



17 March 2020

Melissa Donnelly  
Acting National Secretary  
CPSU, the Community and Public Sector Union-PSU Group

Sent via email: [melissa.donnelly@cpsu.org.au](mailto:melissa.donnelly@cpsu.org.au)  
CC: [pran.rathod@hayesknight.com.au](mailto:pran.rathod@hayesknight.com.au)

Dear Melissa Donnelly,

**CPSU, the Community and Public Sector Union-PSU Group  
Financial Report for the year ended 30 June 2019 – (FR2019/135)**

I acknowledge receipt of the financial report for the year ended 30 June 2019 for the CPSU, the Community and Public Sector Union-PSU Group (**the reporting unit**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 12 December 2019.

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 (**RGs**) 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 2020 may be subject to an advanced compliance review.

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

**Previous issues**

When filing 2017 financial report, the ROC raised certain issues for the reporting unit to address in the preparation of future financial reports. I note the same issues have appeared in the 2018 and current financial reports. The ROC aims to assist reporting units in complying with their obligations under the RO Act and RGs by providing advice about any deficiencies identified in financial reports.

Please ensure the below issues are addressed in next year's financial report.

Financial instruments disclosures

Australian Accounting Standard *AASB 7 Financial Instruments: Disclosures* details the disclosures required by an entity in relation to financial instruments. Note 18A *Financial Instruments* discloses

information relating to the reporting units financial instruments. I note however, that the following disclosures required by AASB 7 have not been included in the financial report:

- Analysis of contractual maturities for financial liabilities (AASB 7 para 39); and
- Analysis of sensitivities to market (AASB 7 para 40-41)

Please ensure disclosures for financial instrument are in accordance with the AASB 7.

#### Fair value measurement disclosures

AASB 13 *Fair Value Measurement* details the disclosures required for assets and liabilities that are measured at fair value. Note 18B *Fair Values* includes disclosures in accordance with AASB 7 para 25-29. However, the following disclosures required by AASB 13 have not been provided:

- For assets and liabilities measured at fair value in statement of financial position, the valuation techniques and inputs used to develop those measurements (AASB 13 para 91);
- For each class of assets and liabilities that are measured at fair value in statement of financial position:
  - Fair value measure at end of the period (AASB 13 para 93(a));
  - Level of fair value hierarchy (Level 1,2, or 3) within which fair value measurements are categorised (AASB 13 para 93(b));
- For Levels 2 and 3 items a description of the valuation technique(s) and inputs used in measurement (AASB 13 para 93(d));
- For Level 3 items quantitative information about significant unobservable input used (AASB 13 para 93(d)).

Please ensure disclosures of financial value measurement are in accordance with both AASB 7 and AASB 13.

#### **General purpose financial report**

##### Officer's declaration statement – to include all nil activity disclosures not elsewhere disclosed

Item 21 of the RGs states that if any of the activities identified within items 10-20 of the RGs have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement. I note that the officer's declaration statement includes the following nil activity disclosure for which there was already an equivalent form of disclosure in the body of the notes:

- "Agree to provide financial support to another reporting unit to ensure they continue as a going concern" is disclosed in both Note 1(p) and the officer's declaration statement.

Please note that nil activities only need to be disclosed once.

##### Disclosures relating to other reporting units

The financial report discloses transactions with another reporting unit. A reconciliation of these transactions has identified the following difference:

- the reporting unit discloses a receivables from the CSIRO Staff Association (CSIRO) of \$145,842 for the 2019 financial year, but the CSIRO discloses a payable to the reporting unit of \$136,399.

Correspondence received from the reporting unit's auditor on 27 February 2020 advised that due to an error during the preparation of the financial report, an adjustment of \$9,443 was allocated to the trade and other debtors account instead of receivables.

Please ensure in future years that transactions between reporting units are accounted for in a consistent manner.

### Difference in figure reporting in LGD statement and financial report

A loans, grants and donations statement for the reporting unit was lodged with the ROC under subsection 237(1) of the RO Act on 20 September 2019. A figure for donations that exceeded \$1,000 was also disclosed in the financial report, however this figure for donations is different to the total of the figures disclosed in the loans, grants and donations statement.

Correspondence received from the reporting unit on 31 January 2020 advises that the difference was due to the loans, grants and donations statement including some individual donation payments less than \$1,000. Please ensure in future years that the statement of loans, grants and donations contains only those individual donations that exceeds \$1,000 and that the financial report discloses any donations in accordance with the requirements under reporting guideline 14(e).

Please lodge an amended loans, grants and donations statement for the financial year ended 30 June 2019 and ensure that the figure for donations that exceeded \$1,000 for the 2019 financial year is disclosure accurately within the reporting unit's 2020 financial report.

### **Reporting Requirements**

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 RGs and a model set of financial statements.

The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 RGs and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0764 or via email at [kylie.ngo@roc.gov.au](mailto:kylie.ngo@roc.gov.au).

Yours sincerely,



**Kylie Ngo**  
**Registered Organisations Commission**

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

s.268 *Fair Work (Registered Organisations) Act 2009*

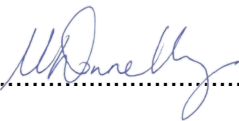
**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER**

Certificate for the year ended 30 June 2019

I, Melissa Donnelly, being the Acting National Secretary of the Community and Public Sector Union PSU Group certify:

- that the documents lodged herewith are copies of the full report for the Community and Public Sector Union PSU Group for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 29<sup>th</sup> November 2019; and
- that the full report was presented to the committee of management of the reporting unit on 6<sup>th</sup> of December 2019 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*;

Signature of prescribed designated officer:

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Name of prescribed designated officer: Melissa Donnelly

Title of prescribed designated officer: Acting National Secretary

Dated: 11 December 2019



# OPERATING REPORT 2018–19

## COMMUNITY AND PUBLIC SECTOR UNION





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# Review of Principal Activities

CPSU members can be proud of what we've achieved together over the past year.

Further cuts to the public sector, the continuation of the public sector staffing cap and the Government's ongoing efforts to hinder workers' rights to organise, have all put pressure on union membership.

CPSU members have nevertheless made important advances, by protecting members' rights and entitlements and making the most of industrial opportunities, taking a strong approach in the campaign to scrap the ASL cap and deliver more public sector jobs and supporting and empowering delegates.

## REPRESENTING MEMBERS EVERY DAY

Delegates and workplace leaders have worked incredibly hard to organise in their workplaces around the issues that matter to members every day – workplace health and safety, individual representation, and collective issues like underpayment and rostering.

This has real implications for CPSU members' working lives – whether you're being denied overtime because you accessed carers' leave, having trouble negotiating flexible work arrangements, responding to policy or other work changes being proposed by your employer – the CPSU is in your corner. A couple of notable examples are below:

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In DHS when CPSU members were being denied access to overtime shifts if they accessed their personal/carers' leave entitlements, CPSU was there to enforce their rights. Through our industrial representation, CPSU forced the Department to overturn their policy and brief all their managers to ensure workers were not penalised for utilising their entitlements.

Following the implementation of the Home Affairs Workplace Determination, the CPSU commenced a dispute with the Department over their failure to consult in relation to new policies. That dispute is ongoing but is already leading to greater engagement on key employment policies. The CPSU also resolved a number of widespread issues, including underpayments of higher duties allowance, and incorrect wages deductions, flowing from the Department's incorrect application of the Workplace Determination.



In the past year, the Member Service Centre (MSC) took 12,508 calls from members and dealt with 3,624 industrial matters. There are thousands of stories from CPSU members about the help and support they've received this year from our MSC. One such story is:

One member came to the MSC because she needed to take carers' leave to support her husband who was having heart surgery. Her department approved carers' leave for part of the day of the surgery, but not for the time between 8.30 and 10am (when the surgery was scheduled) because 'the hospital was providing care for him' during this time – the department allocated the time to flex instead. The MSC advocated for the member and escalated the matter, and got the decision overturned.

This year we have bargained agreements across 48 agencies and employers, covering around 100,000 workers.

Over the last financial year, and looking ahead to 2020, there are a number of agencies now offering 2% pay rise with no cuts to conditions and rights. This is a direct result of the extensive campaigning CPSU members engaged in during the Safeguard campaign, in response to the most ideological attack on the pay, rights and conditions of federal public sector workers the union has ever seen.

The CPSU has continued to develop our capacity to address Work Health and Safety issues – setting up a network of Health and Safety Representatives, exercising rights of entry under WHS law, and resolving issues at the workplace and agency level that are negatively affecting members' health at work.

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## NATSIC

The CPSU NATSIC group was again active this year. As well as circulation of Indigenous public sector policy matters to Indigenous members, we had two Section Secretaries attend the Public Administration and Indigenous Affairs Conference 2019 and report to Governing Council on the trends and changes in this area to enable future CPSU policy positions.

In the Australian Taxation Office Yarning Circle (a support group for indigenous employees) CPSU delegates and members contributed to improving the conditions of Indigenous employees and improving retention rates.



## BUILDING SUPPORT FOR MEMBERS' JOBS

We are successfully building a coalition of support for our members' jobs and for public services. We are making a difference not only in activating allies to stand up for the public sector, but forcing changes to the Coalition Government's approach.

This growing support base is demonstrated through the following.

### JOBS AND PRIVATISATION

This year we successfully turned NDIA staffing into an issue of national importance, with campaign activities including postcards in workplaces, lobbying meetings with Government and opposition and allies pushing our message.

We have worked hard to prevent the privatisation of our visa system, supporting delegates to lobby MPs, building significant community support and successfully pushing for a Senate Inquiry into privatisation.

We continue to make the case and are building community support against DHS privatisation. CPSU delegates are working alongside community sector allies to make the case about the impact privatisation is having on DHS services to the community.

### LABOUR HIRE – PRIVATISATION BY ANOTHER NAME

We are campaigning for the growing numbers of labour hire staff across Commonwealth and Territory governments to be directly employed as public sector employees. We have achieved some early success with this in ACT Government with the eradication of labour hire in Access Canberra and previous labour hire staff being taken on as direct employees. Those staff are now earning on average and extra \$13 per hour, along with public sector career opportunities.

The NT Government have also agreed to establish a joint working party to tackle insecure work.

### FEDERAL ELECTION 2019

As a result of our community campaigning and the work we have been undertaking to advocate for the public sector, the last election saw major public sector commitments from key political parties, in the ALP and the Greens. ALP policy now includes comprehensive measures on bargaining, funding and workplace rights, a commitment to remove the so-called 'efficiency dividend', new jobs in a range of key APS agencies and measures to unwind the politicisation of the APS. Whilst the election result means these policies are not being implemented, the community campaigning our members and delegates have undertaken in building support for the public sector is and continues to have a material impact.

Even with a returned Coalition Government, we are starting to make progress and shift their policies. Through community pressure and building alliances, CPSU has made public sector jobs and services part of the national political debate.



## BUILDING A STRONG UNION COMMUNITY

### EMPOWERING AND SUPPORTING DELEGATES TO LEAD

Workplace delegates are there for members every single day, representing individuals who need someone they can rely on, and leading creative and energetic campaigns to improve working lives. Delegates and activists have kept sustained pressure on the Government over its policies that are harming the public sector.

In October 2018, the MSC launched a dedicated delegates' hotline. The hotline is staffed by highly skilled organisers who support delegates engaged in representing members. Since it was launched, the hotline has engaged with more than 500 delegates.

We continue to offer successful and highly regarded training to delegates, and in addition we are continuing to scale up our extremely popular mental health first aid training, which we offer at significantly reduced price to CPSU members. This year we trained 452 members in mental health first aid, and 167 delegates across our other courses.

### BUILDING A STRONG AND GROWING UNION

This year we recruited more than 5,000 people to our union, which was unfortunately not enough to offset members who left. With ongoing cuts to the public sector, this is having an impact on the number of union members in the CPSU. At the same time the Government continues to restrict workers' ability to defend themselves through repressive anti-organising measures, which the undemocratic and oppressive Ensuring Integrity Bill remaining a serious threat. As at the end of the financial year, we had 44,579 members and our staff head count was 184.

We're continuing to evolve in our methods and empower our workplace leaders so that we can build a stronger and more powerful union. This includes changes we have made to our website, how we engage with workers and members using new and emerging technology and how we ensure we are proactively engaging with members and delegates at critical points.

We know that the main reason people choose to join the CPSU is shared values, and vital to promoting these values are strong union communities with delegates at the centre. We have increased our visibility through the CPSU merchandise store and continued to build vibrant networks of delegates and members looking out for each other.

Our values are most effectively demonstrated by our people – our members who commit to the union and our delegates who stand up for their colleagues and are the face of the union in their workplace.

As we look ahead to next year, I look forward to working with CPSU members and delegates across the country to deliver a stronger and more powerful union and our vision for our members.



# Governance and financial matters

## NUMBER OF STAFF AND MEMBERS

The CPSU employed 184 staff equating to 172.2 Full Time Equivalent as at 30 June 2019. As at 30 June 2019 the CPSU had 44,579 members. This figure includes members of the CSIRO Staff Association, which had 2089 members at 30 June 2019.

## OPERATING RESULT

It has been necessary for our union to run successive deficits to resource the fight against major attacks on member's jobs, rights and the role of the public sector. The ability to run these deficits has been sustainable by our strong financial position and substantial reserves built over the previous decade.

We finished the financial year with a deficit of \$2.9M, with a revenue of \$28.1M. The CPSU Executive Committee has put in place a budgetary plan to address this deficit over the next three years. This will ensure the CPSU maintains its financial sustainability well into the future, while still maintaining the level of support, representation and advocacy which members deserve.

Our reserves as at 30 June 2019 stood at \$60.1M representing an increase of \$12.5M. Our cash reserves as at 30 June 2019 stood at \$7.9M representing a decrease of \$1.4M.

The significant change in our financial affairs was the increase in value of our Haymarket property of \$15.5M. Given the increase in the value of the property and that it represents a substantial and increasing proportion of the union's assets, the CPSU Executive Committee and Governing Council are pursuing a more balanced asset allocation, including the potential divestment of our Thomas Street property. This process, and any subsequent investment decisions, are being guided by independent expert advice with appropriate consideration of all governance obligations.

## GOVERNANCE

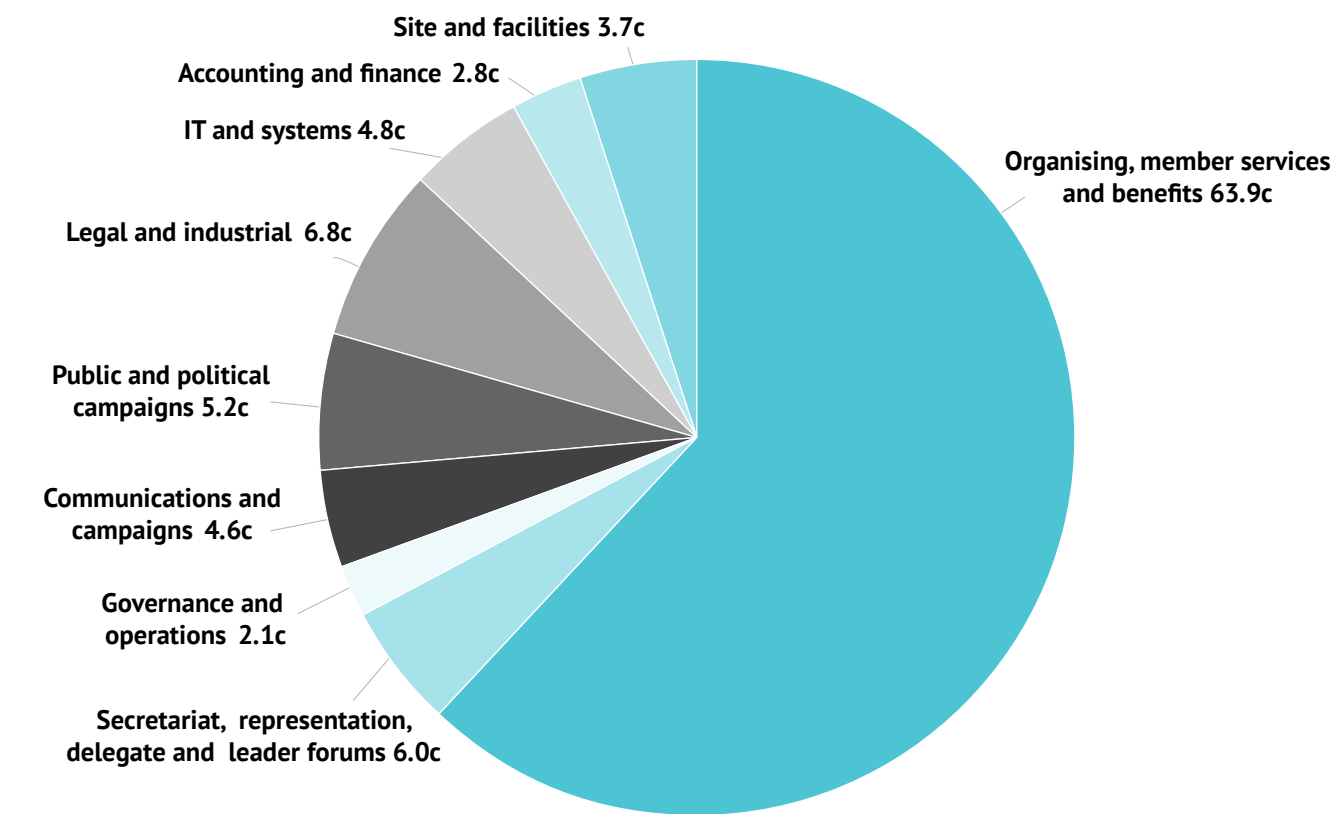
The CPSU has very high standards of governance and accountability and we always maintain and where possible improve these standards so that we can uphold our members' confidence in the union. All officials and staff are expected to maintain the utmost integrity and professionalism when representing or acting on behalf of the union. Our delegates, who are volunteers doing their union work alongside their normal jobs, are encouraged to do the same.

The National Secretary and Director of Governance and Operations continue to ensure that our financial and governance processes are adhered to and under continual review, including:

- meeting all formal financial, industrial and electoral reporting requirements under the regulatory regimes applying to the CPSU;
- working with the ACTU and other bodies to ensure high standards of union governance;
- adapting to the changes brought about by the Registered Organisation Commission and governance requirements;
- maintaining high levels of understanding of governance requirements and principles; and
- specific and updated training and information for CPSU officials, the CPSU Governing Council and senior staff.



## WHERE YOUR DOLLAR GOES



## COMMITTEE OF MANAGEMENT MEMBERS NAMES AND PERIOD POSITIONS HELD IN THE FINANCIAL YEAR

Name	Position	Dates
Nadine Flood	National Secretary	1 July 2018 – 30 June 2019
Michael Tull	Assistant National Secretary	1 July 2018 – 30 June 2019
Alistair Waters	National President	1 July 2018 – 30 June 2019
Lisa Newman	Deputy National President	1 July 2018 – 30 June 2018
Rupert Evans	Deputy National President	1 July 2018 – 31 Oct 2019
Beth Vincent-Pietsch	Deputy Secretary	1 July 2018 – 30 June 2019
Melissa Donnelly	Deputy Secretary	1 July 2019 – 30 June 2019
Brooke Muscat	Acting Deputy National President	13 Dec 2018 – 30 June 2019

# Remuneration and disclosures

## RELEVANT REMUNERATION OF CPSU OFFICIALS

Under section 293J of the *Fair Work (Registered Organisations) Act 2009* 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 64 elected workplace delegates and the full-time officers of the union) must vote to approve any variation in the CPSU Officials' Salaries and Conditions.

The remuneration of paid Officials was frozen by the Governing Council in 2015 at the request of the National Secretary, to show solidarity with APS members subject to a Government imposed wage freeze. No increase to official's remuneration has been made in 2015 to 2019.

## SUPERANNUATION TRUSTEES

All superannuation fund directors' fees are paid to the CPSU, not to the individuals sitting on those boards, for any paid official or employee of the CPSU.

During the year the following CPSU officials and staff members were: a trustee of a superannuation entity or an exempt public sector superannuation scheme; or a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

- Nadine Flood. Director of the Commonwealth Superannuation Corporation
- Michael Tull. Trustee Director Member Representative of the Australia Post Super Scheme
- Melissa Donnelly. Director of Telstra Super
- Sunil Kemppi. Director of the Commonwealth Superannuation Corporation.

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## 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*.



**Melissa Donnelly**  
**National Secretary**

29 November 2019



# Attachment A – Remuneration breakdown

## PSU GROUP AND NOC OFFICERS DISCLOSURES FINANCIAL YEAR ENDING 30/6/19

Officer	Period in Office	Remuneration							Relevant non-cash benefits		Total
		Salary Received Including Leave Taken and Higher Grade Duties Allowance	Allowances	Fees*	Separation benefit	Leave cashed out	Superannuation~	Total remuneration	Type	Total Relevant non-cash benefits	Relevant Remuneration and non-cash benefits
Nadine Flood	01/07/2018 – 30/06/2019	162,142	–	–		–	36,367	198,509	Vehicle	12,255	210,764
Michael Tull	01/07/2018 – 30/06/2019	136,323	–	–		–	20,994	157,316	Vehicle	13,942	171,258
Alistair Waters	01/07/2018 – 30/06/2019	128,764	–	–		–	23,177	151,942	NIL	–	151,942
Lisa Newman	01/07/2018 – 30/06/2019	122,453	–	–		–	22,757	145,210	NIL	–	145,210
Rupert Evans	01/07/2018 – 31/10/2018	42,388	–	–	67,581	16,484	17,301	143,754	NIL	–	143,754
Beth Vincent–Pietsch^	01/07/2018 – 30/06/2019	111,957	–	–		–	17,241	129,198	NIL	–	129,198
Melissa Donnelly^	01/07/2018 – 30/06/2019	111,399	–	–		–	22,296	133,694	NIL	–	133,694
Brooke Muscat	13/12/2018 – 30/06/2019	70,551	–	–		–	10,866	81,417	NIL	–	81,417
Sinddy Ealy	01/07/2018 – 30/06/2019	113,894	–	–		4,381	18,214	136,489	NIL	–	136,489
<b>Total</b>		<b>999,870</b>	<b>–</b>	<b>–</b>	<b>67,581</b>	<b>20,865</b>	<b>189,213</b>	<b>1,277,529</b>		<b>26,197</b>	<b>1,303,726</b>

### CSIRO Section Disclosure

Sam Popovski	1/07/2018 - 30/06/2019	113,894	–	–	–	–	17,540	131,434	NIL	–	131,434
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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
Sinddy Ealy	Section Secretary	113,894

\* 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.

~ Where compulsory superannuation on board sitting fees apply these are paid to the individuals superannuation account and included in Superannuation amounts shown.

^ Part Time for some or all of the period 01/07/2018 – 30/06/2019

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

**Annual Financial Report For The Year Ended  
30 June 2019**

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP**  
**30 June 2019**

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

**Report on the Audit of the Financial Report**

**Opinion**

I 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 2019, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, notes to the financial statements including a summary of significant accounting policies, the Committee of Management Statement, the subsection 255(2A) report and the officer declaration statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Union as at 30 June 2019, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act).

I declare that the Executive Committee of the Union's use of the going concern basis in the preparation of the financial statements of the Union is appropriate.

**Basis of Opinion**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the Union in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Information Other than Financial Report and Auditor's Report Thereon**

The committee of management is responsible for the other information. The other information obtained at the date of this auditor's report is in the operating report accompanying the financial report.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

### **Responsibilities of Committee of Management for the Financial Report**

The committee of management of the reporting unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the committee of management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee of management is responsible for assessing the reporting unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee of management either intend to liquidate the reporting unit or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibility for the Financial Report**

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive committee.
- Conclude on the appropriateness of the executive committee use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Union's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Union to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Union audit. I remain solely responsible for my audit opinion.

I communicate with the committee of management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I declare that I am an auditor registered under the RO Act.

#### **Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of section 257(7) of the RO Act, I am required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act.

In my opinion, no such matters were noted.



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Pran Rathod - Director Audit Services  
Registered Company Auditor - Registration Number AA2017/15

Dated at Sydney, this 25th day of October 2019

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP  
REPORT REQUIRED UNDER SUBSECTION 255(2A)  
FOR THE YEAR ENDED 30 JUNE 2019**

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Union for the year ended 30 June 2019.

<b>Categories of expenditures</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Remuneration and other employment-related costs and expenses - employees (a)	<b>20,658,003</b>	21,219,636
Advertising	<b>37,927</b>	10,200
Operating costs	<b>8,392,483</b>	8,982,184
Donations to political parties	<b>577,511</b>	115,789
Legal costs	<b>467,385</b>	291,096

(a) Salary costs associated with donations to political parties have been reported under donations to political parties rather than being reported as remuneration due to new reporting requirements.

  
\_\_\_\_\_  
Melissa Donnelly  
National Secretary

  
\_\_\_\_\_  
Michael Tull  
Assistant National Secretary

Dated this 25<sup>th</sup> day of OCTOBER 2019

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP  
COMMITTEE OF MANAGEMENT STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2019**

On 22nd October 2019 the Committee of Management (Executive Committee) of the CPSU PSU Group passed the following resolution in relation to the general purpose financial report of the reporting unit for the financial year ended 30 June 2019:

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 any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
- c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- e) Where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a manner consistent with each of the other reporting units of the organisation; and
- f) 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 reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; 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.

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

  
Melissa Donnelly  
National Secretary

  
Michael Tull  
Assistant National Secretary

Dated this 25th day of OCTOBER 2019

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 \$	2018 \$
<b>Revenue</b>	<b>3A</b>	<b>28,104,547</b>	29,198,480
<b>Other Income</b>			
Grants and donations	3B	760	4,595
Revenue from recovery of wages activity		-	-
<b>Total Income</b>		<b>28,105,307</b>	<b>29,203,075</b>
Depreciation and Amortisation	4	(876,402)	(665,226)
Employee Benefits Expense	4	(21,094,494)	(21,310,290)
Other expenses from ordinary activities	4	(9,038,810)	(9,308,615)
<b>NET DEFICIT FOR THE YEAR</b>		<b>(2,904,399)</b>	<b>(2,081,056)</b>
<b>Other comprehensive income</b>		-	-
Items that will not be subsequently reclassified to profit or loss:			
- Revaluation Increment on Land & Buildings		15,441,429	14,115,633
<b>Total comprehensive income for the year</b>		<b>12,537,030</b>	<b>12,034,577</b>

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 2019**

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	7,866,191	9,306,733
Trade and other receivables	6	225,317	603,830
Other current assets	7	322,795	263,691
<b>TOTAL CURRENT ASSETS</b>		<b>8,414,303</b>	10,174,254
<b>NON-CURRENT ASSETS</b>			
Financial assets	8	140,000	140,000
Property, plant and equipment	9	57,582,680	42,774,511
<b>TOTAL NON-CURRENT ASSETS</b>		<b>57,722,680</b>	42,914,511
<b>TOTAL ASSETS</b>		<b>66,136,983</b>	53,088,765
<b>CURRENT LIABILITIES</b>			
Trade payables	10A	1,472,965	1,008,118
Other payables	10B	410,357	213,453
Provisions - employee benefits	11	3,903,322	4,028,102
<b>TOTAL CURRENT LIABILITIES</b>		<b>5,786,644</b>	5,249,673
<b>NON-CURRENT LIABILITIES</b>			
Provisions - employee benefits	11	204,188	225,470
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>204,188</b>	225,470
<b>TOTAL LIABILITIES</b>		<b>5,990,832</b>	5,475,143
<b>NET ASSETS</b>		<b>60,146,151</b>	47,613,622
<b>EQUITY</b>			
Reserves	13	52,020,583	36,583,016
General fund balance		8,125,568	11,030,606
<b>TOTAL EQUITY</b>		<b>60,146,151</b>	47,613,622

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 2019**

	Capital Profits and Asset Revaluation Reserve	Death and Benevolent Fund	Campaign Fund	General Fund	Total
<b>Balance at 1 July 2017</b>	22,406,597	46,664	159,810	12,965,974	35,579,045
Surplus on General Fund transferred	-	-	4,312	(4,312)	-
Funds transferred	-	-	(150,000)	150,000	-
Asset revaluation increment	14,115,633	-	-	-	14,115,633
Net deficit for the year	-	-	-	(2,081,056)	(2,081,056)
<b>Balance at 30 June 2018</b>	36,522,230	46,664	14,122	11,030,606	47,613,622
Surplus on General Fund transferred	-	-	638	(638)	-
Payments	-	(4,500)	-	-	(4,500)
Net deficit for the year	-	-	-	(2,904,399)	(2,904,399)
Asset revaluation increment	15,441,429	-	-	-	15,441,429
<b>Balance at 30 June 2019</b>	51,963,659	42,164	14,760	8,125,568	60,146,151

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 2019**

	2019	2018
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from members and others	<b>29,439,793</b>	30,460,480
Receipts from other reporting units/controlled entities	<b>14(b) 1,726,606</b>	1,337,610
Payments to suppliers	<b>(11,292,345)</b>	(12,396,193)
Payments to other reporting units/controlled entities	<b>14(b) (7,332)</b>	(8,949)
Payments to employees	<b>(21,240,556)</b>	(21,569,657)
Interest received	<b>176,435</b>	163,072
<b>Net cash (used in) operating activities</b>	<b>14(a) (1,197,399)</b>	<b>(2,013,638)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment for property, plant and equipment	<b>(243,143)</b>	(580,900)
Payments to other reporting units/controlled entities	<b>14(b) -</b>	-
<b>Net cash (used in) investing activities</b>	<b>(243,143)</b>	<b>(580,900)</b>
<b>Net (decrease) in cash held</b>	<b>(1,440,542)</b>	<b>(2,594,538)</b>
<b>Cash at beginning of financial year</b>	<b>9,306,733</b>	<b>11,901,271</b>
<b>Cash at end of financial year</b>	<b>5 7,866,191</b>	<b>9,306,733</b>

The accompanying notes form part of these financial statements.

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**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 Union has a controlled entity, Shared Advantage Ltd. This subsidiary has not been consolidated as both its revenue and net assets represent less than half a percentage of the total revenue and net assets of the Union. Consolidation will not provide any further useful information than what is currently disclosed in the Union's financial statements.

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 Accounting Standards and Interpretations not yet mandatory or early adopted**

**Adoption of New Australian Accounting Standard requirements**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Union for the annual reporting period ended 30 June 2019. The Union's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Union, are considered below:

**AASB 16 Leases**

AASB 16:

- replaces AASB 117 *Leases* and some lease-related Interpretations;
- requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases;
- provides new guidance on the application of the definition of lease and on sale and lease back accounting;
- largely retains the existing lessor accounting requirements in AASB 117; and
- requires new and different disclosures about leases.

AASB 16 is applicable to annual reporting periods beginning on or after 1 January 2019.

Based on the entity's assessment, it is expected that the first-time adoption of AASB 16 for the year ending 30 June 2020 will have a material impact on the transactions and balances recognised in the financial statements, in particular:

- lease assets and financial liabilities on the balance sheet will increase by approximately \$3,062,000 and \$3,241,000 respectively (based on the facts at the date of the assessment).
- there will be a reduction in the reported equity as the carrying amount of lease assets will reduce more quickly than the carrying amount of lease liabilities.
- operating cash outflows will be lower and financing cash flows will be higher in the statement of cash flows as principal repayments on all lease liabilities will now be included in financing activities rather than operating activities. Interest can also be included within financing activities.

No other accounting standards have been adopted earlier than the application date stated in the standards.

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**(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.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

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.

The Union recognises a liability for movements in the provision for long service leave in relation to CSIRO employees and recharges the same to CSIRO staff Association. (refer to Note 23)

**(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.

Rental revenue for future period is deferred and included as Deferred Rental Income.

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.

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**(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.

**(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.

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**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.

(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.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**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	
	2019	2018
Land and Buildings	2.0 - 2.5%	2.0 - 2.5%
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.

**(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.

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**(m) Significant Management Judgement in Applying Accounting Policies**

When preparing the financial statements, 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.

**(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 principle 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. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the reporting unit has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy.

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**(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 to continue on a going concern basis.

**(p) Going Concern**

The Union is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

**Note 2 Section 272 Fair Work (Registered Organisations) Act 2009**

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

Information to be provided to members or Commissioner:

- (i) A member of a reporting unit, or the Commissioner, 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).

**Note 3A Revenue**

	2019 \$	2018 \$
<b>Income from:</b>		
- Subscriptions Received	25,592,165	26,840,929
- Interest Received - deposits with banks	176,435	163,073
- Rental Trading - CPSU Properties	1,866,946	1,867,463
- Directors fee (Note 15)	287,269	215,638
- Sundries	69,288	1,946
- Capitation fees	-	-
- Other revenue from another reporting unit		
Management Fee - CSIRO Staff Association (Note 23)	87,971	81,915
- Levies	-	-
- Financial support from another reporting unit.	-	-
- Voluntary contributions - DHS Community Campaign (a)	5,744	23,622
- Voluntary contributions - ABC Community Campaign (b)	18,730	3,894
<b>Total revenue</b>	<b>28,104,547</b>	<b>29,198,480</b>

Voluntary contributions are now reported separately due to new reporting requirement.

- (a) The fundraising campaign has been established for the purpose of financially supporting the community campaign to increase public awareness and understanding of the issues surrounding privatisation of public services, staffing cuts and budget cuts, specifically at workplaces covered by the Department of Human Services.
- (b) The fundraising campaign has been established for the purpose of financially supporting the community campaigning efforts to increase the public's awareness and understanding of the workplace, political and funding issues facing the ABC and ABC staff.

**Note 3B Grants or Donations**

	2019 \$	2018 \$
- Donations in relation to campaign fund	760	4,595
- Grants	-	-
	<b>760</b>	<b>4,595</b>

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**Note 4 Deficit from Ordinary Activities**

	2019	2018
	\$	\$
<b>Expenses</b>		
<b>Administration Expenses</b>		
- Total paid to employers for payroll deductions of membership subscriptions	1,330	1,852
- ALP WA Union Training Levy	3,300	1,675
- Fees/allowance - Meeting and Conferences	-	-
- Conference and Meeting Expenses	175,936	331,133
- Penalties imposed on the organisation under the RO Act or RO Regulations	-	-
	<b>180,566</b>	<b>334,660</b>
<b>Depreciation and amortisation</b>		
- Buildings	581,500	332,118
- Leasehold Improvements	189,834	207,896
- Freehold Improvements	2,846	11,051
- Plant and Equipment	102,223	114,161
<b>Total Depreciation and Amortisation</b>	<b>876,402</b>	<b>665,226</b>
<b>Remuneration of Auditor</b>		
- Audit - Current Year	43,000	41,000
- Other Services	21,355	29,080
	<b>64,355</b>	<b>70,080</b>
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.		
<b>Employee Expenses</b>		
	2019	2018
	\$	\$
<b>Holders of Office:</b>		
- Salaries and Wages (a)	1,000,652	1,101,639
- Superannuation	168,772	176,384
- Leave and Other Entitlements (b)	15,243	8,884
- Separation and Redundancies	53,472	-
- Remote Locality Allowance	-	-
- Living Away From Home Allowance	-	-
- Other Employee Benefits	1,110	809
<b>Subtotal Employee Expenses Holders of Office</b>	<b>1,239,249</b>	<b>1,287,716</b>

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP**  
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**Employees other than office holders:**

- Salaries and Wages (a)	<b>16,501,360</b>	16,549,494
- Superannuation	<b>2,679,756</b>	2,661,085
- Leave and Other Entitlements (b)	<b>365,015</b>	500,363
- Separation and Redundancies	<b>222,679</b>	207,844
- Remote Locality Allowance	<b>53,923</b>	57,419
- Living Away From Home Allowance	<b>13,905</b>	19,576
- Other Employee Benefits	<b>18,607</b>	26,793
<b>Subtotal Employee Expenses Employees Other Than Office Holders</b>	<b>19,855,245</b>	20,022,574
<b>Total Employee Expenses</b>	<b>21,094,494</b>	21,310,290

(a) Salaries and wages

This includes the normal salaries and wages paid and any annual leave paid during the year.

The Union believes this treatment allows a proper analysis of salaries and wages in terms of fluctuation caused by payments for salaries and wages and annual leave.

(b) Leave and other entitlements

This includes payments for long service leave, and recognises movements in the annual leave and long service leave liabilities during the year.

	<b>2019</b>	2018
	<b>\$</b>	\$
<b>Capitation fees and other expense to another reporting unit</b>		
- Capitation fees	-	-
- Other expense to another reporting unit	-	-
<b>Total Capitation fees and other expense to another reporting unit</b>	<b>-</b>	-

	<b>2019</b>	2018
	<b>\$</b>	\$
<b>Legal Costs</b>		
- Litigation	-	-
- Other legal costs	<b>467,385</b>	291,096

**Write-down and impairment of assets**

Asset write-downs and impairments of:

- Plant and equipment	-	-
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**Operating Lease Rentals**

- Minimum Lease Payments	<b>1,433,357</b>	1,493,269
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**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP**  
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	2019	2018
	\$	\$
<b>Affiliation Fees</b>		
- Australian Council of Trade Unions	272,018	285,203
- Unions NSW	37,371	36,557
- SA Unions	15,122	16,908
- Queensland Council of Unions	47,935	50,783
- Unions ACT	56,528	56,393
- Unions NT	12,820	13,442
- Unions Tasmania	8,029	8,242
- Trades Hall Council VIC	63,160	60,596
- Unions WA	21,901	24,007
- Geelong Trades Hall Council	190	112
- Gippsland Trades & Labour Council	1,236	1,236
- Bendigo Trades Hall Council	410	500
- South West Trades & Labour Council Inc.	75	150
- Newcastle Trades Hall Council	1,661	1,629
- Queensland Council of Unions Cairns	-	110
- Queensland Council of Unions Rockhampton	-	100
- Queensland Council of Unions Townsville	100	100
- Queensland Council Of Unions - Toowoomba	110	110
- Queensland Council of Unions Gold Coast	100	
- SA May Day Collective	318	182
- ALP - VIC	43,421	45,080
- ALP - NSW	47,979	50,306
- ALP - QLD	31,551	33,424
- ALP - SA	13,869	14,198
- ALP - ACT	30,506	28,625
- ALP - NT	8,750	8,483
- ALP - WA	17,630	18,272
- ALP - TAS	4,284	3,902
- Public Services Internationale	42,879	37,665
- UNI Global Union	9,800	9,698
- Union Shopper Inc.	-	17,623
- Shop Rite Enterprises	-	1,230
- APHEDA	2,622	2,546
- Prison Officers Association of Australasia	500	1,000
- NSW Left	640	-
- AFTINET	240	240
<b>Total Affiliation Fees</b>	<b>793,757</b>	<b>828,652</b>
<b>Grants &amp; Donations</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Grants:</b>		
Total paid that were \$1,000 or less in relation to CPSU Member Skills/Qualification Grant Program	-	494
Total paid that exceeded \$1,000 in relation to CPSU Member Skills/Qualification Grant Program	14,691	14,434
	<b>14,691</b>	<b>14,928</b>
<b>Donations:</b>		
Total expensed that were \$1,000 or less	4,783	4,521
Total expensed that exceeded \$1,000 (a)	598,429	213,633
	<b>603,212</b>	<b>218,154</b>
	<b>617,903</b>	<b>233,082</b>

(a) This item now includes salary costs as in-kind donations following advice issued by the ROC.

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Note 5 Cash and Cash Equivalents**

	2019	2018
	\$	\$
Cash on Hand	3,068	5,179
Cash at Bank	974,141	130,834
Short Term Deposits	6,888,982	9,170,720
	<u>7,866,191</u>	<u>9,306,733</u>

**Note 6 Trade and Other Receivables**

	2019	2018
	\$	\$
<b>Current</b>		
Receivables from other reporting unit - CSIRO Staff Association (Note 23)	145,842	420,553
Less allowance for expected credit losses	-	-
Trade and other debtors	78,169	44,983
Owing by Shared Advantage Ltd	1,306	138,294
	<u>225,317</u>	<u>603,830</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**

	2019	2018
	\$	\$
Prepayments	322,795	263,691
	<u>322,795</u>	<u>263,691</u>

**Note 8 Financial assets**

	2019	2018
	\$	\$
<b>Non-current</b>		
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.

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP**  
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**Note 9 Property, Plant and Equipment**

	2019 \$	2018 \$
<b>Land and Buildings</b>		
Freehold land and buildings including freehold improvement at independent valuation	56,540,000	41,570,000
Less Accumulated Depreciation	-	-
<b>Net Land and Buildings</b>	<u>56,540,000</u>	<u>41,570,000</u>
<b>Leasehold Improvements</b>		
At Cost	2,186,902	2,132,032
Less Accumulated Depreciation	(1,624,562)	(1,446,963)
<b>Net Leasehold Improvements</b>	<u>562,340</u>	<u>685,069</u>
<b>Plant and Equipment</b>		
At Cost	3,607,835	3,560,662
Less Accumulated Depreciation	(3,129,656)	(3,048,673)
<b>Net Plant and Equipment</b>	<u>478,179</u>	<u>511,989</u>
<b>Website</b>		
At Cost	126,761	126,761
Less Accumulated Depreciation	(124,600)	(119,308)
<b>Net Website</b>	<u>2,161</u>	<u>7,453</u>
<b>Total Land, Buildings, Plant and Equipment</b>	<u><u>57,582,680</u></u>	<u><u>42,774,511</u></u>

Fair value of the properties was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property. As at the date of revaluation, being 30 June 2019, the properties' fair values are based on valuations performed by Charter Keck Cramer and Herron Todd White, who are accredited independent valuers.

**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.

2019	Balance at beginning of year	Additions	Depreciation/ Amortisation expense	Revaluation of land and building	Carrying amount at the end year
Land and Buildings	41,570,000	112,917	(584,346)	15,441,429	56,540,001
Leasehold Improvements	685,069	67,104	(189,834)	-	562,339
Plant and Equipment	511,989	63,121	(96,931)	-	478,179
Website	7,453	-	(5,292)	-	2,161
<b>Total</b>	<u>42,774,511</u>	<u>243,143</u>	<u>(876,402)</u>	<u>15,441,429</u>	<u>57,582,680</u>

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP**  
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**Note 10A Trade Payables**

	2019	2018
	\$	\$
<b>Current</b>		
Accounts Payable and Accruals	<b>1,472,965</b>	1,008,118

**Note 10B Other Payables**

Incentive Received in Advance	66,203	-
Payables to other reporting unit - CSIRO Staff Association (Note 23)	-	2,175
GST Payable	314,154	208,064
Payable to employers for making payroll deductions of membership subscriptions	-	-
Legal costs payable in relation to:	-	-
- Litigation	-	-
- Other legal costs	30,000	3,214
	<b>410,357</b>	213,453

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

**Note 11 Provisions - Employee Benefits**

	2019	2018
	\$	\$
<b>Current</b>		
<b>Holders of Office:</b>		
Annual Leave	119,666	155,448
Long Service Leave	281,604	298,277
Separation and Redundancies	-	-
Other	-	-
	<b>401,269</b>	453,725
<b>Employees other than office holders:</b>		
Annual Leave	1,500,572	1,565,969
Long Service Leave	2,001,481	2,008,408
Separation and Redundancies	-	-
Other	-	-
	<b>3,502,053</b>	3,574,377
<b>Total Current Provisions - Employee benefits</b>	<b>3,903,322</b>	4,028,102

**Non-Current**

<b>Holders of Office:</b>		
Annual Leave	-	-
Long Service Leave	-	-
Separation and Redundancies	-	-
Other	-	-
	-	-
<b>Employees other than office holders:</b>		
Annual Leave	-	-
Long Service Leave	204,188	225,470
Separation and Redundancies	-	-
Other	-	-
	<b>204,188</b>	225,470
<b>Total Non-Current Provisions - Employee benefits</b>	<b>204,188</b>	225,470

Included in the provision is a liability for movements in the provision for long service leave in relation to CSIRO employees. Such amounts are recharged to CSIRO Staff Association, and included in amounts owing by CSIRO Staff Association (Note 23).

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Note 12 Commitments**

**(a) Operating Lease Commitments - as lessee**

<b>2019</b>	<b>2018</b>
<b>\$</b>	<b>\$</b>

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

- not later than 1 year	1,267,475	1,283,681
- later than 1 year but not more than 5 years	2,240,645	2,781,464
Balance at the end of the year	3,508,120	4,065,145

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.

**(b) Operating Lease Commitments - as lessor**

<b>2019</b>	<b>2018</b>
<b>\$</b>	<b>\$</b>

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

- not later than 1 year	1,797,111	2,494,352
- later than 1 year but not more than 5 years	6,164,253	7,961,364
Balance at the end of the year	7,961,364	10,455,716

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 including major tenancy leases.

**(c) Capital Commitments**

At 30 June 2019 the entity has no capital commitments (2018: NIL).

**Note 13 Reserves**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Capital Profits and Asset Revaluation Reserve (a)	51,963,659	36,522,230
Death and Benevolent Fund (b)	42,164	46,664
Campaign Fund (c)	14,821	14,122
Balance at the end of the year	52,020,644	36,583,016

**(a) Capital Profits and Asset Revaluation Reserve**

Balance bought forward	36,522,230	22,406,597
Asset revaluation increment	15,441,429	14,115,633
Balance carried forward	51,963,659	36,522,230

**(b) Death and Benevolent Fund**

Balance bought forward	46,664	46,664
Fund used	(4,500)	-
Balance carried forward	42,164	46,664

**(c) Campaign Fund**

Balance bought forward	14,122	159,810
Transferred from / (to) general fund	699	(145,688)
Balance carried forward	14,821	14,122

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP**  
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**Note 14 Cash Flow Information**

	2019 \$	2018 \$
<b>(a) Cash Flow Reconciliation</b>		
<b>Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:</b>		
<b>Cash and cash equivalents as per:</b>		
Statement of cash flows	7,866,191	9,306,733
Statement of financial position	7,866,191	9,306,733
Difference	<u>-</u>	<u>-</u>
<b>Reconciliation of Cash Flow from Operations with Operating Deficit</b>		
Operating deficit	(2,904,399)	(2,081,056)
Non cash flow in operating deficit:		
Depreciation and amortisation	876,402	665,226
Fund Payment	(4,500)	-
loss on disposal of assets	-	329
(Increase)/Decrease in trade debtors	378,513	(145,453)
(Increase)/Decrease in prepayments	(59,104)	235,819
Increase/(Decrease) in provisions	(146,062)	(259,367)
Increase/(Decrease) in trade creditors and accruals	464,847	(429,136)
Increase/(Decrease) in other liabilities	196,904	-
Net cash (used in) operating activities	<u>(1,197,399)</u>	<u>(2,013,638)</u>
<b>(b) Cash Inflow Information</b>		
Cash inflows		
Shared Advantage Limited	142,549	-
CSIRO Staff Association	1,726,606	1,337,610
<b>Total cash inflows</b>	<u>1,869,155</u>	<u>1,337,610</u>
Cash outflows		
Shared Advantage Limited	-	-
CSIRO Staff Association	(7,332)	(8,949)
<b>Total cash outflows</b>	<u>(7,332)</u>	<u>(8,949)</u>

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**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 CPSU PSU Group this included Elected Officials, Regional Secretaries and Directors. For details of remuneration disclosures relating to key management personnel, refer to Note 16 Key Management Personnel Compensation.

(b) Controlled Entity

The Union has a controlled entity, Shared Advantage Ltd. This subsidiary has not been consolidated as both its revenue and net assets represent less than half a percentage of the total revenue and net assets of the Union. Consolidation will not provide any further useful information than what is currently disclosed in the Union's financial statements.

(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**

	2019 \$	2018 \$
<b>Short-term employee benefits</b>		
Salary (including annual leave taken)	2,663,534	2,647,438
Annual leave accrued	208,680	208,066
Remote Localities Allowance	5,941	5,796
Living Away from Home Allowance	-	3,269
<b>Total short-term employee benefits</b>	<b>2,878,155</b>	<b>2,864,569</b>
<b>Post-employment benefits</b>		
Superannuation	435,606	424,100
<b>Total post-employment benefits</b>	<b>435,606</b>	<b>424,100</b>
<b>Other long-term benefits</b>		
Long service leave	46,077	39,963
<b>Total other long-term benefits</b>	<b>46,077</b>	<b>39,963</b>
<b>Termination Benefits</b>	<b>67,581</b>	<b>334,003</b>
<b>Total</b>	<b>3,427,418</b>	<b>3,662,635</b>

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**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 2019.

**Note 18A 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 2019 is limited to cash and term deposits of \$7,866,191.

(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 18B Fair Values**

The following table contains the carrying amounts and related fair values for the Union's financial assets and liabilities:

	Carrying amount 2019 \$	Fair value 2019 \$	Carrying amount 2018 \$	Fair value 2018 \$
<b>Financial Assets</b>				
Cash	7,866,191	7,866,191	9,306,733	9,306,733
Receivables	225,317	225,317	603,830	603,830
Seed Funding	140,000	140,000	140,000	140,000
<b>TOTAL</b>	<b>8,231,508</b>	<b>8,231,508</b>	<b>10,050,563</b>	<b>10,050,563</b>
<b>Financial Liabilities</b>				
Trade payables	1,472,965	1,472,965	1,008,118	1,008,118
Other payables	410,357	410,357	213,453	213,453
<b>TOTAL</b>	<b>1,883,322</b>	<b>1,883,322</b>	<b>1,221,571</b>	<b>1,221,571</b>

**Note 19 Contingent Liabilities**

	2019 \$	2018 \$
(a) <b>Guarantees</b>		
Bank Guarantees	485,741	470,452
	<b>485,741</b>	<b>470,452</b>

**Note 20 Events After the Balance Sheet Date**

There were no events that occurred after 30 June 2019, or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Union.

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**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.

**Note 22 Campaign Fund**

The CPSU campaign fund was established to provide support to members, through current and future campaigns.

	2019 \$	2018 \$
Contribution by CPSU	-	-
Donations	<u>760</u>	<u>4,592</u>
	<b>760</b>	<b>4,592</b>
Deduct		
- Members stand-down payments	-	(160)
- Bank refund/(charges)	<u>(122)</u>	<u>(120)</u>
Surplus retained	<u><b>638</b></u>	<u><b>4,312</b></u>

**Note 23 Transactions with CSIRO Staff Association**

The CSIRO Staff Association is a section of the Community and Public Sector Union (CSPU).

Amounts paid for by CSIRO Staff Association were recovered from the CPSU - PSU Group on receipt of invoices during the year.

The CPSU - PSU Group processes and administers the payroll function for the CSIRO Staff Association. The CSIRO Staff Association reimburses the CPSU - PSU Group for the Section's employees payroll cost, including superannuation, payroll tax and WorkCover, on a monthly basis. The CSIRO Staff Association also pays the Section's share of costs and other reimbursements to the CPSU - PSU Group including the Melbourne office rent, interstate office rents, insurance, telephone, photocopier charges, travel expenses, affiliation fees and movement in LSL provision (refer Note 1(c)).

The CSIRO Staff Association pays management fees to the CSPU - PSU Group, calculated at 7% of Membership Subscription revenue.

The CSIRO Staff Association is registered for GST on a consolidated basis with the CPSU - PSU Group. The net GST on the Section's income and expenses is paid at the end of each month to the CPSU - PSU Group.

## **CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP OFFICER DECLARATION STATEMENT**

I, Melissa Donnelly, being the National Secretary of PSU Group, declare that the following activities did not occur during the reporting period ending 30 June 2019.

The reporting unit did not:

- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit



Handwritten signature of Melissa Donnelly in cursive script.

Melissa Donnelly, National Secretary

Dated: this 25<sup>th</sup> day of October 2019

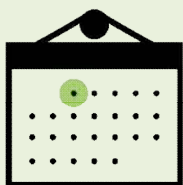


**Australian Government**  
**Registered Organisations Commission**

10 December 2019

Nadine Flood

Joint National Secretary; PSU National Secretary  
CPSU, the Community and Public Sector Union-PSU Group  
Sent via email: [Kathryn.landsberry@cpsu.org.au](mailto:Kathryn.landsberry@cpsu.org.au)



**URGENT REMINDER:**

**The CPSU, the Community and Public Sector Union-PSU Group's financial report is due (FR2019/135)**

Dear Nadine Flood,

We are writing to remind you of the CPSU, the Community and Public Sector Union-PSU Group's obligation to lodge a financial report under section 268 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

We hope you are on track to complete your financial report on time. If not, please contact us as soon as possible to discuss ways we can assist you to meet the deadline.

**Did you know?** The ROC is currently seeking to improve non-compliance with these three areas:

- Providing the full report to members
- Providing the report to members within the deadlines
- Lodging the full report with the ROC within 14 days of the s.266 meeting.



**Compliance Calculator**

If you are not sure whether your planned dates are consistent with the RO Act, have a look at our [compliance calculator](#). The compliance calculator will help you work out your unique dates for when your report needs to be provided, presented and lodged.

## Your steps checklist

Your financial year ended on 30 June 2019. You should be well into the following process.

Pre-lodgement checklist	✓
Draft the financial report and have the committee of management pass the Committee of Management resolution <b>Did you know?</b> This is the first meeting in the financial reporting process	<input type="checkbox"/>
Have the auditor complete and sign the auditor's report <b>Tips:</b> You must use a registered auditor. The SIGNED report is part of the full report. Make sure it is included in what is provided to members	<input type="checkbox"/>
Provide the full report to members This must be done: <ul style="list-style-type: none"><li>• If you are going to a committee of management meeting (requires a 5% rule), within 5 months of 30 June 2019</li><li>• If you are going to a general meeting of members, 21 days before the meeting</li></ul>	<input type="checkbox"/>
Present the full report to the second meeting. <b>Hints:</b> This meeting must be within 6 months of 30 June 2019. This is either a committee of management meeting (requires a 5% rule) or a general meeting of members	<input type="checkbox"/>
Lodge with the ROC within <b>14 days</b> of the meeting – <a href="mailto:regorgs@roc.gov.au">regorgs@roc.gov.au</a> <b>TIP:</b> lodge it straight away – there's no need to wait the full 14 days	<input type="checkbox"/>

If you require further advice or assistance please email [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au) or call us on 1300 341 665.

Yours sincerely,

## Registered Organisations Commission



### Penalties apply

**We emphasise that sections 253, 254, 265(1)(a), 266 and 268 of the RO Act are civil penalty provisions.**

Failure of an organisation to prepare a full report, provide it to members, present it to a meeting and lodge with the ROC within legislative time frames may expose your organisation to Federal Court proceedings with the possibility of a pecuniary penalty being imposed upon an officer and/or the organisation.



2 July 2019

Nadine Flood

Joint National Secretary; PSU National Secretary  
CPSU, the Community and Public Sector Union-PSU Group  
Sent via email: nadine.flood@cpsu.org.au

Dear Nadine Flood,

**Re: Lodgement of Financial Report - FR2019/135**  
***Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the CPSU, the Community and Public Sector Union-PSU Group (the reporting unit) ended on 30 June 2019. This is a courtesy letter to remind you of the reporting unit's obligations regarding financial reporting.

### **Loans Grants and Donations Statement**

The reporting unit is required to lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 of the RO Act requires this statement to be lodged with the Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2019.

The attached fact sheet *Loans Grants and Donations* (FS 009) summarises the requirements of the Loans Grants and Donations Statement. A sample statement of loans, grants or donations is available on our [website](#).

It should be noted that s.237 is a civil penalty provision. If a loan, grant or donation over \$1000 has been made, failure to lodge a statement of loans, grants and donations (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

### **Financial report**

The RO Act sets out a particular chronological order in which your financial report must be prepared, audited, provided to members, presented to a meeting and then lodged with the ROC. The attached document *Summary of Financial Reporting timelines* (FS 008) summarises these requirements.

We emphasise that the reporting unit is required to present its audited financial report to a meeting (either of members or of the committee of management, depending on your rules) no later than 31 December 2019 (s.266). The full financial report must be lodged with the ROC within 14 days of that meeting (s.268).

When assessing your financial report, we will continue to focus closely on timelines as well as how loans, grants and donations are reported. The financial report must break down the amounts of grants and donations and these figures will be compared to the loans, grants and donations statement (see attached *Loans Grants and Donations* fact sheet FS 009).

You can visit our website for more information regarding [financial reporting](#), and fact sheets regarding [financial reporting processes and requirements](#). A model set of financial statements developed by the ROC is also available on our website. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards.

It should be noted that s.268 of the RO Act is a civil penalty provision. Failure to lodge the full financial report (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention (s.268).

### **Auditor's report**

When assessing the financial report we will also focus on the structure and content of the auditor's report to ensure that it complies with the revisions made to the Auditing Standards which came into effect from 15 December 2016. Please find [here](#) a link to guidance note *Illustrative Auditor's Report* (GN 004) relating to these requirements (which can also be located on our website).

## **REMINDER**

### **YOUR AUDITOR MUST BE REGISTERED (s.256)**

You must ensure that your auditor is registered by the Registered Organisations Commissioner. A list of registered auditors is available on our [website](#).

### **Contact**

Should you require any clarification in relation to the above, please email [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au).

Yours faithfully,

**Kylie Ngo**  
**Registered Organisations Commission**

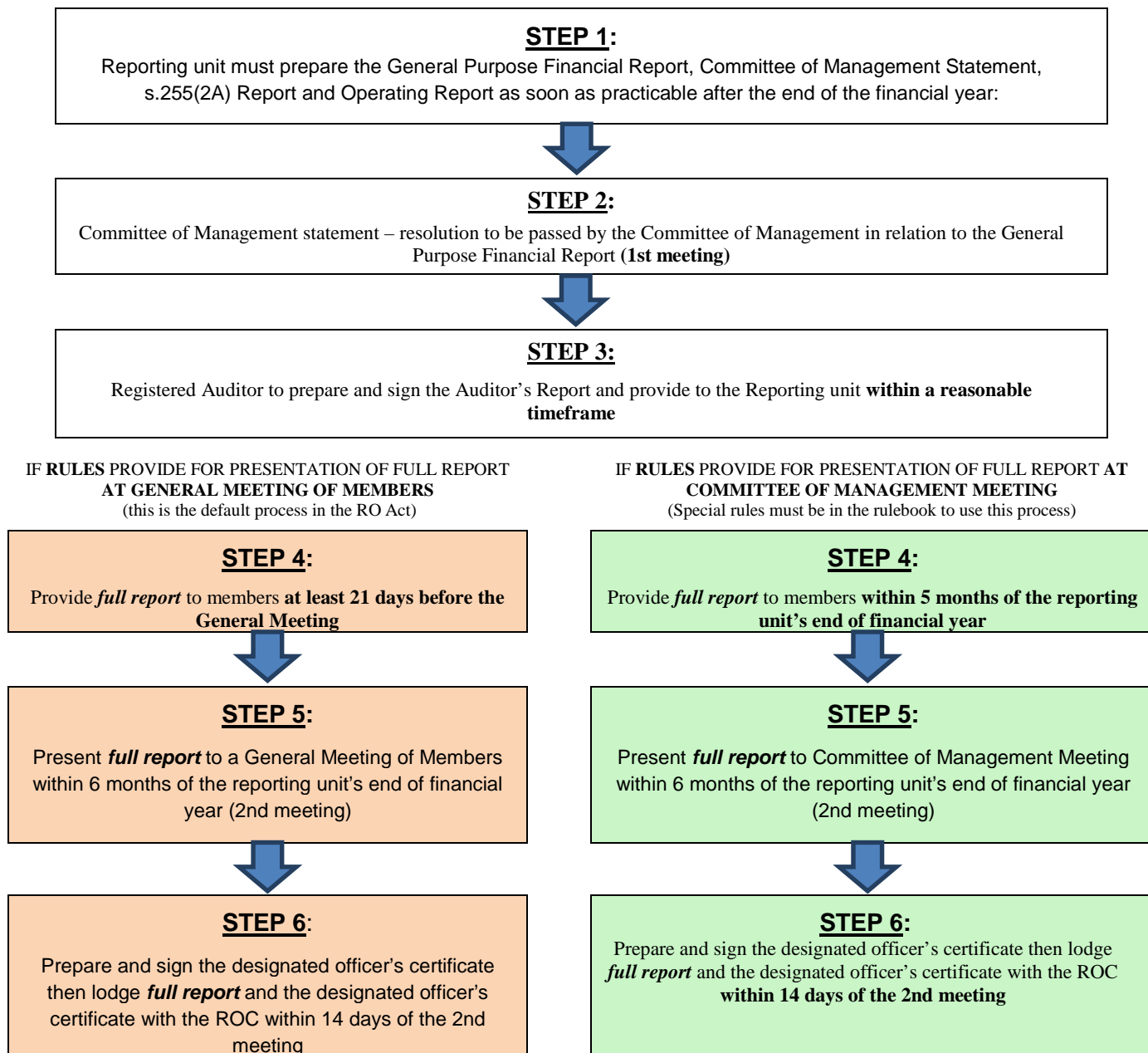


## Fact sheet

### Summary of financial reporting timelines – s.253 financial reports



















#### General Information:

- The **full report** consists of the General Purpose Financial Report, Committee of Management Statement, Operating report, s.255(2A) Report and signed Auditors' Report
- For an explanation of each of the steps below see our [Fact sheet—financial reporting process](#).



## Misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Financial Reporting Process. They include:

Misconception	Requirement
 The Committee of Management statement is just copied from the Reporting Guidelines	 The Committee of Management statement must have the date of the Committee of Management resolution recorded upon it and it must be signed and dated BEFORE the auditor signs their report  Further, if any of the statements within it need to be modified to suit the reporting unit (for instance not holding meetings) these changes must also be made
 The Auditor's Report does not need to be signed until just before it is lodged with the ROC	 The Auditor's Report must be signed and dated BEFORE the full report (including the Auditor's Report) is sent to members and presented to the second meeting
 The Designated Officer's Certificate must be signed before the report is sent to members	 The Designated Officer's Certificate declares what the reporting unit HAS ALREADY DONE to provide the report to members and present it to the meeting. It must be signed and dated AFTER sending the report to members and the second meeting
 Documents can be dated when they should have been signed or when the events in the document occurred	 Documents must always be dated at the date they are actually signed by an officer or auditor
 Any auditor can audit a financial report	 Only registered auditors can audit the financial report
 The Committee of Management statement can be signed at any time	 The resolution passing the Committee of Management Statement must occur and the statement signed and dated BEFORE the auditor's report is signed and dated
 Any reporting unit can present the Full Report to a second COM meeting	 Only reporting units with a 5% rule in their rulebook are able to present their report to a second Committee of Management Meeting. Otherwise, it must be presented to a General Meeting of members
 Everything can be done at one Committee of Management meeting	 If the rules allow for presenting the report to the Committee of Management, there must still be <u>two meetings</u> . The first meeting resolves the Committee of Management statement (including signing and dating it). Between the two meetings the Auditor's report is signed and dated. Only then can the full report be presented to the second Committee of Management meeting (if the rules allow)
 The reporting unit has 6 months and 14 days to lodge their financial report with the ROC	 The reporting unit must lodge the financial report within 14 days of the second meeting

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This fact sheet is not intended to be comprehensive. It is designed to assist in gaining an understanding of the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice.



## **Fact sheet**

### Loans, Grants & Donations

#### **The Loans, Grants & Donations Requirements**

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the Commissioner's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

#### **The Loans, Grants & Donations Statement**

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceeds \$1000. The following information must be supplied to the Registered Organisations Commission (the ROC) for each relevant loan, grant or donation:







- the amount,
- the purpose,
- the security (if it is a loan),
- the name and address of the person to whom it was made,\* and
- the arrangements for repaying the loan.\*

\*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the ROC has a [Template Loans, Grants and Donations Statement](#) on its website. The ROC encourages branches and organisations to lodge the statement even if all of the figures are NIL.

## Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
 Only reporting units must lodge the Statement.	 All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
 Employees can sign the Statement.	 The statement must be signed by an elected officer of the relevant branch.
 Statements can be lodged with the financial report.	 The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.

## Grants & Donations within the Financial Report

Item 14(e) of the Commissioner's Reporting Guidelines requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines.

In the [ROC's Model Statements](#) the note appears as follows:

### Note 4E: Grants or donations\*

Grants:	2017	2016
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
<b>Total grants or donations</b>	<b>-</b>	<b>-</b>

The Commissioner's Reporting Guidelines requires that these line items appear in the financial statements, the notes or in the officer's declaration statement, even if the figures are NIL.

## **Implications for filing the Financial Report**

During their review of the financial report staff of the ROC may confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their last financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the website.

## **Further information**

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the ROC on [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au)