

Certificate Of Secretary

s268 of Schedule 1B Workplace Relations Act 1996

I, Stephen Jones being the National Secretary of the Community and Public Sector Union (PSU Group) certify:

- That the documents lodged herewith are copies of the full report, and the concise report, referred to in s268 of the RAO Schedule; and
- That both the concise report and full report were provided to members on the 20th of December 2005; and
- That the full report was presented to a meeting of the committee of management of the reporting unit on the 14th of December 2005; in accordance with section 266 of the RAO Schedule

A handwritten signature in black ink, appearing to read 'Stephen Jones', is written over the typed name and title.

Stephen Jones
National Secretary

8th January 2005

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP

TRANSITIONAL GOVERNING COUNCIL

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005**

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
TRANSITIONAL GOVERNING COUNCIL

OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2005

From the National Secretary

Thanks to the strong and active support of members, activists and delegates, the CPSU continues to grow and has successfully met the emerging challenges in a new and more difficult operating environment.

Despite the tough industrial situation and continuing attacks on the rights of workers to choose to be represented by a union, CPSU won significant outcomes in many campaigns across our areas of coverage. We achieved this because of the dedication of members, delegates and staff and the engagement of the great majority of workers in our fair pay campaigns in each of the organisations involved.

Our membership continues to grow despite the increasing rate of retirement of 'baby boomer' generation members. The stronger our membership base the more effective the union is in protecting and improving your pay and conditions.

Thank you for your continuing support. We are confident that by focusing on relevant issues, listening to members and organising effectively, we will remain a vital union, capable of delivering positive outcomes for members.

Yours in Unity,



Adrian O'Connell
CPSU National Secretary

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
TRANSITIONAL GOVERNING COUNCIL

OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2005

About the CPSU

The CPSU is one of Australia's most active and innovative trade unions. Membership is open to employees in a wide range of industries including:

- The Public Sector
- Telecommunications
- Employment Services
- Broadcasting (both public and private)
- Aviation
- Call Centres
- Science
- Research

The CPSU's purpose is to win sustainable workplace, industrial and social justice through the power of organized members. To be successful the union needs to keep growing in size and influence.

Principal Activities

During the period the CPSU negotiated close to 100 agency agreements. In addition to hundreds of media comments and internal publications, the CPSU ran more than 20 major campaigns and issued over 700 bulletins.

During the year our Membership Services Centre answered 4587 inquiries. The leading source of these enquiries included: management actions; Union matters including bargaining, information, policy and organizing; workers compensation; leave; remuneration and grading; employment separation. Of the inquiries received the MSC:

- Resolved 966 grievances
- Made 224 legal referrals
- Made 284 field organizer referrals
- Recruited 228 members
- Recovered 393 members

Through effective financial management, forecasting and budgeting the CPSU has managed a modest surplus. This holds us in good stead to continue the push for recruitment and win better agreements.

The CPSU employed a total number of 190 staff as at 30th June 2005

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
TRANSITIONAL GOVERNING COUNCIL

OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2005



Significant Changes

When CPSU National Council met in March 2005 they adopted a significant and all encompassing rule change proposal that has, among other things, altered the structure of the Union. The purpose of these changes was to increase participation on members and to better allow the CPSU to take on the challenges that we face in the present IR climate.

The full extent of the changes will come into effect when the new term of office commences on the 1st of January 2006, however ever since the certification of the rules the transitional provisions have allowed the union to start implementing new and more flexible work practices. This means that resources can be focused on the areas that most need it with short notice and better results.

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
TRANSITIONAL GOVERNING COUNCIL

OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2005

Membership

The CPSU (excluding CSIRO Section) had a total membership of 57,803 as at the 30th of June 2005.

Membership Year to 30th June 2005				
Division	Recruited	Cessation	Members	% Unfin
1 BPIA	1,476	1,221	10,219	3.53%
2 CS&E	1,194	1,467	11,210	4.02%
3 Comms	1,121	1,523	8,210	5.49%
4 Science	129	185	1,493	3.62%
5 Tax/Revenue	845	962	9,426	3.48%
6 PSP	1,687	1,298	9,473	3.71%
7 H&CS	1,052	1,119	7,772	3.09%
CPSU Total	7,504	7,775	57,803	3.85%

Members have the right to resign in accordance with Schedule 1b s174 of the Workplace Relations Act 1996 in conjunction with CPSU rule 1.6 Resignation of Membership.

Committee of Management

Persons who were members of the National Management Committee at any time during the year are as follows:

Adrian O'Connell	Mark Gepp
Arthur Ellis	Paul Ingwersen
Pauline Gallagher	Lisa Newman
Evan Hall	Shane O'Connell
Graham Rodda	Simon Cocker
Jenness Gardner	Stephen Jones
Karen Atherton	Susan Bowers
Margaret Gillespie	William Marklew
Paul Blake	Catherine Betar

During the year the National Management Committee (Transitional Executive Committee) held four in face meetings and two by Teleconference.

1.2005	21-23 June (TEC)	Sydney
2.2005	14 April	Teleconference
1.2005	1-2 February	Sydney
5.2004	15 December	Teleconference
4.2004	3-4 November	Sydney
3.2004	20-22 July	Sydney

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
TRANSITIONAL GOVERNING COUNCIL

OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2005

Statement on Superannuation Trustees

The CPSU does not have any officer or member who is known to be

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

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



Adrian O'Connell
National Secretary
13 December 2005

AUDITORS' REPORT

TO THE MEMBERS OF THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP, TRANSITIONAL GOVERNING COUNCIL

Scope

We have audited the financial report comprising the Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flows and Notes to the Financial Statements of the CPSU, the Community and Public Sector Union for the year ended 30 June 2005. The Executive Committee of Management is responsible for the financial report. We have conducted an independent audit on this financial report in order to express an opinion on it to the members of the National Executive.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Australian Accounting Standards and other mandatory professional reporting requirements and statutory requirements so as to present a view of the Transitional Governing Council which is consistent with our understanding of the Transitional Governing Council's financial position and the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit opinion

We have inspected and audited the accounting records kept by the CPSU, the Community and Public Sector Union in respect of the year ended 30 June 2005 and have received all the information and explanations we required for the purposes of our audit.

In our opinion:

- (i) there were kept by the organisation, in respect of the period, satisfactory accounting records detailing the sources and nature of the income of the organisation (including income from members) and the nature and purposes of expenditure; and
- (ii) the attached accounts and statements, prepared under the historical cost convention, and in accordance with Section 273 of the Workplace Relations Act 1996, and the accounting policies set out in Note 1 to the financial report, are properly drawn up so as to give a true and fair view of:

- a. the financial affairs of the organisation as at 30 June 2005; and
- b. the income and expenditure, and surplus of the organisation, for the year ended on that date.



M D Nicholaeff
Partner



UHY HAINES NORTON
Chartered Accountants

Signed at Sydney on 15 December 2005

**CPSU, The Community & Public Sector Union, PSU Group
Transitional Governing Council - Concise General Purpose Financial Report**

Statement of Financial Performance for the year ended 30 June 2005



	2004-2005	2003-2004
	\$	\$
Income		
Revenue from Ordinary Activities	20,929,085	19,573,561
Expenditure		
Depreciation and Amortisation	838,844	730,028
Employee Benefit Expense	11,341,458	11,237,582
Borrowing Costs	9,316	9,316
Other Expenses from Ordinary Activities	8,012,013	7,392,992
TOTAL CHANGES IN EQUITY	727,454	203,643

Income & Expenditure Statement for the year ended 30 June 2005

	2004- 2005		2003- 2004		
	\$		\$		
Member Subscriptions	20,225,061		19,105,689		
Cost of Member Subscriptions	(525,893)		(520,276)		
Net Member Subscriptions before PRD Commission	<u>19,699,168</u>		<u>18,585,413</u>		
Other Income	208,382		227,515		
Income before PRD Commission	<u>19,907,550</u>		<u>18,812,928</u>		
PRD Commission	(26,723)		(30,521)		
Total Income	<u>19,880,827</u>		<u>18,782,407</u>		
Organising & Campaigning	13,520,790	70.6%	13,586,529	73.1%	
Delegate & Activist Forums	1,538,740	8.0%	1,338,475	7.2%	
Communications & Publications	964,491	5.0%	711,423	3.8%	
Legal & Research	1,004,245	5.2%	807,375	4.3%	88.5%
Information Technology & Systems	796,424	4.2%	696,040	3.7%	
Finance & Administrative Overhead	409,678	2.1%	391,984	2.1%	
Site & Facilities	919,005	4.8%	1,046,937	5.6%	11.5%
Total Expense	<u>19,153,373</u>	100.0%	<u>18,578,763</u>	100.0%	100.0%
Operating Surplus	727,454		203,643		


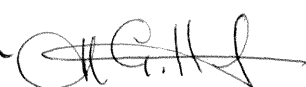
Notes:

Legal & Research includes non-contingent legal & professional fees of \$118,318
Rental income of \$1,040,883 has been offset against Site & Facilities expense



 Adrian O'Connell Margaret Gillespie
 National Secretary Asst National Secretary

Balance Sheet as at 30 June 2005

	2004-2005	2003-2004
	\$	\$
Current Assets		
Cash Assets	2,608,914	1,387,181
Receivables	175,518	150,286
Other Assets	174,357	267,208
TOTAL CURRENT ASSETS	<u>2,958,789</u>	<u>1,804,675</u>
Non Current Assets		
Property, plant and equipment	12,480,731	12,761,802
TOTAL NON CURRENT ASSETS	<u>12,480,731</u>	<u>12,761,802</u>
TOTAL ASSETS	15,439,520	14,566,477
Current Liabilities		
Payables	1,524,148	1,239,630
Interest bearing liabilities	53,816	203,909
Provisions	978,545	922,032
TOTAL CURRENT LIABILITIES	<u>2,556,509</u>	<u>2,365,571</u>
Non Current Liabilities		
Interest Bearing Liabilities	-	53,816
Provisions	1,461,944	1,453,477
TOTAL NON CURRENT LIABILITIES	<u>1,461,944</u>	<u>1,507,293</u>
TOTAL LIABILITIES	<u>4,018,453</u>	<u>3,872,864</u>
NET ASSETS	<u>11,421,067</u>	<u>10,693,613</u>
Accumulated Funds		
Reserves	2,527,379	2,527,379
General Fund Balance	8,893,688	8,166,234
TOTAL ACCUMULATED FUNDS	<u>11,421,067</u>	<u>10,693,613</u>



 Adrian O'Connell Margaret Gillespie
 National Secretary Asst National Secretary

Statement of Cash Flows for the year ended 30 June 2005

	2004-2005	2003-2004
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from members and others	20,765,166	20,399,092
Payments to suppliers and employees	(18,881,627)	(19,576,059)
Interest Received	109,192	109,965
Interest and costs of finance paid	(9,316)	(9,316)
Net Cash Provided by operating activities	<u>1,983,415</u>	<u>923,682</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for purchase of plant and equipment	(557,773)	(1,637,378)
Receipts for sale of property, plant and equipment	-	21,182
Net cash provided by/(used in) investing activities	<u>(557,773)</u>	<u>(1,616,196)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Finance Leases	(203,909)	(68,957)
Repayment of borrowings	-	-
Net cash (used) in financing activities	<u>(203,909)</u>	<u>(68,957)</u>
Net increase/(decrease) in cash held	1,221,733	(761,471)
Cash at beginning of year	1,387,181	2,148,652
Cash at end of year	<u><u>2,608,914</u></u>	<u><u>1,387,181</u></u>

In accordance with section 265(3)(a) of the RAO Schedule: This concise financial report has been derived from the full report and cannot be expected to provide as full an understanding of the financial performance, financial position, and financial and investing activities of the reporting unit as the full report

In accordance with section 265(3)(e) of the RAO Schedule: This is a concise report. A copy of the full report and auditor's report will be sent upon receipt of request to members free of charge.

In accordance with section 272(5) of the RAO Schedule: (1) A member of a reporting unit, or a Registrar, may apply to the reporting unit for the 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).



Adrian O'Connell
National Secretary

Margaret Gillespie
Asst National Secretary

AUDITORS' REPORT

TO THE MEMBERS OF THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP, TRANSITIONAL GOVERNING COUNCIL

Scope

We have audited the financial report comprising the Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flows and Notes to the Financial Statements of the CPSU, the Community and Public Sector Union for the year ended 30 June 2005. The Executive Committee of Management is responsible for the financial report. We have conducted an independent audit on this financial report in order to express an opinion on it to the members of the National Executive.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Australian Accounting Standards and other mandatory professional reporting requirements and statutory requirements so as to present a view of the Transitional Governing Council which is consistent with our understanding of the Transitional Governing Council's financial position and the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit opinion

We have inspected and audited the accounting records kept by the CPSU, the Community and Public Sector Union in respect of the year ended 30 June 2005 and have received all the information and explanations we required for the purposes of our audit.

In our opinion:

- (i) there were kept by the organisation, in respect of the period, satisfactory accounting records detailing the sources and nature of the income of the organisation (including income from members) and the nature and purposes of expenditure; and
- (ii) the attached accounts and statements, prepared under the historical cost convention, and in accordance with Section 273 of the Workplace Relations Act 1996, and the accounting policies set out in Note 1 to the financial report, are properly drawn up so as to give a true and fair view of:

- a. the financial affairs of the organisation as at 30 June 2005; and
- b. the income and expenditure, and surplus of the organisation, for the year ended on that date.



M D Nicholaeff
Partner



UHY HAINES NORTON
Chartered Accountants

Signed at Sydney on 15 December 2005

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
TRANSITIONAL GOVERNING COUNCIL**

COMMITTEE OF MANAGEMENT STATEMENT

On _____ the Committee of Management of CPSU Group National Council passed the following resolution in relation to the general purpose financial report of the reporting unit for the financial year ended 30 June 2005:

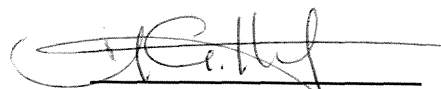
The Committee of Management declares in relation to the general purpose financial report that in its opinion:

- a) the financial statements and notes comply with the Australian Accounting Standards;
- b) the financial statements and notes comply with the Reporting Guidelines of the Industrial Registrar;
- c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- e) during the financial year to which the general purpose financial report relates and since the end of that year:
 - i. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - iii. the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - iv. where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - v. the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - vi. there have been no orders for inspection of the financial records made by the Commission under section 273 of the RAO Schedule during the year.

For the Committee of Management:



Adrian O'Connell
National Secretary



Margaret Gillespie
Assistant National Secretary

Dated at Sydney this 13th day of December 2005.

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
TRANSITIONAL GOVERNING COUNCIL**

**STATEMENT OF FINANCIAL PERFORMANCE
ENDED 30 JUNE 2005**

	Note	2005	2004
		\$	\$
Revenue from Ordinary Activities	3	20,929,085	19,573,561
Depreciation and Amortisation	4	(838,844)	(730,028)
Employee Benefits Expense	4	(11,341,458)	(11,237,582)
Borrowing Costs		(9,316)	(9,316)
Other Expenses from Ordinary Activities		(8,012,013)	(7,392,992)
TOTAL CHANGES IN EQUITY	16	727,454	203,643
		=====	=====

To be read in conjunction with the Notes to and forming part of the financial statements.

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
TRANSITIONAL GOVERNING COUNCIL**

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2005

	Note	2005 \$	2004 \$
CURRENT ASSETS			
Cash Assets	6	2,608,914	1,387,181
Receivables	7	175,518	150,286
Other Assets	8	174,357	267,208
TOTAL CURRENT ASSETS		2,958,789	1,804,675
NON CURRENT ASSETS			
Financial Assets	9	-	-
Property, plant and equipment	10	12,480,731	12,761,802
TOTAL NON CURRENT ASSETS		12,480,731	12,761,802
TOTAL ASSETS		15,439,520	14,566,477
CURRENT LIABILITIES			
Payables	11	1,524,148	1,239,630
Interest Bearing Liabilities	12	53,816	203,909
Provisions	13	978,545	922,032
TOTAL CURRENT LIABILITIES		2,556,509	2,365,571
NON CURRENT LIABILITIES			
Interest Bearing Liabilities	12	-	53,816
Provisions	13	1,461,944	1,453,477
TOTAL NON CURRENT LIABILITIES		1,461,944	1,507,293
TOTAL LIABILITIES		4,018,453	3,872,864
NET ASSETS		11,421,067	10,693,613
ACCUMULATED FUNDS			
Reserves	15	2,527,379	2,527,379
General Fund Balance	16	8,893,688	8,166,234
TOTAL ACCUMULATED FUNDS		11,421,067	10,693,613

To be read in conjunction with the Notes to and forming part of the financial statements.

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
TRANSITIONAL GOVERNING COUNCIL**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2005

	Note	2005 \$	2004 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and others		20,765,166	20,399,092
Payments to suppliers and employees		(18,881,627)	(19,576,059)
Interest Received		109,192	109,965
Interest and costs of finance paid		(9,316)	(9,316)
		-----	-----
Net cash provided by operating activities	17(b)	1,983,415	923,682
		-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of plant & equipment		(557,773)	(1,637,378)
Receipts for sale of property, plant & equipment		-	21,182
		-----	-----
Net cash provided by/(used in) investing activities		(557,773)	(1,616,196)
		-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Finance Leases		(203,909)	(68,957)
Repayment of borrowings		-	-
		-----	-----
Net cash (used) in financing activities		(203,909)	(68,957)
		-----	-----
Net increase in cash held		1,221,733	(761,471)
Cash at beginning of year		1,387,181	2,148,652
		-----	-----
Cash at end of year	17(a)	2,608,914	1,387,181
		=====	=====

To be read in conjunction with the Notes to and forming part of the financial statements.

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
TRANSITIONAL GOVERNING COUNCIL**

NOTES TO AND FORMING PART OF THE 20054 FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

The financial statements are a general purpose financial report which have been prepared in accordance with Australian Accounting Standards and other mandatory professional reporting requirements and the Workplace Relations Act 1996 and the alteration to rules as approved by the Industrial Registrar. The financial statements have also been prepared on the basis of historical costs and do not take into account changing money values, except land and building, which is stated at independent valuation. Cost is based on the fair values of the consideration given in exchange for assets.

On 19 June 2001, the Deputy Industrial Registrar approved changes to certain rules pertaining to financial management. Those changes included, amongst others, preparation of a single set of financial statements for the PSU Group for the year ended 30 June 2002 and beyond. Resulting from the change, all funds, property and liabilities of the Sections, Branches and Professional Division as at 30 June 2001 were transferred to the National Council.

The following is a summary of the material policies adopted by the National Council in the preparation of the financial statements.

(a) Property, Plant and Equipment

Property, plant and equipment are brought to account at cost or independent valuation less, where applicable, any accumulated depreciation or amortisation. The carrying amount of property, plant and equipment is reviewed annually by the Committee 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 which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

The depreciable amount of all fixed assets and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives commencing from the time the asset is held ready for use.

The depreciation rates used for each class of asset are:

CLASS OF FIXED ASSET	DEPRECIATION RATE
Leasehold Improvement	over lease period
Computer System	20%
Office Equipment	20%
Motor Vehicles	20%

All minor purchases of assets (under \$2,000) are considered by the committee as having a useful life relative only to the period of purchase and as such are written off during that period.

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
TRANSITIONAL GOVERNING COUNCIL**

NOTES TO AND FORMING PART OF THE 2005 FINANCIAL STATEMENTS

NOTE 1. ACCOUNTING POLICIES (Continued)

(b) Income Tax

No provision for income tax is necessary as "Trade Unions" are exempt from income tax under Section 50-5 of the Income Tax Assessment 1997.

(c) Employee Leave Entitlements

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs.

Contributions are made by the Union to employee superannuation funds and are charged as expenses when incurred.

(d) Leases

Lease payments for operating leases, where substantially all the risk and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

The National Council complies with AAS17 in respect of finance leases. Finance leases are capitalised; a lease asset and liability equal to the present value of the minimum lease payments, excluding executory costs, are recorded at the inception of the lease. Contingent rentals are written off as an expense of the accounting period in which they are incurred. Capitalised lease assets are amortised on a straight line basis against the income of the accounting periods which are expected to benefit from their use.

(e) Investments

Investments are stated at cost less provision for diminution in value. This represents seed funding to the wholly controlled, Shared Advantage Limited. (Formerly CPSU Advantage Limited) Dividend income is brought to account upon receipt basis.

(f) International Financial Reporting Standards (IFRS)

CPSU – National Council will be required to prepare financial statement using Accounting Standards that comply with IFRS when it reports for the year ending 30 June 2006.

IFRS requires that entities complying with IFRS for the first time also restate their comparative financial statements, which will require the entity's opening IFRS balance sheet to be a restated balance sheet, dated 1 July 2005. Any adjustments required to transition to IFRS will be made retrospectively against opening retained earnings as at 1 July 2004.

Following a review of IFRS standards it is not expected that its introduction will affect the entity's reported financial position or performance. The management committee is monitoring IFRS developments to ensure adequate planning and preparation for its introduction.

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
TRANSITIONAL GOVERNING COUNCIL**

NOTES TO AND FORMING PART OF THE 2005 FINANCIAL STATEMENTS

(g) Revenue

Revenue from the rendering of a service is recognised upon the delivery of service to the members.

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

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

(h) Comparative Information

Where necessary comparative amounts have been re-classified to facilitate preparation of the current year accounts.

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

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

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

	2005	2004
	\$	\$
Note 3: REVENUE		
Operating Activities		
Subscription Received (net of refunds and charges)	19,672,444	18,585,413
Interest Received	109,192	109,965
Management Fee – CSIRO Staff Association	72,892	70,330
Rental Trading – CPSU Properties	1,040,883	760,633
Sundries	33,674	42,205
	-----	-----
Non-Operating Activities	20,929,085	19,568,546
Proceeds on Sale of Property, Plant and Equipment	-	5,015
	-----	-----
Total Revenue	20,929,085	19,573,561
	=====	=====

Note 4: SURPLUS FROM ORDINARY ACTIVITIES

a) Expenses

Fees for payroll deduction for subscriptions	26,723	30,521
--	--------	--------

Depreciation and amortisation	2005 \$	2004 \$
Computer Equipment	87,283	83,390
Motor Vehicle	13,787	25,630
Land & Building	173,496	208,284
Office Equipment	57,573	62,463
Telephone system	171,653	171,653
Leased Office Equipment	955	1,179
Leasehold Improvements	276,151	177,429
Information systems project	57,946	
Total:	<u>838,844</u>	<u>730,028</u>

Remuneration of Auditor		
Audit – Current Year	32,000	38,000
Other Services	10,000	13,740

Employee Benefits		
Salaries – Elected Officials	1,392,351	1,379,378
– Employee	8,201,377	8,113,406
Long Service Leave - Elected officials	53,988	50,210
- Employees	318,007	275,784
Superannuation - Elected officials	192,978	190,911
- Employees	1,136,700	1,084,796
Honoraria and Allowances	7,711	6,625
Other Related Expenses	38,346	136,472

Total Employee Benefits	<u>11,341,458</u>	<u>11,237,582</u>
-------------------------	-------------------	-------------------

Affiliation Fees	<u>462,843</u>	<u>441,580</u>
------------------	----------------	----------------

Legal and Professional Fees	<u>244,950</u>	<u>115,464</u>
-----------------------------	----------------	----------------

Meeting Expenses	<u>241,035</u>	<u>260,444</u>
------------------	----------------	----------------

b) Gain on Sale of Property, Plant and Equipment	<u>-</u>	<u>5,015</u>
--	----------	--------------

NOTE 5: GRANTS & DONATIONS

Included in other expense from ordinary activities are grants and donations:

Others	-	158
May Day	-	273
Queensland Council of Unions	-	760
Labour Day March	-	50
Trade Union Committee on Aboriginal Rights	182	182
Red Cross	6,000	-
Australian Peace Committee	-	91
Workers locked out by Blue Ribbon	-	450
Lingiari Foundation	-	290
Solomon Islands National Union of Workers	468	-
Australian People for Humanitarian Education & Aid Abroad	44,000	45,802
The Australia Firefighter	-	295
The Friends of the Noel Butlin Archives Centre	-	200
NOW We The People	-	455
ACTU	198,940	2,000
	<u>249,590</u>	<u>51,006</u>

NOTE 6: CASH	2005	2004
	\$	\$
Cash on Hand	4,200	4,100
Cash at Bank	2,490,892	1,272,777
Term Deposits	113,822	110,304
	-----	-----
	2,608,914	1,387,181
	=====	=====
 NOTE 7: RECEIVABLES		
Sundry Debtors	175,518	150,286
	-----	-----
	175,518	150,286
	=====	=====
 NOTE 8: OTHER ASSETS		
Prepayments	144,862	242,483
Security Deposit		24,725
Owing by related party 18(a)	29,495	
	-----	-----
	174,357	267,208
	=====	=====
 NOTE 9: FINANCIAL ASSETS		
Seed Funding to Shared Advantage Limited:		
- At cost	225,000	225,000
- Less Provision for Diminution in Value	(225,000)	(225,000)
	-----	-----
	-	-
	=====	=====
 NOTE 10: PROPERTY, PLANT AND EQUIPMENT		
	2005	2004
	\$	\$
 Land and Buildings		
Freehold land and buildings at independent valuation 1998:		
Thomas Street, Sydney	10,200,000	10,200,000
Woods Street, Darwin	390,000	390,000
	-----	-----
	10,590,000	10,590,000
Less Accumulated Depreciation	(1,214,488)	(1,040,992)
	-----	-----
Net Land and Buildings	9,375,512	9,549,008
	-----	-----
 Leasehold Improvements		
Bourke Street, Melbourne	344,257	344,257
Less – Equitable – CSIRO Section	(44,240)	(44,240)
	-----	-----
	300,017	300,017
Hobart	6,935	6,935
Creek Street, Brisbane	41,329	41,329
Hay Street, Perth	157,927	139,631
Brisbane Avenue, Canberra	223,453	223,453
Henley Beach Road, Adelaide	16,722	14,320
	-----	-----
	746,383	725,685
Less Accumulated Depreciation	(427,874)	(304,870)
	-----	-----
Net Leasehold Improvements	318,509	420,815
	-----	-----

Freehold Improvements	2005	2004
	\$	\$
Thomas Street	1,520,980	1,478,747
Woods Street	3,525	3,525
	-----	-----
	1,524,505	1,482,272
Less Accumulated Depreciation	(372,632)	(219,485)
	-----	-----
Net Freehold Improvements	1,151,873	1,262,787
	-----	-----
Computer System		
At cost	3,088,743	2,930,870
Less Accumulated Depreciation	(2,786,820)	(2,699,537)
	-----	-----
Net Computer System	301,923	231,333
	-----	-----
Office Equipment		
At cost	2,596,833	2,591,300
Less Accumulated Depreciation	(2,322,927)	(2,265,355)
	-----	-----
Net Office Equipment	273,906	325,945
	-----	-----
Leased Office Equipment		
At cost	14,415	14,415
Less Accumulated Depreciation	(10,344)	(9,389)
	-----	-----
	4,071	5,026
	-----	-----
Motor Vehicles		
At cost	91,914	91,914
Less Accumulated Depreciation	(73,440)	(59,653)
	-----	-----
Net Motor Vehicles	18,474	32,261
	-----	-----
Telephone System (Under finance lease)		
Capitalised Value	858,267	858,267
Less Accumulated Amortisation	(801,049)	(629,396)
	-----	-----
Net Telephone System	57,218	228,871
	-----	-----
Information Systems Project		
Capitalised Value	213,406	213,406
Less Accumulated Amortisation	(60,465)	(2,519)
	-----	-----
Net Information Systems Project	152,941	210,887
CRM / Membership System	826,304	494,869
	-----	-----
Total Property, Plant and Equipment	12,480,731	12,761,802
	=====	=====

(a). MOVEMENTS IN CARRYING AMOUNTS

Movement in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

	Balance at the beginning of year	Additions	Dep'n expense	Carrying amount at the end of the year
Land & Building	9,549,008	-	173,496	9,375,512
Leasehold Improvements	420,815	20,698	123,004	318,509
Freehold Improvements	1,262,787	42,233	153,147	1,151,873
Computer Equipment	231,333	157,873	87,283	301,923
Office Equipment	325,945	5,533	57,572	273,906
Leased Office Equipment	5,026	-	955	4,071
Motor Vehicles	32,261	-	13,787	18,474
Telephone system	228,871	-	171,653	57,218
Information Systems Project	210,887	-	57,946	152,941
CRM/Membership System	494,869	331,435	-	826,304
Total	12,761,802	557,772	838,843	12,480,731

2005
\$

2004
\$

NOTE 11: PAYABLES

CURRENT

Accounts Payable and Accruals		924,765	768,763
GST Payable		357,243	307,934
Legal Cost		128,318	30,000
Rental Bond		113,822	110,291
Payable to Related Party	18 (a)	-	22,642
		-----	-----
		1,524,148	1,239,630
		=====	=====

NOTE 12: INTEREST BEARING LIABILITIES

CURRENT

Finance Leases (Note 14(b))		53,816	203,909
		-----	-----
		53,816	203,909
		=====	=====

NON CURRENT

Finance Leases (Note 14(b))		-	53,816
		-----	-----
		-	53,816
		=====	=====

Finance leases are secured by a registered charge over the telephone system.

NOTE 13: PROVISIONS (EMPLOYEE ENTITLEMENTS)**CURRENT**

Annual Leave - holders of office	167,751	191,691
- other employees	810,794	730,341
	-----	-----
	978,545	922,032
	=====	=====

NON CURRENT

Long Service Leave - holders of office	354,508	302,330
- other employees	1,107,436	1,151,147
	-----	-----
	1,461,944	1,453,477
	=====	=====
(a) Aggregate employee benefit liability	2,440,489	2,375,509
	=====	=====
(b) Number of employees at year end	189	190

NOTE 14: CAPITAL AND LEASING**a) Operating Lease Commitments**

Payable:

- not later than 1 year	927,722	871,626
- later than 1 year but not later than 2 years	709,313	695,504
- later than 2 years but not later than 5 years	627,660	777,751

	-----	-----
	2,264,695	2,344,881
	=====	=====

b) Finance Leases

Payable:

- not later than 1 year	55,016	220,007
- later than 1 year but not later than 2 years	-	55,002

	-----	-----
	55,016	275,009
	(1,200)	(17,284)

Less future Charges

	-----	-----
	53,816	257,725
	=====	=====

NOTE 15: RESERVES

Capital Profits and Asset Revaluation Reserve	2,441,631	2,441,631
Death and Benevolent Fund (a)	69,164	69,164
Superannuation Trust Fund	16,584	16,584
	-----	-----
	2,527,379	2,527,379
	=====	=====

(a) Death and Benevolent Fund

Balance brought forward	69,164	73,664
Payments	-	(4,500)

	-----	-----
Balance Carried Forward	69,164	69,164
	-----	-----

NOTE 16: GENERAL FUND	2005	2004
	\$	\$
Accumulated (deficit) at the beginning of the financial year	8,166,234	7,962,591
Net Surplus for the Year	727,454	203,643
	-----	-----
Accumulated surplus at the end of the financial year	8,893,688	8,166,234
	=====	=====

NOTE 17: CASH FLOW INFORMATION

(a) Reconciliation of Cash

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

Cash on Hand	4,200	4,100
Cash at Bank	2,490,892	1,272,777
Term Deposits	113,822	110,304
	-----	-----
	2,608,914	1,387,181
	=====	=====

(b) Reconciliation of Cash Flow from Operations with Operating Surplus/(Deficit)

Operating surplus	727,454	203,643
Payment from Reserves	-	(4,500)
Non-cash flow in operating surplus/(deficit):		
Depreciation and amortisation	838,844	730,028
(Gain) on sale of assets	-	(5,015)
Changes in assets and liabilities		
(Increase)/Decrease in trade debtors	(25,232)	(53,642)
(Increase)/Decrease in prepayments	97,621	(14,187)
(Increase)/Decrease in other assets	(4,770)	-
(Decrease) in provisions	64,980	(192,789)
Increase/(Decrease) in trade creditors	284,518	260,144
	-----	-----
Net cash provided by operating activities	1,983,415	923,682
	=====	=====

NOTE 18: RELATED PARTY INFORMATION

(a) Receivable(Payable) to Related Party

Shared Advantage Limited	29,495	(22,642)
	-----	-----
	29,495	(22,642)
	=====	=====

(b) CSIRO Members

CPSU, the Community and Public Sector Union, National Council, received all subscriptions paid by members during 2004/2005, other than subscriptions paid by CSIRO Section members.

(c) Remuneration of Elected Officials

Persons holding the position of full-time elected officials at any time during the year of the National Council, or the branches/sections, and the Professional Division:

Adrian O'Connell
Chris Clarke
Evan Hall
Graham Rodda
Jenness Gardner
Karen Atherton
Lisa Newman
Margaret Gillespie
Mark Gepp
Paul Blake

Paul Ingwersen
Pauline Gallagher
Shane O'Connell
Simon Cocker
Stephen Jones
Susan Bowers
Tanya Edlington
William Marklew

NOTE 19: FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates. The National Council's exposure to interest rate risk as at 30 June 2005 is limited to cash and term deposits of \$2,608,914.

(b) Credit Risk

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

(c) Net Fair Values

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

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

NOTE 20: CONTINGENT LIABILITIES

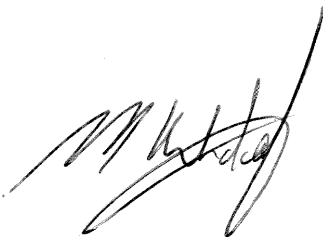
	2005	2004
	\$	\$
Guarantee for Security deposits	121,044	121,044
	=====	=====

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, CPSU GROUP
TRANSITIONAL GOVERNING COUNCIL**

**ADDITIONAL INFORMATION FOR THE BENEFIT OF MEMBERS
ON THE 2005 FINANCIAL ACCOUNTS**

DISCLAIMER

The additional financial data presented in the statement of financial performance is in accordance with the books and records of Community and Public Sector Union, PSU Group, Transitional Governing Council which have been subjected to the auditing procedures applied in our statutory audit of the Union for the year ended 30 June 2005. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than our client) in respect of such data, including any errors or omissions therein however caused.



M D NICHOLAEFF
Partner



UHY HAINES NORTON
Chartered Accountants

Dated at Sydney this 15 day of December 2005

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
TRANSITIONAL GOVERNING COUNCIL**

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2005**

	2005	2004
	\$	\$
REVENUE		
Subscription Received (net of refunds and charge)	19,672,444	18,554,892
Interest Received	109,192	109,965
Management Fees	72,892	70,330
Rental Income	1,040,883	760,633
Sundries	33,674	42,205
Gain/loss on Sale of Asset	-	5,015
	-----	-----
TOTAL REVENUE	20,929,085	19,543,040
	=====	=====
LESS EXPENDITURE		
Salaries and Related Payments		
- Elected Officials	1,392,351	1,379,378
- Fringe Benefits Tax	2,904	2,399
- Honoraria and Allowances	7,711	6,625
- Long Service Leave Provision	371,995	325,994
- Other Salaries	38,346	136,472
- Payroll Tax	608,606	593,610
- Employee Salaries	8,201,377	8,113,406
- Superannuation	1,329,678	1,275,707
- Workers' Compensation Insurance	384,223	281,464
- Other related expenses	218,679	292,086
	-----	-----
Total Salaries and Related Payments	12,555,870	12,407,141
	-----	-----
Affiliation Fees	462,843	441,580
Audit and Accounting Fees	47,939	51,740
Bank Charges	3,704	3,923
Consultant Fees	73,583	122,588
Computer Operation and Maintenance	265,625	91,103
Depreciation and Amortisation	838,844	730,028
Donations	249,590	51,006
Furniture and Equipment	21,548	19,372
Interest Expense and line fees	9,316	9,316
Legal and Professional Fees	224,950	115,464
Library Purchases	50,572	40,748
Membership Services	36,145	39,588
Motor Vehicle Expenses	269,375	220,954
Office Operation and Administration	1,021,190	989,617
Office Premises and Relocation	793,261	765,982
Postage and Freight	79,622	82,445
Publications (includes printing costs)	688,238	445,059
Representations	1,295,562	1,263,853
Telephones	1,213,854	1,447,890
	-----	-----
	7,645,761	6,932,256
	-----	-----

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
TRANSITIONAL GOVERNING COUNCIL

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2005

	2005 \$	2004 \$
Total Expenditure	20,201,631	19,339,397
Operating Surplus for the year	727,454	203,643

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
TRANSITIONAL GOVERNING COUNCIL**

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2005**

	2005	2004
	\$	\$
Net Member Subscriptions	19,699,168	18,554,892
Other Income	181,659	227,515
	-----	-----
Total Income	19,880,827	18,782,407
Organising and campaigning	13,520,790	13,586,529
Union Democracy & Representation	1,538,740	1,338,475
Communications & Publications	964,491	711,423
Legal and research	1,004,245	807,375
Information Technology & Systems	796,424	696,040
Finance & Administrative Overhead	409,678	391,984
Site & Facilities	919,005	1,046,938
	-----	-----
Total Expense	19,153,373	18,578,764
	-----	-----
Operating Surplus	727,454	203,643
	=====	=====



Australian Government

Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990
Email: sydney@air.gov.au

Mr Stephen Jones
National Secretary
Community and Public Sector Union (PSU Group)
Level 6
191-199 Thomas St
Haymarket NSW 2000

Dear Mr Jones

Re: Financial Return for year ending 30 June 2005 (FR2005/428)

The Registry has received the financial return of the CPSU (PSU Group) for the year ending 30 June 2005. The documents were lodged in the Registry on 9 January 2006.

There are a number of matters that I need to raise with you. Most of these matters will require attention prior to the lodgement of your Union's next financial return to ensure the filing of it is not delayed. However some issues require clarification now to enable the current documents to be filed.

1. Certificate of Secretary

- (a) It has mistakenly been dated 8th January 2005. I assume that the date was intended to be 8th January 2006 and accordingly I will take it to be that date.
- (b) It states that members were provided with both the concise and full reports on 20 December 2005. **Could you please confirm whether in fact members were provided with the full report additional to the concise report and the manner in which each report was provided.** Provision of the full report reduces any adverse consequences of any shortcomings with respect to the content of the concise report.

2. Committee of Management Statement and Meetings

(a) From the documentation it is clear that the full report was presented to the Committee of Management on 14 December 2005 in lieu of being presented to a general meeting of members. The Committee of Management Statement was dated 13 December 2005 but failed to specify the date on which the Committee of Management passed the resolution regarding the general purpose financial report (GPFR). Whilst the timeline of these reported meetings is consistent with normal practice, it is unusual for the 2 meetings to occur one day apart. At the first meeting the Committee of Management considers the GPFR and if satisfied with it will resolve to express its opinion on it and complete a Committee of Management Statement. It may be at this meeting that a resolution is passed to provide members with a concise report. The GPFR would then be sent to the auditors and an Operating Report would be produced if it has not already been.

Could you please clarify whether there were in fact 2 meetings or was there just the one meeting on either the 13th or 14th December 2005. Please also confirm :

- (i) the date on which the Committee of Management passed its resolution in relation to the GPFR, and**
- (ii) whether the Committee of Management passed a resolution to provide members with a concise report, and if it did the date upon which it was done.**

(b) The Auditor's Report together with the GPFR and the Operating Report comprise the financial return, referred to by the RAO as the "full report". The Certificate of Secretary states that the full report was presented to the Committee of Management meeting on 14 December which is one day prior to the Auditor's Report being completed. This implies that the Committee of Management never received the full report and that subsection 266(3) of the RAO Schedule

has not been complied with. Please ensure that in subsequent years the Auditor's Report is part of the full report presented to either a general meeting of members or a Committee of Management Meeting.

3. Provision of information to Members

Section 265 of the RAO Schedule requires that where a general meeting of members is to consider the full set of reports, copies of the reports are to be provided to the members at least 21 days prior to the meeting (which in turn must take place within 6 months after the end of the financial year). When the Committee of Management resolves in accordance with the rules of the Union to present the full report to a Committee of Management in lieu of a general meeting of members, section 265 requires that members be provided with copies of the reports (whether it be the full or concise reports) within 5 months of the end of the financial year.

By providing members with the reports on 20 December 2005 the Union is in breach of paragraph 265(5)(b) of the RAO Schedule. Application could have been made to the Registrar pursuant to subsection 265(5) of the RAO Schedule to extend the period during which the Committee of Management Meeting may be held by no more than 1 month. Please ensure that members next year receive the reports within the required timeframes or otherwise avail yourself of the right to request an extension of time.

4. Concise Report

I acknowledge that the documentation relating to a concise report is titled "Concise General Purpose Financial Report" as distinct from a concise report for the financial year, but in view of the Certificate of Secretary confirming that "both the concise report and full report were provided to members" the inference must be drawn that the concise report purports to be a concise report for the year as prescribed by subsection 265(3) of the Act.

The copy of the concise report is in breach of subsection 265(3) of the RAO Schedule as it does not contain the operating report, nor a statement by the auditor specifically relating to the contents of the concise report and nor finally a statement that members upon request will be forwarded copies of the full report and auditor's report as required by subsection 265(3) of the Act. It also failed to include "discussion and analysis of the principal factors affecting the financial performance, financial position and financial and investing activities of the reporting unit.." as is required by RAO Regulation 161(1)(c). Lastly, it failed to include the Committee of Management Statement containing declarations re the GPFR as is required by RAO Regulation 161(1)(d), paragraph 253(2)(c) of the Act and item 16 of the Industrial Registrar's Reporting Guidelines.

I acknowledge that if you confirm that all members were provided with copies of both the full report in addition to the concise report, the issue of what the concise report consists of may appear to be of lesser importance. However, as the abbreviated report purports to be a concise report in accordance with the legislative requirements and as probably many members will look at its contents in lieu of the full report (particularly in regards to financial matters), it is essential in your next reporting cycle that a concise report fully complies with all requirements.

5. Operating Report

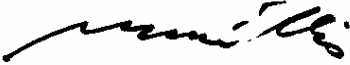
The Operating Report lists persons who were members of the National Committee of management "at any time", whereas RAO Regulation 159(c) prescribes that "the period for which he or she held such a position" must also be included. Please ensure that in your next Operating Report that this additional information is provided, thereby making redundant the words "at any time".

Action Required Now

Could you please provide a response to the above-listed (highlighted) questions by Friday 28 July 2006. Upon receipt of this information further consideration will be given to the filing of your documents.

I have sent a copy of this letter to the Union's accountants for their information.

Yours sincerely,



Michael Ellis
Deputy Industrial Registrar

11 July 2006

Cc Mr M.D.Nicholaeff
Partner
UHY Haines Norton
Chartered Accountants



Mr Michael Ellis
Deputy Industrial Registrar
Level 8, Terrace Towers
80 William Street
East Sydney NSW 2011

Dear Mr Ellis,

Re: FR2005/428 CPSU (PSU Group) Financial Return 2005 and your letter dated 11 July 2006

In response to the issues highlighted in your letter:

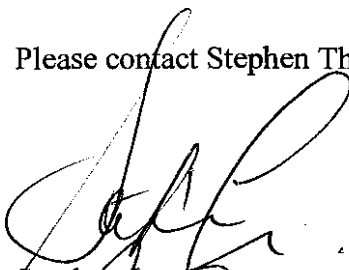
1.

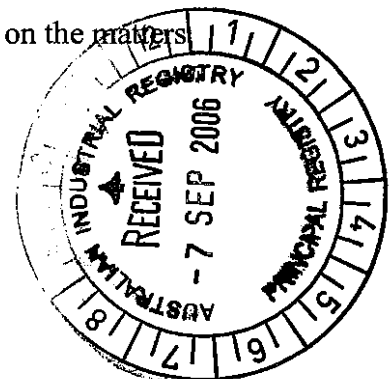
Members were provided with the Full Report consisting of the Operating Report, Auditor's Report, and **both** a summarised GPFR (titled Concise General Purpose Financial Report) and a detailed GPFR as **one document**. These were made available via the CPSU website (www.cpsu.org.au). The Auditor's Statement in relation to the Concise Report was omitted and is attached for your reference. The Concise General Purpose Report will be renamed Summarised General Purpose Financial Report in future to avoid any confusion that it is a substitute for the GPFR, rather it is an additional component of the Full Report (although not required) to provide members with a financial overview in a format which is more user friendly than the GPFR.

2.

- i. The GPFR was presented to the Management Committee (first meeting) on the 4th of November 2004, however the Committee of Management Statement was not signed until the 13th of December. The full report was subsequently provided to the Management Committee on 14th of December 2004.
- ii. The Committee of Management passed a resolution to provide members with both the Full and Concise Report. As detailed in my first response, the Concise Report was in fact a summary of the GPFR and formed part of the Full Report in addition to the GPFR, Auditor's Report and Operating Report.

Please contact Stephen Thompson if you require further information on the matters


Stephen Jones
National Secretary



5 September 2006

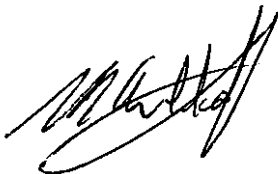
AUDITOR'S REPORT

**TO THE MEMBERS OF COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
TRANSITIONAL GOVERNING COUNCIL**

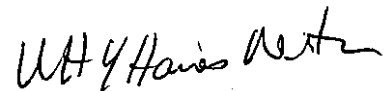
We have audited the concise financial report, as set out on pages 2 to 4, of the Community and Public Sector Union, PSU Group, Transitional Governing Council for the year ended 30 June 2005 in accordance with Australian Auditing Standards. The concise financial report has been prepared in accordance with Regulation 161 of Workplace Relations (Registration and Accountability of Organisations) Regulations.

In accordance with Regulation 161, the concise financial report does not include measurement accounting policy notes or any disclosure notes.

In our opinion, the information reported in the concise financial report for the year ended 30 June 2005 is consistent with the annual statutory financial report for the year ended 30 June 2005 from which it is derived and upon which we expressed an unqualified audit opinion in our report to members dated 15 December 2005. For better understanding of the scope of our audit, this report should be read in conjunction with our audit report on the annual statutory financial report for the year ended 30 June 2005.



Mark Nicholaeff
Partner



UHY Haines Norton
Chartered Accountants

Date: 15 December 2005

Sydney



Australian Government

Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990
Email: sydney@air.gov.au

Mr Stephen Jones
National Secretary
Community and Public Sector Union (PSU Group)
Level 6
191-199 Thomas Street
Haymarket NSW 2000

Dear Mr Jones

RE: Financial Return for year ended 30 June 2005 (FR2005/428)

Thank you for your letter dated 5 September 2006 which was in response to some issues I raised in my letter to you dated 11 July 2006. Attached to your letter was an audit report by Mr Mark Nicholaeff of UHY Haines Norton dated 15 December 2005.

You have satisfactorily addressed the issues I raised. Accordingly, the financial documents for the year ended 30 June 2005 have now been filed.

Yours sincerely,

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

Michael Ellis
Deputy Industrial Registrar

6 September 2006