



FAIR WORK
COMMISSION

3 April 2013

Ms Nadine Flood
National Secretary, PSU Group
Community and Public Sector Union
Level 10, 440 Collins Street
MELBOURNE VIC 3000

Dear Ms Flood

Re: Lodgement of Financial Statements and Accounts - Community and Public Sector Union, PSU Group - for year ended 30 June 2012 (FR2012/243)

I refer to the above financial statements and accounts which were lodged with Fair Work Australia (now known as the Fair Work Commission) on 24 December 2012.

I have examined the documents paying regard to the correspondence from FWC and its predecessors in relation to previous reports in order to identify any reporting aspect that should be modified or made clearer to accurately reflect the requirements under the *Fair Work (Registered Organisations) Act 2009*. I have identified two aspects that should be made clearer in future reports. I note that these do not appear to have been brought to your attention previously.

Operating Report - Employees as full-time equivalent

Regulation 159(b) requires that where both full-time and part-time employees are included operating reports must disclose the number of employees "measured on a full-time equivalent basis". Paragraph 7 of the 2012 Operating Report disclosed that the organization 'employed a total number of 218 staff'.

This form of disclosure is consistent with the organisation's previous reports but it is not clear from this form of disclosure whether the total number represents full-time and part-time employees and reflects the measurement of the figure on a full-time equivalent basis. For the avoidance of doubt as to whether the organization has turned its mind to this provision, even where the number of employees only includes one category of employee, the number of employees should be explicitly expressed as a full-time equivalent.

I also draw your attention to the following accounting requirement where additional disclosure appears to be appropriate.

Related Party Disclosure - nature of relationship

Paragraph 18 of the Australian Accounting Standard (AASB) 124 requires that, amongst other things, the nature of related party relationships should be disclosed so that users may "understand the potential effect of the relationship on the financial statements." A note disclosing a receivable from the related party described as 'Shared Advantage Limited' appears on page 16 and has appeared as a payable or receivable in all the previous reports since 2004.

However, I have been unable to identify from the documents themselves what might be characterised as a description of 'the nature of the related party relationship'. I would ask that, to comply strictly with the Accounting standard and in the interests of enhanced transparency for members, a brief description of the nature of the relationship between the reporting unit and Shared Advantage Limited that explains the significance of the related party transaction disclosed be included in the note in future reports.

I will send a copy of this letter to the auditor. The documents have been filed. If you have any queries I may be contacted at any time on (02) 6723 7237.

Yours sincerely

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Stephen Kellett
Senior Adviser
Regulatory Compliance Branch

cc. Mr Pran Rathod, Hayes Knight (NSW) Pty Ltd



FAIR WORK
COMMISSION

3 April 2013

Mr Pran Rathod
Director Audit Services
Hayes Knight (NSW) Pty Ltd
Level 2, 115 Pitt Street
SYDNEY NSW 2001

Dear Mr Rathod

Re: Lodgement of Financial Statements and Accounts - Community and Public Sector Union, PSU Group - for year ended 30 June 2012 (FR2012/243)

I refer to the above financial statements and accounts which were lodged with Fair Work Australia (now known as the Fair Work Commission) on 24 December 2012.

I have examined the auditor's report paying regard to the correspondence from FWC and its predecessors in relation to previous reports in order to identify any reporting aspect that should be modified or made clearer to accurately reflect the requirements under the *Fair Work (Registered Organisations) Act 2009*. I have identified one aspect as follows.

The effect of paragraph 35 of Australian Auditing Standard (ASA) 700 is that auditor's opinions should use the phrase required by the applicable reporting framework. The opinion in the 2012 audit report used the phrase "giving a true and fair view", which, though materially equivalent is not the wording used by sub-section 257(5) of the Act which requires the auditor to "state, whether.....the general purpose financial report is presented fairly..."

I note that previous years' audit reports used the wording of the Act and I would ask that for consistency this wording be used in future reports.

If you have any queries I may be contacted at any time on (02) 6723 7237.65ty7yu

Yours sincerely

Stephen Kellett
Senior Adviser
Regulatory Compliance Branch



FAIR WORK
COMMISSION

19 February 2013

Ms Nadine Flood
National Secretary, PSU Group
Community and Public Sector Union
Level 10, 440 Collins Street
MELBOURNE VIC 3000

Dear Ms Flood

Re: Lodgement of Financial Statements and Accounts - Community and Public Sector Union, PSU Group - for year ended 30 June 2012 (FR2012/243)

I refer to the above financial statements and accounts which were lodged with Fair Work Australia (now known as the Fair Work Commission) on 24 December 2012.

The documents are presently being examined. You will receive further correspondence in relation to the documents when the process has been completed. If you have any queries I may be contacted at any time on (02) 6723 7237.

Yours sincerely

Stephen Kellett
Senior Adviser
Regulatory Compliance Branch

cc. Ms Louise Persse, Assistant National Secretary

-----Original Message-----

From: efiling@fwa.gov.au [mailto:efiling@fwa.gov.au]
Sent: Monday, 24 December 2012 8:36 AM
To: Melbourne@fwa.gov.au
Subject: Dispatch advice of electronic filing - Registered Organisations -
Matter Number FR2012/35

24/12/2012 08:35

Type of Application: financial returns

Matter Number (IF your eFiling is accepted): FR2012/35 Registry in which to be filed: VIC

Contact Details

Title: Mr
Given name(s): Stephen John
Surname: Thompson
Position: Director of Finance
Organisation: Community and Public Sector Union
Address: L7, 191-199 Thomas Street
Haymarket NSW
Postcode: 2000
Phone No: 0282046984
Mobile Phone No: 0428220773
Fax No: 0292126212

Email Address: stephen.thompson@cpsu.org.au

Attachments:

Lodgement of full financial report: Annual Report FWA Lodgement CPSU PSU Group
FYE2012.pdf



Certificate Of Secretary

s268 *Fair Work (Registered Organisations) Act 2009*

I, Louise Persse, being the Acting National Secretary of the Community and Public Sector Union (PSU Group) certify:

- that the documents lodged herewith are copies of the full report, referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members on the 28th of November 2012; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on the 21st of December 2012; in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

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

Louise Persse
Acting National Secretary

21st of December 2012

**CPSU, The Community and Public Sector Union,
PSU Group**

**Annual Report
Year Ending 30 June 2012**



stronger together



CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP

OPERATING REPORT

FOR THE YEAR ENDED 30 JUNE 2012

FROM THE NATIONAL SECRETARY

2011-12 was an important year for CPSU members. Internally our focus was on giving delegates the support and resources they need to build a bigger, bolder union.

Externally we stepped up our campaign in support of the public sector jobs and services, as well as continuing deliver and protect better pay and conditions for CPSU members.

Financially the union remains in a strong position. As a result of effective budgeting, revenue collection and expense management we ended the 2011-12 financial year with a modest surplus.



CPSU National Secretary, Nadine Flood

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- 1) Growth and delegates
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1) GROWTH AND DELEGATES

Throughout 2011-12 the CPSU invested significant resources in our delegate and member structures, in line with our commitment to being a grassroots union that is led from the workplace.

1252 delegates and deputy delegates were elected or re-elected to become workplace leaders for our union in 2011-12 and 605 delegates received formal training.

In the second half of the 2011-12 year, CPSU staff officials and delegates worked hard to organise our first ever National Leaders Conference, which was held in Sydney in August 2012. This event would bring together five hundred delegates from around the country to work on a plan called *Shaping our Future*. This plan outlined a range of steps we need to take to become a union that:

- most employees want to join
- makes positive change in our workplaces, everyday
- delivers in bargaining
- takes on the big issues in the political and public arena

Building on the experience gained throughout our APS-wide Better Way to Bargain campaign, delegate networks have been established across APS agencies to address issues including flexible working hours for Executive Level staff and personal leave rights.

To facilitate these cross-agency networks and campaigns, the CPSU has established a secure website, providing a forum for delegates to network across agencies and access resources and information.

Membership matters

Continuing membership growth is always a priority for the CPSU. Our total membership as at 30 June 2012 was 53,209 (excluding CSIRO Section).

A network of members and delegates was established in 2011-12 to work on building our membership among public sector graduate employees. The network, mainly comprised of current and former graduates, has been planning to grow our membership and holding special events for graduates including a budget night member-only event at Parliament House in Canberra.

Membership rules

As per reporting requirements we also note that members have the right to resign in accordance with s174 of the Fair Work (Registered Organisation) Act 2009 and in conjunction with CPSU rule 5.3 Resignation of Membership.



2) LIFTING OUR PUBLIC PROFILE

The CPSU has been lifting our public profile with increased media attention and engagement in government, union and other forums. Highlights include:

- Our campaigning against public sector Budget cuts delivered:
 - exemption in the May 2012 Budget from the extra 4% efficiency dividend for a range of agencies including cultural institutions, small Aboriginal and Torres Strait Islander organisations, the AEC and courts
 - 667 temporary call centre jobs in the Department of Human Services and a joint review of staffing in DHS call centres due to report to the Minister in February 2013
 - a \$158 million funding increase for SBS
- Securing reinstatement of the ABC Staff Elected Board Director position; and rules that ABC Board appointments be based on merit selection
- Support and funding for issues affecting Aboriginal and Torres Strait Islander members, through our National Aboriginal and Torres Strait Islander Cabinet (NATSIC)
- Appearing before government inquiries and making submissions on important issues affecting our members, including: law enforcement integrity, the operation of Australia's immigration detention network and the review of the Bureau of Meteorology.



3) ABORIGINAL AND TORRES STRAIT ISLANDER LEADERSHIP

This year, our National Aboriginal and Torres Strait Islander Cabinet continued its important work providing a voice for Aboriginal and Torres Strait Islander members. Two of our NATSIC members flew to Wellington in 2011 as guests of the New Zealand Public Service Association at their biannual Maori conference. The trip was a valuable opportunity for our NATSIC to connect with leading Maori unionists and share ideas and experience in campaigning for indigenous members in the public sector.

4) BARGAINING

In 2011-12 the CPSU secured new agreements in:

- over 80 APS agencies including ATO, Defence, DHS, DEEWR, Customs, DAFF and many more
- 18 ACT public sector agencies
- Telstra
- CSL
- Members of Parliament staff
- CASA
- Sensis



Negotiating over 80 APS agreements at the same time was a significant challenge for our union, requiring an innovative approach and substantial investment in our delegates and workplace leaders. Some significant outcomes from this period include:

- securing pay rises of up to 11% for the majority of APS employees
- moving towards pay equity
- repelling the APSC's agenda of widespread cuts to employment conditions
- securing improved conditions in some agencies, e.g., paid maternity leave, super on unpaid maternity leave
- locking in 15.4% superannuation
- delivering a new, service-wide redeployment mechanism
- empowering our delegates to lead the campaign and our union in their workplace
- giving thousands of employees who are eligible to vote for protected industrial action the confidence to do so
- leading a high profile media and public campaign.

Our program of increased delegate investment and support has delivered a substantially stronger and more engaged network of workplace leaders. This means we are well placed to face future challenges and have a stronger capacity to campaign on issues that are important to our members.

5) IMPLEMENTING AGREEMENTS

Our work in bargaining new agreements underpins our on-going efforts to ensure agreement provisions and members' entitlements are implemented correctly. This important work is undertaken at many levels, depending on the scope and nature of the issue.

Our capacity to run workplace and agency-wide disputes has been significantly strengthened by our increased investment in workplace leaders and cross-agency networking. Significant agreement implementation campaigns in 2011-12 delivered positive outcomes for members on a wide range of matters including:

- Performance
- Consultation
- Shift work provisions
- Leave rights
- Attendance management
- Maternity leave entitlements
- Staffing

Disputes involving individual members are generally resolved either by workplace delegates, the CPSU's Member Service Centre or a combination of the two.

6) PROTECTING PEOPLE AT WORK

January 2012 saw the introduction of new Workplace Health and Safety (WHS) legislation. The CPSU made a submission to the Senate Inquiry into the WHS bill and the transitional and consequential provisions. The submission addressed issues such as coverage of the laws, rules governing health and safety representatives and the serving of infringement notices.

Following the introduction of the new laws, CPSU organising staff underwent training to

obtain a right of entry certificate that enables them to enter workplaces to investigate alleged breaches of the WHS Act.

In January 2012, the Safety, Rehabilitation and Compensation (SRC) Act was amended to reinstate coverage for workers injured on recess breaks. This coverage was removed by the Howard government and the CPSU campaigned strongly for its reinstatement. The CPSU will also make a submission to the upcoming review of the SRC Act, including advocating for the reinstatement of journey cover.

7) FINANCE MATTERS

Through effective financial management, accurate forecasting, efficient budgeting and 99.75% member financiality, the CPSU ended the 2011-12 financial year with a modest surplus. This has enabled the union to adequately resource its agenda for the past financial year without compromising our sound financial position.

The most significant investments in the current financial year included increasing our occupancy and completely refitting our Canberra office with a major emphasis on future operational expansion and extensive facilities for members and delegates. We have also commenced a major investment in enhanced IT systems to come on line during 2012-13.

Despite these investments we have achieved a small increase in our cash reserves to enable us to make future operational investments out of these reserves without having to borrow funds.

The CPSU employed a total number of 218 staff as at 30 June 2012.

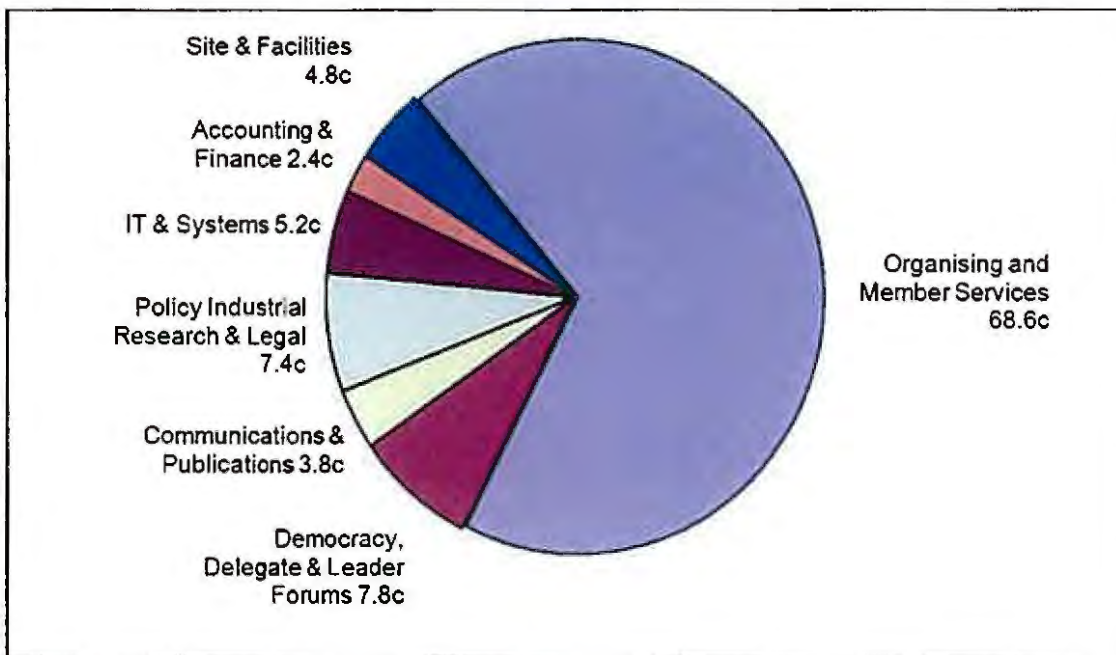
8) AFFILIATION FEES

The breakdown of affiliation fees declared in financial statements for the year ending FYE2012 is as follows.

Australian Council of Trade Unions Affiliation Fees	\$173,795
State Labor Council Affiliation Fees	\$177,079
Regional Labour Council Affiliation Fees	\$3,458
Australian Labor Party Affiliation Fees	\$149,279
Public Services International Affiliation Fees	\$33,187
UNI Global Union Affiliation Fees	\$9,194
Total	\$545,992

9) WHERE YOUR DOLLAR GOES

As the chart below shows, the vast majority of CPSU resources are spent on direct operations of organising and representing union members.



10) SALARIES OF CPSU OFFICIALS

Remuneration for elected officials is set by the CPSU Governing Council. Under the CPSU Rules, the Governing Council (comprising of 68 elected workplace delegates and the full-time officers of the Union) must vote to approve any variation in the CPSU Officials' Salaries and Conditions.

CPSU Executive Committee members salaries are shown below.

Position	Officer	Annual Salary as at 30/06/12
National Secretary	Nadine Flood	\$141,286
Assistant National Secretary	Louise Persse	\$117,709
National President	Michael Tull	\$112,210
Deputy President	Lisa Newman	\$106,711
Deputy President	Alistair Waters	\$106,711
Deputy Secretary	Kristin van Barneveld	\$106,711
Deputy Secretary	Rupert Evans	\$106,711

11) EXECUTIVE COMMITTEE

Persons who were members of the Executive Committee during the year are as follows:

Name	Period in Office
Nadine Flood	1 July 2011 – 30 June 2012
Louise Persse	1 July 2011 – 30 June 2012

Michael Tull	1 July 2011 – 30 June 2012
Lisa Newman	1 July 2011 – 30 June 2012
Alistair Waters	1 July 2011 – 30 June 2012
Kristin van Barneveld	1 July 2011 – 30 June 2012
Rupert Evans	1 July 2011 – 30 June 2012

During the year the Executive Committee held five in face meetings.

Meeting Number	Date	Location
4.2011	9-10 August	Sydney
5.2011	10-11 November	Sydney
1.2012	7-8 February	Sydney
2.2012	1-2 March	Canberra
3.2012	14-15 June	Melbourne

12) STATEMENT ON SUPERANNUATION TRUSTEES

Nadine Flood, Louise Persse, Kristin Van Barneveld and Peter Feltham are CPSU officers who are 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.

It should be noted that directors fees are paid to the CPSU rather than to the individuals sitting on those boards.

13) FINANCIAL ACCOUNTABILITY AND GOVERNANCE

The CPSU has made available to all members detailed information on our Financial Accountability and Governance process. This information can be accessed at http://www.cpsu.org.au/multiversions/28498/FileName/CPSU_financial_process_May%202012_final.pdf

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



Nadine Flood
National Secretary



CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP

General Purpose Financial Report

FOR THE YEAR ENDED 30 JUNE 2012

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CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP

**Annual Financial Report For The Year Ended
30 June 2012**

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP

30 JUNE 2012

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CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP

COMMITTEE OF MANAGEMENT STATEMENT

On 9/11/12 the Committee of Management of CPSU Group Governing Council passed the following resolution in relation to the general purpose financial report of the reporting unit for the financial year ended 30 June 2012:

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 Australian Accounting Standards;
- b) the financial statements and notes comply with the Reporting Guidelines of the General Manager of FWA;
- 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 the 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 the branch concerned; and
 - iii. the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; 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 is 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 General Manager of FWA duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or General Manager of FWA; and
 - vi there have been no orders for inspection of the financial records made by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009 during the year.

For the Committee of Management:



Nadine Flood
National Secretary



Louise Perse
Assistant National Secretary

Dated this 16 day of NOVEMBER 2012

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012**

	Note	2012 \$	2011 \$
Revenue	3	29,400,234	28,209,221
Depreciation and Amortisation	4	(729,189)	(615,107)
Employee Benefits Expense	4	(18,006,517)	(17,108,463)
Other expenses from ordinary activities	4	<u>(10,000,428)</u>	<u>(9,903,867)</u>
INCOME FOR THE YEAR		<u>664,100</u>	<u>581,785</u>
Other Comprehensive income:			
Net gain on revaluation of land and buildings, net of tax		758,209	-
Total comprehensive income for the year		<u>1,422,309</u>	<u>581,785</u>

The accompanying notes form part of these financial statements.

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012**

	Note	2012 \$	2011 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	3,715,608	5,348,117
Term deposits		8,404,255	6,498,089
Trade and other receivables	7	307,058	237,002
Other assets	8	522,678	657,083
TOTAL CURRENT ASSETS		12,949,599	12,740,291
NON-CURRENT ASSETS			
Financial assets	9	-	-
Property, plant and equipment	10	17,581,925	16,050,277
TOTAL NON-CURRENT ASSETS		17,581,925	16,050,277
TOTAL ASSETS		30,531,524	28,790,568
CURRENT LIABILITIES			
Trade and other payables	11	3,341,143	3,359,694
Short term provisions	12	2,042,742	1,762,686
TOTAL CURRENT LIABILITIES		5,383,885	5,122,380
NON-CURRENT LIABILITIES			
Provisions	12	573,835	516,693
TOTAL NON-CURRENT LIABILITIES		573,835	516,693
TOTAL LIABILITIES		5,957,720	5,639,073
NET ASSETS		24,573,804	23,151,495
EQUITY			
Reserves	14	11,104,155	10,345,946
General Fund Balance		13,469,649	12,805,548
		24,573,804	23,151,495

The accompanying notes form part of these financial statements.

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012**

	Capital Profits and Asset Revaluation Reserve	Death and Benevolent Fund	Levy Reserve	Superannuation Trust Fund	General Fund	Total
Balance at 1 July 2010	8,788,388	60,164	1,489,810	16,584	12,223,764	22,578,710
Funds used	-	(9,000)	-	-	-	(9,000)
Net income for the year	-	-	-	-	581,785	581,785
Balance at 30 June 2011	8,788,388	51,164	1,489,810	16,584	12,805,549	23,151,495
Net income for the year	-	-	-	-	664,100	664,100
Reserve increment	758,209	-	-	-	-	758,209
Balance at 30 June 2012	9,546,597	51,164	1,489,810	16,584	13,469,649	24,573,804

The accompanying notes form part of these financial statements.

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012**

	Note	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and others		28,854,139	27,318,600
Payments to suppliers and employees		(27,681,366)	(26,974,245)
Interest received		610,444	584,105
Net cash provided by operating activities	15	<u>1,783,217</u>	<u>928,460</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(1,511,060)	(219,944)
Proceeds from disposal of property, plant and equipment		1,500	-
Net cash used in investing activities		<u>(1,509,560)</u>	<u>(219,944)</u>
Net increase in cash held		273,657	708,516
Cash at beginning of financial year		11,846,206	11,137,690
Cash at end of financial year	6	<u>12,119,863</u>	<u>11,846,206</u>

The accompanying notes form part of these financial statements.

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 1 Statement of Significant Accounting Policies

Basis of preparation

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009 and the alteration to rules as approved by the General Manager of FWA.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

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 accounts 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 Governing Council in the preparation of the financial statements.

(a) Statement of Compliance

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

(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.

(c) Property, Plant and Equipment

Plant and equipment are brought to account at cost less, where applicable, any accumulated depreciation or amortisation.

Properties are brought to account at cost and or independent valuation less, where applicable, any accumulated depreciation or amortisation.

During the year, the Union obtained an independent valuation of its property at Wood Street, Darwin. The resultant increase was credited to asset revaluation reserve.

The depreciable amount of all fixed assets and capitalised lease assets, 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
Land and Buildings	2.50%
Leasehold Improvement	over lease period
Freehold improvement	10 - 20%
Computer System	20%
Office Equipment	5-40%
Leased Office Equipment	19%
Telephone System	20 - 33.33%
Information Systems Project	20%
CRM Membership System	25%

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

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

(f) Leases

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

(g) Investments

Investments are stated at cost less provision for diminution in value. This represents seed funding to the wholly controlled company Shared Advantage Limited (formerly CPSU Advantage Limited). Dividend income is brought to account on a receipts basis.

(h) Revenue

In general, revenue is recognised to the extent that it is probable that the future economic benefits will flow to the entity and the revenue can be measured reliably.

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) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and term deposits with maturity of three months or less, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(k) Trade and other receivables

Trade and other receivables are recognised initially at fair value and generally due for settlement within 30 days.

The collectability of debts is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that the Union will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the income statement as an expense.

(l) Trade and other payables

Trade payables and other accounts payable are recognised when the union becomes obliged to make future payments resulting from the purchase of goods and services. Trade accounts payable are normally settled within 30 days.

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

(m) Comparative Information

Where necessary comparative amounts have been reclassified to facilitate preparation of the current year accounts.

(n) Accounting policies and Standards

- Adoption of New and Revised Accounting Standards

During the year, the Union has adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these Standards did not have any impact on the current period or any prior period and is not likely to affect future periods.

- New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and interpretations that have mandatory application dates for future reporting periods and which the Union has decided not to early adopt. The Committee of Management is of the view that these will not impact the future reporting requirements.

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

Note 2 Information to be provided to members of the General Manager of FWA

(a) In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009 subsection 272(5), the attention of members is drawn to the provisions of subsections (1), (2) and (3) of section 272 which read as follows:

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

(b) There were no recovery of wages activity for the financial year ended 30 June 2012.

Note 3 Revenue

	2012	2011
	\$	\$
Revenue from Operating Activities		
- Subscriptions Received (net of refunds and charges)	26,902,106	25,955,452
- Interest Received	610,444	584,105
- Management Fee - CSIRO Staff Association	87,628	86,674
- Rental Trading - CPSU Properties	1,496,899	1,460,745
- Grant - TUEF	-	64,991
- Sundries	303,158	57,253
Total revenue	29,400,234	28,209,221

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

Note 4 Surplus from Ordinary Activities

	2012	2011
	\$	\$
Expenses		
Fees for payroll deduction for subscriptions	8,960	9,210
Depreciation and amortisation		
- Computer equipment	43,235	43,751
- Buildings	211,617	211,107
- Office Equipment	29,618	38,995
- Leasehold Improvements	231,834	121,279
- Freehold Improvements	174,331	199,975
- Software & Licensing	34,581	-
- Hosting Environmental Setup	3,972	-
Total Depreciation and Amortisation	<u>729,189</u>	<u>615,107</u>
Remuneration of Auditor		
- Audit - Current Year	31,300	30,500
- Other Services	3,650	3,650
Employee Benefits		
- Salaries and allowances		
Elected Officials	853,177	855,961
Employees	13,876,906	13,381,585
- Annual Leave		
Elected Officials	28,407	(5,054)
Employees	84,124	(51,996)
- Long Service Leave		
Elected Officials	44,339	45,600
Employees	558,943	609,033
- Superannuation		
Elected Officials	133,265	129,305
Employees	2,355,423	2,042,394
- Other employee benefits	71,933	101,635
Total Employee Benefits	<u>18,006,517</u>	<u>17,108,463</u>
Affiliation Fees	545,991	556,381
Legal and Professional Fees	14,530	46,509
Rent Expense	1,290,139	1,281,865

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

Note 5 Grants & Donations

	2012	2011
	\$	\$
Included in others expense from ordinary activities are grants and donations:		
Union Aid Abroad - APHEDA	44,000	44,000
Queensland Premier's Flood Relief Appeal	-	10,000
Others	898	2,786
	<u>44,898</u>	<u>56,786</u>

Note 6 Cash and Cash Equivalents

	2012	2011
	\$	\$
Cash on Hand	5,065	5,592
Cash at Bank	3,710,543	5,342,525
	<u>3,715,608</u>	<u>5,348,117</u>

Reconciliation of Cash

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

	2012	2011
Cash on Hand	5,065	5,592
Cash at Bank	3,710,543	5,342,525
Term Deposits	8,404,255	6,498,089
	<u>12,119,863</u>	<u>11,846,206</u>

Note 7 Trade and Other Receivables

	2012	2011
	\$	\$
Current		
Trade and other debtors	179,705	164,159
Other related parties	127,354	72,842
	<u>307,058</u>	<u>237,002</u>

Note 8 Other Assets

	2012	2011
	\$	\$
Current		
Prepayments	522,678	657,083
	<u>522,678</u>	<u>657,083</u>

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

Note 9 Financial assets

	2012	2011
	\$	\$
Non-current		
Seed Funding to Shared Advantage Limited		
- At cost	225,000	225,000
- Less Provision for Diminution in Value	<u>(225,000)</u>	<u>(225,000)</u>
	<u>-</u>	<u>-</u>

Note 10 Plant and equipment

	2012	2011
	\$	\$
Land and Buildings		
Freehold land and buildings at independent valuation 2010:		
Thomas Street, Sydney	14,704,285	14,704,285
Woods Street, Darwin	<u>1,064,708</u>	<u>390,000</u>
	15,768,993	15,094,285
Less Accumulated Depreciation	<u>(616,331)</u>	<u>(488,214)</u>
Net Land and Buildings	<u>15,152,662</u>	<u>14,606,071</u>
Leasehold improvements		
At cost		
Hobart	6,935	6,935
Hay Street, Perth	166,352	166,352
Brisbane Ave, Canberra	267,954	267,954
Brisbane Ave, Canberra	1,087,098	-
Henley Beach Road, Adelaide	16,722	16,722
Collins St, Melbourne	406,908	404,308
Browning Street, Brisbane	329,204	324,254
Plamer Street, South Townsville	<u>5,395</u>	<u>5,395</u>
	2,286,567	1,191,920
Less Accumulated Depreciation	<u>(964,964)</u>	<u>(733,130)</u>
Net Leasehold Improvements	<u>1,321,603</u>	<u>458,790</u>
Freehold Improvements		
Thomas Street, Sydney	2,427,931	2,305,980
Woods Street, Darwin	<u>41,074</u>	<u>13,725</u>
	2,469,005	2,319,706
Less Accumulated Depreciation	<u>(1,712,168)</u>	<u>(1,537,837)</u>
Net Freehold Improvements	<u>756,837</u>	<u>781,869</u>
Computer System		
At Cost	3,405,053	3,402,221
Less Accumulated Depreciation	<u>(3,313,927)</u>	<u>(3,270,692)</u>
Net Computer System	<u>91,126</u>	<u>131,529</u>
Office Equipment		
At Cost	2,764,849	2,716,582
Less Accumulated Depreciation	<u>(2,665,464)</u>	<u>(2,644,563)</u>
Net Office Equipment	<u>99,385</u>	<u>72,018</u>

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

Software & Licencing		
At Cost	177,865	-
Less Accumulated Depreciation	(34,581)	-
Net Software & Licencing	<u>143,284</u>	<u>-</u>
Hosting Environmental Setup		
At Cost	21,000	-
Less Accumulated Depreciation	(3,972)	-
Net Hosting Environmental Setup	<u>17,028</u>	<u>-</u>
Telephone System		
At Cost	935,539	935,539
Less Accumulated Depreciation	(935,539)	(935,539)
Net Telephone System	<u>-</u>	<u>-</u>
Information Systems Project		
At Cost	213,406	213,406
Less Accumulated Depreciation	(213,406)	(213,406)
Net Information Systems Project	<u>-</u>	<u>-</u>
CRM/Membership System		
At Cost	1,795,414	1,795,414
Less Accumulated Depreciation	(1,795,414)	(1,795,414)
Net CRM/Membership System	<u>-</u>	<u>-</u>
Website		
At Cost	63,091	63,091
Less Accumulated Depreciation	(63,091)	(63,091)
	<u>-</u>	<u>-</u>
Total plant and equipment	<u><u>17,581,925</u></u>	<u><u>16,050,277</u></u>

Movements in Carrying Amounts

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

2012	Balance at beginning of year	Additions	Disposals	Depreciation expense	Revaluation During the year	Carrying amount at the end year
Land and Buildings	14,606,071	-	-	211,617	758,209	15,152,662
Leasehold Improvements	458,790	1,094,648	-	231,834	-	1,321,603
Freehold Improvements	781,869	149,299	-	174,331	-	756,837
Computer Equipment	131,529	2,832	-	43,235	-	91,126
Office Equipment	72,018	65,415	8,432	29,618	-	99,385
Software & Licensing	-	177,865	-	34,581	-	143,284
Hosting Environmental Setup	-	21,000	-	3,972	-	17,028
TOTAL	<u>16,050,277</u>	<u>1,511,060</u>	<u>8,432</u>	<u>729,189</u>	<u>758,209</u>	<u>17,581,925</u>

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

Note 11 Trade and Other Payables

	2012	2011
	\$	\$
Current		
Accounts Payable and Accruals	1,697,811	1,866,286
Rental Bond	130,130	130,130
Annual leave		
- holders of office	151,256	122,849
- other employees	1,361,946	1,240,429
	<u>3,341,143</u>	<u>3,359,694</u>

Note 12 Provisions

	2012	2011
	\$	\$
Current		
Long Service Leave		
- holders of office	266,750	228,964
- other employees	1,775,992	1,533,722
	<u>2,042,742</u>	<u>1,762,686</u>
Non-current		
Long Service Leave		
- holders of office	14,396	9,896
- other employees	559,439	506,797
	<u>573,835</u>	<u>516,693</u>

Provision for Employee Entitlements

A provision has been recognised for employee entitlements relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits has been included in Note 1.

Note 13 Leasing Commitments

	2012	2011
	\$	\$
(a) Operating Lease Commitments		
Payable-minimum lease payments		
- not later than 12 months	1,864,058	1,300,704
- later than 1 year but not more than 5 years	4,780,615	3,336,642
- more than 5 years	-	874,941
Balance at the end of the year	<u>6,644,673</u>	<u>5,512,287</u>

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

Note 14 Reserves

	Note	2012 \$	2011 \$
Capital Profits and Asset Revaluation Reserve (a)	14a	9,546,597	8,788,388
Death and Benevolent Fund		51,164	51,164
Superannuation Trust Fund		16,584	16,584
Levy Reserve		1,489,810	1,489,810
Balance at the end of the year		<u>11,104,155</u>	<u>10,345,946</u>

(a) Capital Profits and Asset Revaluation Reserve			
Balance brought forward		8,788,388	8,788,388
Increment on property value		758,209	-
Balance carried forward		<u>9,546,597</u>	<u>8,788,388</u>

Note 15 Cash Flow Information

(a) Reconciliation of Cash Flow from Operations with Operating Surplus

Operating surplus	664,100	581,785
Non cash flow in operating surplus:		
Depreciation and amortisation	729,189	615,107
Loss on disposals of property, plant and equipment	6,932	-
(Increase)/Decrease in trade debtors	(70,056)	(4,160)
(Increase)/Decrease in prepayments	134,405	(302,356)
Increase/(Decrease) in provisions	487,122	157,438
Increase/(Decrease) in trade creditors and accruals	(168,475)	(119,354)
Net cash provided by operating activities	<u>1,783,217</u>	<u>928,460</u>

(b) Credit standing arrangements with Bank:

Credit Facility	3,770,000	3,770,000
Amount Utilised	1,704,464	1,236,475

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

Note 16 Related Party Information

	2012	2011
	\$	\$
(a) Receivable from Related Party		
Shared Advantage Limited	<u>127,354</u>	<u>72,842</u>
	<u>127,354</u>	<u>72,842</u>

The amount receivable is unsecured and interest free.

(b) CSIRO Members

CPSU, the Community and Public Sector Union, Governing Council, received all subscriptions paid by members during 2011/2012 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 Executive Committee, or the branches/sections and the Professional Division:

Name	Period in Office
Lisa Newman	1 July 2011 - 30 June 2012
Louise Persse	1 July 2011 - 30 June 2012
Michael Tull	1 July 2011 - 30 June 2012
Nadine Flood	1 July 2011 - 30 June 2012
Rupert Evans	1 July 2011 - 30 June 2012
Kristin Van Barneveld	1 July 2011 - 30 June 2012
Alistair Waters	1 July 2011 - 30 June 2012

Note 17 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 Governing Council's exposure to interest rate risk as at 30 June 2012 is limited to cash and term deposits of \$12,119,863.

(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.

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 financial statements.

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

Note 18 Contingent Liabilities

	2012	2011
(a) Guarantees	\$	\$
Bank Guarantees	434,465	327,957
	<u>434,465</u>	<u>327,957</u>

Note 19 Events After the Balance Sheet Date

There have been no significant events after balance date which require adjustment to this financial report or further reporting.



INDEPENDENT AUDIT REPORT TO THE MEMBERS OF CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP

Scope

Report on the Financial Report

We have audited the accompanying financial report of CPSU, The Community and Public Sector Union, PSU Group, which comprises the Statement of Financial Position at 30 June 2012, the Committee of Management Statement, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and accompanying notes to the financial statements of the union.

Executive Committee's Responsibility for the Financial Report

The executive committee of the union is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009 and for such internal control as the executive committee determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the executive committee also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditor's Responsibility for the Financial Report

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

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

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

Auditor's Opinion


We have inspected and audited the accounting records kept by CPSU, The Community and Public Sector Union, PSU Group in respect for the year ended 30 June 2012 and have received all the information and explanations we required for the purposes of our audit.

In our opinion:

- a. They 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 the expenditure; and
- b. The general purpose financial report is giving a true and fair view of the entity's financial position as at 30 June 2012 and of its performance for the year ended on that date, in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.



Fran Rathod - Director Audit Services
Registered Company Auditor



Hayes Knight (NSW) Pty Ltd

Dated at Sydney, this 16th November 2012