



8 January 2016

Ms Nadine Flood
National Secretary
CPSU, the Community and Public Sector Union-PSU Group
Level 6, 191-199 Thomas Street
HAYMARKET NSW 2000

via email: members@cpsu.org.au
nadine.flood@cpsu.org.au

Dear Ms Flood

CPSU, the Community and Public Sector Union-PSU Group Financial Report for the year ended 30 June 2015 - [FR2015/290]

I acknowledge receipt of the financial report of the CPSU, the Community and Public Sector Union-PSU Group. The documents were lodged with the Fair Work Commission (FWC) on 22 December 2015.

The financial report has now been filed.

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 2016 may be subject to an advanced compliance review.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged. The FWC will confirm these concerns have been addressed prior to filing next year's report.

Statement of comprehensive income

Disclosure of grants or donations

Reporting Guideline 16(e) requires that where grants or donations have been paid, the total amount paid is to be disclosed as follows:

- (i) grants that were \$1,000 or less;
- (ii) grants that exceeded \$1,000;
- (iii) donations that were less than \$1,000; and
- (iv) donations that exceeded \$1,000

Although Note 4 discloses donations as described above it does not provide information in relation to grants. Reporting Guideline 17 states that if the activities identified in item 16 have not occurred in the reporting period, a statement to this effect must be included in the GPFR.

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting

Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

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 contact on (03) 8656 4681 or via email at joanne.fenwick@fwc.gov.au.

Yours sincerely

A handwritten signature in blue ink, consisting of a stylized 'J' followed by a horizontal line that tapers to the right.

Joanne Fenwick
Financial Reporting Specialist
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 for the Community and Public Sector Union PSU Group for the period ended 30 June 2015 referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on the 30th of November 2015; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on the 16th of December 2015; in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

A handwritten signature in black ink, appearing to read 'N Flood', is written over a light blue horizontal line.

Nadine Flood
National Secretary

18th December 2015



OPERATING REPORT

FOR THE YEAR ENDED 30 JUNE 2015

2014/15 was a challenging year for many CPSU members, but together we achieved some great outcomes.

As well as coping with the Abbott / Turnbull Government's deep budget cuts and 17,700 job losses, Commonwealth public servants also faced a pay freeze and a hostile bargaining policy.

While our bargaining campaign is not yet over, members and delegates have won some important movement from the Government on key bargaining issues like superannuation, pay caps and protecting conditions.

We were also able to play a leading role in important national debates on issues such as tax reform, privatisation and parental leave and public services.

Internally our focus was on giving delegates the support and resources they need to build a bigger, more powerful union capable of taking on the many challenges facing our members.

We are happy to report that we had another strong recruitment result with 9018 new members joining in the 2014/15 year.

Despite the challenge of members taking redundancy and intense campaigning, the union remains in a strong position financially.

A handwritten signature in black ink, appearing to read 'Nadine Flood', is positioned above the typed name.

Nadine Flood
National Secretary
30 November 2015

REVIEW OF PRINCIPAL ACTIVITIES

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

Our Shaping Our Future strategic plan breaks our activities down into five areas. All of these areas depend on having a strong union, led from the workplace with great delegates driving our efforts.

1. Being a union most employees want to join:

Increased membership provides us with the resources, capacity and credibility to secure outcomes for our members.

During 2014/15 financial year we:

- recruited 9018 new members – a new record
- continued our focus on recruitment of new members and providing new tools and approaches for delegates to build the union size and capacity
- built on our growing social media presence to boost engagement with members, non-members, and community supporters

2. Making positive changes every day:

As well as taking on complex, collective issues and national campaigns, CPSU members expect professional advice from their union on the workplace issues they come across day to day. Our Member Service Centre and our delegates are central to providing this support.

Their work included:

- handling 11,919 workplace / industrial queries
- providing advice and support to 3,806 members and 643 workplace delegates
- participating in more than 700 telephone hook-ups with members and their employers
- organising 14 regional delegates meetings around the nation, with close to 500 workplace leaders attending
- training more than 300 delegates

3. Taking on the big public and political issues:

Workplace organising and industrial representation can be used to resolve some issues, however our members are also affected by issues that require using political, media and community campaigning.

Some of the broader issues we campaigned around during 2014/15 included:

- public service job cuts – 17,000 jobs slashed by the Government since September 2013
- funding and jobs cuts to the CSIRO, ABC and SBS
- plans to privatise Medicare payments
- working with the ACTU and other civil society groups on issues including tax reform and workplace relations

4. Delivering in bargaining:

Protecting and improving the pay, conditions, jobs and rights of members is a key focus of the CPSU. The CPSU spent much of 2014/15 directly engaged in a massive bargaining campaign trying secure fair new agreements for up to 160,000 workers in the AP5 in the face the Abbott/ Turnbull Government's aggressive and unworkable AP5 bargaining policy.

This involved:

- running many successful NO votes
- an unprecedented campaign of industrial action including widespread strikes, work-bans and other forms of action
- providing training and support of hundreds of delegates and bargaining teams
- ongoing consultation with many thousands of members
- production of extensive bargaining and campaigning materials
- negotiations in over 70 agencies
- media campaigning
- political lobbying

5. Being a modern, professional and credible union:

As a union we strive to uphold the highest standards of conduct, governance and accountability. Everyone who represents our union - including officials, staff, and delegates - is expected to operate ethically and effectively.

During 2014/15 we took a number of measures in this regard including:

- the provision of detailed information to all members about our financial and governance processes
- working with the ACTU to develop best practice national union governance protocols
- meeting all formal financial and industrial reporting requirements
- ensuring CPSU officers and staff were aware of their governance obligations
- providing specific training and information on governance issues for CPSU employees and officials, including CPSU Governing Council

FINANCIAL MATTERS

Operating result

The CPSU had a modest deficit of \$421,853 for the 2014/15 financial year.

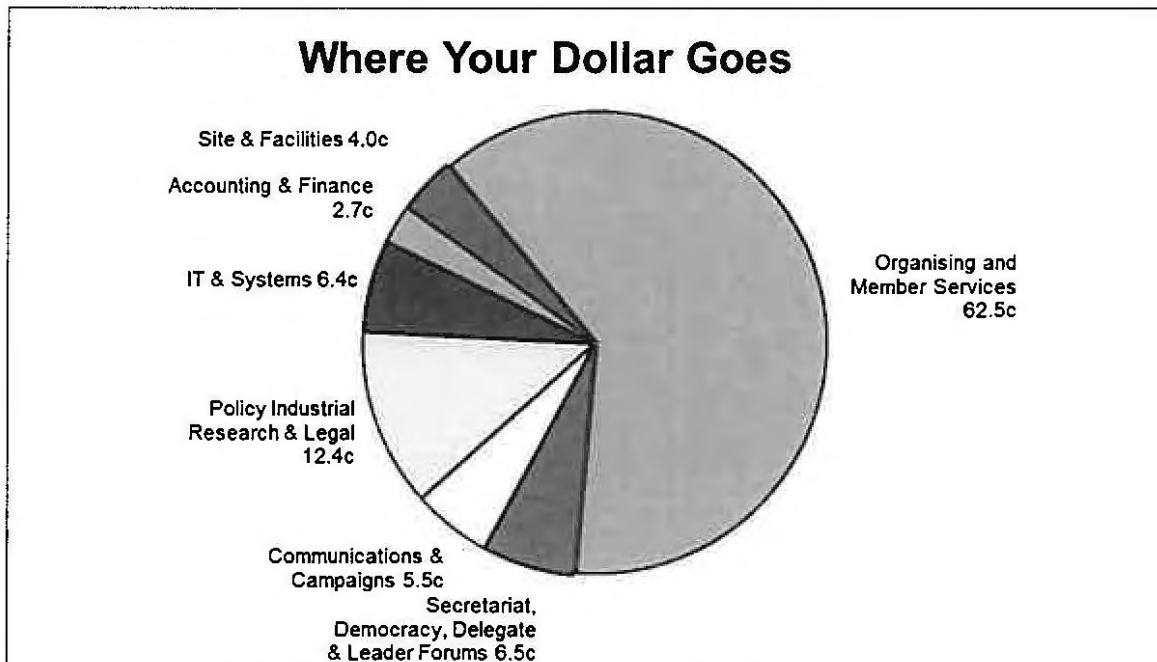
Significant changes in financial affairs. There was no significant change in the financial affairs of the CPSU PSU Group during the year.

About our results

We predicted that there would be an increased pressure on our budget to underwrite whole of union campaigns including Australian Public Service bargaining. Once again we are pleased to report our continued best practice on member financiality, achieving 99.6% financiality.

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



Number of staff and members

The CPSU employed 215 staff as at 30 June 2015.

As at 30 June 2015 the CPSU had 55188 members. This figure includes members of the CSIRO Staff Association, which had 2521 members at 30 June 2015.

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

Members of the Executive Committee during the 2014/15 financial year are as follows:

Nadine Flood (National Secretary) 1 July 2014 – 30 June 2015
Louise Perrse (Assistant National Secretary) 1 July 2014 – 31 Dec 2015
Michael Tull (National President, then Assistant National Secretary) 1 July 2014 – 30 June 2015
Alistair Waters (Deputy National President, then National President) 1 July 2014 – 30 June 2015
Lisa Newman (Deputy National President) 1 July 2014 – 30 June 2015
Rupert Evans (Deputy National President) 1 July 2014 – 30 June 2015
Beth Vincent-Pietsch (Deputy Secretary) 1 July 2014 – 30 June 2015
Melissa Donnelly (Deputy Secretary) 1 Jan 2014 – 30 June 2015

Remuneration and disclosures

Relevant remuneration of CPSU officials

Under section 148A of the Fair Work (Registered Organisations) Act 2009 and rule 4A.5 of the CPSU Rules, the CPSU is required to report on the remuneration of the CPSU's five highest paid officers for the reporting period. We report relevant remuneration information for all CPSU PSU Group elected officials. This information can be found at Attachment A.

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.

Superannuation trustees:

Nadine Flood and Michael Tull 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.

Employees who are directors of companies that are trustees of superannuation funds

Stephen Thompson is an employee who is the director of a company that is a trustee of a superannuation fund.

Right of members to resign

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
30 November 2015

PSU Group and NOC Officers Disclosures Financial Year Ending 30/6/15

Officer	Period in Office	Remuneration							Relevant non-cash		Total
		Salary Received Including Annual Leave Taken and Backpay	Allowances	Fees**	Long Service Leave Taken	Long Service Leave Cashed Out	Superannuation	Total Remuneration	Type	Total Relevant Non-Cash Benefits	Relevant Remuneration and Non-Cash Benefits
Nadine Flood	01/07/2014 - 30/06/2015	162,243	-	-	-	-	24,981	187,224	Vehicle	10,785	198,009
Louise Persse*	01/07/2014 - 31/12/2014	59,814	-	-	1,299	-	9,411	70,524	Vehicle	3,921	74,445
Michael Tull*	01/07/2014 - 30/06/2015	133,596	-	-	-	-	20,574	154,170	Vehicle	4,935	159,105
Alistair Waters*	01/07/2014 - 30/06/2015	125,721	-	-	-	-	22,630	148,351	NIL	-	148,351
Lisa Newman	01/07/2014 - 30/06/2015	122,517	-	-	-	-	18,867	141,384	NIL	-	141,384
Rupert Evans	01/07/2014 - 30/06/2015	122,517	-	-	-	2,355	19,230	144,102	NIL	-	144,102
Beth Vincent-Pietsch^	01/07/2014 - 30/06/2015	111,483	-	-	-	-	17,168	128,651	NIL	-	128,651
Melissa Donnelly*^	01/01/2015 - 30/06/2015	64,723	-	-	-	-	9,175	73,898	NIL	-	73,898
Sinddy Ealy*^	01/01/2015 - 30/06/2015	49,106	-	-	11,788	-	9,378	70,272	NIL	-	70,272
TOTAL		951,720	-	-	13,087	2,355	151,414	1,118,576		19,641	1,138,217

CSIRO Section Disclosure

Sam Popovski	01/07/2014 - 30/06/2015	113,953	-	-	-	-	17,549	131,502	NIL	-	131,502
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* Role changed as of 1 January 2015 after CPSU election.

^ Part-time for some or all of the period 01/07/2014 - 30/06/2015.

* Fees. All fees received as a result of an official sitting on a board are paid directly to the CPSU PSU Group and not to the individual.

Officer	Position	Annual Salary (full time rate)
Nadine Flood	National Secretary	162,129
Michael Tull	Assistant National Secretary	135,074
Alistair Waters	National President	128,764
Lisa Newman	Deputy National President	122,453
Rupert Evans	Deputy National President	122,453
Beth Vincent-Pietsch	Deputy Secretary	122,453
Melissa Donnelly	Deputy Secretary	122,453
Sam Popovski	Section Secretary - CSIRO	113,894
Sinddy Ealy	Section Secretary - ABC	113,894

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP

**Annual Financial Report For The Year Ended
30 June 2015**

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
30 JUNE 2015**

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**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015**

On *30 November* 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 2015:


The Committee of Management declares 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;
- 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. where information has been sought in any request by a member of the union or the General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
 - v. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- 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.



Madeline Flood
National Secretary



Michael Tull
Assistant National Secretary

Dated this *30* day of *November* 2015

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015**

	Note	2015 \$	2014 \$
Revenue	3	32,138,673	30,688,221
Depreciation and Amortisation	4	(647,300)	(741,607)
Impairment Loss on Assets	4	(298,500)	-
Employee Benefits Expense	4	(21,145,282)	(20,180,334)
Other expenses from ordinary activities	4	<u>(10,469,444)</u>	<u>(9,649,656)</u>
NET (DEFICIT)/SURPLUS FOR THE YEAR		<u>(421,853)</u>	<u>116,624</u>
Other compensation income		-	-
Total comprehensive income for the year		<u>(421,853)</u>	<u>116,624</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 2015

	Note	2015 \$	2014 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	12,928,261	12,983,526
Trade and other receivables	6	487,576	516,995
Other current assets	7	579,347	647,795
TOTAL CURRENT ASSETS		13,995,184	14,148,316
NON-CURRENT ASSETS			
Financial assets	8	140,000	140,000
Land, Buildings, Plant and Equipment	9	16,655,952	16,833,820
TOTAL NON-CURRENT ASSETS		16,795,952	16,973,820
TOTAL ASSETS		30,791,136	31,122,136
CURRENT LIABILITIES			
Trade and other payables	10	1,757,326	1,870,939
Provisions - employee benefits	11	4,392,852	4,038,846
TOTAL CURRENT LIABILITIES		6,150,178	5,909,785
NON-CURRENT LIABILITIES			
Provisions - employee benefits	11	360,709	505,749
TOTAL NON-CURRENT LIABILITIES		360,709	505,749
TOTAL LIABILITIES		6,510,887	6,415,534
NET ASSETS		24,280,249	24,706,602
EQUITY			
Reserves	13	9,593,261	9,597,761
General fund balance		14,686,988	15,108,841
		24,280,249	24,706,602

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 2015**

	Capital Profits and Asset Revaluation Reserve	Death and Benevolent Fund	Levy Reserve	Superannuation Trust Fund	General Fund	Total
Balance at 1 July 2013	9,546,597	51,164	1,489,810	16,584	13,485,823	24,589,978
Funds transferred	-	-	(1,489,810)	(16,584)	1,506,394	-
Net surplus for the year	-	-	-	-	116,624	116,624
Balance at 30 June 2014	9,546,597	51,164	-	-	15,108,841	24,706,602
Funds used	-	(4,500)	-	-	-	(4,500)
Net deficit for the year	-	-	-	-	(421,853)	(421,853)
Balance at 30 June 2015	9,546,597	46,664	-	-	14,686,988	24,280,249

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 2015

	Note	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and others		31,804,384	30,200,570
Payments to suppliers and employees		(31,455,425)	(29,721,868)
Interest received		363,708	413,484
Receipts from other reporting units/controlled entities	14(b)	-	-
Net cash provided by operating activities	14(a)	<u>712,667</u>	<u>892,186</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(767,932)	(437,158)
Payments to other reporting units/controlled entities	14(b)	-	-
Net cash (used in) investing activities		<u>(767,932)</u>	<u>(437,158)</u>
Net (decrease)/increase in cash held		(55,265)	455,028
Cash at beginning of financial year		12,983,526	12,528,498
Cash at end of financial year	5	<u>12,928,261</u>	<u>12,983,526</u>

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 2015**

	2015 \$	2014 \$
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 2015**

Note 1 Statement of Significant Accounting Policies

Basis of preparation

This financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations, issued by the Australian Accounting Standards Board that apply for the reporting period and the Fair Work (Registered Organisation) 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 accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

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) Comparative amounts

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(b) New Australian Accounting Standards

(i) Adoption of New Australian Accounting Standard requirements

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

The accounting policies are consistent with those of the previous financial year.

(ii) Future Australian Accounting Standards Requirements

No new standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact on reporting unit.

(c) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

Provision is made for separation and redundancy benefit payments. Reporting Unit 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.

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

(d) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(e) Revenue

Revenue is measured at the fair value of the consideration received or receivable.

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 subscriptions is recognised in the period to which it relates.

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).

(f) Cash and cash equivalents

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts.

(g) 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.

(h) 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.

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

(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.

(iii) **Derecognition of financial assets**

The Union derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership for the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

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.

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(i) Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

(j) Land, Buildings, Plant and Equipment

Asset Recognition Threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Land and Buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

The depreciation rates used for each class of asset are:

CLASS OF FIXED ASSET	DEPRECIATION RATE	
	2015	2014
Land and Buildings	2.50%	2.50%
Leasehold Improvement	10 - 20%	10 - 20%
Freehold Improvement	10 - 20%	10 - 20%
Computer System	20%	20%
Office Equipment	5-40%	5-40%
Telephone System	20 - 33.33%	20 - 33.33%
Information Systems Project	20%	20%
CRM Membership System	25%	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.

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

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(k) Impairment of non-financial Assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Union was deprived of the asset, its value in use is taken to be its depreciated replacement cost.

(l) Taxation

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).

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

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

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

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

(m) 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 and Judgements

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.

(ii) Impairment Review

As described in Note 1(k), management is required to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment testing is an area involving management judgement requiring assessment as to whether the asset can be supported by the net present value of future cashflows derived from the use of such assets. During the year, the management assessed an impairment loss of \$298,500, in relation to certain plant and equipment.

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(n) Fair Value Measurement

The Union measures non-financial assets such as land and buildings, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Union. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Union uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Union determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings.

(o) Other Matters in Respect of Fair Work (Registered Organisations) Act 2009

For the balance of the general fund see Statement of Changes in Equity.

The Union does not receive any financial support from another reporting unit.

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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 2015.

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
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Note 3 Revenue

	Note	2015 \$	2014 \$
Income from:			
- Subscriptions Received		29,680,131	28,205,166
- Interest Received - deposits with banks		363,707	441,185
- Management Fee - CSIRO Staff Association		86,617	90,620
- Rental Trading - CPSU Properties		1,785,068	1,735,449
- Directors fee	15	220,519	205,679
- Sundries		2,631	10,122
- Capitation fee		-	-
- Levies		-	-
- Donations or grants		-	-
- Financial support from another reporting unit.		-	-
Total revenue		32,138,673	30,688,221

Note 4 Surplus from Ordinary Activities

Expenses	2015 \$	2014 \$
Administration Expenses		
- Consideration to employers for Payroll Deduction for Subscriptions	5,579	7,058
- ACTU Campaign Industrial Levies (a)	107,846	111,476
- Fees/allowance - Meeting and Conferences	-	-
- Conference and Meeting Expenses	298,099	321,002
- Capitation fee	-	-
- Penalties imposed on the organisation under the RO Act or RO Regulations	-	-
	411,524	439,536

(a) The purpose of the levies was to support movement wide community campaigning and related activities in the interests of working people. As has been demonstrated in the past when unions and their members work together in their workplaces and in their communities for a common cause we are powerful force for social good.

Depreciation and amortisation

- Buildings	217,225	217,225
- Leasehold Improvements	185,238	197,158
- Freehold Improvements	127,468	165,874
- Plant and Equipment	117,369	161,350
Total Depreciation and Amortisation	647,300	741,607

Remuneration of Auditor

- Audit - Current Year	53,272	40,084
- Other Services	10,855	11,252
	64,127	51,336

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
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Employee Expenses	2015	2014
	\$	\$
Holders of Office:		
- Salaries and Wages	950,178	839,218
- Superannuation	152,833	139,699
- Leave and Other Entitlements	55,450	25,422
- Separation and Redundancies	-	-
- Remote Locality Allowance	-	-
- Living Away From Home Allowance	-	-
- Other Employee Benefits	-	-
Subtotal Employee Expenses Holders of Office	1,158,461	1,004,339
Employees other than office holders:		
- Salaries and Wages	16,633,325	15,972,614
- Superannuation	2,678,676	2,565,352
- Leave and Other Entitlements	550,453	526,240
- Separation and Redundancies	50,720	42,368
- Remote Locality Allowance	40,298	51,106
- Living Away From Home Allowance	17,750	14,885
- Other Employee Benefits	14,828	3,429
Subtotal Employee Expenses Employees Other Than Office Holders	19,986,050	19,175,994
Total Employee Expenses	21,144,511	20,180,334
Affiliation Fees		
- Australian Council of Trade Unions	194,435	186,749
- Unions NSW	34,403	33,498
- SA Unions	17,664	17,133
- Queensland Council of Unions	43,822	42,087
- Unions ACT	39,263	38,029
- Unions NT	9,650	9,772
- Unions Tasmania	8,341	8,114
- Trades Hall Council VIC	49,599	29,457
- Unions WA	25,172	20,955
- Geelong Trades Hall Council	143	138
- Gippsland Trades & Labour Council	1,091	1,018
- Newcastle Trades Hall Council	1,552	1,535
- Queensland Council of Unions Cairns	250	250
- Queensland Council of Unions Rockhampton	-	45
- Queensland Council of Unions Townsville	100	50
- Queensland Council of Unions Sunshine Coast	-	45
- South West Trades and Labour Council Inc.	-	75
- SA May Day Collective	318	-
- ALP - VIC	43,697	41,748
- ALP - NSW	43,614	43,528
- ALP - QLD	45,716	38,629
- ALP - SA	12,981	12,164
- ALP - ACT	31,500	31,063
- ALP - NT	9,311	8,755
- ALP - WA	17,379	17,074
- Public Services Internationale	38,493	35,758
- UNI Global Union	11,888	11,162
- Union Shopper Inc.	38,331	38,761
- Shop Rite Enterprises	2,314	2,479
- APHEDA	1,691	1,691
Total Affiliation Fees	722,718	671,763

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
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	2015	2014
	\$	\$
Legal Costs		
- Litigation	-	-
- Other legal matters	53,925	31,930
	<u>53,925</u>	<u>31,930</u>
Write-down and impairment of assets		
Asset write-downs and impairments of:		
- Plant and equipment	298,500	-
	<u>298,500</u>	<u>-</u>
Operating Lease Rentals		
- Minimum Lease Payments	1,543,334	1,511,416
	<u>1,543,334</u>	<u>1,511,416</u>
Grants & Donations		
- Union Aid Abroad - APHEDA (Education and aid abroad)	44,000	44,000
- Others	1,000	705
	<u>45,000</u>	<u>44,705</u>

Note 5 Cash and Cash Equivalents

	2015	2014
	\$	\$
Cash on Hand	5,878	5,412
Cash at Bank	12,922,383	12,978,114
	<u>12,928,261</u>	<u>12,983,526</u>

Reconciliation of Cash

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

Cash on Hand	5,878	5,412
Cash at Bank	12,922,383	12,978,114
	<u>12,928,261</u>	<u>12,983,526</u>

Note 6 Trade and Other Receivables

	2015	2014
	\$	\$
Current		
Receivables from other reporting unit - CSIRO Staff Association	276,581	301,131
Less provision for doubtful debts	-	-
Trade and other debtors	48,116	65,665
Owing by Shared Advantage Ltd	162,879	150,199
	<u>487,576</u>	<u>516,995</u>

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

Note 7 Other Current Assets

	2015	2014
	\$	\$
Prepayments	579,347	647,795
	<u>579,347</u>	<u>647,795</u>

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
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Note 8 Financial assets

	2015 \$	2014 \$
Non-current		
Seed Funding to Shared Advantage Limited		
- At cost	225,000	225,000
- Less Provision for Impairment Loss	(85,000)	(85,000)
	<u>140,000</u>	<u>140,000</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	85,000	85,000
Impairment loss reversed	-	-
Balance 30 June	<u>85,000</u>	<u>85,000</u>

Note 9 Land, Buildings, Plant and Equipment

	2015 \$	2014 \$
Land and Buildings		
Freehold land and buildings at independent valuation	15,768,993	15,768,993
Less Accumulated Depreciation	(1,268,006)	(1,050,781)
Net Land and Buildings	<u>14,500,987</u>	<u>14,718,212</u>
Leasehold Improvements		
At Cost	2,062,020	2,025,397
Less Accumulated Depreciation	(1,288,067)	(1,102,831)
Net Leasehold Improvements	<u>773,953</u>	<u>922,566</u>
Freehold Improvements		
At Cost	2,889,659	2,588,373
Less Accumulated Depreciation	(2,061,383)	(2,064,042)
Net Freehold Improvements	<u>828,276</u>	<u>524,331</u>
Plant and Equipment		
At Cost	3,808,389	9,807,216
Less Accumulated Impairment Loss	(298,500)	-
Less Accumulated Depreciation	(3,012,677)	(9,218,339)
Net Plant and Equipment	<u>497,212</u>	<u>588,877</u>
Website		
At Cost	112,541	165,732
Less Accumulated Depreciation	(57,017)	(85,898)
Net Website	<u>55,524</u>	<u>79,834</u>
Total Land, Buildings, Plant and Equipment	<u>16,655,952</u>	<u>16,833,820</u>

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
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Movements in Carrying Amounts

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

2015	Balance at beginning of year	Additions	Impairment	Depreciation/ Amortisation expense	Carrying amount at the end year
Land and Buildings	14,718,212	-	-	217,225	14,500,987
Leasehold Improvements	922,566	36,623	-	185,236	773,953
Freehold Improvements	524,331	431,414	-	127,469	828,276
Plant and Equipment	588,877	289,995	298,500	83,160	497,212
Website	79,834	9,900	-	34,210	55,524
Total	16,833,820	767,932	298,500	647,300	16,655,952

Note 10 Trade and Other Payables

	2015 \$	2014 \$
Current		
Accounts Payable and Accruals	1,584,667	1,321,199
Payables to other reporting unit - CSIRO Staff Association	3,047	4,370
GST Payable	169,612	545,370
Consideration to employers for payroll deductions	-	-
Legal costs payable in relation to:	-	-
- Litigation	-	-
- Other legal matters	-	-
	1,757,326	1,870,939

The settlement for trade and other payable is usually made within 30 days

Note 11 Provisions - Employee Benefits

	2015 \$	2014 \$
Current		
Holders of Office:		
Annual Leave	152,081	123,709
Long Service Leave	391,563	298,093
Separation and Redundancies	-	-
Other	-	-
	543,644	421,802
Employees other than office holders:		
Annual Leave	1,549,322	1,455,474
Long Service Leave	2,299,886	2,161,570
Separation and Redundancies	-	-
Other	-	-
	3,849,208	3,617,044
Total Current Provisions - Employee benefits	4,392,852	4,038,846

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
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	2015	2014
	\$	\$
Non-Current		
Holders of Office:		
Annual Leave	-	-
Long Service Leave	-	-
Separation and Redundancies	-	-
Other	-	-
	<u>-</u>	<u>-</u>
Employees other than office holders:		
Annual Leave	-	-
Long Service Leave	360,709	505,749
Separation and Redundancies	-	-
Other	-	-
	<u>360,709</u>	<u>505,749</u>
Total Non-Current Provisions - Employee benefits	<u><u>360,709</u></u>	<u><u>505,749</u></u>

Note 12 Commitments

	2015	2014
	\$	\$
(a) Operating Lease Commitments - as lessee		
Future minimum rentals payable under non-cancellable operating leases as at 30 June are as follows:		
- not later than 1 year	1,802,525	1,803,254
- later than 1 year but not more than 5 years	1,616,030	2,891,211
Balance at the end of the year	<u><u>3,418,555</u></u>	<u><u>4,694,465</u></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 with the agreements.

	2015	2014
	\$	\$
(b) Operating Lease Commitments - as lessor		
Future minimum rentals receivable under non-cancellable operating leases as at 30 June are as follows:		
- not later than 1 year	1,539,678	1,399,037
- later than 1 year but not more than 5 years	4,499,780	2,073,828
Balance at the end of the year	<u><u>6,039,458</u></u>	<u><u>3,472,865</u></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 with the agreements.

(c) Capital Commitments

At 30 June 2015 the entity has no capital commitments (2014: \$88,500).

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

Note 13 Reserves

	2015	2014
	\$	\$
Capital Profits and Asset Revaluation Reserve	9,546,597	9,546,597
Death and Benevolent Fund (a)	46,664	51,164
Superannuation Trust Fund (b)	-	-
Levy Reserve (c)	-	-
Balance at the end of the year	<u>9,593,261</u>	<u>9,597,761</u>
(a) Death and Benevolent Fund		
Balance bought forward	51,164	51,164
Fund used	(4,500)	-
Balance carried forward	<u>46,664</u>	<u>51,164</u>
(b) Superannuation Trust Fund		
Balance bought forward	-	16,584
Transferred to General Fund	-	(16,584)
Balance carried forward	<u>-</u>	<u>-</u>
(c) Levy Reserve		
Balance bought forward	-	1,489,810
Transferred to General Fund	-	(1,489,810)
Balance carried forward	<u>-</u>	<u>-</u>

Note 14 Cash Flow Information

	2015	2014
	\$	\$
(a) Reconciliation of Cash Flow from Operations with Operating Surplus		
Operating (deficit)/surplus	(421,853)	116,624
Non cash flow in operating surplus:		
Depreciation and amortisation	647,300	741,607
Impairment loss on assets	298,500	-
Movement in reserve account	(4,500)	-
(Increase)/Decrease in trade debtors	29,419	(52,024)
(Increase)/Decrease in prepayments	68,448	(22,143)
Increase/(Decrease) in provisions	208,967	174,885
Increase/(Decrease) in trade creditors and accruals	(113,612)	(66,763)
Net cash provided by operating activities	<u>712,669</u>	<u>892,186</u>
(b) Cash Inflow Information		
Cash inflows		
Shared Advantage Limited	-	-
Total cash inflows	<u>-</u>	<u>-</u>
Cash outflows		
Shared Advantage Limited	-	-
Total cash outflows	<u>-</u>	<u>-</u>

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

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.

(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

	2015 \$	2014 \$
Short-term employee benefits		
Salary (including annual leave taken)	2,504,764	2,279,224
Annual leave accrued	207,270	189,306
Remote Localities Allowance	5,356	5,175
Living Away from Home Allowance	-	-
Total short-term employee benefits	<u>2,717,390</u>	<u>2,473,705</u>
Post-employment benefits		
Superannuation	401,659	369,010
Total post-employment benefits	<u>401,659</u>	<u>369,010</u>
Other long-term benefits		
Long service leave	47,963	65,362
Total other long-term benefits	<u>47,963</u>	<u>65,362</u>
Total	<u>3,167,012</u>	<u>2,908,076</u>

Note 17 Transactions with key management personnel and their family members

There were no transactions with key management personnel and their family members for the year ended 30 June 2015.

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NOTES TO THE FINANCIAL STATEMENTS
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Note 18 Financial Instruments

(a) Interest Rate Risk

Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates. The Union's exposure to interest rate risk as at 30 June 2015 is limited to cash and term deposits of \$12,928,261.

(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.

Note 19 Contingent Liabilities

(a) Guarantees

Bank Guarantees

	2015	2014
	\$	\$
	434,465	434,465
	<u>434,465</u>	<u>434,465</u>

Note 20 Events After the Balance Sheet Date

There were no events that occurred after 30 June 2015, or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Union.

Note 21 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 2015, 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 and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 Union'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 Union'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.

We meet the definition of approved auditor in Regulation 4 of the Fair Work (Registered Organisations) Regulation 2009.

The auditor is a member of the Certified Practising Accountants in Australia and holds a current Public Practice Certificate.

Independence

In conducting our audit, we have complied with the independence requirements of Australian Professional Ethical Pronouncements and Fair Work (registered Organisations) Act 2009.



Hayes Knight
Accountants & Business Advisers

Hayes Knight (NSW) Pty Ltd
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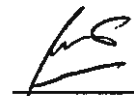
www.hayesknight.com.au

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 2015 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.



Pran Rathod - Director Audit Services
Registered Company Auditor



Hayes Knight (NSW) Pty Ltd

Dated at Sydney, this 30th day of November 2015



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.

Pran Rathod - Director Audit Services
Registered Company Auditor

Hayes Knight (NSW) Pty Ltd

Dated at Sydney, this 30th day of November 2015