



Australian Government
Australian Industrial Registry

Level 5, 11 Exhibition St, Melbourne Vic 3000
GPO Box 1994, Melbourne, VIC 3001
Tel: (03) 8661 7990 Fax: (03) 9655 0410
andrew.schultz@air.gov.au

Mr Stephen Jones
National Secretary
CPSU, the Community and Public Sector Union
PSU Group
Level 6, 191-199 Thomas Street
HAYMARKET NSW 2000

By email: members@cpsu.org.au

Dear Mr Jones,

Re: Financial Documents - year ended 30 June 2006 (FR2006/351)
s253 Schedule 1 - Workplace Relations Act 1996 (RAO Schedule)

I have received the financial report for the CPSU, the Community and Public Sector Union – PSU Group for the year ended 30 June 2006. The report was lodged on 23 January 2007. The Designated Officer's Certificate for these accounts was lodged on 20 February 2007.

The documents have been filed.

The following information is provided to assist in future years. No further action is required with respect to the lodged documents.

Provide documents to members by 30 November

The Designated Officer's Certificate states that the documents were provided to members on 23 January 2006 (it is assumed this was intended to read 23 January 2007).

Section 265(5)(b) of the RAO Schedule requires documents to be provided to members within 5 months of the end of the financial years - that is, by 30 November each year.

In future financial years please ensure that the financial documents are provided to members by 30 November.

Auditor's Report

The Auditor's opinion, as expressed in the Auditor's Report, did not specifically refer to the Australian Accounting Standards or the relevant provisions of the RAO Schedule as required by s257 of the RAO Schedule.

In future years your auditor should ensure that the wording of their opinion in the Auditor's Report complies with the requirements of s257(5) - the following wording is considered to comply:

In my/our opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of Schedule 1 (RAO Schedule) of the Workplace Relations Act 1996.

Please draw this to the attention of your Auditor.

Operating Report

The Operating Report did not include the following information required by s254:

- a list of office holders and the period they held office during the financial year, or
- details of the right of members to resign.

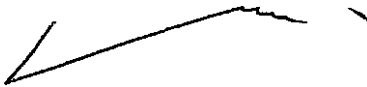
It is noted that the Operating Report in previous years did contain this information. Therefore it is recommended in future years that you return to that format – see *Attachment A*.

Accuracy of dates

The Designated Officer's Certificate for the past two years has contained an incorrect date of the kind mentioned above. In future financial years please ensure that the dates provided in all certificates are accurate.

If you have any queries regarding any of the above issues please contact me.

Yours faithfully,



Andrew Schultz
Statutory Services Branch

20 February 2007

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

OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2005

ATTACHMENT A

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:

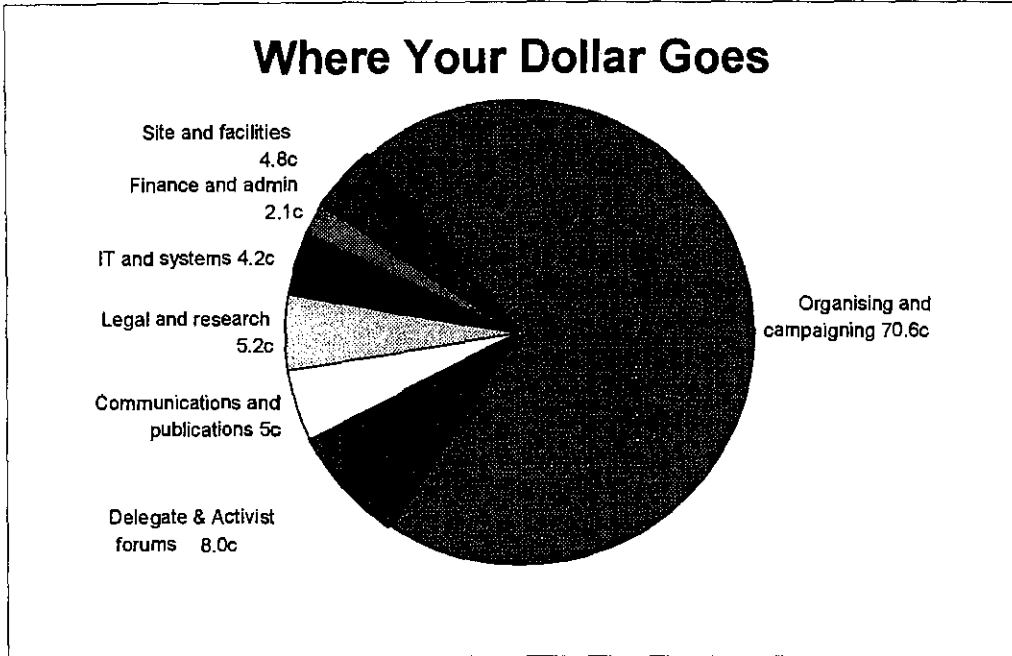
- Resolved 966 grievances
- Made 224 legal referrals
- Made 284 field organizer referrals
- Recruited 228 members
- Recovered 393 members

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

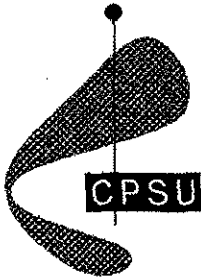
The CPSU does not have any officer or member who is known to be

- 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

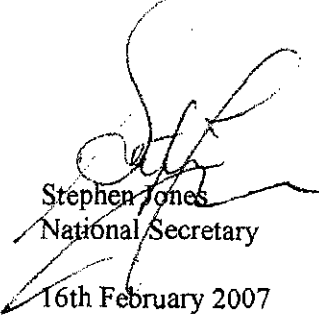


Certificate Of Secretary

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 document lodged on the 23rd of January 2007 is a copy of the full report as referred to in s268 of the RAO Schedule; and
- That the full report was provided to members on the 23rd of January 2006; and
- That the full report was presented to a meeting of the committee of management of the reporting unit on the 6th of December 2006; in accordance with section 266 of the RAO Schedule


Stephen Jones
National Secretary

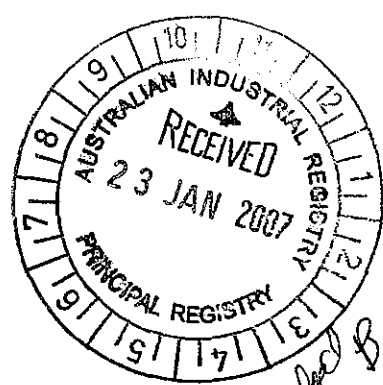
16th February 2007

FR 2006/351

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP

GOVERNING COUNCIL

**GENERAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2006**



*copy by e-filing
copy in e-docs*

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

OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2006

From the National Secretary

This year, the support and involvement of 60,000 members and delegates has provided CPSU with the resources to campaign for fairer workplaces and communities, and to make a difference for individuals.

Over the last 12 months, CPSU has provided direct individual representation, advice and support to more than 5000 members on issues including workers' compensation, health and safety, harassment, pay and classifications, performance assessments, leave and hours.

At the same time CPSU negotiators have helped win 40 new collective agency agreements; delivering decent conditions and better-than-average pay rises for around 50,000 thousand workers in agencies including the ATO, Defence and AusAid.

Despite the Federal Government's assault on unions and collective agreements, it is worth noting that more than 75% of Commonwealth public servants still have their pay and conditions protected by union collective agreements.

The support of CPSU members has also allowed the union to speak out and campaign on important national issues and debates including fair workplace laws, superannuation, the sale of Medibank, work/life balance, the role of the public sector and welfare changes.

Around 8,000 new members joined last year - a figure we plan to build on in 2007. With your ongoing support and involvement I am confident we can continue to provide a strong voice for public sector workers, win better pay and conditions, and make a difference.

Yours in Unity,

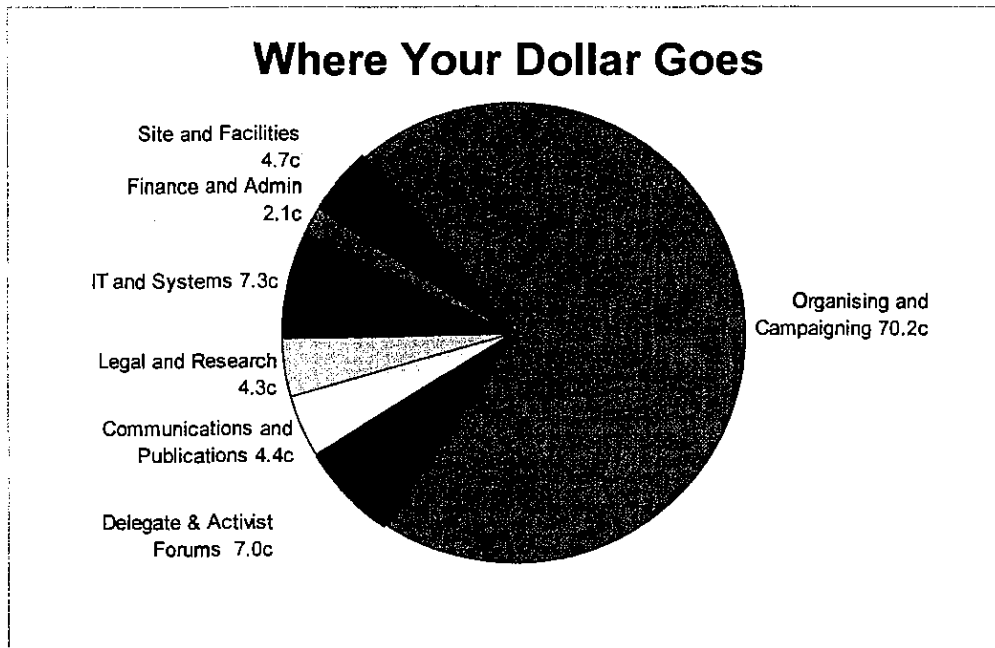


Stephen Jones
CPSU National Secretary

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

OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2006

The CPSU employed a total number of 193 staff as at 30th June 2006



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
GOVERNING COUNCIL

OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2006

During the year the Executive Committee held four in face meetings and two by Teleconference.

2.2005	23 September (TEC)	Teleconference
3.2005	12-14 December (TEC)	Sydney
1.2006	4-5 April	Canberra
2.2006	4-5 July	Sydney
3.2006	24 July	Teleconference
4.2006	26-27 October	Melbourne

Statement on Superannuation Trustees

Peter Feltham is the CPSU officer 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.



Stephen Jones
National Secretary
30 November 2006

AUDITORS' REPORT

TO THE MEMBERS OF THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP, 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 2006. 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 2006 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:

UHY Haines Norton - ABN 85 140 758 156 NSWBN 98 133 826

Level 11, 1 York Street Sydney NSW 2000
GPO Box 4137 Sydney NSW 2001

t + 61 2 9256 6600
f + 61 2 9256 6611

e sydney@uhyhn.com.au
w www.uhyhainesnorton.com.au

An association of independent firms throughout Australia and a member of UHY, an international association of independent accounting and consulting firms

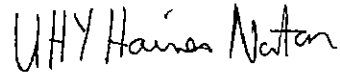
Liability limited by a scheme approved under Professional Standards Legislation

- a. the financial affairs of the organisation as at 30 June 2006; and
- b. the income and expenditure, and surplus of the organisation, for the year ended on that date.



M D Nicholaeff
Partner

Signed at Sydney on 6 December 2006



UHY HAINES NORTON
Chartered Accountants

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

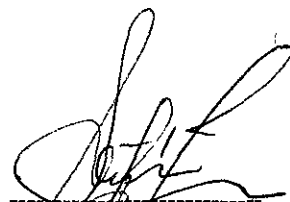
COMMITTEE OF MANAGEMENT STATEMENT

On 06/12/06 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 2006:

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

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

For the Committee of Management:


Stephen Jones
National Secretary


Margaret Gillespie
Assistant National Secretary

Dated at Sydney this 7th day of December 2006.

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

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2006	2005
		\$	\$
Revenue from Ordinary Activities	4	21,703,984	20,929,085
Depreciation and Amortisation	5	(1,035,496)	(838,844)
Employee Benefits Expense	5	(11,999,205)	(11,341,458)
Borrowing Costs		(2,926)	(9,316)
Other Expenses from Ordinary Activities		(7,881,836)	(8,012,013)
TOTAL CHANGES IN EQUITY		784,521	727,454

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
GOVERNING COUNCIL**

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

	Capital Profits and Asset Revaluation Reserve	Death and Benevolent Fund	Superannuation Trust Fund	General Fund	Total
Balance at 1 July 2004	2,441,631	69,164	16,584	8,166,234	10,693,613
Net Surplus for the Year	-	-	-	727,454	727,454
	<u>2,441,631</u>	<u>69,164</u>	<u>16,584</u>	<u>8,893,688</u>	<u>11,421,067</u>
Balance at 1 July 2005	2,441,631	69,164	16,584	8,893,688	11,421,067
Net Surplus for the Year	-	-	-	784,521	784,521
	<u>2,441,631</u>	<u>69,164</u>	<u>16,584</u>	<u>9,678,209</u>	<u>12,205,588</u>

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

BALANCE SHEET AS AT 30 JUNE 2006

	Note	2006 \$	2005 \$
CURRENT ASSETS			
Cash Assets	6	3,285,774	2,608,914
Receivables	7	196,942	175,518
Other Assets	8	310,592	174,357
		-----	-----
TOTAL CURRENT ASSETS		3,793,308	2,958,789
		-----	-----
NON CURRENT ASSETS			
Financial Assets	9	-	-
Property, plant and equipment	10	12,796,470	12,480,731
		-----	-----
TOTAL NON CURRENT ASSETS		12,796,470	12,480,731
		-----	-----
TOTAL ASSETS		16,589,778	15,439,520
		-----	-----
CURRENT LIABILITIES			
Payables	11	1,812,524	1,524,148
Interest Bearing Liabilities	12	-	53,816
Provisions	13	907,793	978,545
		-----	-----
TOTAL CURRENT LIABILITIES		2,720,317	2,556,509
		-----	-----
NON CURRENT LIABILITIES			
Provisions	13	1,663,873	1,461,944
		-----	-----
TOTAL NON CURRENT LIABILITIES		1,663,873	1,461,944
TOTAL LIABILITIES		4,384,190	4,018,453
		-----	-----
NET ASSETS		12,205,588	11,421,067
		=====	=====
ACCUMULATED FUNDS			
Reserves	15	2,527,379	2,527,379
General Fund Balance		9,678,209	8,893,688
		-----	-----
TOTAL ACCUMULATED FUNDS		12,205,588	11,421,067
		=====	=====

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
GOVERNING COUNCIL**

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

	Note	2006	2005
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and others		21,547,055	20,765,166
Payments to suppliers and employees		(19,597,723)	(18,881,627)
Interest Received		131,819	109,192
Interest and costs of finance paid		(2,926)	(9,316)
		-----	-----
Net cash provided by operating activities	16(b)	2,078,225	1,983,415
		-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of plant & equipment		(1,367,411)	(557,773)
Receipts for sale of property, plant & equipment		19,862	-
		-----	-----
Net cash provided by/(used in) investing activities		(1,347,549)	(557,773)
		-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Finance Leases		(53,816)	(203,909)
		-----	-----
Net cash (used) in financing activities		(53,816)	(203,909)
		-----	-----
Net increase in cash held		676,860	1,221,733
Cash at beginning of year		2,608,914	1,387,181
		-----	-----
Cash at end of year	16(a)	3,285,774	2,608,914
		=====	=====

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
GOVERNING COUNCIL**

NOTES TO AND FORMING PART OF THE 2006 FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Workplace Relations Act 1996 and the alteration to rules as approved by the Industrial Registrar.

The financial report has also been prepared on the basis of historical costs and does 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) Statement of Compliance

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards. Compliance with AIFRSs ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRSs).

CPSU Group has prepared the financial statements in accordance with AIFRS from 1 July 2005.

In accordance with the requirements of AASB1: First-time Adoption of Australian International Financial Reporting Standards, adjustments to the accounts resulting from the introduction of AIFRS have been applied retrospectively to 2005 comparative figures.

Reconciliations of the transition from previous Australian Generally Accepted Accounting Principles to AIFRS have been included in Note 3 to this report.

(b) Impairment of Assets

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

NOTES TO AND FORMING PART OF THE 2006 FINANCIAL STATEMENTS

NOTE 1. ACCOUNTING POLICIES (Continued)

(c) 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 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.

(d) 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.

(e) 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. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

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

(f) 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 AASB 117 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.

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

NOTES TO AND FORMING PART OF THE 2006 FINANCIAL STATEMENTS

NOTE 1. ACCOUNTING POLICIES (Continued)

(g) 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.

(h) 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).

(i) 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.

NOTE 3: FIRST-TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

There were no adjustments made to the financial statements for the year ended 30 June 2005 as a result of the first-time adoption of Australian equivalents to International Financial Reporting Standards.

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
GOVERNING COUNCIL
NOTES TO AND FORMING PART OF THE 2006 FINANCIAL STATEMENTS**

	2006	2005
	\$	\$
NOTE 4: REVENUE		
Operating Activities		
Subscription Received (net of refunds and charges)	20,336,497	19,672,444
Interest Received	131,819	109,192
Management Fee – CSIRO Staff Association	60,000	72,892
Rental Trading – CPSU Properties	1,136,026	1,040,883
Sundries	35,956	33,674
	<u>21,700,298</u>	<u>20,929,085</u>
Non-Operating Activities	21,700,298	20,929,085
Proceeds on Sale of Property, Plant and Equipment	3,686	-
	<u>21,703,984</u>	<u>20,929,085</u>

NOTE 5: SURPLUS FROM ORDINARY ACTIVITIES

a) Expenses

Fees for payroll deduction for subscriptions	20,968	26,723
Depreciation and amortisation		
Computer Equipment	154,493	87,283
Motor Vehicle	2,298	13,787
Buildings	173,496	173,496
Office Equipment	54,582	57,573
Telephone system	76,536	171,653
Leased Office Equipment	773	955
Leasehold Improvements	124,087	123,004
Freehold Improvements	167,320	153,147
Information systems project	281,911	57,946
Total:	<u>1,035,496</u>	<u>838,844</u>

Remuneration of Auditor

Audit – Current Year	32,000	32,000
Other Services	4,025	10,000

Employee Benefits

Salaries – Elected Officials	978,052	1,392,351
– Employee	9,159,365	8,201,377
Long Service Leave - Elected officials	39,313	53,988
– Employees	368,165	318,007
Superannuation - Elected officials	136,345	192,978
– Employees	1,276,855	1,136,700
Honoraria and Allowances	11	7,711
Other Related Expenses	41,099	38,346

Total Employee Benefits	<u>11,999,205</u>	<u>11,341,458</u>
-------------------------	-------------------	-------------------

Affiliation Fees	<u>399,876</u>	<u>462,843</u>
------------------	----------------	----------------

Legal and Professional Fees	<u>40,877</u>	<u>244,950</u>
-----------------------------	---------------	----------------

b) Gain on Sale of Property, Plant and Equipment	<u>3,686</u>	<u>-</u>
--	--------------	----------

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
GOVERNING COUNCIL
NOTES TO AND FORMING PART OF THE 2006 FINANCIAL STATEMENTS**

	2006	2005
	\$	\$
NOTE 5: GRANTS & DONATIONS		
Included in other expense from ordinary activities are grants and donations:		
Trade Union Committee on Aboriginal Rights	1,818	182
BD & KE Banton	1,000	-
Rotary Club of Canberra	1,091	-
Red Cross	-	6,000
Solomon Islands National Union of Workers	-	468
Australian People for Humanitarian Education & Aid Abroad	44,000	44,000
ACTU	142,100	198,940
	<u>190,009</u>	<u>249,590</u>
	<u>=====</u>	<u>=====</u>
NOTE 6: CASH		
Cash on Hand	4,500	4,200
Cash at Bank	3,163,373	2,490,892
Term Deposits	117,901	113,822
	<u>3,285,774</u>	<u>2,608,914</u>
	<u>=====</u>	<u>=====</u>
NOTE 7: RECEIVABLES		
Sundry Debtors	196,942	175,518
	<u>196,942</u>	<u>175,518</u>
	<u>=====</u>	<u>=====</u>
NOTE 8: OTHER ASSETS		
Prepayments	276,647	144,862
Security Deposit		
Owing by related party 18(a)	33,945	29,495
	<u>310,592</u>	<u>174,357</u>
	<u>=====</u>	<u>=====</u>
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)
	<u>-</u>	<u>-</u>
	<u>=====</u>	<u>=====</u>

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
GOVERNING COUNCIL
NOTES TO AND FORMING PART OF THE 2006 FINANCIAL STATEMENTS**

	2006	2005
	\$	\$
NOTE 10: PROPERTY, PLANT AND EQUIPMENT		
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	(1,387,984)	(1,214,488)
	-----	-----
Net Land and Buildings	9,202,016	9,375,512
	-----	-----
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	157,927
Brisbane Avenue, Canberra	223,453	223,453
Henley Beach Road, Adelaide	16,722	16,722
	-----	-----
	746,383	746,383
Less Accumulated Depreciation	(551,961)	(427,874)
	-----	-----
Net Leasehold Improvements	194,422	318,509
	-----	-----
Freehold Improvements		
Thomas Street	1,799,286	1,520,980
Woods Street	3,525	3,525
	-----	-----
	1,802,811	1,524,505
Less Accumulated Depreciation	(539,952)	(372,632)
	-----	-----
Net Freehold Improvements	1,262,859	1,151,873
	-----	-----
Computer System		
At cost	3,187,971	3,088,743
Less Accumulated Depreciation	(2,898,632)	(2,786,820)
	-----	-----
Net Computer System	289,339	301,923
	-----	-----
Office Equipment		
At cost	2,628,386	2,596,833
Less Accumulated Depreciation	(2,377,509)	(2,322,927)
	-----	-----
Net Office Equipment	250,877	273,906
	-----	-----

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
GOVERNING COUNCIL
NOTES TO AND FORMING PART OF THE 2006 FINANCIAL STATEMENTS**

	2006	2005
	\$	\$
NOTE 10: PROPERTY, PLANT AND EQUIPMENT (cont'd)		
Leased Office Equipment		
At cost	14,415	14,415
Less Accumulated Depreciation	(11,117)	(10,344)
	3,298	4,071
Motor Vehicles		
At cost	-	91,914
Less Accumulated Depreciation	-	(73,440)
Net Motor Vehicles	-	18,474
Telephone System		
Capitalised Value	935,539	858,267
Less Accumulated Amortisation	(877,585)	(801,049)
Net Telephone System	57,954	57,218
Information Systems Project		
Capitalised Value	213,406	213,406
Less Accumulated Amortisation	(103,146)	(60,465)
Net Information Systems Project	110,260	152,941
CRM/Membership System		
CRM / Membership System	1,707,356	826,304
Less Accumulated Amortisation	(281,911)	-
	1,425,445	826,304
Total Property, Plant and Equipment	12,796,470	12,480,731

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
GOVERNING COUNCIL
NOTES TO AND FORMING PART OF THE 2006 FINANCIAL STATEMENTS**

NOTE 10: PROPERTY, PLANT AND EQUIPMENT (cont'd)

(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	Disposals	Depreciation Expense	Carrying amount at the end of the year
Land & Building	9,375,512	-	-	173,496	9,202,016
Leasehold Improvements	318,509	-	-	124,087	194,422
Freehold Improvements	1,151,873	278,306	-	167,320	1,262,859
Computer Equipment	301,923	99,228	-	111,812	289,339
Office Equipment	273,906	31,553	-	54,582	250,877
Leased Office Equipment	4,071	-	-	773	3,298
Motor Vehicles	18,474	-	16,176	2,298	-
Telephone system Information	57,218	77,272	-	76,536	57,954
	152,941	-	-	42,681	110,260
Systems Project CRM/Membership System	826,304	881,052	-	281,911	1,425,445
Total	12,480,731	1,367,411	16,176	1,035,496	12,796,470

2006
\$

2005
\$

NOTE 11: PAYABLES

CURRENT

Accounts Payable and Accruals	1,270,813	924,765
GST Payable	353,810	357,243
Legal Cost	70,000	128,318
Rental Bond	117,901	113,822
	-----	-----
	1,812,524	1,524,148
	=====	=====

NOTE 12: INTEREST BEARING LIABILITIES

CURRENT

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

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

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
GOVERNING COUNCIL
NOTES TO AND FORMING PART OF THE 2006 FINANCIAL STATEMENTS**

	2006	2005
	\$	\$
NOTE 13: PROVISIONS (EMPLOYEE ENTITLEMENTS)		
CURRENT		
Annual Leave - holders of office	73,627	167,751
- other employees	834,166	810,794
	<u>907,793</u>	<u>978,545</u>
NON CURRENT		
Long Service Leave - holders of office	277,923	354,508
- other employees	1,385,950	1,107,436
	<u>1,663,873</u>	<u>1,461,944</u>
(a) Aggregate employee benefit liability	<u>2,571,666</u>	<u>2,440,489</u>
(b) Number of employees at year end	193	189

NOTE 14: CAPITAL AND LEASING

a) Operating Lease Commitments		
Payable:		
- not later than 1 year	885,565	927,722
- later than 1 year but not later than 2 years	860,364	1,336,973
	<u>1,745,929</u>	<u>2,264,695</u>
b) Finance Leases		
Payable:		
- not later than 1 year	-	55,016
- later than 1 year but not later than 2 years	-	-
	<u>-</u>	<u>55,016</u>
Less future Charges	-	(1,200)
	<u>-</u>	<u>53,816</u>

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
GOVERNING COUNCIL
NOTES TO AND FORMING PART OF THE 2006 FINANCIAL STATEMENTS**

	2006	2005
	\$	\$
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
	<u>2,527,379</u>	<u>2,527,379</u>
	<u><u>2,527,379</u></u>	<u><u>2,527,379</u></u>
(a) Death and Benevolent Fund		
Balance brought forward	69,164	69,164
Payments	-	-
	<u>69,164</u>	<u>69,164</u>
Balance Carried Forward	<u>69,164</u>	<u>69,164</u>
	<u><u>69,164</u></u>	<u><u>69,164</u></u>
NOTE 16: CASH FLOW INFORMATION		
(a) Reconciliation of Cash		
For the purposes of the statement of cash flows, cash includes:		
Cash on Hand	4,500	4,200
Cash at Bank	3,163,373	2,490,892
Term Deposits	117,901	113,822
	<u>3,285,774</u>	<u>2,608,914</u>
	<u><u>3,285,774</u></u>	<u><u>2,608,914</u></u>
(b) Reconciliation of Cash Flow from Operations with Operating Surplus		
Operating surplus	784,521	727,454
Non-cash flow in operating surplus:		
Depreciation and amortisation	1,035,496	838,844
(Gain) on sale of assets	(3,686)	-
Changes in assets and liabilities		
(Increase) /Decrease in trade debtors	(21,424)	(25,232)
(Increase) /Decrease in prepayments	(131,785)	97,621
(Increase) /Decrease in other assets	(4,450)	(4,770)
Increase / (Decrease) in provisions	131,177	64,980
Increase/ (Decrease) in trade creditors	288,376	284,518
	<u>2,078,225</u>	<u>1,983,415</u>
Net cash provided by operating activities	<u>2,078,225</u>	<u>1,983,415</u>
	<u><u>2,078,225</u></u>	<u><u>1,983,415</u></u>

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
GOVERNING COUNCIL
NOTES TO AND FORMING PART OF THE 2006 FINANCIAL STATEMENTS**

2006 2005
\$ \$

NOTE 17: RELATED PARTY INFORMATION

(a) Receivable from Related Party

Shared Advantage Limited	33,945	29,495
	-----	-----
	33,945	29,495
	=====	=====

(b) CSIRO Members

CPSU, the Community and Public Sector Union, National Council, received all subscriptions paid by members during 2005/2006, other than subscriptions paid by CSIRO Section members.

(c) Remuneration of Elected Officials

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

Name	Period in Office
Stephen Jones	1 January 2006 – 30 June 2006
Adrian O'Connell	1 July 2005 – 31 December 2005
Margaret Gillespie	1 July 2005 – 30 June 2006
Mark Gepp	1 July 2005 – 30 June 2006
Lisa Newman	1 July 2005 – 30 June 2006
Chris Clarke	1 July 2005 – 30 December 2005
Evan Hall	1 July 2005 – 31 December 2005
Graham Rodda	1 July 2005 – 30 June 2006
Karen Ateherton	1 July 2005 – 31 December 2005
Paul Blake	1 July 2005 – 31 December 2005
Paul Ingwersen	1 July 2005 – 31 December 2005
Shane O'Connell	1 July 2005 – 30 December 2005
Susan Bowers	1 July 2005 – 31 December 2005
Tanya Edlington	1 July 2005 – 31 December 2005
William Marklew	1 July 2005 – 31 December 2005
Louise Persse	1 January 2006 – 30 June 2006
Michael Tull	1 January 2006 – 30 June 2006
Pauline Gallagher	1 July 2005 – 31 December 2006

NOTE 18: 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 2006 is limited to cash and term deposits of \$3,285,774.

(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.

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
GOVERNING COUNCIL
NOTES TO AND FORMING PART OF THE 20064 FINANCIAL STATEMENTS**

	2006	2005
	\$	\$

NOTE 18: FINANCIAL INSTRUMENTS (cont'd)

(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 19: CONTINGENT LIABILITIES

	2006	2005
	\$	\$

(a) Guarantees

Guarantee for security deposits	121,044	121,044
Other guarantees	24,725	24,725
	145,769	145,769
	145,769	145,769


(b) The Union is defending a litigation relating to the recovery of members superannuation. Maximum exposure should the Union be not successful in its defence is estimated at \$125,000.

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

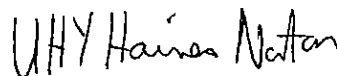
**ADDITIONAL INFORMATION FOR THE BENEFIT OF MEMBERS
ON THE 2006 FINANCIAL ACCOUNTS**

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, National Council which have been subjected to the auditing procedures applied in our statutory audit of the Union for the year ended 30 June 2006. 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 6 day of December 2006.

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

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

	2006 \$	2005 \$
REVENUE		
Subscription Received (net of refunds and charge)	20,336,497	19,672,444
Interest Received	131,819	109,192
Management Fees	60,000	72,892
Rental Income	1,136,026	1,040,883
Sundries	35,956	33,674
Gain/loss on Sale of Asset	3,686	-
	-----	-----
TOTAL REVENUE	21,703,984	20,929,085
	=====	=====
LESS EXPENDITURE		
Salaries and Related Payments		
- Elected Officials	978,052	1,392,351
- Fringe Benefits Tax	2,530	2,904
- Honoraria and Allowances	11	7,711
- Long Service Leave Provision	407,478	371,995
- Other Salaries	41,099	38,346
- Payroll Tax	645,551	608,606
- Employee Salaries	9,159,365	8,201,377
- Superannuation	1,413,200	1,329,678
- Workers' Compensation Insurance	267,897	384,223
- Other related expenses	339,235	218,679
	-----	-----
Total Salaries and Related Payments	13,254,418	12,555,870
	-----	-----
Affiliation Fees	399,876	462,843
Audit and Accounting Fees	16,958	47,939
Bank Charges	3,041	3,704
Consultant Fees	-	73,583
Computer Operation and Maintenance	488,831	265,625
Depreciation and Amortisation	1,035,496	838,844
Donations	191,589	249,590
Furniture and Equipment	70,805	21,548
Interest Expense and line fees	2,926	9,316
Legal and Professional Fees	40,877	224,950
Library Purchases	46,806	50,572
Membership Services	39,096	36,145
Motor Vehicle Expenses	334,692	269,375
Office Operation and Administration	1,090,767	1,021,190
Office Premises and Relocation	840,268	793,261
Postage and Freight	69,348	79,622
Publications (includes printing costs)	532,825	688,238
Representations	1,271,458	1,295,562
Telephones	1,189,386	1,213,854
	-----	-----
	7,665,045	7,645,761
	-----	-----

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

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

	2006	2005
	\$	\$
Total Expenditure	20,919,463	20,201,631
Operating Surplus for the year	784,521	727,454

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

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

	2006	2005
	\$	\$
Net Member Subscriptions	20,336,497	19,699,168
Other Income	231,690	181,659
	-----	-----
Total Income	20,568,187	19,880,827
Organising and campaigning	13,893,762	13,520,790
Union Democracy & Representation	1,378,068	1,538,740
Communications & Publications	870,496	964,491
Legal and research	859,254	1,004,245
Information Technology & Systems	1,447,616	796,424
Finance & Administrative Overhead	407,235	409,678
Site & Facilities	927,235	919,005
	-----	-----
Total Expense	19,783,666	19,153,373
	-----	-----
Operating Surplus	784,521	727,454
	=====	=====