 2015	1,361,938	20,621	1,382,559
Profit / (Loss) for the year	(70,829)	-	(70,829)
Total other comprehensive income for the year	<u>-</u>	<u>33,741</u>	<u>33,741</u>
Balance at 30 June 2016	<u>1,291,109</u>	<u>54,362</u>	<u>1,345,471</u>

The accompanying notes form part of this financial report.

CSIRO STAFF ASSOCIATION
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
INCOME			
Membership Subscriptions		1,343,971	1,237,388
Interest Received		29,421	53,606
Sundry Income		3,292	618
Investment Income		<u>71,991</u>	<u>86,937</u>
		<u>1,448,675</u>	<u>1,378,549</u>
EXPENDITURE			
Salaries and Related Expenditure			
Elected Officials		114,770	113,333
Industrial & Administrative Staff		<u>715,625</u>	<u>702,570</u>
<i>Total Salaries</i>		<i>830,395</i>	<i>815,903</i>
Payroll Tax		50,108	48,961
Workers Compensation Insurance		9,429	9,640
Superannuation		152,963	152,081
Staff Amenities & Training		1,557	7,101
Career Transition Expense		463	965
Annual Leave Provided		(699)	20,268
Long Service Leave Provided & Paid		<u>2,588</u>	<u>29,133</u>
Total Salaries & Related Expenditure		1,046,804	1,084,052
Administrative & Equipment Overheads			
Accounting & Audit Fees		11,900	11,500
Bank Charges		581	558
Depreciation		1,086	258
Electricity		5,379	6,778
Furniture & Computer Equipment (less than \$1,000)		2,769	469
Impairment of Investments		-	3,987
Loss on Disposal of Equipment		-	125
Management Fee - CPSU - PSU Group		94,078	86,617
Postage & Freight		1,548	1,045
Printing & Stationary		20,820	17,098
Rent & Outgoings		134,411	125,800
Sundry Expenses		10,336	11,130
Telephone		21,143	20,971
Website Service Agreement		<u>2,439</u>	<u>1,285</u>
Total Administrative & Equipment Overheads		306,490	287,621

The accompanying notes form part of this financial report.

CSIRO STAFF ASSOCIATION
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
EXPENDITURE <i>continued</i>			
Industrial Expenditure			
Affiliation Fees	1(h)	29,662	32,636
Carbon Offset		-	380
Cabcharge		780	1,139
Council & Executive Meeting Expenses		31,932	47,022
CSIRO Consultative Council		833	144
Donations		-	-
Enterprise Bargaining Agreement		6,073	16,610
Science & Technology Australia Board Meetings		1,230	250
Legal Fees		6,380	-
Levies		5,088	5,438
National Campaigns, Events & Meetings		3,952	3,350
Promotions & Merchandising		14,030	2,092
CPSU Matters		722	636
Research Policy Committee		14,638	12,843
Science Meets Parliament		8,457	9,684
Scholarship Awards		3,500	1,000
Site Visits		36,039	39,764
Sub-Section Activities		709	1,000
Training & Conferences		-	851
Travelling Expenses		2,185	1,693
Total Industrial Expenditure		<u>166,210</u>	<u>176,532</u>
Total Expenditure		<u>1,519,504</u>	<u>1,548,205</u>
NET PROFIT/(LOSS)		<u>(70,829)</u>	<u>(169,656)</u>

The accompanying notes form part of this financial report.

CSIRO STAFF ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Membership Subscriptions		1,419,544	1,351,506
Receipts from Other Reporting Units	17 (d)	5,317	8,173
Interest Received		45,026	36,900
Other Income Received		1,937	618
Payments to Suppliers & Employees		(146,948)	(162,753)
Payments to Other Reporting Units	17 (d)	<u>(1,675,249)</u>	<u>(1,496,649)</u>
Net Cash Provided by Operating Activities	17 (b)	<u>(350,373)</u>	<u>(262,205)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for Office Furniture and Equipment		(1,454)	(1,705)
Redemption of Investments		-	4,070
Payment for Investments		<u>-</u>	<u>(300,000)</u>
Net Cash Provided by/(Used in) Investing Activities		<u>(1,454)</u>	<u>(297,635)</u>
Net Increase/(Decrease) in cash held		(351,827)	(559,840)
Cash & Cash Equivalents at Beginning of Year		<u>1,108,990</u>	<u>1,668,830</u>
Cash & Cash Equivalents at End of Year	17 (a)	<u>757,163</u>	<u>1,108,990</u>

The accompanying notes form part of this financial report.

CSIRO STAFF ASSOCIATION

RECOVERY OF WAGES ACTIVITY FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
Cash Assets in respect of recovered money at beginning of the year		-	-
Receipts			
Amounts recovered from employers in respect of wages etc.		-	-
Interest Received on recovered money		-	-
Total Receipts		-	-
Payments			
Deductions of amounts due in respect of membership		-	-
Deductions of donations or other contributions to accounts or funds		-	-
Deductions of fees or reimbursements of expenses		-	-
Payments to workers in respect of recovered money		-	-
Total Payments		-	-
Cash assets in respect of recovered money at the end of the year		-	-
Number of workers to which the monies recovered relates		-	-
Aggregate payables to workers attributable to recovered monies but not yet distributed			
Payable balance		-	-
Number of workers the payable relates to		-	-
Fund or account operated for recovery of wages			
There has been no fund or account operated and no monies invested in any assets in respect to recovery of wages.			

No revenue has been derived from undertaking recovery of wages activity during the reporting period.

The accompanying notes form part of this financial report.

CSIRO STAFF ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

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 (including Australian Accounting Interpretations), the Reporting Guidelines of the General Manager of the Fair Work Commission and any other requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

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

Basis of Preparation

Reporting Basis and Conventions

The financial report, except for the cash flow information, 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.

(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.

CSIRO STAFF ASSOCIATION

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(b) Plant & Equipment *continued*

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

Furniture & Equipment	20-40%
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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 profit and loss.

In respect to available for sale equity securities, impairment losses previously recognised in profit and loss are not reversed through profit and loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated in the Available for Sale Gain/(Loss) Reserve.

(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 profit and loss.

(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 CPSU - PSU Group.

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 CPSU - PSU Group and is expensed in these accounts.

CSIRO STAFF ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(e) Employee Benefits *continued*

Measurement of short-term and long-term employee benefits

Short-term employee benefits are those benefits that are expected to be settled wholly 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 wholly within 12 months.

Long-term employee benefits are those benefits that are not expected to be settled wholly 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 annual leave and long service leave not expected to be wholly 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.

(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) Revenue

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Interest revenue is recognised on an accruals basis.

Revenue arising from the disposal of non-current assets is recognised when the organisation and the buyer are both committed to a contract.

CSIRO STAFF ASSOCIATION

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(h) Affiliation fees and levies

Affiliation fees and levies are recognised on an accruals basis and recorded as an expense in the year to which it relates.

(i) Comparative Figures

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

(j) Fair Value Measurement

The entity measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 21.

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

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

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

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

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

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

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

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

CSIRO STAFF ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

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

(k) New Accounting Standards for Application in Future Periods

The AASB has issued new, revised and amended Standards and Interpretations that have mandatory application dates for future reporting periods and which the company has decided not to early adopt.

The expected impact of these Accounting Standards issued but not yet operative at 30 June 2016 are assessed as having no material impact on this financial report.

NOTE 2: INFORMATION TO BE PROVIDED TO MEMBERS OR THE GENERAL MANAGER OF FAIR WORK AUSTRALIA

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, 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 a reporting unit, or the General Manager of the Fair Work Commission, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

CSIRO STAFF ASSOCIATION

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

NOTE 3: RELATED PARTY INFORMATION

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

Section President -	Michael Borgas
Section Deputy Presidents -	Elizabeth Hulm Sonia Grocke
Section Secretary -	Sam Popovski
Section Treasurer -	Scott Wilkinson

Councillors-	
ACT	- Janet Anstee
NT & North Qld	- Delia Muller
NSW	- Yalchin Oytam
SA	- Ben Scherer
Southern Qld	- Anna Campbell
TAS	- Mark Green
VIC	- Melissa Skidmore
WA	- Patrick Merrigan

(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
	\$	\$	\$	\$	\$	\$
2016						
Total Compensation	136,070	114,770	17,540	3,760	-	-
2015						
Total Compensation	135,811	113,333	17,459	5,019	-	-

(d) 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 2016

NOTE 4: EMPLOYEE BENEFITS

Year Ended 30 June 2016:	Elected Officials \$	Administrative & Industrial Staff \$	Total \$
Employee benefits paid to employees during the year:			
Wages & Salaries	105,133	664,374	769,507
Annual Leave and Sick Leave	9,637	71,251	80,888
Long Service Leave (Refer Note 1(e))	-	-	-
Separation and Redundancies	-	-	-
Other Employee Expenses	-	-	-
Superannuation	17,540	135,423	152,963
Employee benefits paid or payable to the CPSU - PSU Group in respect to employees during the year (Refer Note 1(e)):			
Long Service Leave	3,074	190	3,264
Year Ended 30 June 2015:	Elected Officials \$	Administrative & Industrial Staff \$	Total \$
Employee benefits paid to employees during the year:			
Wages & Salaries	113,333	627,944	741,277
Annual Leave and Sick Leave	-	74,626	74,626
Long Service Leave (Refer Note 1(e))	-	-	-
Separation and Redundancies	-	-	-
Other Employee Expenses	-	-	-
Superannuation	17,549	134,532	152,081
Employee benefits paid or payable to the CPSU - PSU Group in respect to employees during the year (Refer Note 1(e)):			
Long Service Leave	4,104	23,880	27,984

CSIRO STAFF ASSOCIATION

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

	2016	2015
	\$	\$
NOTE 5: REVENUE		
Operating activities:-		
- Subscriptions Received	1,343,971	1,237,388
- Capitation Fees Received	-	-
- Levies Received	-	-
- Grants or Donations Received	-	-
- Financial Support Received	-	-
- Interest (other persons/corporations)	29,421	53,606
- Investment Income	71,991	86,937
- Other Revenue	<u>3,292</u>	<u>618</u>
Total Revenue	<u>1,448,675</u>	<u>1,378,549</u>

NOTE 6: EXPENSES

Depreciation of office furniture and equipment	1,086	258
Impairment of Investments	-	3,987
Loss on Disposal of Equipment	-	125
Amounts set aside to Provisions:		
Long Service Leave	(676)	1,149
Annual Leave	(699)	20,268
Management Fee - CPSU - PSU Group	94,078	86,617
Affiliation Fees:		
Science & Technology Australia	4,600	4,510
The Union Shopper	1,098	2,272
ACTU	8,344	9,900
State Labour Councils	<u>15,620</u>	<u>15,954</u>
Total Affiliation Fees	<u>29,662</u>	<u>32,636</u>

CSIRO STAFF ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
NOTE 6: EXPENSES <i>continued</i>		
Donations and Grants:		
Donations	-	-
Grants - Scholarship Awards	2,000	1,000
Grants - Scholarship Awards > \$1,000	<u>1,500</u>	<u>-</u>
Total Donations and Grants	<u>3,500</u>	<u>1,000</u>

There were no donations paid which exceeded \$1,000 during the year ended 30 June 2016 or 2015.

Consideration paid to employers for payroll deductions	-	-
Compulsory levies		
ACTU Campaign Industrial Levies	5,088	5,438
Fees/allowances - meetings and conferences	722	636
Conference and meeting expenses	46,570	59,865
Legal fees and other expenses related to:		
Litigation	-	-
Other legal matters	6,380	-
Penalties - via RO Act or RO Regulations	-	-
Capitation Fees	-	-

NOTE 7: AUDITING EXPENSES

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

Auditing the financial report	8,150	7,900
Other services	<u>3,750</u>	<u>3,600</u>
	<u>11,900</u>	<u>11,500</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 Section.

CSIRO STAFF ASSOCIATION

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

	2016 \$	2015 \$
NOTE 8: CASH & CASH EQUIVALENTS		
Cash on Hand	790	289
Cash Held at Call:		
Cash with Members and Education Credit Union	134,017	190,664
Cash with Laboratories Credit Union	39,910	12,151
Cash on Deposit:		
Deposits with Members and Education Credit Union	300,000	525,886
Deposits with Laboratories Credit Union	82,445	80,000
Deposits with ME Bank	<u>200,000</u>	<u>300,000</u>
	<u>757,163</u>	<u>1,108,990</u>

NOTE 9: RECEIVABLES

Receivables from other reporting units:		
Receivables from CPSU - PSU Group	2,175	3,047
Less provision for doubtful debts	-	-
Receivables from other reporting units (net)	<u>2,175</u>	<u>3,047</u>
Other Receivables:		
Sundry Debtors	7,357	689
Accrued Interest	<u>7,960</u>	<u>23,565</u>
Total Other Receivables	<u>15,317</u>	<u>24,254</u>
	<u>17,492</u>	<u>27,301</u>

NOTE 10: FINANCIAL ASSETS

Available for Sale Financial Assets:		
Shares in Laboratories Credit Union	10	10
Managed Funds Investments	<u>813,789</u>	<u>708,057</u>
	<u>813,799</u>	<u>708,067</u>

(a) Impairment of Available-for-Sale Financial Instruments

There has been a significant or prolonged decline in the fair value of Available for Sale Financial Instruments resulting in the initial investment amounts being impaired. In accordance with AASB 139 "Financial Instruments: Recognition and Measurement" the Association recorded impairment losses in the income statement as follows:

Current year impairment of investments	<u>-</u>	<u>(3,987)</u>
Net impairment of investments	<u>-</u>	<u>(3,987)</u>

CSIRO STAFF ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
NOTE 11: OTHER ASSETS		
Prepayments	-	3,448
	<u>-</u>	<u>3,448</u>

NOTE 12: PLANT & EQUIPMENT

Office Furniture & Equipment	16,135	14,681
Less: Accumulated Depreciation	<u>(13,871)</u>	<u>(12,785)</u>
	<u>2,264</u>	<u>1,896</u>

(a) Movements in Carrying Amounts

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

Balance at the beginning of year	1,896	574
Additions	1,454	-
Disposals	-	125
Depreciation	<u>(1,086)</u>	<u>(258)</u>
Carrying amount at end of year	<u>2,264</u>	<u>1,896</u>

NOTE 13: ACCOUNTS PAYABLE

Payables to other reporting unit:		
CPSU - PSU Group	<u>112,320</u>	<u>276,582</u>
Total Payables to other reporting unit	<u>112,320</u>	<u>276,582</u>
Other Payables:		
Sundry Creditors	13,676	25,012
Consideration to employers for payroll deductions	-	-
Legal costs	<u>-</u>	<u>-</u>
Total Other Payables	<u>13,676</u>	<u>25,102</u>
	<u>125,996</u>	<u>301,594</u>

NOTE 14: OTHER LIABILITIES

Current

Subscriptions in Advance	-	44,923
	<u>-</u>	<u>44,923</u>

CSIRO STAFF ASSOCIATION

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

	2016 \$	2015 \$
NOTE 15: PROVISIONS		
Current		
Employee Benefits - short term benefits at nominal value:		
Provision for Annual Leave	82,257	82,956
Provision for Long Service Leave Oncosts	36,994	37,670
Provision for Separation and Redundancies	-	-
Provision for Other Employee Benefits	-	-
	<u>119,251</u>	<u>120,626</u>
 (a) Provision for Annual Leave in respect to:		
Elected Officials	14,694	13,614
Administrative and Industrial Staff	67,563	69,342
	<u>82,257</u>	<u>82,956</u>
 (b) Provision for Long Service Leave Oncosts in respect to:		
Elected Officials	7,955	7,269
Administrative and Industrial Staff	29,039	30,401
	<u>36,994</u>	<u>37,670</u>
 (c) Provision for Separation and Redundancies in respect to:		
Elected Officials	-	-
Administrative and Industrial Staff	-	-
	<u>-</u>	<u>-</u>
 (d) Provision for Other Employee Benefits in respect to:		
Elected Officials	-	-
Administrative and Industrial Staff	-	-
	<u>-</u>	<u>-</u>

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

NOTE 16: CAPITAL AND LEASING COMMITMENTS

Rental Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

Payable:

- not later than one year	73,088	71,213
- later than one year but not later than five years	30,454	100,886
	<u>103,542</u>	<u>172,099</u>

The lease relates to the premises at Level 10, 440 Collins Street, Melbourne which commenced on 1 December 2007 for a term of 10 years.

CSIRO STAFF ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

2016 **2015**
\$ **\$**

NOTE 17: CASH FLOW INFORMATION

(a) Reconciliation of Cash & Cash Equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents 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	790	289
Cash Held at Call with Credit Unions	173,928	202,815
Cash on Deposits with Credit Unions	<u>582,445</u>	<u>905,886</u>
	<u><u>757,163</u></u>	<u><u>1,108,990</u></u>

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

Operating profit/(loss) for year	(70,829)	(169,656)
Non-cash flows in operating profit		
Depreciation & Amortisation	1,086	258
Loss on Disposal of Plant and Equipment	-	125
Investment Distributions	(71,991)	(86,937)
Impairment Loss/(Gain)	-	3,987
Changes in assets and liabilities		
(Increase)/Decrease in Receivables	9,809	(15,232)
(Increase)/Decrease in Other Assets	3,448	(1,386)
Increase/(Decrease) in Accounts Payable	(175,598)	(12,330)
Increase/(Decrease) in Other Liabilities	(44,923)	(2,452)
Increase/(Decrease) in Employee Provisions	<u>(1,375)</u>	<u>21,418</u>
Net Cash Provided by/(Used in) Operating Activities	<u><u>(350,373)</u></u>	<u><u>(262,205)</u></u>

(c) Financing Facilities

The Section has no overdraft facilities.

(d) Receipts and Payments to Other Reporting Units/Controlled Entity

Receipts from CPSU - PSU Group	5,317	8,173
Payments to CPSU - PSU Group	(1,675,249)	(1,496,649)

CSIRO STAFF ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 18: GOING CONCERN

The financial statements are prepared on the basis that the Association will continue as a going concern and that assets including property plant and equipment and liabilities would be realised in the normal course of business at their recorded values as at 30 June 2016.

The Association's ability to continue as a going concern is not reliant on the financial support of any other entity.

The Association has not agreed to provide any other entity with financial support to ensure they can continue on a going concern basis.

NOTE 19: BUSINESS COMBINATIONS

No assets or liabilities were acquired during the year as part of a business combination.

The Association did not acquire any assets or liabilities during the financial year as a result of:

- (a) an amalgamation under Part 2 of Chapter 3, of the RO Act in which the organisation (of which the reporting unit form part) was the amalgamated organisation; or
- (b) a restructure of the branches of the organisation; or
- (c) a determination by the General Manager under subsection 245(1) of the RO Act of an alternative reporting structure for the organisation; or
- (d) a revocation by the General Manager under subsection 249(1) of the RO Act of a certificate issued to an organisation under subsection 245(1).

NOTE 20: SPECIAL FUNDS

There has been no fund or account operated and no monies invested in any assets in respect of compulsory levies raised by the reporting unit or voluntary contributions collected from members of the reporting unit.

There has been no fund or account operated (other than the general fund), the operation of which is required by the rules of the organisation. There have been no transfers to or withdrawals to a fund, account or controlled entity, where any of these are kept for a specific purpose(s) by the reporting unit.

CSIRO STAFF ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 21: FINANCIAL INSTRUMENTS

(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.

(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:

Economic Entity	Total Carrying Value		Weighted Average Interest Rates		Non Interest Bearing		Floating Interest Rate		Fixed Interest Rate	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	\$	\$	%	%	\$	\$	\$	\$	\$	\$
Financial Assets										
Cash and Bank Deposits	757,163	1,108,990	2.65	3.40	790	289	173,928	202,815	582,445	905,886
Managed Funds	813,789	708,057	-	-	813,789	708,057	-	-	-	-
Receivables	17,492	27,301	-	-	17,492	27,301	-	-	-	-
Total Financial Assets	1,588,444	1,844,348			832,071	735,647	173,928	202,815	582,445	905,886
Financial Liabilities										
Accounts Payable	120,043	282,411	-	-	120,043	282,411	-	-	-	-
Total Financial Liabilities	120,043	282,411			120,043	282,411	-	-	-	-

(c) Market Risk

The Section's sensitivity to market risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, changes in price indexes such as the Australian Stock Exchange or changes in returns on managed fund investments. The Section manages this risk through diversity in the investment portfolio and by obtaining professional investment advice. Taking into account past performance, future expectations, economic forecasts and experience of the financial markets, the possible impact on net operating result and equity over the next 12 months is as follows:

CSIRO STAFF ASSOCIATION

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

NOTE 20: FINANCIAL INSTRUMENTS *continued*

(c) Market Risk *continued*

2016	Total Carrying Value	Interest Rate Risk				Price Risk				Return Risk			
		-1% Profit	-1% Equity	+1% Profit	+1% Equity	-20% Profit	-20% Equity	+20% Profit	+20% Equity	-2% Profit	-2% Equity	+2% Profit	+2% Equity
Financial Assets													
Cash and Bank Deposits	757,163	(7,572)	(7,572)	7,572	7,572	-	-	-	-	-	-	-	-
Managed Funds	813,789	-	-	-	-	(162,758)	(162,758)	-	162,758	(16,276)	(16,276)	16,276	16,276
Receivables	17,492	-	-	-	-	-	-	-	-	-	-	-	-
Financial Liabilities													
Accounts Payable	120,043	-	-	-	-	-	-	-	-	-	-	-	-

2015	Total Carrying Value	Interest Rate Risk				Price Risk				Return Risk			
		-1% Profit	-1% Equity	+1% Profit	+1% Equity	-20% Profit	-20% Equity	+20% Profit	+20% Equity	-2% Profit	-2% Equity	+2% Profit	+2% Equity
Financial Assets													
Cash and Bank Deposits	1,108,990	(11,090)	(11,090)	11,090	11,090	-	-	-	-	-	-	-	-
Managed Funds	708,057	-	-	-	-	(141,611)	(141,611)	-	141,611	(14,161)	(14,161)	14,161	14,161
Receivables	27,301	-	-	-	-	-	-	-	-	-	-	-	-
Financial Liabilities													
Accounts Payable	282,411	-	-	-	-	-	-	-	-	-	-	-	-

CSIRO STAFF ASSOCIATION

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

NOTE 20: FINANCIAL INSTRUMENTS *continued*

(d) Credit Risk

The Section has no significant exposure to credit risk. The carrying amounts of financial assets included in the statement of financial position represent the entity's maximum exposure to credit risk in relation to these assets.

Credit quality of financial instruments not past due or individually determined as impaired

	Not past due nor impaired	Past due but not impaired	Not past due nor impaired	Past due but not impaired
Financial Assets	2016 \$	2016 \$	2015 \$	2015 \$
Receivables	12,560	4,932	26,612	669

Ageing of financial assets that were not impaired

	<30 days \$	31 – 60 days \$	61 – 90 days \$	> 90 days \$	Total \$
2016 Receivables	12,560	-	-	4,932	17,492
2015 Receivables	26,612	-	-	669	27,301

(e) 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 2016.

(f) 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 2016

NOTE 21: FAIR VALUE MEASUREMENT

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

Economic Entity	Total Carrying Value		Fair Value	
	2016	2015	2016	2015
	\$	\$	%	%
Financial Assets				
Cash and Bank Deposits	757,162	1,108,990	757,162	1,108,990
Managed Funds	813,789	708,057	813,789	708,057
Receivables	17,492	27,301	17,492	27,301
Total Financial Assets	1,588,443	1,844,348	1,588,443	1,844,348
Financial Liabilities				
Accounts Payable	120,043	282,411	120,043	282,411
Total Financial Liabilities	120,043	282,411	120,043	282,411

The following table provides an analysis of financial and non financial assets and liabilities that are measured at fair value, by fair value hierarchy.

	Carrying amount at 30 June	Date of valuation	Level 1	Level 2	Level 3
2016					
Financial Assets					
Managed Funds Investments	813,789	30/06/2016	813,789	-	-
2015					
Financial Assets					
Managed Funds Investments	708,057	30/06/2016	708,057	-	-

CSIRO STAFF ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 22: TRANSACTIONS WITH OTHER REPORTING UNITS

Terms and conditions of transactions with other reporting units

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

Amounts were paid for and recovered from the CPSU - PSU Group on receipt of invoices during the year.

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

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

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

Sales to and purchases from other reporting units are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any other reporting units receivables or payables. For the year ended 30 June 2016, the Section has not recorded any impairment of receivables relating to amounts owed by other reporting units (2015: \$Nil). This assessment is undertaken each financial year through examining the financial position of the other reporting units and the market in which the other reporting units operates.



**CSIRO Staff Association
Operating Report 2015-16**

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

Foreword from CSIRO Staff Association President

Dear members

The year 2015-2016 marked an extraordinary year of activity for our union and for change in the science policy sector. We were very active and influential.

Along with ongoing bargaining and associated industrial action we undertook ongoing lobbying of politicians from all parties on behalf of CSIRO's science and its workers.

Among other things we have achieved strong recognition and support from many political parties broad support from Australian unions as an integral part of progressive change for Australia.

This recognition of the importance of CSIRO as a national public asset and has culminated in the formation of 'Friends of CSIRO' group of influential Australians committed to supporting CSIRO in the national discourse.

Even the government has 'changed' with Prime Minister Malcolm Turnbull taking power from Tony Abbott with an agenda based around innovation with direct impact on CSIRO, both positive initiatives and negatives from a residual hostile government attitude to elements of our science and to our working conditions. The PM even strongly committed Australia to improved climate science from the Paris treaty.

For the first time the Staff association engaged in organised campaigning in the election campaign with 'Put the Liberals Last' position to change the fortunes of CSIRO. We also achieved significant election promises from both the Greens and Labor party for a \$300 million funding boost for CSIRO.

These extraordinary positions were on the back of years on ongoing cuts and a further dramatic targeting of cuts by management in February 2016. In an overwhelming mantra of the need for national innovation and better outcomes from Australian science, these additional cuts were both insulting, misdirected, and playing to a backward-looking legacy of poor policy from Australian governments.

The collective and collaborative spirit of CSIRO staff, our Australian science partners, and the international science community, saw an unprecedented campaign to save the CSIRO public-good science targeted in 2016. Among many remarkable things were headlines in the New York Times, community forums, rallies, major media reporting, countless meetings with politicians, public figures and wide social media exposure. We partnered with the Australian Youth Climate Coalition, farmers groups and the newly formed Friends of CSIRO, as an uplifting affirmation of the Australian public's desire for a strong CSIRO working for the interests of all Australians.

In affected workplaces while morale was devastated, the strength and support of members for co-workers was crucial for coping. In the end the activism and industrial action using our important Enterprise Agreements and the Fair Work Commission has helped mitigate this year's cuts and begin to rebuild.

Much of this work is ongoing and with a strong and active collective there is always hope and, importantly, dignity. We must continue to demand greater respect and inclusion both as scientists and workers in deciding how we do our science and how our working conditions are organised.

For a stronger organisation we must hope for a more bipartisan political approach to CSIRO funding and for a more cooperative approach to industrial relations without the extreme interference from outside agencies like the Australian Public Service Commission or misguided political forces.

It is only with a united approach with all our staff and management can we strengthen an independent CSIRO and protect science integrity as an important public good for the benefit of Australia. We live in hope but always stand ready to fight.

In the context of this past year, and in a very personal and heartfelt way, on behalf of members, I would like to thank Sam and the team at the CSIRO Staff Association, our wonderful council and

all delegates, and many of the staff from the broader CPSU for dedicated professionalism and activism. We are a small team and achieve a lot with our scale and resources.

This is my last presidential report. It has always a privilege to serve our members, many of who have been the best scientists I have known and great unionists. Of all things though, despite differences of opinion, science and goals, the teams of support staff, project and leadership scientists and many guiding managers have been great and it has been rewarding to try and help you all.

A handwritten signature in black ink, appearing to read 'M Borgas', with a stylized flourish at the end.

Dr Michael Borgas

About the Association in 2015-16

The CSIRO Staff Association (the Association) is a Section of the Community and Public Sector Union (CPSU, PSU Group).

The Association represents the professional and industrial interests of members employed in the Commonwealth Scientific and Industrial Research Organisation (CSIRO), the Australian Astronomical Observatory (AAO) and the National Measurement Institute (NMI). We also represent associate members of the Association who have been employed or associated with these organisations or are students currently in these organisations.

The Association aims to protect and progress the interests of members by bringing them together collectively and democratically. In doing so, the Association seeks to:

- Assist members in enforcing their rights at work, including the rights to:
 - fair and equitable treatment at work;
 - proper recognition and remuneration for merit;
 - reasonable conditions and a balanced working life; and
 - a workplace which is healthy, safe and environmentally sustainable.
- Represent the views of members to their Organisation's management.
- Make claims or representations on behalf of members to appropriate authorities.
- Provide advocacy for the membership to Government and other political or policy bodies in the interests of the CSIRO, AAO, NMI and their staff.
- Co-operate with other parts of the CPSU, other unions, the ACTU and other organisations to progress matters of common interest.

The Association's primary source of income is from member subscriptions, which for the year to 30 June 2016 were 0.6% of gross salary for full members; \$30 (1 year) or \$75 (3 years) for retired members and \$30 for student members (until their period as a student is completed).

Subscription income for 2015-16 was \$1,343,971, an increase of \$106,583 (or 8.6%) compared to the previous year. The Association also receives income from its cash deposits and managed fund investments. In 2015-16, non-subscription income contributed 7.2% of total income, or \$104,704, a decrease of \$36,457 (or 25.8%) compared to the previous year.

The largest component of the Association's expenditure was on salaries and related costs totalling \$1,046,804 (68.9% of total expenditure). Industrial expenditure totalled \$166,210, primarily due to expenditure on site visits to workplaces, Staff Association Council meetings and affiliation fees (ACTU and labour councils; Science and Technology Australia).

The Association's overall financial performance resulted in a net deficit this year of \$70,829 or 4.9% of total income.



Membership

Membership of the Association at 30 June 2016 was 2435 members of which 2392 were financial. This was a decrease of 111 financial members (or 4.4%) compared to the previous year. Total headcount at CSIRO at 30 June 2016 was 5367.

Recruitment for the year was 100, compared to 267 the previous year (decrease of 167). Cessations were 187, compared to 489 the previous year (decrease of 302) with the number of cancellations being 25, compared to 29 the previous year (decrease of 4). Retention of a relatively low cancellation rate is a positive outcome for the Association. The number of unfinancial members at 30 June 2016 increased to 43 compared to 18 the previous year.

Membership in the Australian Astronomical Observatory this year decreased by 3 to 25 members. The Association does not recruit new members in the National Measurement Institute, but continues to represent 18 members retained from the former National Measurement Laboratory.

The Association also has 83 associate members at 30 June 2016, who are not included in the table below as they are not full financial members under CPSU rules.

Membership Year to 30 June 2016							
	Recruited	Cessations			Membership		
		Cancelled*	RRR#	Total	Unfinancial	Financial	Total
ACT	16	3	25	28	3	420	423
NSW	13	6	29	35	11	409	420
NthAus	5	0	4	4	0	46	46
SA	4	2	8	10	5	172	177
SthQLD	11	5	17	22	9	272	281
TAS	20	1	10	11	3	170	173
VIC	29	5	56	61	9	728	737
WA	2	3	13	16	3	175	178
TOTAL	100	25	162	187	43	2392	2435

* Left the Association but not their employment

Left their employment (redundant, retired, resigned)

In accordance with Rule 5.3 of the CPSU (PSU Group), members have the right to resign at any time by providing a written notice of resignation to the Association Secretary. At least two weeks' notice is required except where the member ceases to be eligible to be a member of the Association. The full rules of the CPSU are available at <https://www.fwc.gov.au/registered-organisations/find-registered-organisations/cpsu-the-community-and-public-sector-union>

Association Structure

The Committee of Management is the Association (or CSIRO Section) Council. The Council is an elected body with an Executive and Councillors representing the Sub-Sections. Council has responsibility for governance of the Association within the CPSU. It also develops Association policy at a national level, contributes to CPSU policy, determines national campaigns and activities and represents issues affecting the membership across all parts of the Association. The Executive, comprising the Section Secretary, Section President, two Section Deputy Presidents and the Section Treasurer oversee the operations of the Association.

The elected Council Officers for 2015-16 were:

Executive

Section President

Michael Borgas

Section Deputy Presidents (2)	Sonia Grocke Elizabeth Hulm
Section Treasurer	Scott Wilkinson
Section Secretary	Sam Popovski

Councillors

ACT Councillor	Janet Anstee
NSW Councillor	Yalchin Oytam
Northern Australia Councillor	Delia Muller
SA Councillor	Ben Scherer
Southern QLD Councillor	Anna Campbell
TAS Councillor	Mark Green
VIC Councillor	Melissa Skidmore
WA Councillor	Patrick Merrigan

The Association had two representatives on the CPSU Governing Council from 1 July 2015 to 30 June 2016: Section President Michael Borgas and Section Secretary Sam Popovski.

Councillors represent members in their respective Sub-Sections through elected workplace delegates and Sub-Section Delegates Committees (SDC). The committees are comprised of SDC Executives (SDC President, SDC Secretary and Councillor) and delegates from Sub-Section workplaces. SDC Executive positions, other than Councillor, are elected by members every two years. Vacancies can be filled by appointment by the Section Council or by a vote of a meeting of the relevant SDC.

Workplace delegate elections are held annually, with nominations called in June. In 2015-16, there were 84 workplace delegates and deputy delegates in the Association, compared to 99 the previous year (a decrease of 15 or 15.2%). This is a ratio of one delegate per 28 financial members in the workplace, compared to one delegate per 25 financial members the previous year.



Association Activities

In 2015-16, the Association Council met on eight occasions: two in face and six by telephone. The Association Executive met on three occasions in face. Minutes of meetings record the motions and actions of the Council and Executive. In 2015-16, the Association Council implemented a number of key activities and campaigns, driven by input and participation by members and delegates:

- Protecting jobs and working conditions

The Association spent the majority of industrial and organising time during the year protecting the jobs and working conditions of our members at CSIRO, AAO and NMI. In 2015-16, CSIRO's staffing headcount increased by 98 (or 1.9%). However this was a consequence of the transmission of approximately 300 NICTA staff into CSIRO and the formation of a new business unit called Data61. Pre-existing staffing headcount in CSIRO actually fell substantially again in 2015-16 with approximately 300 redundancies announced in February 2016 as part of an organisational restructure.

Over the last three financial years, CSIRO has lost approximately 1500 staff through funding and job cuts. In summary, this has resulted from an efficiency dividend applied by the Labor Government in 2013 (~200 positions); a recruitment freeze by the Coalition Government commenced in late 2013 (~300 positions); direct and indirect funding cuts by the Coalition Government including through the 2014 Federal Budget (~700 positions) and a CSIRO organisational restructure, coinciding with the transmission of NICTA staff, in early 2016 (~300 positions).

There have been deleterious consequences for many members, including those located at regional sites and those working in support areas. Despite this, the Association ensured that redundancy and redeployment processes were appropriately applied; that genuine consultation was enforced through the CSIRO Enterprise Agreement and the Fair Work Commission; that member's views were heard by the CSIRO Board, Executive and Human Resources; and that members were supported and represented in respect of their rights and working conditions. We estimate that 53% of total redundancies this year were voluntary substitutions. In addition, we estimate that 32 potentially redundant staff positions in CSIRO were mitigated or redeployed.

- Enterprise bargaining

Previously in 2014-15, the Association continued to bargain in good faith with CSIRO Executive and Human Resources for a new Enterprise Agreement. The nominal expiry date of the CSIRO Enterprise Agreement is 16 August 2014. CSIRO Executive and Human Resources steadfastly applied the Federal Government's regressive bargaining policy, which prescribed the removal and stripping of important working conditions and rights from the Enterprise Agreement into unenforceable policies and procedures. As a result, the bargaining impasse at CSIRO continued, as it did in agencies and departments across the whole of the Federal public sector.

To seek to resolve the bargaining impasse in 2015-16, Association members continued to take industrial action in the form of work bans and limitations as well as two hour stoppages. Combined industrial action by CPSU members was effective in intensifying pressure across a number of agencies and departments in the public sector. CSIRO Executive eventually proposed a replacement agreement in negotiations to bargaining representatives in December, but then chose not to go to a ballot of staff. CSIRO staff have been without a pay rise since July 2013 and Association members have been unwavering in standing up to protect working conditions and rights. AAO and NMI members, who comprise a small proportion of the total staff at the Department of Industry, also campaigned very strongly but had a new replacement Enterprise Agreement endorsed by Department staff during the year.

- Advocating for CSIRO and science

In 2015-16, the Association continued to advocate as broadly as possible on the benefits to Australia of science and research at CSIRO and other publicly funded research agencies. The CPSU increased its capacity for political and community campaigning this year and the Association successfully partnered with CPSU on two main campaigns, Support CSIRO and

Proud To Be Public. For the first time in recent history, public sector science and CSIRO funding and jobs were significant issues ahead of the 2016 Federal Election. Many new partnerships with external stakeholder groups were created through activities during the Federal Election campaign.

Association representatives also held dozens of meetings with Federal parliamentarians across all political parties. The meetings advocated the need for greater funding for CSIRO and publicly funded research agencies and detailed the consequences of funding cuts and attacks on public good science this year. The Association participated and supported the activities of Science and Technology Australia throughout the year.

- Financial sustainability and governance

The Association Executive, in particular through the Treasurer and Secretary, continued to oversee and ensure best practices in financial accountability, including through guidance arising from the annual external audit process. This year this included additional steps for the Treasurer to review monthly transactions authorised by the Secretary and the Finance Officer. Importantly, the Association Council and the Secretary have continued to focus on the essential functions of governance and compliance with all legislative requirements as a registered organisation.

On 1 July 2015, the Association implemented the decision taken the previous year, to change the membership subscription rate to 0.6% of gross salary. This decision allowed the Association to preserve its capacity to represent and support members as well as retain capacity to further strengthen membership in the near future, particularly through engagement with new staff that have transmitted to CSIRO from NICTA. Financial sustainability will again be comprehensively reviewed next year, with options to be considered by the Association Council.

- Consultative Council

Consultative Council is a legislated consultation forum, held twice every calendar year, between Staff Association representatives and the CSIRO CEO and Executive. In 2015-16, one Consultative Council meeting was held, in Melbourne on 30 November 2015. A range of issues were addressed at the meeting, including CSIRO's research in Manufacturing, Health and Biosecurity and Food and Nutrition; the science support areas of Education, Outreach and Publishing; Strategy 2020 and the CSIRO Executive's 'deep dive' process; as well as the importance of diversity and inclusion and implementing cultural change.

- Enforcement and member support

The Association has been required to dedicate significant time and resources again this year to support members through redundancy and redeployment processes as well as the enforcement of consultation rights within the CSIRO Enterprise Agreement. Significant expenditure for external legal advice was also authorised this year, which is very rare, in order to support two consultation disputes at the Fair Work Commission and provide options to save jobs and the entitlements of members in CSIRO.

- Communications

The Association has continued to advance our communications, with our Communications Officer and Communications Reference Group ensuring that Association communications have continued to be relevant and interesting. In 2015-16, the Association achieved very good outcomes in terms of email and website views as well as an increased presence on social media. Issues concerning CSIRO were prevalent in the mainstream media throughout the year, with Association representatives ensuring that the perspectives of staff were ever-present.

More details on the Association's activities (including some activities not listed above) can be found at <http://cpsu-csiro.org.au>



Our Team

The main office of the Association is in the Melbourne office of the CPSU at 10/440 Collins Street, Melbourne, Victoria 3000. The Association also has staff in CPSU offices in Adelaide, Brisbane, Canberra, Perth and Sydney. The Section Secretary position, like other Association Council positions, is elected by the membership. It is the only salaried position on the Association Council with responsibility for the operations of the Association and management of the team of organising and support staff. This position is held by Sam Popovski.

In 2015-16, the team members/employees were:

Organising Staff	Location	Responsibility	FTE Allocation
Paul Girdler/ Michael Macdonald	Melbourne	Lead/National Organiser	1.0
Melanie Booth	Perth	WA	0.4
Jeff Carig	Sydney	NSW (excluding Sth NSW)	1.0
Rod Drinkwater	Canberra	ACT and Sth NSW	1.0
Louise Jarman	Melbourne	VIC and TAS	1.0
Sam Townsend	Brisbane	QLD and NT	1.0
Ian Treloar	Adelaide	SA	0.5
Support Staff			
Anthony Keenan	Sydney	Communications Officer	1.0
Carrie Wilson	Melbourne	Organising Support Officer	1.0
Angela Yuan	Melbourne	Membership & Finance Officer	1.0

Financial Changes of Note in 2015-16

The Association returned an overall operating deficit for the year of \$70,829. This result compared to the budgeted deficit for the year of \$100,518. Total income was \$27,326 less than budgeted whilst total expenditure was \$57,015 less than budgeted. The variance in total income arose from lower than budgeted subscription income whilst the variance in total expenditure arose from lower than budgeted salaries and related expenditure.

The Association has a diversified investment portfolio, with three term cash deposits, one each with MECU, LCU and ME Bank and a managed fund with Australian Ethical Investment, which is intended to be invested until at least 2017. The Association derives interest income from the term deposits and investment income (and capital gain or loss) from the managed fund.

The finances of the Association are independently audited, reviewed by the Association Council and disclosed to all members in the Financial Report, which is to be read in conjunction with this Operating Report. The finances of the CPSU (PSU Group), other than the CSIRO Section, are governed by the CPSU Executive Committee on behalf of the CPSU Governing Council and CPSU members. The CSIRO Section works with the CPSU (PSU Group) to ensure coordinated financial accountability. More information on CPSU (PSU Group) finance and governance can be found at <http://www.cpsu.org.au/about-cpsu/governance>



Statements on Superannuation Trustees and Reporting

The CSIRO Staff Association has one officer/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.

Angela Yuan, Membership and Finance Officer, Director of AMMJ Holdings Pty. Ltd., the corporate trustee for WangYuan Superannuation Fund, a self-managed superannuation fund. The Directorship is not a result of, and has no relationship to, Angela Yuan's position at the CSIRO Staff Association.

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

A handwritten signature in blue ink that reads 'S Popovski'.

Sam Popovski
Secretary
3 November 2016



7 December 2016

Mr Sam Popovski
Secretary
CPSU, the Community and Public Sector Union-PSU Group, CSIRO Section

Sent via email: sam.popovski@cpsu.org.au

Dear Mr Popovski,

Lodgement of Financial Report - Reminder to lodge

The Fair Work Commission's (the Commission) records disclose that the financial year of the CPSU, the Community and Public Sector Union-PSU Group, CSIRO Section (the reporting unit) ended on the 30 June 2016.

As you would be aware, the *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires that a reporting unit prepare a financial report in accordance with the RO Act, make it available to the members and then must lodge the financial report within 14 days after the general meeting of members, or if the rules of the reporting unit allow, the Committee of Management meeting (s.268).

The maximum period of time allowed under the RO Act for the full financial report to be presented to a general meeting of members or a committee of management meeting is six months after the expiry date of its financial year (s.253, s254, s265, s.266, s.268). The full report must be lodged with the Commission within 14 days of that meeting.

The Commission encourages your reporting unit to lodge its financial report at the earliest opportunity in order to ensure compliance with its obligations. Failure of a reporting unit to lodge its financial report is a breach of a civil penalty provision of the RO Act. This can result in the General Manager instituting an inquiry or investigation into a reporting unit's non-compliance under Chapter 11, Part 4 of the RO Act. The actions available to the General Manager following an investigation include issuing Federal Court legal proceedings for breach of a civil penalty provision. The orders available to the Federal Court include imposition of a pecuniary penalty on the organisation or individual officer, whose conduct led to the contravention, of up to \$54,000 per contravention on the organisation and up to \$10,800 per contravention on an officer whose conduct led to the contravention.

Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

We encourage you to lodge the full financial report directly to orgs@fwc.gov.au. That is the official email address for electronic lodgements of material related to registered organisations matters.

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Telephone : (03) 8661 7777
Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au

Should you seek any clarification in relation to the above, please contact me on (03) 8656 4699 or via email at Sam.Gallichio@fwc.gov.au.

Yours sincerely,



Sam Gallichio
Adviser
Regulatory Compliance Branch



15 July 2016

Mr Sam Popovski
Secretary
CPSU, the Community and Public Sector Union-PSU Group, CSIRO Section
By email: sam.popovski@cpsu.org.au

Dear Mr Popovski,

**Re: Lodgement of Financial Report - [FR2016/75]
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the CPSU, the Community and Public Sector Union-PSU Group, CSIRO Section (the reporting unit) ended on 30 June 2016.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date under s.268 of the RO Act, that being within 14 days after the meeting referred to in s.266 of the RO Act.

Timelines

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

Fact sheets, guidance notes and model statements

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. This includes a model set of financial statements which have been developed by the FWC. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. The model statement, Reporting Guidelines and other resources can be accessed through our website under [Financial Reporting](#) in the Compliance and Governance section.

Loans, grants and donations: our focus this year

Also you are reminded of the obligation to prepare and lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 requires this statement to be lodged with the FWC within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2016. A sample statement of loans, grants or donations is available at [sample documents](#).

Over the past year we have noted issues in organisations' financial reports relating to timelines and how loans, grants and donations are reported. We will be focusing closely on these areas this year. Please find attached below fact sheets relating to these requirements or alternatively visit our website for information regarding [financial reporting timelines](#) and [loans, grants and donations](#).

It is requested that the financial report and any Statement of Loans, Grant or Donations be lodged electronically by emailing orgs@fwc.gov.au.

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Telephone : (03) 8661 7777
Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au

Civil penalties may apply

It should be noted that s.268 is a civil penalty provision. Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

Contact

Should you wish to seek any clarification in relation to the above, email orgs@fwc.gov.au.

Yours sincerely,

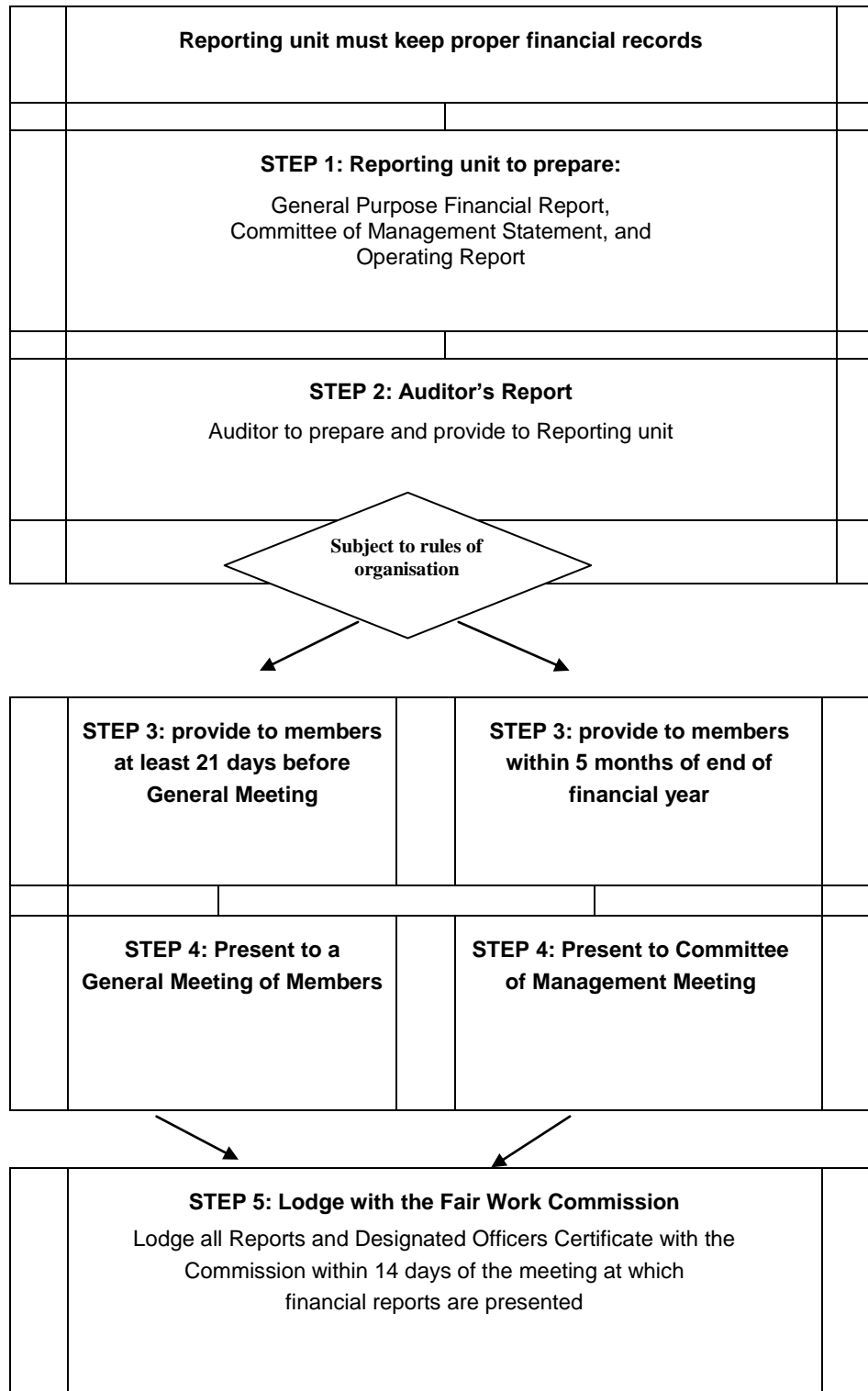


Anastasia Kyriakidis
Adviser
Regulatory Compliance Branch

Financial reporting timelines

Financial reports are to be lodged with the Fair Work Commission (the Commission) within 14 days of the meeting at which the financial reports have been presented, by completing the steps as outlined below.

See Fact sheet—Financial reporting for an explanation of each of these steps.



Fact Sheet - Loans, Grants & Donations

The Loans, Grants & Donations Requirements

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the General Manager's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

The Loans, Grants & Donations Statement

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceed \$1000. The following information must be supplied to the Commission for each relevant loan, grant or donation:

the amount,

the purpose,

the security (if it is a loan),

the name and address of the person to whom it was made,* and







the arrangements for repaying the loan.*

*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the Commission has a [Template Loans, Grants and Donations Statement](#) on its website. The Commission encourages branches and organisations to lodge the statement even if all of the figures are NIL.

Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
 Only reporting units must lodge the Statement.	 All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
 Employees can sign the Statement.	 The statement must be signed by an elected officer of the relevant branch.
 Statements can be lodged with the financial report.	 The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.

Grants & Donations within the Financial Report

Item 16(e) of the [General Manager's Reporting Guidelines](#) requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines.

In the [Commission's Model Statements](#) the note appears as follows:

Note 4E: Grants or donations*

Grants:	2016	2015
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total grants or donations	-	-

Item 17 of the General Manager's Reporting Guidelines requires that these line items appear in the financial report even if the figures are NIL.

Implications for filing the Financial Report

During their review of the 2016 financial report staff of the Commission will confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their 2015 financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the [Commission's website](#).

Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the Regulatory Compliance Branch on orgs@fwc.gov.au