



30 January 2020

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

Sent via email: sam.popovski@cpsu.org.au
CC: mfensome@mcd.com.au

Dear Sam Popovski,

**CPSU, the Community and Public Sector Union-PSU Group, CSIRO Section
Financial Report for the year ended 30 June 2019 – (FR2019/133)**

I acknowledge receipt of the financial report for the year ended 30 June 2019 for the CPSU, the Community and Public Sector Union-PSU Group, CSIRO Section. The documents were lodged with the Registered Organisations Commission (**the ROC**) on 11 December 2019.

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

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009 (RO Act)* have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines (**RGs**) 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 2020 may be subject to an advanced compliance review.

Reporting Requirements

The ROC website provides a number of fact sheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 RGs and a model set of financial statements.

The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 RGs and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0764 or via email at kylie.ngo@roc.gov.au.

Yours sincerely,

Kylie Ngo
Registered Organisations Commission

**CSIRO SECTION, COMMUNITY AND PUBLIC SECTOR UNION
(CPSU: PSU GROUP)**

s.268 Fair Work (Registered Organisations) Act 2009

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the year ended 30th June 2019

I, SAM POPOVSKI, being the SECRETARY of the CSIRO SECTION, COMMUNITY AND PUBLIC SECTOR UNION (CPSU: PSU GROUP) certify:

- that the documents lodged herewith are copies of the full report for the CSIRO SECTION, COMMUNITY AND PUBLIC SECTOR UNION (CPSU: PSU GROUP) for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 14th November 2019; and
- that the full report was presented to a general meeting of members of the reporting unit on 5th December 2019 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:


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Name of prescribed designated officer:

SAM POPOVSKI
.....

Title of prescribed designated officer:

SECRETARY
CSIRO SECTION, COMMUNITY AND PUBLIC SECTOR UNION (CPSU: PSU GROUP)
.....

Dated: 11 December 2019
.....

CSIRO Staff Association
(CSIRO Section of the CPSU, PSU Group)

Operating Report
for the year ended 30 June 2019

The Committee of Management presents its Operating Report on the Reporting Unit for the year ended 30 June 2019.

About the CSIRO Staff Association

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.
- Cooperate with other parts of the CPSU, other unions, the ACTU and other organisations to progress matters of common interest.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

In 2018-19, the Association Council met on eight occasions: one in face, one by video and six by telephone. The Association Executive met in face on one occasion and held at least monthly discussions by telephone. Minutes of meetings record the motions and actions of the Council and Executive.

In 2018-19, the Association Council implemented several key activities and campaigns, driven by input and participation of Association delegates and members:

- **Operational planning:** the Council reviewed its previous operational plan and endorsed a new plan for 2018-19, identifying priority campaigns and objectives; and determining key deliverables and accountabilities.
- **Financial sustainability:** the Council implemented measures to achieve financial sustainability for the Association in 2018-19 and future financial years. The measures were successful, delivering a balanced operating result in 2018-19.
- **Governance and training:** the Association facilitated governance training for all Councillors and also conducted cultural awareness training for all Councillors and employees of the Association.
- **Enterprise Agreement:** the Council held early discussions with delegates and members to prepare for the next enterprise bargaining process at CSIRO. The nominal expiry date of the current Enterprise Agreement is 14 November 2020.
- **Resolution of workplace issues:** Association representatives developed a new procedure for the resolution of workplace issues at CSIRO, in consultation with CSIRO Executive, as a result of an outcome of the last enterprise bargaining process.

- Securing jobs and enforcing working conditions (CSIRO): the Association supported jobs and conditions of CSIRO staff during restructures and reviews at CSIRO Agriculture and Food, Land and Water, Oceans and Atmosphere and Data61; as well as in Health and Safety, Business and Infrastructure Services and Corporate Affairs. The Association supported and represented CSIRO staff with compulsory relocations from Yarralumla (ACT) and through consolidations proposed at multiple Sydney sites. Postdoctoral researchers, a vitally important group of CSIRO staff, were represented through proposed changes to working conditions.
- Securing jobs and enforcing working conditions (AAO and NMI): the Association supported conditions and rights of AAO staff whose employment was compulsorily transferred to the Australian National University and Macquarie University, from the Department of Industry. Unfortunately, AAO staff are no longer eligible for coverage by the Association from 2018-19, resulting in a loss of 24 members this year. The Association supported NMI representatives in consultative forums and in enterprise bargaining for a new agreement in the Department of Industry.
- Advocating for CSIRO, public sector science and science integrity: a continued focus for the Association in 2018-19 was lobbying for support and funding for CSIRO. The Association achieved commitments from political parties to establish a staff-elected position on the CSIRO Board. The Association proactively campaigned to protect the integrity of public sector science, including highlighting concerns through the media on the devaluing and manipulation of science by politicians and government.
- Consultative Council: two formal meetings were held between Association representatives and CSIRO Executive in 2018-19, with the major focus being the application of the government's staffing cap policy. The Association raised early concerns and called on the Chief Executive to not apply the cap in accordance with powers under CSIRO's *Act*; or at the very least, apply for an exemption from the cap so CSIRO can continue to fulfil its purpose and support secure jobs and careers.
- Organising, member support and communications: the Association organises members to collectively advance the interests of staff in CSIRO, AAO and NMI. The Association's activities continued to be driven by delegates and members, with good engagement at the workplace level and through communications, particularly email. Members actively contributed in the community to the ACTU's Change The Rules campaign.
- More details on the range and results of Association's activities (including activities not outlined above) can be found at <http://cpsu-csiro.org.au>

Significant changes in financial affairs

The Association returned an overall operating deficit for the year of \$23,848. This result compared to the budgeted deficit for the year of \$14,704. Total income was \$35,239 more than budgeted whilst total expenditure was \$44,383 more than budgeted. The variance in total income arose from higher than budgeted investment income whilst the variance in total expenditure arose from higher than budgeted staffing related expenditure.

The finances of the Association are managed by the Association Council in accordance with Part 8 of the Rules of the CPSU (PSU Group). 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. 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>

Right of members to resign

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>

Officers or members who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such position

No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of a registered organisation.

Number of members

There were 2089 members of the Association as at 30 June 2019.

Number of employees

There were 9 employees (8.2 FTE) of the Association as at 30 June 2019. This includes the Association Secretary position (1.0 FTE), the only salaried position on the Association Council.

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

The Committee of Management is the Association Council. The Council is an elected body with an Executive and Councillors representing the Sub-Sections. It has responsibility for governance of the Association within the CPSU. The Association has two representatives on the CPSU Governing Council, the Association President and the Association Secretary. The Council 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 President, two Section Deputy Presidents, Section Treasurer and Section Secretary oversee the operations of the Association.

The Elected Council Officers for 2018-19 were:

Executive

Section President	Sonia Grocke
Section Deputy Presidents (2)	Mark Green Melissa Skidmore
Section Treasurer	Scott Wilkinson
Section Secretary	Sam Popovski

Sub-Section Councillors

ACT Councillor	Vacant (1 July – 31 December 2018) Tom Harwood (elected 1 January)
NSW Councillor	Mike Collins
Northern Australia Councillor	Delia Muller
SA Councillor	Vacant (1 July – 31 December 2018) Everard Edwards (appointed 1 January)
Southern QLD Councillor	Anna Campbell
TAS Councillor	Damien Irving (Appointed 1 July 2018 – 18 March 2019) Vacant (19 March – 30 June 2019)
VIC Councillor	Lynda Wright
WA Councillor	Steve Charles

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

Signature of designated officer:



Name and title of designated officer: Mr Sam Popovski, Association Secretary.

Date: 11 November 2019.

CSIRO STAFF ASSOCIATION

COMMITTEE OF MANAGEMENT CERTIFICATE

On the 7th November 2019 the Committee of Management of the CSIRO Staff Association passed the following resolution in relation to the general purpose financial report (GPFR) for the financial year ended 30 June 2019:

The Committee of Management declares that in its opinion:

- a) the financial statements and notes comply with the Australian Accounting Standards;
- b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the **RO Act**);
- c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- e) during the financial year to which the GPFR relates and since the end of that year:
 - i. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - iii. the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - iv. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - v. where information has been sought in any request by a member of the reporting unit or the Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and
 - vi. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

This declaration is made in accordance with a resolution of the committee of management.


SONIA GROCKE
Section President


SAM POPOVSKI
Section Secretary

Dated this 11th day of November 2019.

CSIRO STAFF ASSOCIATION

REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 30 JUNE 2019

The Committee of Management present the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2019

Categories of expenditures	2019 \$	2018 \$
Remuneration and other employment-related costs and expenses – employees	1,051,515	1,140,267
Advertising	-	-
Operating costs	250,792	282,061
Donations to political parties	12,183	1,425
Legal costs	-	-



Mr Sam Popovski

Association Secretary

Dated this 11th day of November 2019.

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

Opinion

I have audited the financial report of CSIRO Staff Association ("the Reporting Unit"), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, the Committee of Management certification and the subsection 255(2A) report and the Officer Declaration Statement.

In my opinion the accompanying financial report of the Reporting Unit presents fairly, in all material respects, the Reporting Unit's financial position as at 30 June 2019 and its financial performance and its cash flows for the year then ended in accordance with:

- (i) Australian Accounting Standards; and
- (ii) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

I declare that Committee of Management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

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

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

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

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CSIRO STAFF ASSOCIATION (CONTINUED)**

Responsibilities of the Committee of Management for the Financial Report

The Committee of Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Committee of Management either intends to liquidate the Reporting Unit or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit's audit. I remain solely responsible for my audit opinion.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CSIRO STAFF ASSOCIATION (CONTINUED)**

Auditor's Responsibilities for the Audit of the Financial Report (Continued)

I communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I declare that I am an auditor registered under the RO Act.

Report on Other Legal and Regulatory Requirements

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

I did not identify any matters to report in this regard.



McLean Delmo Bentleys Audit Pty Ltd



Martin Fensome
Partner

Hawthorn
13 November 2019

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/143

CSIRO STAFF ASSOCIATION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
Revenue	5	1,364,114	1,249,123
Expenses	6	(1,387,962)	(1,514,976)
Impairment of Investments	1(d), 6, 10(a)	<u>-</u>	<u>-</u>
Profit/(loss) before income tax		(23,848)	(265,853)
Income tax expense	1(a)	<u>-</u>	<u>-</u>
Profit/(loss) for the year		(23,848)	(265,853)
Other comprehensive income:			
Net gain/(loss) on revaluation of financial assets		<u>(6,450)</u>	<u>59,365</u>
Other comprehensive income for the year, net of tax		<u>(6,450)</u>	<u>59,365</u>
Total comprehensive income for the year		<u><u>(30,298)</u></u>	<u><u>(206,488)</u></u>

The accompanying notes form part of this financial report.

CSIRO STAFF ASSOCIATION
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019 \$	2018 \$
EQUITY			
Accumulated Funds		746,192	770,040
Reserves		<u>192,653</u>	<u>199,103</u>
TOTAL EQUITY		<u><u>938,845</u></u>	<u><u>969,143</u></u>
Represented by:			
CURRENT ASSETS			
Cash & Cash Equivalents	8	303,341	546,932
Receivables	9	3,617	9,485
Financial Assets	10	911,713	972,194
Other Assets	11	<u>1,186</u>	<u>-</u>
TOTAL CURRENT ASSETS		<u><u>1,219,857</u></u>	<u><u>1,528,611</u></u>
NON-CURRENT ASSETS			
Plant & Equipment	12	<u>2,268</u>	<u>1,376</u>
TOTAL ASSETS		<u><u>1,222,125</u></u>	<u><u>1,529,987</u></u>
CURRENT LIABILITIES			
Payables	13	136,774	430,338
Other Liabilities	14	-	-
Provisions	15	<u>146,506</u>	<u>130,506</u>
TOTAL CURRENT LIABILITIES		<u><u>283,280</u></u>	<u><u>560,844</u></u>
TOTAL LIABILITIES		<u><u>283,280</u></u>	<u><u>560,844</u></u>
NET ASSETS		<u><u>938,845</u></u>	<u><u>969,143</u></u>

The accompanying notes form part of this financial report.

CSIRO STAFF ASSOCIATION
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Accumulated Funds	Reserves	Total
	\$	\$	\$
Balance at 30 June 2017	1,035,893	139,738	1,175,631
Profit / (Loss) for the year	(265,853)	-	(265,853)
Total other comprehensive income for the year	<u>-</u>	<u>59,365</u>	<u>59,365</u>
Balance at 30 June 2018	<u>770,040</u>	<u>199,103</u>	<u>969,143</u>
Profit / (Loss) for the year	(23,848)	-	(23,848)
Total other comprehensive income for the year	<u>-</u>	<u>(6,450)</u>	<u>(6,450)</u>
Balance at 30 June 2019	<u>746,192</u>	<u>192,653</u>	<u>938,845</u>

The accompanying notes form part of this financial report.

CSIRO STAFF ASSOCIATION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
INCOME			
Membership Subscriptions		1,256,729	1,170,214
Interest Received		7,769	14,896
Sundry Income		-	-
Investment Income		<u>99,616</u>	<u>64,013</u>
		<u>1,364,114</u>	<u>1,249,123</u>
EXPENDITURE			
Salaries and Related Expenditure			
Elected Officials		113,894	112,799
Industrial & Administrative Staff		<u>678,280</u>	<u>762,892</u>
Total Salaries		792,174	875,691
Payroll Tax		47,142	52,359
Workers Compensation Insurance		8,708	9,833
Superannuation		147,007	165,041
Staff Amenities & Training		3,120	10,330
Career Transition Expense		-	-
Annual Leave Provided		11,200	2,385
Long Service Leave Provided & Paid		<u>42,164</u>	<u>24,628</u>
Total Salaries & Related Expenditure		1,051,515	1,140,267
Administrative & Equipment Overheads			
Accounting & Audit Fees		12,058	11,550
Bank Charges		477	545
Depreciation		1,087	572
Electricity		3,005	5,379
Furniture & Computer Equipment (less than \$1,000)		2,395	4,342
Impairment of Investments		-	-
Management Fee - CPSU - PSU Group		87,972	81,915
Postage & Freight		379	618
Printing & Stationary		7,882	19,995
Rent & Outgoings		108,584	126,091
Sundry Expense		10,592	10,661
Telephone		14,847	19,705
Website Service Agreement		<u>1,514</u>	<u>688</u>
Total Administrative & Equipment Overheads		250,792	282,061

The accompanying notes form part of this financial report.

CSIRO STAFF ASSOCIATION

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
EXPENDITURE <i>continued</i>			
Industrial Expenditure			
Affiliation Fees	1(h)	37,354	35,803
Carbon Offset		-	-
Cabcharge		-	201
Council & Executive Meeting Expenses		10,443	27,453
CSIRO Consultative Council		(1,031)	2,065
Donations		14,183	3,425
Enterprise Bargaining Agreement		-	-
Science & Technology Australia Board Meetings		-	-
Legal Fees		-	-
Levies		-	-
National Campaigns, Events & Meetings		3,372	847
Promotions & Merchandising		-	628
CPSU Matters		62	386
Research Policy Committee		505	430
Science Meets Parliament		-	3,348
Scholarship Awards		1,000	1,000
Site Visits		18,903	14,294
Sub-Section Activities		456	1,293
Training & Conferences		408	1,475
Other Expenses		-	-
Total Industrial Expenditure		<u>85,655</u>	<u>92,648</u>
Total Expenditure		<u>1,387,962</u>	<u>1,514,976</u>
NET PROFIT/(LOSS)		<u>(23,848)</u>	<u>(265,853)</u>

The accompanying notes form part of this financial report.

CSIRO STAFF ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Membership Subscriptions		1,381,201	1,281,280
Receipts from Other Reporting Units	17 (d)	7,332	8,949
Interest Received		7,769	14,896
Other Income Received		-	-
Payments to Suppliers & Employees		(64,955)	(82,684)
Payments to Other Reporting Units	17 (d)	<u>(1,726,606)</u>	<u>(1,337,610)</u>
Net Cash Provided by Operating Activities	17 (b)	<u>(395,259)</u>	<u>(115,169)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for Office Furniture and Equipment		(1,979)	-
Receipts from sale of Investments		153,647	100,000
Payment for Investments		-	-
Net Cash Provided by/(Used in) Investing Activities		<u>151,668</u>	<u>100,000</u>
Net Increase/(Decrease) in cash held		(243,591)	(15,169)
Cash & Cash Equivalents at Beginning of Year		<u>546,932</u>	<u>562,101</u>
Cash & Cash Equivalents at End of Year	17 (a)	<u><u>303,341</u></u>	<u><u>546,932</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 2019

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 and Interpretations issued by the Australian Accounting Board (AASB) that apply for the reporting period, and the Fair Work (Registered Organisations) Act 2009. For the purpose of preparing the general purpose financial statements the CSIRO Staff Association is a not-for-profit entity.

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) Taxation

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

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

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

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

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

(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 2019

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

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

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

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

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

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

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:

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

CSIRO STAFF ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(c) Financial Assets *continued*

Financial assets at amortised cost

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

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

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Association financial assets at amortised cost includes trade receivables and loans to related parties.

Financial assets at fair value through other comprehensive income

The Association measures debt instruments at fair value through OCI if both of the following conditions are met:

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

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

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

The Association debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

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

Upon initial recognition, the [reporting unit] can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

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

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

CSIRO STAFF ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(c) Financial Assets *continued*

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

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

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

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Association has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - a) the Association has transferred substantially all the risks and rewards of the asset, or
 - b) the Association has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

Offsetting

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

CSIRO STAFF ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(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.

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.

CSIRO STAFF ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

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) 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.

(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 Association 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 22.

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 Association. 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 Association 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.

CSIRO STAFF ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(j) Fair Value Measurement *continued*

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.

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) Critical Accounting Estimates and Judgments

The Committee of Management evaluate estimates and judgments incorporated into the financial statement based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association.

Key estimates — Impairment

The Association assesses impairment at each reporting date by evaluating conditions specific to the Association that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key Judgments - Available-for-sale investments

The Association maintains a portfolio of securities with a carrying amount of \$911,713 at the end of the reporting period. Certain individual investments have declined in value since the initial acquisition of those investment. The Committee of Management do not believe this decline constitutes a significant or prolonged decline below cost at this stage and hence no impairment has been recognised. Should share values decline to a level which is in excess of 30% below cost or should prices remain at levels below cost for a period in excess of 12 months, the Committee of Management have determined that such investments will be considered impaired in the future.

CSIRO STAFF ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(I) New Accounting Standards

Adoption of New Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date stated in the standard.

The accounting policies adopted are consistent with those of the previous financial year except for the following standards and amendments, which have been adopted for the first time this financial year:

- AASB 9 Financial Instruments and relevant amending standards, which replaces AASB 139 Financial Instruments: Recognition and Measurement.

Impact on adoption of AASB 9

Initial application

AASB 9 Financial Instruments (AASB 9) replaces AASB139 Financial Instruments: Recognition and Measurement (AASB 139) for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Association has applied AASB 9 retrospectively, with an initial application date of 1 July 2018. The Association has not restated the comparative information, which continues to be reported under AASB 139. There are no differences arising from the adoption of AASB 9 which has had to be recognised directly in opening retained earnings and other components of equity as at 1 July 2018.

(i) Classification and measurement

Under AASB 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI. The classification is based on two criteria: the Association business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Association business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a significant impact to the Association.

- Trade receivables and other non-current financial assets (i.e., Loan to a related party) previously classified as loans and receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are now classified and measured as debt instruments at amortised cost.
- Quoted debt instruments previously classified as available-for-sale (AFS) financial assets are now classified and measured as debt instruments at fair value through OCI as they failed the SPPI test.
- Equity investments in non-listed companies previously classified as AFS financial assets are now classified and measured as equity instruments designated at FVTOCI. The Association elected to classify irrevocably its non-listed equity investments under this category as it intends to hold these investments for the foreseeable future. There were no impairment losses recognised in profit or loss for these investments in prior periods.
- Listed equity investments previously classified as AFS financial assets are now classified and measured as financial assets at fair value through profit or loss.

CSIRO STAFF ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(I) New Accounting Standards *continued*

In summary, upon adoption of AASB 9, the Association applied the following required or elected reclassifications:

1 July 2018	AASB 9 measurement category			
	Fair value through profit or loss	Amortised cost	Fair value through OCI	
	\$	\$	\$	\$
AASB 139 measurement category				-
<i>Loans and receivables</i>				
Receivables	9,485	-	9,485	-
<i>Available for sale</i>				
Financial Assets	972,194	-	-	972,194
	981,679	-	9,485	972,194

*The change in carrying amount is a result of additional impairment allowance. See discussion on impairment below.

(ii) Impairment loss

The adoption of AASB 9 has fundamentally changed the Association's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking ECL approach. AASB 9 requires the Association to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets, i.e. those held at amortised cost and at FVTOCI.

CSIRO STAFF ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(I) New Accounting Standards *continued*

Future Australian Accounting Standards Requirements Accounting Standards

AASB 16 Leases (AASB 16)

AASB 16 was issued in January 2016 and it replaces AASB 117 *Leases*, AASB Interpretation 4 *Determining whether an Arrangement contains a Lease*, AASB Interpretation-115 *Operating Leases-Incentives* and AASB Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

For NFP entities, AASB 16 will commence from financial years beginning on or after 1 January 2019. Either a full retrospective application or a modified retrospective application is required for AASB 16. The Association plans to adopt AASB 16 on the required effective date 1 July 2019 of using modified retrospective method.

AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under AASB 16 is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.

The committee of management anticipate that the adoption of AASB 16 will impact the Association's financial statements, with most operating leases (except short term low value leases) will come onto the statement of financial position and will be recognised as a right of use asset with a corresponding liability.

Information on the undiscounted amount of the Association's operating lease commitments under AASB 117 Leases, the current leasing standard, is disclosed in note 16 'Capital and Leasing Commitments'.

AASB 1058 *Income of Not-for-Profit Entities (AASB 1058)* and AASB 15 *Revenue from Contracts with Customers (AASB 15)*

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities in conjunction with AASB 15. AASB 1058 and AASB 15 supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 *Contributions*.

For NFP entities, both AASB 1058 and 15 will commence from financial years beginning on or after 1 January 2019. Either a full retrospective application or a modified retrospective application is required for AASB 15. The Association plans to adopt AASB 15 on the required effective date 1 July 2019 of using modified retrospective method.

The Committee of management has assessed that there will be no material impact on the financial statements upon adoption of AASB 1058 and 15.

CSIRO STAFF ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 2: SECTION 272 FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of sub-sections (1) to (3) of section 272 which reads as follows:

Information to be provided to members or Commissioner:

- (1) A member of a reporting unit, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (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 2019**

NOTE 3: RELATED PARTY INFORMATION

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

Executive

Section President	Sonia Grocke
Section Deputy Presidents (2)	Mark Green Melissa Skidmore
Section Treasurer	Scott Wilkinson
Section Secretary	Sam Popovski

Sub-Section Councillors

ACT Councillor	Vacant (1 July – 31 December 2018) Tom Harwood (elected 1 January)
NSW Councillor	Mike Collins
Northern Australia Councillor	Delia Muller
SA Councillor	Vacant (1 July – 31 December 2018) Everard Edwards (appointed 1 January)
Southern QLD Councillor	Anna Campbell
TAS Councillor	Damien Irving (Appointed 1 July 2018 – 18 March 2019) Vacant (19 March – 30 June 2019)
VIC Councillor	Lynda Wright
WA Councillor	Steve Charles

(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
	\$	\$	\$	\$	\$	\$
2019						
Total Compensation	134,814	113,893	17,540	3,381	-	-
2018						
Total Compensation	133,315	112,799	17,371	3,145	-	-

(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 2019

NOTE 4: EMPLOYEE BENEFITS

Year Ended 30 June 2019:	Elected Officials \$	Administrative & Industrial Staff \$	Total \$
Employee benefits paid to employees during the year:			
Wages & Salaries	108,417	527,015	635,432
Annual Leave and Sick Leave	5,476	102,706	108,182
Long Service Leave (Refer Note 1(e))	-	-	-
Separation and Redundancies	-	48,560	48,560
Other Employee Expenses	-	-	-
Superannuation	17,540	129,467	147,007
Employee benefits paid or payable to the CPSU - PSU Group in respect to employees during the year (Refer Note 1(e)):			
Long Service Leave	2,126	40,038	42,164
Year Ended 30 June 2018:	Elected Officials \$	Administrative & Industrial Staff \$	Total \$
Employee benefits paid to employees during the year:			
Wages & Salaries	100,534	672,826	773,360
Annual Leave and Sick Leave	12,265	90,066	102,331
Long Service Leave (Refer Note 1(e))	-	-	-
Separation and Redundancies	-	-	-
Other Employee Expenses	-	-	-
Superannuation	17,371	147,670	165,041
Employee benefits paid or payable to the CPSU - PSU Group in respect to employees during the year (Refer Note 1(e)):			
Long Service Leave	3,233	21,395	24,628

CSIRO STAFF ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

	2019 \$	2018 \$
NOTE 5: REVENUE		
Operating activities: -		
- Subscriptions Received	1,256,729	1,170,214
- Capitation Fees Received	-	-
- Levies Received	-	-
- Grants or Donations Received	-	-
- Financial Support Received	-	-
- Interest (other persons/corporations)	7,769	14,896
- Investment Income	99,616	64,013
- Other Revenue	-	-
Total Revenue	<u>1,364,114</u>	<u>1,249,123</u>
NOTE 6: EXPENSES		
Depreciation of office furniture and equipment	1,087	572
Impairment of Investments	-	-
Loss on Disposal of Equipment	-	-
Amounts set aside to Provisions:		
Long Service Leave	4,800	-
Annual Leave	11,200	2,385
Management Fee - CPSU - PSU Group	87,972	81,915
Affiliation Fees:		
Science & Technology Australia	7,273	4,758
The Union Shopper	-	72
ACTU	13,293	13,145
State Labour Councils	13,788	14,828
Other	3,000	3,000
Total Affiliation Fees	<u>37,354</u>	<u>35,803</u>

CSIRO STAFF ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
NOTE 6: EXPENSES continued		
Donations and Grants:		
Donations	2,000	2,000
Donations > \$1,000*	12,183	1,425
Grants - Scholarship Awards	1,000	1,000
Grants - Scholarship Awards > \$1,000	-	-
Total Donations and Grants	15,183	4,425

*In kind contribution to NSW ALP (2018: Qld ALP)

Consideration paid to employers for payroll deductions	-	-
Compulsory levies		
ACTU Campaign Industrial Levies	-	-
Fees/allowances - meetings and conferences	62	386
Conference and meeting expenses	9,917	29,948
Legal fees and other expenses related to:		
Litigation	-	-
Other legal matters	-	-
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	7,950	7,700
Other services	4,108	3,850
	12,058	11,550

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

The auditors do not receive any other benefit from the Association.

CSIRO STAFF ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
NOTE 8: CASH & CASH EQUIVALENTS		
Cash on Hand	187	222
Cash Held at Call:		
Cash with Members and Education Credit Union	178,154	17,958
Cash with Laboratories Credit Union	-	28,752
Cash on Deposit:		
Deposits with Members and Education Credit Union	-	150,000
Deposits with Laboratories Credit Union	-	-
Deposits with ME Bank	125,000	350,000
	<u>303,341</u>	<u>546,932</u>

NOTE 9: RECEIVABLES

Receivables from other reporting units:		
Receivables from CPSU - PSU Group	-	2,175
Less provision for doubtful debts	-	-
Receivables from other reporting units (net)	<u>-</u>	<u>2,175</u>
Other Receivables:		
Sundry Debtors	3,588	545
Accrued Interest	29	6,765
Total Other Receivables	<u>3,617</u>	<u>7,310</u>
	<u>3,617</u>	<u>9,485</u>

NOTE 10: FINANCIAL ASSETS

Financial assets designated at fair value through other comprehensive income:		
Shares in Laboratories Credit Union	-	10
Managed Funds Investments	911,713	972,184
Total Financial assets	<u>911,713</u>	<u>972,194</u>

NOTE 11: OTHER ASSETS

Prepayments	1,186	-
	<u>1,186</u>	<u>-</u>

CSIRO STAFF ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

	2019	2018
	\$	\$
NOTE 12: PLANT & EQUIPMENT		
Office Furniture & Equipment	7,805	10,630
Less: Accumulated Depreciation	<u>(5,537)</u>	<u>(9,254)</u>
	<u>2,268</u>	<u>1,376</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	1,376	1,948
Additions	1,979	-
Disposals	-	-
Depreciation	<u>(1,087)</u>	<u>(572)</u>
Carrying amount at end of year	<u>2,268</u>	<u>1,376</u>

NOTE 13: ACCOUNTS PAYABLE

Payables to other reporting unit:		
CPSU - PSU Group	<u>136,399</u>	<u>420,554</u>
Total Payables to other reporting unit	<u>136,399</u>	<u>420,554</u>
Other Payables:		
Sundry Creditors	375	9,784
Consideration to employers for payroll deductions	-	-
Legal costs	<u>-</u>	<u>-</u>
Total Other Payables	<u>375</u>	<u>9,784</u>
	<u>136,774</u>	<u>430,338</u>

NOTE 14: OTHER LIABILITIES

Current

Subscriptions in Advance	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

CSIRO STAFF ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
NOTE 15: PROVISIONS		
Current		
Employee Benefits - short term benefits at nominal value:		
Provision for Annual Leave	102,382	91,182
Provision for Long Service Leave Oncosts	44,124	39,324
Provision for Separation and Redundancies	-	-
Provision for Other Employee Benefits	-	-
	<u>146,506</u>	<u>130,506</u>
(a) Provision for Annual Leave in respect to:		
Elected Officials	21,449	17,614
Administrative and Industrial Staff	80,933	73,568
	<u>102,382</u>	<u>91,182</u>
(b) Provision for Long Service Leave Oncosts in respect to:		
Elected Officials	10,154	8,899
Administrative and Industrial Staff	33,970	30,425
	<u>44,124</u>	<u>39,234</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	43,017	45,597
- later than one year but not later than five years	110,522	153,546
	<u>153,539</u>	<u>199,143</u>

The lease relates to the premises at Level 7, 350 Queen Street, Melbourne which commenced on 1 December 2018 for a term of 5 years.

CSIRO STAFF ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

2019 2018
\$ \$

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	187	222
Cash Held at Call with Credit Unions	178,154	46,710
Cash on Deposits with Credit Unions	<u>125,000</u>	<u>540,000</u>
	<u>303,341</u>	<u>546,932</u>

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

Operating loss for the year	(23,848)	(265,853)
Non-cash flows in operating profit		
Depreciation	1,087	572
Loss on Disposal of Plant and Equipment	-	
Investment Distributions	(99,616)	(64,013)
Impairment Loss/(Gain)	-	-
Changes in assets and liabilities		
(Increase)/Decrease in Receivables	5,868	1,697
(Increase)/Decrease in Other Assets	(1,186)	1,296
Increase/(Decrease) in Accounts Payable	293,564	207,220
Increase/(Decrease) in Other Liabilities	-	-
Increase/(Decrease) in Employee Provisions	<u>16,000</u>	<u>3,912</u>
Net Cash Provided by/(Used in) Operating Activities	<u>(395,259)</u>	<u>(115,169)</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	7,332	8,949
Payments to CPSU - PSU Group	(1,726,606)	(1,337,609)

CSIRO STAFF ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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 2019.

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 2019

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	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	\$	\$	%	%	\$	\$	\$	\$	\$	\$
Financial Assets										
Cash and Bank Deposits	303,341	546,932	1.77	2.50	187	222	178,154	46,710	125,000	500,000
Managed Funds	911,713	972,194	-	-	911,713	972,194	-	-	-	-
Receivables	1,234	9,485	-	-	1,234	9,485	-	-	-	-
Total Financial Assets	1,216,288	1,528,611	-	-	913,134	981,901	178,154	46,710	125,000	500,000
Financial Liabilities										
Accounts Payable	136,774	430,338	-	-	136,774	430,338	-	-	-	-
Total Financial Liabilities	136,774	430,338			136,774	430,338				

(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 2019

NOTE 21: FINANCIAL INSTRUMENTS *continued*

(c) Market Risk *continued*

2019	Total Carrying Value	Interest Rate Risk				Price Risk				Return Risk			
		-1%	-1%	+1%	+1%	-20%	-20%	+20%	+20%	-2%	-2%	+2%	+2%
		Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
Financial Assets													
Cash and Bank Deposits	303,341	(3,033)	(3,033)	3,033	3,033	-	-	-	-	-	-	-	-
Managed Funds	911,713	-	-	-	-	(182,342)	(182,342)	-	182,342	(18,234)	(18,234)	18,234	18,234
Receivables	1,234	-	-	-	-	-	-	-	-	-	-	-	-
Financial Liabilities													
Accounts Payable	136,774	-	-	-	-	-	-	-	-	-	-	-	-
	134,391												

2018	Total Carrying Value	Interest Rate Risk				Price Risk				Return Risk			
		-1%	-1%	+1%	+1%	-20%	-20%	+20%	+20%	-2%	-2%	+2%	+2%
		Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
Financial Assets													
Cash and Bank Deposits	546,932	(5,469)	(5,469)	5,469	5,469	-	-	-	-	-	-	-	-
Managed Funds	972,194	-	-	-	-	(194,438)	(194,438)	-	194,438	(19,444)	(19,444)	19,444	19,444
Receivables	9,485	-	-	-	-	-	-	-	-	-	-	-	-
Financial Liabilities													
Accounts Payable	430,338	-	-	-	-	-	-	-	-	-	-	-	-

CSIRO STAFF ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 21: 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
	2019 \$	2019 \$	2018 \$	2018 \$
Financial Assets				
Receivables	2,412	1,205	6,998	2,487

Ageing of financial assets that were not impaired

	<30 days \$	31 – 60 days \$	61 – 90 days \$	> 90 days \$	Total \$
2019					
Receivables	2,412	-	-	1,205	3,617
2018					
Receivables	6,998	-	-	2,487	9,485

(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 2019.

(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 2019**

NOTE 22: FAIR VALUE MEASUREMENT

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

Economic Entity	Total Carrying Value		Fair Value	
	2019	2018	2019	2018
	\$	\$	%	%
Financial Assets				
Cash and Bank Deposits	303,341	546,932	303,341	546,932
Managed Funds	911,713	972,194	911,713	972,194
Receivables	3,617	9,485	3,617	9,485
Total Financial Assets	1,218,671	1,528,611	1,218,671	1,528,611
Financial Liabilities				
Accounts Payable	136,774	430,338	136,774	430,338
Total Financial Liabilities	136,774	430,338	136,774	430,338

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
	\$		\$	\$	\$
2019					
Financial Assets					
Managed Funds Investments	911,713	30/06/2019	911,713	-	-
2018					
Financial Assets					
Managed Funds Investments	972,194	30/06/2018	972,194	-	-

CSIRO STAFF ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 23: 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 (CSPU).

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 month 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 2019, the Section has not recorded any impairment of receivables relating to amounts owed by other reporting units (2018: \$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.

NOTE 24: SUBSEQUENT EVENTS

There have been no events subsequent to balance date, which require disclosure in the financial statements

CSIRO STAFF ASSOCIATION

OFFICER DECLARATION STATEMENT

I, Sam Popovski, being the Secretary of the Committee of Management of the CSIRO Staff Association, declare that the following activities did not occur during the reporting period ending 30 June 2019.

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- receive revenue from undertaking recovery of wages activity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit.



Mr Sam Popovski

Secretary, CSIRO Staff Association

Dated this 11th day of November 2019.



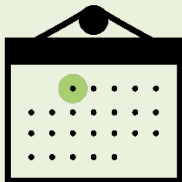
10 December 2019

Sam Popovski

PSU Group; CSIRO Section - Secretary

CPSU, the Community and Public Sector Union-PSU Group, CSIRO Section

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



URGENT REMINDER:

The CPSU, the Community and Public Sector Union-PSU Group, CSIRO Section's financial report is due (FR2019/133)

Dear Sam Popovski,

We are writing to remind you of the CPSU, the Community and Public Sector Union-PSU Group, CSIRO Section's obligation to lodge a financial report under section 268 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

We hope you are on track to complete your financial report on time. If not, please contact us as soon as possible to discuss ways we can assist you to meet the deadline.

Did you know? The ROC is currently seeking to improve non-compliance with these three areas:

- Providing the full report to members
- Providing the report to members within the deadlines
- Lodging the full report with the ROC within 14 days of the s.266 meeting.



Compliance Calculator

If you are not sure whether your planned dates are consistent with the RO Act, have a look at our [compliance calculator](#). The compliance calculator will help you work out your unique dates for when your report needs to be provided, presented and lodged.

Your steps checklist

Your financial year ended on 30 June 2019. You should be well into the following process.

Pre-lodgement checklist	✓
Draft the financial report and have the committee of management pass the Committee of Management resolution Did you know? This is the first meeting in the financial reporting process	<input type="checkbox"/>
Have the auditor complete and sign the auditor's report Tips: You must use a registered auditor. The SIGNED report is part of the full report. Make sure it is included in what is provided to members	<input type="checkbox"/>
Provide the full report to members This must be done: <ul style="list-style-type: none">• If you are going to a committee of management meeting (requires a 5% rule), within 5 months of 30 June 2019• If you are going to a general meeting of members, 21 days before the meeting	<input type="checkbox"/>
Present the full report to the second meeting. Hints: This meeting must be within 6 months of 30 June 2019. This is either a committee of management meeting (requires a 5% rule) or a general meeting of members	<input type="checkbox"/>
Lodge with the ROC within 14 days of the meeting – regorgs@roc.gov.au TIP: lodge it straight away – there's no need to wait the full 14 days	<input type="checkbox"/>

If you require further advice or assistance please email regorgs@roc.gov.au or call us on 1300 341 665.

Yours sincerely,

Registered Organisations Commission



Penalties apply

We emphasise that sections 253, 254, 265(1)(a), 266 and 268 of the RO Act are civil penalty provisions.

Failure of an organisation to prepare a full report, provide it to members, present it to a meeting and lodge with the ROC within legislative time frames may expose your organisation to Federal Court proceedings with the possibility of a pecuniary penalty being imposed upon an officer and/or the organisation.



2 July 2019

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

Dear Sam Popovski,

**Re: Lodgement of Financial Report - FR2019/133
*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 2019. This is a courtesy letter to remind you of the reporting unit's obligations regarding financial reporting.

Loans Grants and Donations Statement

The reporting unit is required to 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 of the RO Act requires this statement to be lodged with the Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2019.

The attached fact sheet *Loans Grants and Donations (FS 009)* summarises the requirements of the Loans Grants and Donations Statement. A sample statement of loans, grants or donations is available on our [website](#).

It should be noted that s.237 is a civil penalty provision. If a loan, grant or donation over \$1000 has been made, failure to lodge a statement of loans, grants and donations (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

Financial report

The RO Act sets out a particular chronological order in which your financial report must be prepared, audited, provided to members, presented to a meeting and then lodged with the ROC. The attached document *Summary of Financial Reporting timelines (FS 008)* summarises these requirements.

We emphasise that the reporting unit is required to present its audited financial report to a meeting (either of members or of the committee of management, depending on your rules) no later than 31 December 2019 (s.266). The full financial report must be lodged with the ROC within 14 days of that meeting (s.268).

When assessing your financial report, we will continue to focus closely on timelines as well as how loans, grants and donations are reported. The financial report must break down the amounts of grants and donations and these figures will be compared to the loans, grants and donations statement (see attached *Loans Grants and Donations* fact sheet FS 009).

You can visit our website for more information regarding [financial reporting](#), and fact sheets regarding [financial reporting processes and requirements](#). A model set of financial statements developed by the ROC is also available on our website. 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.

It should be noted that s.268 of the RO Act is a civil penalty provision. Failure to lodge the full financial report (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention (s.268).

Auditor's report

When assessing the financial report we will also focus on the structure and content of the auditor's report to ensure that it complies with the revisions made to the Auditing Standards which came into effect from 15 December 2016. Please find [here](#) a link to guidance note *Illustrative Auditor's Report* (GN 004) relating to these requirements (which can also be located on our website).

REMINDER

YOUR AUDITOR MUST BE REGISTERED (s.256)

You must ensure that your auditor is registered by the Registered Organisations Commissioner. A list of registered auditors is available on our [website](#).

Contact

Should you require any clarification in relation to the above, please email regorgs@roc.gov.au.

Yours faithfully,

Kylie Ngo
Registered Organisations Commission



Fact sheet

Summary of financial reporting timelines – s.253 financial reports

General Information:

- The **full report** consists of the General Purpose Financial Report, Committee of Management Statement, Operating report, s.255(2A) Report and signed Auditors’ Report
- For an explanation of each of the steps below see our [Fact sheet—financial reporting process](#).

STEP 1:
Reporting unit must prepare the General Purpose Financial Report, Committee of Management Statement, s.255(2A) Report and Operating Report as soon as practicable after the end of the financial year:



STEP 2:
Committee of Management statement – resolution to be passed by the Committee of Management in relation to the General Purpose Financial Report (**1st meeting**)



STEP 3:
Registered Auditor to prepare and sign the Auditor’s Report and provide to the Reporting unit **within a reasonable timeframe**

IF RULES PROVIDE FOR PRESENTATION OF FULL REPORT AT GENERAL MEETING OF MEMBERS
(this is the default process in the RO Act)

STEP 4:
Provide **full report** to members **at least 21 days before the General Meeting**



STEP 5:
Present **full report** to a General Meeting of Members within 6 months of the reporting unit’s end of financial year (**2nd meeting**)



STEP 6:
Prepare and sign the designated officer’s certificate then lodge **full report** and the designated officer’s certificate with the ROC within 14 days of the 2nd meeting

IF RULES PROVIDE FOR PRESENTATION OF FULL REPORT AT COMMITTEE OF MANAGEMENT MEETING
(Special rules must be in the rulebook to use this process)

STEP 4:
Provide **full report** to members **within 5 months of the reporting unit’s end of financial year**





















STEP 5:
Present **full report** to Committee of Management Meeting within 6 months of the reporting unit’s end of financial year (**2nd meeting**)



STEP 6:
Prepare and sign the designated officer’s certificate then lodge **full report** and the designated officer’s certificate with the ROC **within 14 days of the 2nd meeting**

Misconceptions

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

Misconception	Requirement
<p> The Committee of Management statement is just copied from the Reporting Guidelines</p>	<p> The Committee of Management statement must have the date of the Committee of Management resolution recorded upon it and it must be signed and dated BEFORE the auditor signs their report</p> <p>Further, if any of the statements within it need to be modified to suit the reporting unit (for instance not holding meetings) these changes must also be made</p>
<p> The Auditor's Report does not need to be signed until just before it is lodged with the ROC</p>	<p> The Auditor's Report must be signed and dated BEFORE the full report (including the Auditor's Report) is sent to members and presented to the second meeting</p>
<p> The Designated Officer's Certificate must be signed before the report is sent to members</p>	<p> The Designated Officer's Certificate declares what the reporting unit HAS ALREADY DONE to provide the report to members and present it to the meeting. It must be signed and dated AFTER sending the report to members and the second meeting</p>
<p> Documents can be dated when they should have been signed or when the events in the document occurred</p>	<p> Documents must always be dated at the date they are actually signed by an officer or auditor</p>
<p> Any auditor can audit a financial report</p>	<p> Only registered auditors can audit the financial report</p>
<p> The Committee of Management statement can be signed at any time</p>	<p> The resolution passing the Committee of Management Statement must occur and the statement signed and dated BEFORE the auditor's report is signed and dated</p>
<p> Any reporting unit can present the Full Report to a second COM meeting</p>	<p> Only reporting units with a 5% rule in their rulebook are able to present their report to a second Committee of Management Meeting. Otherwise, it must be presented to a General Meeting of members</p>
<p> Everything can be done at one Committee of Management meeting</p>	<p> If the rules allow for presenting the report to the Committee of Management, there must still be <u>two meetings</u>. The first meeting resolves the Committee of Management statement (including signing and dating it). Between the two meetings the Auditor's report is signed and dated. Only then can the full report be presented to the second Committee of Management meeting (if the rules allow)</p>
<p> The reporting unit has 6 months and 14 days to lodge their financial report with the ROC</p>	<p> The reporting unit must lodge the financial report within 14 days of the second meeting</p>

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This fact sheet is not intended to be comprehensive. It is designed to assist in gaining an understanding of the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice.



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 Commissioner'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 exceeds \$1000. The following information must be supplied to the Registered Organisations Commission (the ROC) 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 ROC has a [Template Loans, Grants and Donations Statement](#) on its website. The ROC 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 14(e) of the Commissioner'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 [ROC's Model Statements](#) the note appears as follows:

Note 4E: Grants or donations*

Grants:	2017	2016
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Total grants or donations	-	-

The Commissioner's Reporting Guidelines requires that these line items appear in the financial statements, the notes or in the officer's declaration statement, even if the figures are NIL.

Implications for filing the Financial Report

During their review of the financial report staff of the ROC may 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 last 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 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 ROC on regorgs@roc.gov.au