



3 May 2014

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

Email: nadine.flood@cpsu.org.au

Dear Ms Flood

Lodgement of Financial Statements and Accounts - Community and Public Sector Union, PSU Group - for year ended 30 June 2013 (FR2013/147)

I acknowledge receipt of the financial report of the Community and Public Sector Union - PSU Group. The documents were lodged with the Fair Work Commission on 17 December 2013.

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

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

Please note that the financial report for the year ending 30 June 2014 may be subject to an advanced compliance review.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7639 or by email at margaret.williams@fwc.gov.au.

Yours sincerely

Margaret Williams
Regulatory Compliance Branch



Certificate Of Secretary

s268 *Fair Work (Registered Organisations) Act 2009*

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

- that the documents lodged herewith are copies of the full report, referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members on the 29th of November 2013; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on the 13th of December 2013; in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

A handwritten signature in black ink, appearing to read 'N. Flood', written in a cursive style.

Nadine Flood
National Secretary

13 December 2013



COMMUNITY & PUBLIC SECTOR UNION



Operating Report 2012/13

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CPSU Executive Committee

Left to right: Louise Persse, Alistair Waters, Nadine Flood, Michael Tull, Kristen van Barneveld, Rupert Evans, Lisa Newman

From the National Secretary



To ensure the CPSU can meet the challenges of a tough environment and deliver for our members, we developed a long-term strategic plan called *Shaping Our Future*. Over the last 12 months we have been putting this plan into action.

The five point *Shaping Our Future* plan was the key outcome of our National Leaders Conference (NLC) which was held in Sydney during August 2012 and brought together close to 600 workplace leaders.

Many of the new ideas debated and refined during the NLC are now bearing fruit.

For example, the growth plan delegates developed to ensure we become 'a union most people want to join' is now beginning to drive membership growth.

Another important part of the *Shaping Our Future* concerned the need to ensure CPSU members' issues and concerns about our jobs and industries are understood and listened to. Through the *Cuts Hurt – Public Services Matter* campaign we spoke up for our members' jobs and the important work they do.

We also engaged in the broader political debates around public broadcasting, telecommunications, workplace rights, public sector science and service delivery.

At the same time we continued to protect and improve the pay and conditions of thousands of members, winning new agreements in the ABC, ACT government and Telstra.

In terms of the union's finances and governance, we delivered a modest surplus and introduced a range of new and transparent governance processes.

We achieved a lot together in 2012/13 and I'd like to thank every member, delegate, official and staff member for their continuing contributions. The progress we made over these 12 months has set us up well for what will be another challenging year.

Nadine Flood
CPSU National Secretary



"Many of the new ideas debated and refined during the NLC are now bearing fruit."



A union that most employees want to join

Our union exists to bring benefits to every employee who joins. However these benefits can be increased if we are a larger, stronger union. Throughout 2012/13 we laid the foundation for building our union, but we have more to do.

WHY DO WE NEED MORE MEMBERS?

Every new member who joins improves our chances of achieving better outcomes in bargaining, improved pay and conditions and job security. Having more members gives us more reach, more power and more resources to deliver the best outcomes.

OUR AIM

- > ensure non-members in our workplaces are always asked to join.
- > be active and visible in our workplaces.
- > campaign on issues that are directly relevant to members and potential members
- > talk to non-members about our wins and achievements and explain how joining will make a difference to them personally as well as to their workplace.

WHAT WE HAVE ACHIEVED:

- > introduced new recruitment approaches which delegates are using successfully
- > developed targeted materials for members and delegates tools which focus on the positive difference membership makes
- > used the *Shaping Our Future* delegates' website to share new tools, resources, ideas and to co-ordinate regular growth activities
- > redesigned our website to enhance the value of membership by introducing a user pay-wall model and ensuring only members get access to premium CPSU content
- > released online recruitment videos.



FOCUS ON GRADUATES

Young workers remain an important focus for the CPSU and during 2012/13 we continued our successful graduate induction program.

This included a special concentration on recruitment at informal inductions which has increased the number of new members joining.

We focused on the career benefits of membership and introduced member-only benefits for CPSU graduates.

We also encouraged delegates to take a leading role in agency induction sessions.

To support this work we developed new online induction tools for use when we can't get access to in-face inductions.

Positive changes every day

Regardless of where they work, members and potential members consistently tell us they want: a fair go at work; a strong voice in their workplace; job security, fair pay and conditions; and to be treated with dignity and respect.

When issues arise that affect their working lives our members want them resolved sensibly. They also want to be represented effectively and have their views taken into account. Where possible, we try to work co-operatively with management to represent our members and improve their workplaces. If this doesn't work, we will explore other options to resolve issues such as the dispute resolution processes of enterprise agreements.

OUR AIM

- > understand what matters to employees in their workplace, and the factors that influence their employer
- > be able to raise and resolve local issues in the workplace
- > enable delegates from different workplaces to develop and implement strategies when issues arise that affect members beyond one workplace
- > be responsive, professional and effective in resolving workplace issues
- > ensure delegates have rights and are recognised by their employer, and encourage delegates to engage with employers to build effective professional relationships
- > provide support to delegates, through high quality professional training, and industrial support when issues arise – including through the MSC, online tools and delegates' web platforms
- > create opportunities for delegates to work together on common workplace issues, such as workloads, leave entitlements and hours.

WHAT WE HAVE ACHIEVED

- > 1,416 workplace delegates and deputies were elected in 2012/13
- > 935 delegates attended formal training in the 2012/13 financial year
- > monitored and enforced delegates' rights as outlined in agreements
- > developed a new 'members only' access for the website which will allow us to provide premium information for members and delegates
- > launched new and enhanced organising tools for delegates
- > introduced a new delegates training program which included *Advanced Representation Support* to help delegates effectively resolve workplace issues, and *Advanced Representation Skills* to extend experienced delegates' knowledge and skills.



High quality professional delegate training keeps our union strong

Taking on the big public & political issues

While some of the issues that matter to our members can be resolved at the workplace level, there are other broader economic and industry issues that require our union to run public and political campaigns.

Like other unions and civil society groups we are proud to advocate publically and politically for positive change.

During 2012/13 we campaigned around a range of critical issues including proper funding for public services; fair industrial relations laws; secure superannuation; decent parental leave; the role of the ABC, SBS and CSIRO; a fair go for telecommunications workers and much more.

OUR AIM

- > build support for the CPSU's public and political campaigns with members and potential members
- > promote the value of our members' work and ensure their concerns are understood by local communities, the media and politicians
- > encourage members to get involved in workplace and community activities such as lobbying politicians about jobs and public services
- > seek local, regional and national media opportunities, and use our research capacity to advocate for our members' work
- > co-ordinate with other unions and the ACTU on campaigns that benefit workers in our industries and across the economy.

WHAT WE HAVE ACHIEVED

Throughout 2012/13 we led the *Cuts Hurt* campaign in support of public sector jobs and services. This work included:

- > ongoing workplace, community and online activities
- > maintaining a strong media presence and speaking up for APS jobs and services
- > standing up for jobs and services threatened by the Mills Government in the NT
- > producing budget submissions to the NT, ACT and Commonwealth governments
- > further research including with the Centre for Policy Development
- > extensive lobbying of Ministers and local MPs by CPSU officials and delegates
- > campaigning to protect ABC jobs and resources in regional Australia
- > opposing the cutting of Australian jobs through offshoring and outsourcing
- > strongly supporting the ACTU *Secure Jobs/Better Future* campaign.



We are proud to advocate for positive change



Delivering in bargaining

Protecting and improving our members' pay, conditions, jobs and rights at work remains a key focus of the CPSU.

This workplace bargaining is complemented by the work we do around industry awards and our involvement in the broader union movement

We've done a good job in bargaining, but pressure on public sector spending and strong market competition in our private sector areas is making the task ahead very complex.

To get ahead in bargaining we need to have both smart strategies and more power though representing more members.

OUR AIM

- > build union membership during and between bargaining rounds, so that we are in the best possible position when negotiations start
- > engage members in their workplaces and build support for our bargaining campaign
- > ensure members and delegates have a strong voice and high quality support in bargaining
- > provide high quality tools, strategies, training and information for delegates dealing with bargaining
- > ensure our members and delegates can support and learn from each other in bargaining, through cross agency industrial approaches and campaigning.

WHAT WE HAVE ACHIEVED

During 2012/13 we settled strong agreements in:

- > Medibank Private Ltd
- > Australian Broadcasting Cooperation
- > Australia Post
- > Australian Capital Territory Public Service

Major bargaining campaigns are currently underway in:

- > Northern Territory Public Service
- > Stellar

We made strong progress in preparing for the next round of bargaining in:

- > CSIRO
- > SBS
- > Australian Public Service, where more than 100 agreements expire on 30 June 2014.

The screenshot shows the CPSU website's news section. The browser address bar displays 'www.cpsu.org.au/news'. The page header includes the CPSU logo, the text 'COMMUNITY & PUBLIC SECTOR UNION', and navigation links for STAFF, GC, DELEGATES, NEWS, ABOUT THE CPSU, GET INVOLVED, RESOURCES, and CONTACT. A search icon is also present. The main content area is titled 'LATEST NEWS' and features six news items, each with a representative image and a headline:

- PAY RISE FOR ACT GOVT WORKERS BEFORE CHRISTMAS?**
The heat is on - again!
- ABC ENTERPRISE AGREEMENT APPROVED**
The agreement comes into effect in 7 days.
- NTPS WORKERS WILL STILL GO BACKWARDS UNDER LATEST OFFER**
Staff will be penalised financially.
- CUSTOMS** (Image of a person at a customs counter)
- EXIT** (Image of a person looking at an exit sign)
- CUTS HURT everyone** (Image of a sign with the text 'CUTS HURT everyone')

A modern, professional and credible union

Unions exist to help working people secure better lives for themselves and their families. We believe that by doing that we are helping build a fairer Australia.

Union membership is voluntary and many people enter our workplaces and industries without experiencing being part of a union.

We aim to provide a positive union experience based on the following principles:

- > it makes a difference to be in a union
- > unions work for the good of working people
- > all Australians benefit from having a strong and effective voice through the union movement.

It is therefore critical that we hold ourselves to the highest standards of conduct, governance and accountability. We expect every person who represents our union including officials, staff, and delegates to operate ethically and effectively.

OUR AIM

- > ensure staff and officials understand the importance of their role as representatives of our union in the workplace, and hold themselves to high standards of conduct, performance and accountability
- > operate transparently, accountably and by the high standards we have set in everything we do
- > ensure the CPSU continues to be efficient, financially sound and focussed on outcomes for our members
- > foster a modern and adaptive organisation, capable of learning and changing to meet the needs of our members and our environment.

WHAT WE HAVE ACHIEVED

- > provided detailed information to all members about the CPSU financial and governance processes
- > worked with the ACTU to develop best practice national union governance
- > ensured all CPSU officers and staff are aware of their governance obligations
- > continued to manage CPSU finances soundly, delivering a modest surplus



Financial matters

The CPSU delivered a modest surplus of \$16,174 for the 2012-13 financial year.

This financial outcome was a significant achievement given the substantial additional investments made by the CPSU, including;

- > the National Leaders Conference;
- > increased staff salaries to remain competitive in the union and public service labour market;
- > additional expenditure on the Cuts Hurt and Federal Election campaign, including ACTU levies; and
- > development of a new CPSU website and a new Client Relationship Management (CRM) membership, organising and representation system.

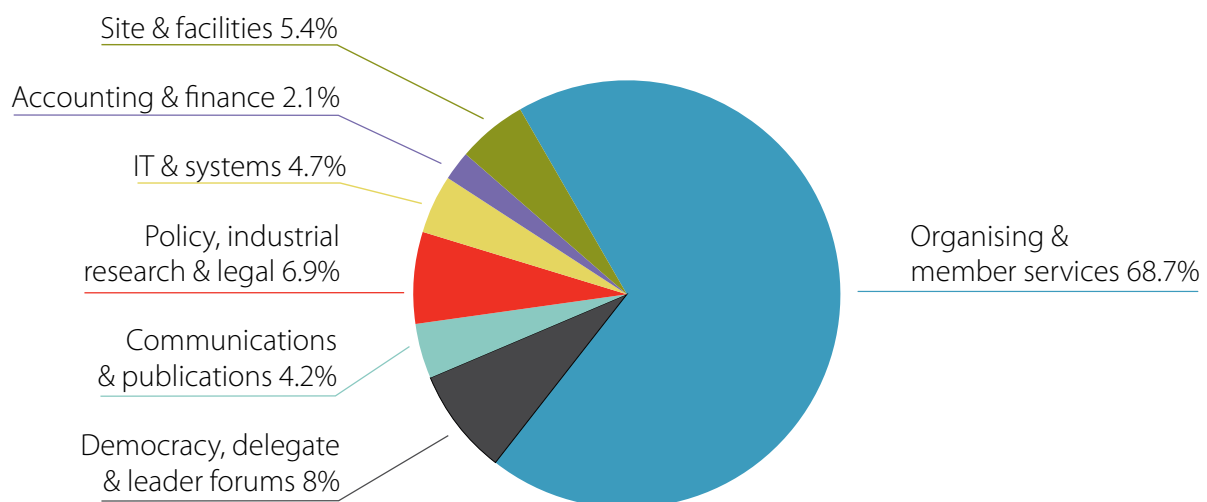
The union is also pleased to report the continued best practice on member financiality, achieving 99.85% financiality and early positive progress on members moving onto the correct fee tier for their salary, together with strong controls on expenditure.

The CPSU employed 211.5 (full time equivalent) staff as at 30 June 2013.

As at 30 June 2013 the CPSU had 51,618 members. This does not include members of the CSIRO Staff Association which at 30 June 2013 had 2,761 members.

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.



AFFILIATION FEES

The CPSU regularly works with other unions, progressive groups and political parties to help secure positive outcomes for our members. The following table shows a breakdown of affiliation fees declared in financial statements for the year ending 30 June 2013.

Australian Council of Trade Unions affiliation fees	\$181,185
State Labor Council affiliation fees	\$185,489
Regional Labour Council affiliation fees	\$2,809
Australian Labor Party affiliation fees	\$195,001
Public Services International affiliation fees	\$30,400
UNI Global Union affiliation fees	\$9,559
Union Shopper & Shop Rite	\$41,393
APHEDA	\$1,741
Total	\$647,577

EXECUTIVE COMMITTEE

Members of the Executive Committee during the 2012/13 financial year are as follows:

Name	Period in office
Nadine Flood	1 July 2012 – 30 June 2013
Louise Persse	1 July 2012 – 30 June 2013
Michael Tull	1 July 2012 – 30 June 2013
Lisa Newman	1 July 2012 – 30 June 2013
Alistair Waters	1 July 2012 – 30 June 2013
Kristin van Barneveld	1 July 2013 – 30 June 2013
Rupert Evans	1 July 2012 – 30 June 2013
Rebecca Fawcett*	1 July 2012 – 31 March 2013

*Replaced Kristen van Barneveld while she was on parental leave

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

Meeting number	Date	Location
4.2012	19–20 July	Sydney
5.2012	8–9 November	Sydney
1.2013	31 January – 1 February	Sydney
2.2013	28 February – 1 March	Sydney
3.2013	16–17 April	Canberra
4.2013	5–6 June	Canberra

SALARIES OF CPSU OFFICIALS

Remuneration for elected officials is set by the CPSU Governing Council. Under the CPSU Rules, the Governing Council (comprising 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 30/06/13
National Secretary	Nadine Flood	\$151,349
Assistant National Secretary	Louise Persse	\$126,093
National President	Michael Tull	\$120,202
Deputy President	Lisa Newman	\$114,311
Deputy President	Alistair Waters	\$114,311
Deputy Secretary	Kristin van Barneveld	\$114,311
Deputy Secretary	Rupert Evans	\$114,311

SUPERANNUATION TRUSTEES

Nadine Flood, Louise Persse, Kristin van Barneveld and Peter Feltham are CPSU officers who are:

- 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 superannuation fund directors' fees are paid to the CPSU not to the individuals sitting on those boards.

OFFICERS AND STAFF WHO ARE COMPANY DIRECTORS

Under revised reporting guidelines issued by the General Manager of the Fair Work Commission, the union is obliged to disclose any officer or staff member who is a director of a company or a member of a board in the annual operating report. This information is available at Attachment B.

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 by members through the CPSU website: www.cpsu.org.au/about-cpsu/governance

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.

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

Nadine Flood
National Secretary

ATTACHMENT A

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

**Annual Financial Report For The Year Ended
30 June 2013**

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
30 JUNE 2013

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**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013**

On 17/10/13 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 2013:

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 the Fair Work Commission;
- c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- e) during the financial year to which the general purpose financial report relates and since the end of that year:
 - i. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of 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 RO Act; and
 - iv. information has been furnished to any member of the reporting unit or to the General Manager of the Fair Work Commission, as the case may be, where information sought by the member or the General Manager of the Fair Work Commission was duly made under section 272 of the RO Act; and
 - v. there has been compliance with any order for inspection of financial records made by the Fair Work Commission under section 273 of the RO Act.
- f) the reporting unit has not engaged in recovery of wages activity which has resulted in the derivation of revenue in respect of such activity.

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



Nadine Flood
National Secretary



Louise Perse
Assistant National Secretary

Dated this 29 day of OCTOBER 2013

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 \$	2012 \$
Revenue	3	29,307,279	29,409,194
Depreciation and Amortisation	4	(749,190)	(729,189)
Employee Benefits Expense	4	(18,884,753)	(18,006,517)
Other expenses from ordinary activities	4	(9,657,162)	(10,009,388)
INCOME FOR THE YEAR		<u>16,174</u>	<u>664,100</u>
Other Comprehensive income:			
Items that will not be subsequently reclassified to profit or loss			
Net gain on revaluation of land and buildings		-	758,209
Total comprehensive income for the year		<u>16,174</u>	<u>1,422,309</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 2013

	Note	2013 \$	2012 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	12,528,498	3,715,608
Term deposits	5	-	8,404,255
Trade and other receivables	6	464,970	307,058
Other assets	7	625,653	522,678
TOTAL CURRENT ASSETS		13,619,121	12,949,599
NON-CURRENT ASSETS			
Financial assets	8	140,000	-
Property, plant and equipment	9	17,138,269	17,581,925
TOTAL NON-CURRENT ASSETS		17,278,269	17,581,925
TOTAL ASSETS		30,897,390	30,531,524
CURRENT LIABILITIES			
Trade and other payables	10	1,937,700	1,827,941
Short term provisions	11	3,844,879	3,555,944
TOTAL CURRENT LIABILITIES		5,782,579	5,383,885
NON-CURRENT LIABILITIES			
Provisions	11	524,833	573,835
TOTAL NON-CURRENT LIABILITIES		524,833	573,835
TOTAL LIABILITIES		6,307,412	5,957,720
NET ASSETS		24,589,978	24,573,804
EQUITY			
Reserves	13	11,104,155	11,104,155
General Fund Balance		13,485,823	13,469,649
		24,589,978	24,573,804

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 2013

	Capital Profits and Asset Revaluation Reserve	Death and Benevolent Fund	Levy Reserve	Superannuation Trust Fund	General Fund	Total
Balance at 1 July 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
Net income for the year	-	-	-	-	16,174	16,174
Balance at 30 June 2013	9,546,597	51,164	1,489,810	16,584	13,485,823	24,589,978

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 2013

	Note	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and others		28,657,355	28,854,139
Payments to suppliers and employees		(28,464,558)	(27,681,366)
Interest received		521,372	610,444
Net cash provided by operating activities	14	714,169	1,783,217
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(305,534)	(1,511,060)
Proceeds from disposal of property, plant and equipment		-	1,500
Net cash used in investing activities		(305,534)	(1,509,560)
Net increase in cash held		408,635	273,657
Cash at beginning of financial year		12,119,863	11,846,206
Cash at end of financial year	5	12,528,498	12,119,863

The accompanying notes form part of these financial statements.

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
RECOVERY OF WAGES ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2013**

	2013 \$	2012 \$
CASH ASSETS IN RESPECT OF RECOVERED MONEY AT BEGINNING OF YEAR	-	-
Receipts		
Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	-	-
Total Receipts	-	-
Payments		
Deductions of amounts due in respect of membership for:		
12 months or less	-	-
Greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of	-	-
Deductions of fees or reimbursements of expenses	-	-
Payments to workers in respect of recovered money	-	-
Total Payments	-	-
Cash Assets in Respect of Recovered Money at End of Year	-	-
Number of workers to which the monies recovered relates	-	-
Aggregate payables to workers attributable to recovered monies but not yet distributed:		
Payable balance	-	-
Number of workers the payable relates to	-	-
Fund or account operated for recovery of wages	-	-

The Union assists a member for the claim for any recovery of the member's wages, such recoveries are received directly by the member. Any expense in relation to the assistance provided to the member is borne by the Union as a service to the member.

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

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 and Interpretations, issued by the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009. For the purpose of preparing the general purpose financial statements, the Union is a not-for-profit entity.

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 in the preparation of the financial statements.

(a) Changes in Accounting Policies

(i) New and Amended Standards Adopted by the Union

AASB 2011-9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income (Applied annual reporting periods beginning on or after 1 July 2012)

AASB 2011-9 requires entities to group items presented in Other Comprehensive Income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently, and changes the title of 'statement of comprehensive income' to 'statement of profit or loss and other comprehensive income'.

The adoption of the new and revised Australian Accounting Standards has had no significant impact on the Union's accounting policies or the amounts reported during the current year. The adoption of AASB 2011-9 has resulted in changes to the Union's presentation of its financial statements.

(ii) Accounting Standards Issued but not yet effective and not been adopted early by the Union

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.

(b) Impairment of Assets

At the end of each reporting period, the Union assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Value in use is calculated by discounting the estimated future cash flows of the asset or cash-generating unit (CGU) at a pre-tax discount rate reflecting the specific risks in the asset/CGU. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

(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.

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	10 - 20%
Freehold improvement	10 - 20%
Computer System	20%
Office Equipment	5-40%
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.

(d) Income Tax

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

(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.

Provision is made for separation and redundancy benefit payments. The Union recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

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) 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.

Rental revenue from operating lease is recognised on a straight line basis over the term of the relevant lease.

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).

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

(h) 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.

(i) 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.

(j) 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.

(k) Financial Instruments

Financial assets and financial liabilities are recognised when the Union becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial Assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The Union's financial assets comprise only the loans (including seed funding) and receivables.

(i) Loan and Receivables

Trade receivables, loans and other receivables (including seed funding) that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at cost less impairment.

(ii) Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Union past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or 'other financial liabilities'. The Union has only other financial liabilities.

(i) **Other financial liabilities**

Other financial liabilities, including trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

(ii) **Derecognition of financial liabilities**

The Union derecognises financial liabilities when, and only when, the Union's obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(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.

(m) Comparative Information

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

(n) Significant Management Judgement in Applying Accounting Policies

When preparing the financial statement, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation Uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

(i) **Long Service Leave**

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 2 Information to be provided to members or 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:

- (i) 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.
- (ii) 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.
- (iii) 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 2013.

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 3 Revenue

	2013	2012
	\$	\$
Revenue from Operating Activities		
- Subscriptions Received	26,757,458	26,911,066
- Interest Received	540,256	610,444
- Management Fee - CSIRO Staff Association	89,326	87,628
- Rental Trading - CPSU Properties	1,658,178	1,496,899
- Directors fee	212,455	111,842
- Sundries	49,606	191,316
- Capitation fee	-	-
- Compulsory levies	-	-
- Donations or grants	-	-
- Financial support from another reporting unit.	-	-
Total revenue	29,307,279	29,409,194

Note 4 Surplus from Ordinary Activities

	2013	2012
	\$	\$
Expenses		
Administration Expenses		
- Consideration to employers for Payroll Deduction for Subscriptions	7,665	8,960
- ACTU Campaign Industrial Levies	124,734	-
- Fees/allowance - Meeting and Conferences	-	-
- Conference and Meeting Expenses	793,437	705,372
- Capitation fee	-	-
- Penalties imposed on the organisation under the RO Act	-	-
	925,836	714,332
Depreciation and amortisation		
- Buildings	217,225	211,617
- Leasehold Improvements	214,057	231,834
- Freehold Improvements	186,000	174,331
- Plant and Equipments	131,908	111,407
Total Depreciation and Amortisation	749,190	729,189
Remuneration of Auditor		
- Audit - Current Year	36,500	31,300
- Other Services	17,261	8,701
	53,761	40,001

Other services include services in relation to the audit of the political membership returns, statement of outgoings for rental properties and assistance in the preparation of the general purpose financial report.

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Employee Expenses	2013	2012
	\$	\$
Holders of Office:		
- Salaries and Wages	851,331	853,177
- Superannuation	151,294	133,265
- Leave and Other Entitlements	14,156	72,746
- Separation and Redundancies	-	-
- Remote Locality Allowance	-	-
- Living Away From Home Allowance	-	1,250
- Other Employee Benefits	-	-
Subtotal Employee Expenses Holders of Office	1,016,781	1,060,438
Employees other than office holders:		
- Salaries and Wages	14,799,109	13,845,017
- Superannuation	2,422,675	2,355,423
- Leave and Other Entitlements	546,392	643,067
- Separation and Redundancies	44,830	31,889
- Remote Locality Allowance	40,506	-
- Living Away From Home Allowance	13,422	35,750
- Other Employee Benefits	1,039	34,933
Subtotal Employee Expenses Employees Other Than Office Holders	17,867,972	16,946,080
Total Employee Expenses	18,884,753	18,006,517
Affiliation Fees		
- Australian Council of Trade Unions	181,185	173,795
- Unions NSW	27,126	24,877
- SA Unions	16,718	18,213
- Queensland Council of Unions	37,322	36,179
- Unions ACT	29,931	28,902
- Unions NT	8,335	8,310
- Unions Tasmania	8,587	7,830
- Victorian Trades Hall Council	37,576	35,661
- Unions WA	19,894	17,107
- Geelong Trades Hall Council	135	137
- Gippsland Trades & Labour Council	764	964
- Newcastle Trades Hall Council	1,535	1,500
- Queensland Council of Unions Cairns	136	150
- Queensland Council of Unions Rockhampton	50	50
- Queensland Council of Unions Townsville	50	50
- Queensland Council of Unions Sunshine Coast	45	-
- South West Trades and Labour Council Inc.	94	56
- Australian Labor Party VIC Branch	40,600	37,806
- Australian Labor Party NSW Branch	57,879	33,953
- Australian Labor Party QLD Branch	38,692	31,669
- Australian Labor Party SA Branch	11,215	9,949
- Australian Labor Party ACT Branch	30,188	26,807
- Australian Labor Party NT Branch	8,041	9,096
- Australian Labor Party WA Branch	8,386	-
- Public Services Internationale	30,400	33,187
- UNI Global Union	9,559	9,194
- Union Shopper Inc.	38,885	38,040
- Shop Rite Enterprises	2,508	-
- Electronic Subscriptions	-	14,759
- APHEDA	1,741	2,397
Total Affiliation Fees	647,577	600,638

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	2013	2012
	\$	\$
Legal Costs		
- Other legal matters	<u>(9,978)</u>	<u>14,530</u>
Operating Lease Rentals		
- Minimum Lease Payments	<u>1,515,114</u>	<u>1,290,139</u>
Grants & Donations		
- Union Aid Abroad - APHEDA (Education and aid abroad)	44,000	44,000
- Others	5,959	898
	<u>49,959</u>	<u>56,786</u>

Note 5 Cash and Cash Equivalents

Note

	2013	2012
	\$	\$
Cash on Hand	5,069	5,065
Cash at Bank	<u>12,523,429</u>	<u>3,710,543</u>
	<u>12,528,498</u>	<u>3,715,608</u>

Included in cash at bank are term deposits of \$8,816,063 with maturity dates being less than 3 months.

Reconciliation of Cash

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

Cash on Hand	5,069	5,065
Cash at Bank	12,523,429	3,710,543
Term Deposits (maturity more than 3 months)	-	8,404,255
	<u>12,528,498</u>	<u>12,119,863</u>

Note 6 Trade and Other Receivables

	2013	2012
	\$	\$
Current		
Trade and other debtors	304,607	179,705
Owing by Shared Advantage Ltd	160,363	127,354
	<u>464,970</u>	<u>307,058</u>

The amount owing by Shared Advantage Ltd is unsecured, interest free and repayable as and when Shared Advantage Ltd has funds to pay.

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 7 Other Assets

	2013	2012
	\$	\$
Current		
Prepayments	625,653	522,678
	<u>625,653</u>	<u>522,678</u>

Note 8 Financial assets

	2013	2012
	\$	\$
Non-current		
Seed Funding to Shared Advantage Limited		
- At cost	225,000	225,000
- Less Provision for Impairment Loss	(85,000)	(225,000)
	<u>140,000</u>	<u>-</u>

The seed funding is unsecured, interest free and repayable as and when Shared Advantage Ltd has funds to pay.

Movement in Provision for Impairment Loss

Balance 1 July	225,000	225,000
Impairment loss reversed	(140,000)	-
Balance 30 June	<u>85,000</u>	<u>-</u>

The reversal of impairment loss has been applied against other expenses in the Statement of Profit and Loss and Other Comprehensive Income.

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 7 Other Assets

	2013	2012
	\$	\$
Current		
Prepayments	625,653	522,678
	<u>625,653</u>	<u>522,678</u>

Note 8 Financial assets

	2013	2012
	\$	\$
Non-current		
Seed Funding to Shared Advantage Limited		
- At cost	225,000	225,000
- Less Provision for Impairment Loss	(85,000)	(225,000)
	<u>140,000</u>	<u>-</u>

The seed funding is unsecured, interest free and repayable as and when Shared Advantage Ltd has funds to pay.

Movement in Provision for Impairment Loss

Balance 1 July	225,000	225,000
Impairment loss reversed	(140,000)	-
Balance 30 June	<u>85,000</u>	<u>-</u>

The reversal of impairment loss has been applied against other expenses in the Statement of Profit and Loss and Other Comprehensive Income.

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 9 Properties, Plant and equipment

	2013	2012
	\$	\$
Land and Buildings		
Freehold land and buildings at independent valuation	15,768,993	15,768,993
Less Accumulated Depreciation	<u>(833,556)</u>	<u>(616,331)</u>
Net Land and Buildings	<u>14,935,437</u>	<u>15,152,662</u>
Leasehold Improvements		
At Cost	2,018,909	2,286,567
Less Accumulated Depreciation	<u>(905,673)</u>	<u>(964,964)</u>
Net Leasehold Improvements	<u>1,113,236</u>	<u>1,321,603</u>
Freehold Improvements		
At Cost	2,515,844	2,469,005
Less Accumulated Depreciation	<u>(1,898,168)</u>	<u>(1,712,168)</u>
Net Freehold Improvements	<u>617,676</u>	<u>756,837</u>
Plant and Equipment		
At Cost	9,487,388	9,313,126
Less Accumulated Depreciation	<u>(9,079,796)</u>	<u>(8,962,303)</u>
Net Plant and Equipment	<u>407,592</u>	<u>350,823</u>
Website		
At Cost	127,419	63,091
Less Accumulated Depreciation	<u>(63,091)</u>	<u>(63,091)</u>
Net Website	<u>64,328</u>	<u>-</u>
Total properties, plant and equipment	<u>17,138,269</u>	<u>17,581,925</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.

2013	Balance at beginning of year	Additions	Depreciation expense	Carrying amount at the end year
Land and Buildings	15,152,662	-	217,225	14,935,437
Leasehold Improvements	1,321,603	5,690	214,057	1,113,236
Freehold Improvements	756,837	46,839	186,000	617,676
Plant and Equipment	350,823	188,677	131,908	407,592
Website (Work in Progress)	-	64,328	-	64,328
Total	<u>17,581,925</u>	<u>305,534</u>	<u>749,190</u>	<u>17,138,269</u>

Note 10 Trade and Other Payables

	2013	2012
	\$	\$
Current		
Accounts Payable and Accruals	1,457,419	1,234,313
GST Payable	480,281	463,498
Rental Bond	-	130,130
Consideration to employers for payroll deductions	-	-
Legal costs payable	-	-
	<u>1,937,700</u>	<u>1,827,941</u>

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 11 Provisions

	2013	2012
	\$	\$
Current		
Holders of Office:		
Annual Leave	125,096	151,256
Long Service Leave	298,423	266,750
Separation and Redundancies	-	-
Other	-	-
	423,519	418,006
Employees other than office holders:		
Annual Leave	1,423,467	1,361,946
Long Service Leave	1,997,893	1,775,992
Separation and Redundancies	-	-
Other	-	-
	3,421,360	3,137,938
Total Current Provision	3,844,879	3,555,944
	2013	2012
	\$	\$
Non-Current		
Holders of Office:		
Annual Leave	-	-
Long Service Leave	18,789	14,396
Separation and Redundancies	-	-
Other	-	-
	18,789	14,396
Employees other than office holders:		
Annual Leave	-	-
Long Service Leave	506,044	559,439
Separation and Redundancies	-	-
Other	-	-
	506,044	559,439
Total Non-Current Provision	524,833	573,835

Provision for Employee Entitlements

A provision has been recognised for employee entitlements relating to annual leave and 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.

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 12 Commitments

(a) Operating Lease Commitments - as lessee	2013	2012
	\$	\$

Future minimum rentals payable under non-cancellable operating leases as at 30 June are as follows:

- not later than 1 year	1,858,820	1,864,058
- later than 1 year but not more than 5 years	4,609,992	4,780,615
Balance at the end of the year	<u>6,468,812</u>	<u>6,644,673</u>

The property lease commitments are non-cancellable operating leases with remaining lease terms of between 5 months and 5 years. Increases in lease commitments may occur in line with CPI or market rent reviews in accordance agreements.

(b) Operating Lease Commitments - as lessor	2013	2012
	\$	\$

Future minimum rentals receivable under non-cancellable operating leases as at 30 June are as follows:

- not later than 1 year	1,423,519	1,368,768
- later than 1 year but not more than 5 years	3,472,865	4,896,384
Balance at the end of the year	<u>4,896,384</u>	<u>6,265,152</u>

The property lease commitments are non-cancellable operating leases with remaining lease terms of between 1 year and 5 years. Increases in lease commitments may occur in line with CPI or market rent reviews in accordance agreements.

(c) Capital Commitments

At 30 June 2013 the entity has commitments of \$471K (2012: \$ NIL) principally relating to a new CRM Membership System and a New Website.

Note 13 Reserves

	2013	2012
	\$	\$
Capital Profits and Asset Revaluation Reserve (a)	9,546,597	9,546,597
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>11,104,155</u>

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

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 14 Cash Flow Information

	2013	2012
	\$	\$
(a) Reconciliation of Cash Flow from Operations with Operating Surplus		
Operating surplus	16,174	664,100
Non cash flow in operating surplus:		
Depreciation and amortisation	749,190	729,189
Loss on disposals of property, plant and equipment	-	6,932
(Increase)/Decrease in trade debtors	(157,912)	(70,056)
(Increase)/Decrease in prepayments	(102,975)	134,405
(Increase)/Decrease in financial assets	(140,000)	-
Increase/(Decrease) in provisions	239,933	487,122
Increase/(Decrease) in trade creditors and accruals	109,759	(168,475)
Net cash provided by operating activities	714,169	1,783,217
(b) Cash Inflow Information		
Cash inflows		
Shared Advantage Limited	-	-
Total cash inflows	-	-
Cash outflows		
Shared Advantage Limited	-	-
Total cash outflows	-	-
(c) Credit standing arrangements with Bank:		
Credit Facility	3,770,000	3,770,000
Amount Utilised	465,849	1,704,464

Note 15 Related Party Information

The Union's related parties include the following:

(a) Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Union, directly or indirectly, are considered key management personnel. For details of remuneration disclosures relating to key management personnel, refer to Note 16 Key Management Personnel Compensation.

(b) Controlled Entity

The Union has the power to participate in the financial and operating policy of the entity.

Shared Advantage Ltd (a company limited by guarantee) is the controlled entity. The controlled entity's net assets represent less than 1 % of the Union's net assets. The Union apportions the direct cost of the payroll to the entity at cost. For details of amounts due by the controlled entity, refer to Note 6 and 8.

(c) Board Representation

As discussed in the Operating Report, one or more nominees of the Union sit on certain Boards. No director's fee has been received personally by the officers of the Union with respect to these Boards. All such director's fees have been received by the Union and are disclosed in Note 3.

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

(d) Office Holders

There have been no other transactions between the office holders and their Union other than reimbursement by the Union in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.

Note 16 Key Management Personnel Remuneration for the Reporting Period

	2013	2012
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	2,335,139	2,182,494
Annual leave accrued	198,437	202,224
Total short-term employee benefits	<u>2,533,576</u>	<u>2,384,718</u>
Post-employment benefits		
Superannuation	376,574	371,544
Total post-employment benefits	<u>376,574</u>	<u>371,544</u>
Other long-term benefits		
Long service leave	14,980	2,756
Total other long-term benefits	<u>14,980</u>	<u>2,756</u>
Total	<u>2,925,130</u>	<u>2,759,018</u>

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 Union's exposure to interest rate risk as at 30 June 2013 is limited to cash and term deposits of \$12,528,498.

(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 2013

Note 18 Contingent Liabilities

	2013	2012
(a) Guarantees	\$	\$
Bank Guarantees	434,465	434,465
	<u>434,465</u>	<u>434,465</u>

Note 19 Events After the Balance Sheet Date

There were no events that occurred after 30 June 2013, or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Union.

Note 20 Financial Support

The Union has agreed to provide financial support to its related entity, Shared Advantage Ltd (a company limited by guarantee) in order that it is able to meet its debts as and when they become due and payable. Such financial support includes initial funding and working capital needs. The amounts are unsecured, interest free and payable as and when the related party has funds to do so.



**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 ("the Union"), which comprises the Statement of Financial Position at 30 June 2013, 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 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.

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 2013 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 presented fairly 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.

Craig Rosen FCPA - Director

Hayes Knight (NSW) Pty Ltd

Dated at Sydney, this 11th day of November 2013



Hayes Knight
Accountants & Business Advisers

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AUDITOR'S DECLARATION

In accordance with the Reporting Guidelines issued under section 255 of the Fair Work (Registered Organisations) Act 2009, I declare that:

- (i) I am a member of a firm where at least one member is an approved auditor and;
- (ii) I am a member of CPA Australia and hold a current Public Practice Certificate.

As part of the audit of the Union, I have concluded that management's use of the going concern basis of accounting in the preparation of the Union's financial statements is appropriate.

Craig Rosen FCPA - Director

Hayes Knight (NSW) Pty Ltd

Dated at Sydney, this 11th day of November 2013

ATTACHMENT B

Board Membership and Director Positions

Officer/Employee	Company Name	Principal Activities	Position due to role with CPSU
Lindsay Benfell	Natural Forests Pty Ltd	To preserve land the company owns in South East Tasmania (which was purchased to avoid Gunns etc from logging etc)	No
Peter Feltham	The Commonwealth Superannuation Corporation (CSC).	Trustee of nine superannuation schemes to meet the superannuation needs of Australian Government employees and members of the Australian Defence Forces	Yes
	ARIA Co Pty Ltd	This is a company owned 100% by CSC - see above	Yes
	CSS/PSS Pty Ltd	This is a company owned 100% by CSC - see above	Yes
Nadine Flood	ACTU Member Connect	Services company wholly owned by 16 unions and the ACTU which provides services to union members at preferential rates and financial savings to unions	Yes
	Centre for Policy Development	Public interest think tank dedicated to seeking out creative, viable ideas and innovative research to inject into Australia's policy debates.	Yes
	Commonwealth Superannuation Corporation	Trustee of nine superannuation schemes to meet the superannuation needs of Australian Government employees and members of the Australian Defence Forces	Yes
	Shared Advantage Ltd	Provides Comcare accredited training for Health and Safety Representatives and value-added products and services to CPSU members.	Yes
Michael Macdonald	Electris Pty Ltd	Electrical Contractor	No
Louise Perse	PostSuper Pty Ltd (PostSuper)	The purpose of this company is to act as the Trustee of the Australia Post Superannuation Scheme, which is an exclusive super scheme for eligible Australia Post employees, employees of some Associated Employers, and their spouses.	Yes
	Shared Advantage Ltd	Provides Comcare accredited training for Health and Safety Representatives and value-added products and services to CPSU members.	Yes
	The Union Education Fund Ltd	The purpose of the company is to be the trustee of The Union Education Foundation, which in turn exists to provide education and training to unions, union members and the public, principally in Australia.	Yes
Stephen Thompson	Shared Advantage Ltd	Provides Comcare accredited training for Health and Safety Representatives and value-added products and services to CPSU members.	Yes
	Thorow Pty Ltd	Trustee for OMG Super (self managed Super Fund)	No
Kristin van Barneveld	Redfern Legal Centre	Community Legal Centre	No
	AGEST	Australian Government Employees Superannuation Trust which became part of AustralianSuper	Yes
Alistair Waters	Alawen Pty. Ltd.	To act as Trustee in managing investments from a family estate.	No