

# OPERATING REPORT

for the year ended 30 June 2009



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## FROM THE NATIONAL SECRETARY

The year 2008–09 was marked by the end of WorkChoices, the commencement of the *Fair Work Act* and the big challenges of the Global Financial Crisis. The change in the global economy has had a dramatic impact on the work of members and the outcomes in bargaining. In six short months the Government moved from fighting inflation (through budget cuts) to pump priming the economy to save jobs. Despite all of this, we have managed to deliver on a number of our *Agenda for Change* objectives.

### Fair Work Act – a chance to secure fairer, more democratic workplaces

CPSU was part of the ACTU committee that negotiated with Government over the Fair Work Bill. Its passage means that employers will, at last, be obliged to bargain in good faith and workers will have new protections for the right to organise and represent union members in their workplace. The new laws will enable us to include delegates' rights in collective agreements.

### Agenda for Change

After months of detailed research and consultation with members and delegates, the CPSU's *Agenda for Change* was endorsed by Governing Council in October 2008. The *Agenda for Change* initiative has given CPSU members and activists the opportunity to shape a new long-term *Agenda for Change* for the union and the industries we cover. While continuing to focus on the 'core business' of improving pay and conditions, through *Agenda for Change* we will explore options for tackling a range of longer term issues such as:

- maintaining a skilled workforce in a tight labour market
- managing the imminent baby-boomer exodus
- protecting and promoting the value of the 'public sector'
- ensuring workers with caring responsibilities can balance their work and life
- closing the pay gaps between public and private sector and between APS different agencies.

*Agenda for Change* is a clear statement of our objectives. But we will not be able to deliver on the Agenda without improving our capacity and density.

### Bargaining

2008–09 was also a very busy year for making agreements with positive new CPSU agreement being delivered for tens of thousands of members in agencies including Centrelink, FaHCSIA, DAFF, DFAT, GeoScience Australia, Medicare and DVA.

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## Membership

Continuing growth is a priority for the CPSU, especially with the increasing rate of retirement of 'baby boomer' generation members. During the 2008–09 year planning began on a range of new projects designed to boost our recruitment level in key sectors. During this financial year our membership went from 55,462 to 55,310 (excluding CSIRO section).

Members have the right to resign in accordance with Schedule 1b s174 of the Workplace Relations Act 1996 in conjunction with CPSU rule 5.3 Resignation of Membership.

## Essential Services

One of our most important activities during 2008–09 was the Essential Services campaign to eliminate arbitrary budget cuts, protect essential jobs and services and develop a more sustainable approach to public sector funding. This campaign involved training workplace ambassadors, paid and free media campaigning, lobbying decision-makers and politicians. The good news is the Essential Services campaign resulted in the removal of the extra 2% efficiency dividend from all agency budgets.

## Workplace Delegates

In 2008, the union set out a clear course to rebuild power in the workplace by providing more support for workplace delegates. Key steps so far include:

- electing more than 1000 new or renewed delegates in 12 months
- training more than 450 delegates
- holding regional delegates conferences in every State and Territory
- commencing discussions with Government to rationalise APS bargaining arrangements
- securing a positive statement about the role of workplace delegates at ALP Conference
- developing support materials and launching the CPSU Delegates' web centre.

## Closing the pay gap

In August 2008 we published a comprehensive report – *Far From Equal* – which blew the lid on the lack of pay parity in the APS and caused a significant shift in member and employer attitudes. *Far From Equal* was quoted in a range of Government reports, including the Australian Public Service Commission's *State of the Service* report. This will help us achieve a service-wide agreement that will go some way to restoring pay parity in the APS.

## Employment of Aboriginal and Torres Strait Islander peoples

In February 2009, we launched our National Aboriginal and Torres Strait Islander Cabinet (NATSIC) to help provide a united voice for Aboriginal and Torres Strait Islander members, delegates, activists and workers. Having established a clear charter and role, activists are now focussed on building regional networks.

## Work/life balance

The CPSU has actively participated in the national campaign for paid parental leave, appearing with CPSU members before the Productivity Commission Inquiry. We also continue to make advances in members' entitlement to paid parental leave through bargaining. The CPSU has also lobbied Government through submissions to the Henry Tax Review in support of childcare arrangements.

## Protecting people at work

Throughout 2008–09 the CPSU continued to work with all unions on the Government's review of occupational health and safety laws. We have also exposed the unacceptable incidence of violence directed at our members in customer contact roles. Our report – *Securing Centrelink Safety* – tells an alarming story of the level of violence in Centrelink workplaces and sets out a series of steps that must be taken to protect our members and clients in all front-line areas.

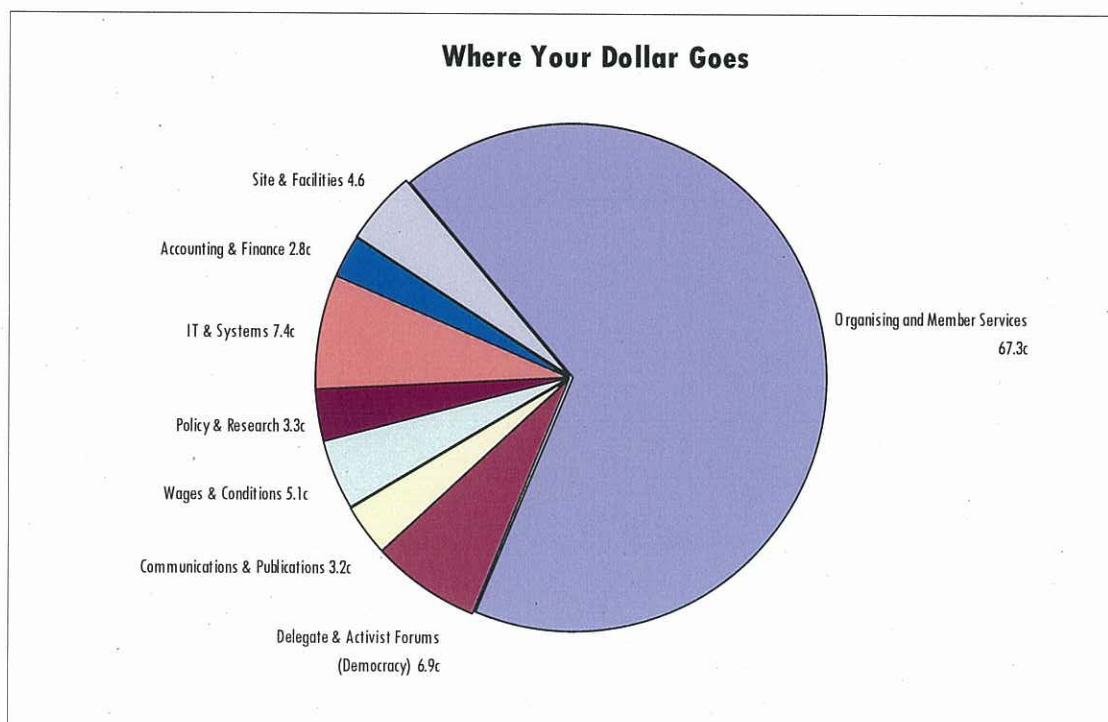
## Finance matters

Through effective financial management, accurate forecasting and efficient budgeting, the CPSU ended the 2008–09 financial year with a modest surplus.

This has enabled the union to adequately resource its agenda for the past financial year without compromising our sound financial position.

The CPSU employed a total number of 206 staff as at 30 June 2009.

We continue to allocate the majority of resources directly to organising.



## Executive Committee

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

Name	Period in Office
Stephen Jones	1 July 2008 – 30 June 2009
Mark Gepp	1 July 2008 – 30 June 2009
Lisa Newman	1 July 2008 – 30 June 2009
Louise Persse	1 July 2008 – 30 June 2009
Michael Tull	1 July 2008 – 30 June 2009
Nadine Flood	1 July 2008 – 30 June 2009
Rupert Evans	1 July 2008 – 30 June 2009

During the year the Executive Committee held seven in face meetings and one by Teleconference.

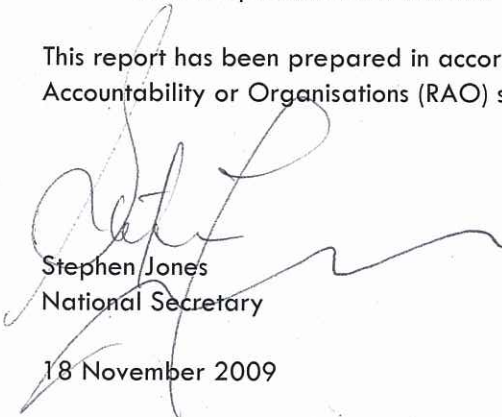
Meeting Number	Date	Location
4.2008	2 – 3 July 2008	Melbourne
5.2008	21 – 22 August 2008	Sydney
6.2008	28 – 29 October 2008	Brisbane
1.2009	5 – 6 February 2009	Sydney
2.2009	20 February 2009	Teleconference
3.2009	10 – 11 March 2009	Hobart
4.2009	28 – 29 May 2009	Sydney
5.2009	24 – 26 June 2009	Sydney

## Statement on Superannuation Trustees

Mark Gepp, Peter Feltham and Louise Persse are CPSU officers who are known be:

- i) a trustee of a superannuation entity or an exempt public sector superannuation scheme;  
or
- ii) a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

This report has been prepared in accordance with the requirements of the Registration and Accountability of Organisations (RAO) schedule 1b to the Workplace Relations Act 1996.

  
Stephen Jones  
National Secretary

18 November 2009

# GENERAL PURPOSE FINANCIAL REPORT for the year ended 30 June 2009



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

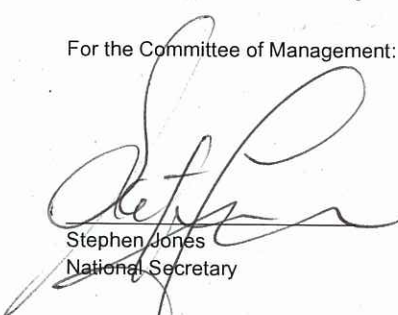
**COMMITTEE OF MANAGEMENT STATEMENT**

On 27/11/09 the Committee of Management of CPSU Group Governing Council passed the following resolution in relation to the general purpose financial report of the reporting unit for the financial year ended 30 June 2009:

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

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

For the Committee of Management:

  
Stephen Jones  
National Secretary

  
Mark Gepp  
Assistant National Secretary

Dated at Sydney this 27<sup>th</sup> day of November 2009.

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP  
GOVERNING COUNCIL  
INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2009**

	<u>Note</u>	<u>2009</u>	<u>2008</u>
		\$	\$
Revenues from ordinary activities	3	24,214,254	23,298,756
Depreciation and Amortisation	4	(1,072,782)	(1,149,596)
Employee Benefits Expense	4	(14,804,739)	(13,233,496)
Borrowing Costs		-	(1,651)
Other expenses from ordinary activities		<u>(8,261,750)</u>	<u>(8,300,887)</u>
<b>SURPLUS FOR THE YEAR</b>		<u>74,983</u>	<u>613,126</u>

To be read in conjunction with the Notes to and forming part of the financial statements

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP  
GOVERNING COUNCIL  
BALANCE SHEET  
FOR THE YEAR ENDED 30 JUNE 2009**

	Note	2009	2008
		\$	\$
<b>CURRENT ASSETS</b>			
Cash assets	6	9,015,218	7,975,133
Receivables	7	180,208	167,094
Other assets	8	414,470	473,807
<b>TOTAL CURRENT ASSETS</b>		<u>9,609,896</u>	<u>8,616,034</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	10,676,546	11,287,152
<b>TOTAL NON-CURRENT ASSETS</b>		<u>10,676,546</u>	<u>11,287,152</u>
<b>TOTAL ASSETS</b>		<u>20,286,442</u>	<u>19,903,186</u>
<b>CURRENT LIABILITIES</b>			
Payables	11	1,739,077	3,239,634
Provisions	12	1,327,299	1,181,202
<b>TOTAL CURRENT LIABILITIES</b>		<u>3,066,376</u>	<u>4,420,836</u>
<b>NON CURRENT LIABILITIES</b>			
Provisions	12	1,758,801	1,585,878
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>1,758,801</u>	<u>1,585,878</u>
<b>TOTAL LIABILITIES</b>		<u>4,825,177</u>	<u>6,006,714</u>
<b>NET ASSETS</b>		<u>15,461,265</u>	<u>13,896,472</u>
<b>ACCUMULATED FUNDS</b>			
Reserves	14	4,017,189	2,527,379
General Fund Balance		11,444,076	11,369,093
<b>TOTAL ACCUMULATED FUNDS</b>		<u>15,461,265</u>	<u>13,896,472</u>

The accompanying notes form part of these financial statements.

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP  
GOVERNING COUNCIL  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2009**

	Capital Profits and Asset Revaluation Reserve	Death and Benevolent Fund	Superannuation Trust Fund	General Fund	Total
<b>Balance at 1 July 2007</b>	2,441,631	69,164	16,584	10,755,967	13,283,346
Net surplus for the year	-	-	-	613,126	613,126
<b>Balance at 30 June 2008</b>	<u>2,441,631</u>	<u>69,164</u>	<u>16,584</u>	<u>11,369,093</u>	<u>13,896,472</u>
<b>Balance at 1 July 2008</b>	2,441,631	69,164	16,584	11,369,093	13,896,472
Transfer to Levy Reserve	1,489,810				1,489,810
Net surplus for the year	-	-	-	74,983	74,983
<b>Balance at 30 June 2009</b>	<u>3,931,441</u>	<u>69,164</u>	<u>16,584</u>	<u>11,444,076</u>	<u>15,461,265</u>

To be read in conjunction with the Notes to and forming part of the financial statements.

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP  
GOVERNING COUNCIL  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2009**

	<u>Note</u>	<u>2009</u>	<u>2008</u>
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from members and others		23,830,000	22,883,103
Payments to suppliers and employees		(22,698,884)	(20,876,628)
Interest received		371,140	425,395
Borrowing costs paid		-	(1,651)
Net cash provided by operating activities	15(b)	<u>1,502,256</u>	<u>2,430,219</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment		<u>(462,172)</u>	<u>(534,570)</u>
Net cash (used in) investing activities		<u>(462,172)</u>	<u>(534,570)</u>
Net Increase in cash held		1,040,084	1,895,649
Cash at beginning of financial year		<u>7,975,134</u>	<u>6,079,485</u>
Cash at end of financial year		<u>9,015,218</u>	<u>7,975,134</u>

To be read in conjunction with the Notes to and forming part of the financial statements.

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP**  
**GOVERNING COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of preparation**

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Workplace Relations Act 1996 and the alteration to rules as approved by the industrial registrar.

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

On 19 June 2001, the Deputy Industrial Registrar approved changes to certain rules pertaining to financial management. Those changes included, amongst others, preparation of a single set of accounts for the PSU group for the year ended 30 June 2002 and beyond. Resulting from the change, all funds, property and liabilities of the Sections, Branches and Professional Division as at 30 June 2001 were transferred to the National Council

The following is a summary of the material policies adopted by the Governing Council in the preparation of the financial statements.

**a. Statement of Compliance**

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

**b. Impairment of Assets**

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

**c. Property, Plant and Equipment**

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

The depreciable amount of all fixed assets and capitalised lease assets, excluding freehold land, is depreciated on a straight line basis over their useful lives commencing from the time the asset is held ready for use.

The depreciation rates used for each class of asset are:

CLASS OF FIXED ASSET	DEPRECIATION RATE
Land and Buildings	2.50%
Leasehold Improvement	over lease period
Freehold improvement	10 - 20%
Computer System	20%
Office Equipment	5-40%
Leased Office Equipment	19%
Telephone System	20 - 33.33%
Information Systems Project	20%
CRM Membership System	25%
Website	100%

All minor purchases of assets (under \$2,000) are considered by the committee as having a useful life relative only to the period of purchase and as such are written off during that period.

**d. Income Tax**

No provision for income tax is necessary as "Trade Unions" are exempt from income tax under Section 50-5 of the Income Tax Assessment Act 1997.

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP  
GOVERNING COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**e. Employee Leave Entitlements**

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

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

**f. Leases**

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

The Governing Council complies with AASB 117 in respect of finance leases. Finance leases are capitalised; a lease asset and liability equal to the present value of the minimum lease payments, excluding executory costs, are recorded at the inception of the lease. Contingent rentals are written off as an expense of the accounting period in which they are incurred. Capitalised lease assets are amortised on a straight line basis against the income of the accounting periods which are expected to benefit from their use.

**g. Investments**

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

**h. Revenue**

Revenue from the rendering of a service is recognised upon the delivery of service to the members.

Interest revenue is recognised on a proportional basis taking into account the interest rate applicable to the financial assets. All revenue is stated net of the amount of goods and services tax (GST).

**i. Cash and cash equivalents**

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

**j. Trade and other receivables**

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

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

**k. Trade and other payables**

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

**l. Comparative Information**

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

**NOTE 2: INFORMATION TO BE PROVIDED TO MEMBERS OR THE REGISTRAR**

(a) In accordance with the requirements of the Workplace Relations Act 1996 subsection 272(5) of the RAO Schedule, the attention of members is drawn to the provisions of subsections (1), (2) and (3) of section 272 which read as follows:

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

(b) There were no recovery of wages activity for the financial year ended 30 June 2009.

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP**  
**GOVERNING COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	2009	2008
	\$	\$
<b>NOTE 3: REVENUE</b>		
Operating activities		
Subscriptions Received (net of refunds and charges)	22,363,865	21,338,277
Interest Received	371,140	425,395
Management Fee - CSIRO Staff Association	81,471	80,313
Rental Trading - CPSU Properties	1,334,988	1,450,848
Sundries	62,790	3,923
	<u>24,214,254</u>	<u>23,298,756</u>
Total Revenue	<u>24,214,254</u>	<u>23,298,756</u>
<b>NOTE 4: SURPLUS FROM ORDINARY ACTIVITIES</b>		
<b>(a) Expenses</b>		
Fees for payroll deduction for subscriptions	13,181	15,669
Depreciation and amortisation		
- Computer equipment	66,616	76,327
- Motor Vehicle	-	-
- Buildings	173,496	173,496
- Office Equipment	45,325	59,014
- Telephone System	6,440	25,757
- Leased Office Equipment	411	508
- Leasehold Improvements	117,845	74,072
- Freehold Improvements	193,101	189,851
- Information Systems Project	469,545	487,480
- Website	-	63,091
Total Depreciation and Amortisation	<u>1,072,779</u>	<u>1,149,596</u>
Remuneration of Auditor		
- Audit - Current Year	31,000	43,000
- Other Services	4,000	5,550
Employee Benefits		
- Salaries		
Elected Officials	803,170	755,497
Employees	11,681,054	10,660,779
- Long Service Leave		
Elected Officials	31,880	46,115
Employees	506,920	107,404
- Superannuation		
Elected Officials	123,379	127,196
Employees	1,641,539	1,474,384
Other Salaries	16,797	62,121
Total Employee Benefits	<u>14,804,739</u>	<u>13,233,496</u>
Affiliation Fees	493,778	446,098
Legal and Professional Fees	88,549	(5,313)
<b>(b) Significant Expenses</b>		
The following significant expense is relevant in explaining its financial performance		
- Journey Insurance	<u>118,229</u>	<u>212,568</u>

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP  
GOVERNING COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	2009	2008
	\$	\$
<b>NOTE 5: GRANTS &amp; DONATIONS</b>		
Included in others expense from ordinary activities are grants and donations:		
Trades and Labour Council WA	2,909	1,000
Centre for Policy Development	-	40,000
Australian People for Humanitarian Education & Aid Abroad	50,761	44,182
Movember Foundation	-	250
Zimbabwe Information Centre	-	364
S.I.G.T.U.R.	-	6,796
Australian Workers Union	-	227
Labour Day Celebrations Committee	136	136
Unions Tasmania	193	182
8 Hour Day Tasmania	-	91
Australian Labour Party (ACT)	-	400
Gippsland Trades & Labour Council	-	32
Workers Out	100	100
ABC Scholarship	300	900
Sydney May Day Committee	-	100
Australian Peace Committee (SA)	91	100
Queensland Council of Unions	3,000	-
NSW ARTU	100	-
Trades and Labour Council ACT	250	-
Australian Red Cross	20,000	-
	<u>77,840</u>	<u>94,860</u>
<b>NOTE 6: CASH</b>		
Cash on Hand	5,000	5,000
Cash at Bank	8,880,375	7,843,002
Term Deposits	129,843	127,131
	<u>9,015,218</u>	<u>7,975,133</u>
<b>NOTE 7: RECEIVABLES</b>		
Sundry debtors	180,208	167,094
	<u>180,208</u>	<u>167,094</u>
<b>NOTE 8: OTHER</b>		
Prepayments	301,127	387,582
Owing by related party 16(a)	113,343	86,225
	<u>414,470</u>	<u>473,807</u>
<b>NOTE 9: FINANCIAL ASSETS</b>		
Seed Funding to Shared Advantage Limited		
- At cost	225,000	225,000
- Less Provision for Diminution in Value	(225,000)	(225,000)
	<u>-</u>	<u>-</u>
<b>NOTE 10: PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Land and Buildings</b>		
Freehold land and buildings at independent valuation 1998:		
Thomas Street, Sydney	10,200,000	10,200,000
Woods Street, Darwin	390,000	390,000
	<u>10,590,000</u>	<u>10,590,000</u>
Less Accumulated Depreciation	(1,908,472)	(1,734,976)
<b>Net Land and Buildings</b>	<u>8,681,528</u>	<u>8,855,024</u>
<b>Leasehold Improvements</b>		
Hobart	6,935	6,935
Creek Street, Brisbane	-	41,329
Hay Street, Perth	157,927	157,927
Brisbane Ave, Canberra	231,955	223,453
Henley Beach Road, Adelaide	16,722	16,722
Albert St, Brisbane	-	7,476
Collins St, Melbourne	396,954	396,954
Browning Street, Brisbane	324,254	-
Plamer Street, South Townsville	5,395	-
	<u>1,140,142</u>	<u>850,796</u>
Less Accumulated Depreciation	(478,722)	(409,680)
<b>Net Leasehold Improvements</b>	<u>661,420</u>	<u>441,116</u>

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP  
GOVERNING COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	2009	2008
	\$	\$
<b>NOTE 10: PROPERTY, PLANT AND EQUIPMENT (Cont'd)</b>		
<b>Freehold Improvements</b>		
Thomas Street, Sydney	2,000,743	1,921,957
Woods Street, Darwin	3,525	3,525
	2,004,268	1,925,482
Less Accumulated Depreciation	(1,107,299)	(914,198)
<b>Net Freehold Improvements</b>	<b>896,969</b>	<b>1,011,284</b>
<b>Computer System</b>		
At Cost	3,241,589	3,222,177
Less Accumulated Depreciation	(3,147,384)	(3,083,786)
<b>Net Computer System</b>	<b>94,205</b>	<b>138,391</b>
<b>Office Equipment</b>		
At Cost	2,711,051	2,695,501
Less Accumulated Depreciation	(2,551,815)	(2,506,079)
<b>Net Office Equipment</b>	<b>159,236</b>	<b>189,422</b>
<b>Telephone System</b>		
At Cost	935,539	935,539
Less Accumulated Depreciation	(935,539)	(929,099)
<b>Net Telephone System</b>	<b>-</b>	<b>6,440</b>
<b>Information Systems Project</b>		
At Cost	213,406	213,406
Less Accumulated Depreciation	(213,406)	(188,508)
<b>Net Information Systems Project</b>	<b>-</b>	<b>24,898</b>
<b>CRM/Membership System</b>		
At Cost	1,795,414	1,788,154
Less Accumulated Depreciation	(1,612,226)	(1,167,577)
<b>Net CRM/Membership System</b>	<b>183,188</b>	<b>620,577</b>
<b>Website</b>		
At Cost	63,091	63,091
Less Accumulated Depreciation	(63,091)	(63,091)
	<b>-</b>	<b>-</b>
<b>Total Property, Plant and Equipment</b>	<b>10,676,546</b>	<b>11,287,152</b>

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP  
GOVERNING COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

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

**(a) Movements in Carrying Amounts**

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

	Balance at beginning of year	Additions	Depreciation expense	Carrying amount at end of year
Land and Buildings	8,855,024	-	173,496	8,681,528
Leasehold Improvements	441,116	338,146	117,843	661,419
Freehold Improvements	1,011,284	78,787	193,101	896,970
Computer Equipment	138,391	22,429	66,615	94,205
Office Equipment	189,422	15,550	45,736	159,236
Website	-	-	-	-
Telephone System	6,440	-	6,440	-
Information Systems Project	24,898	-	24,897	1
CRM/Membership System	620,577	7,260	444,649	183,188
<b>TOTAL</b>	<b>11,287,152</b>	<b>462,172</b>	<b>1,072,778</b>	<b>10,676,546</b>

2009

\$

2008

\$

**NOTE 11: PAYABLES**

**CURRENT**

Accounts Payable and Accruals	1,609,234	3,114,330
GST Payable/ (Refund)	-	(1,827)
Rental Bond	129,843	127,131
	<u>1,739,077</u>	<u>3,239,634</u>

**NOTE 12: PROVISIONS (EMPLOYEE ENTITLEMENTS)**

**CURRENT**

Annual Leave		
holders of office	173,308	151,825
other employees	1,153,991	1,029,377
	<u>1,327,299</u>	<u>1,181,202</u>

**NON CURRENT**

Long Service Leave		
holders of office	328,184	296,256
other employees	1,430,617	1,289,622
	<u>1,758,801</u>	<u>1,585,878</u>
Aggregate Employee Benefit Liability	<u>3,086,100</u>	<u>2,767,080</u>

Number of employees at year end

206

204

**NOTE 13: CAPITAL AND LEASING**

**a) Operating Lease Commitments**

**Payable:**

- not later than 1 year	1,253,391	917,760
- later than 1 year but not later than 5 years	3,039,600	2,482,892
Balance at the end of the year	<u>4,292,991</u>	<u>3,400,652</u>

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP  
GOVERNING COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	2009	2008
	\$	\$
<b>NOTE 14: RESERVES</b>		
Capital Profits and Asset Revaluation Reserve	2,441,631	2,441,631
Death and Benevolent Fund	69,164	69,164
Superannuation Trust Fund	16,584	16,584
Levy Reserve (a)	1,489,810	-
Balance at the end of the year	4,017,189	2,527,379
 (a) Movement in reserve.		
Balance brought forward	-	-
Transfer from current liabilities	1,489,810	-
Balance carried forward	1,489,810	-

In accordance with the Executive Committee resolution the unutilised balance in the Fund has been transferred from liabilities to a reserve fund.

**NOTE 15: CASH FLOW INFORMATION**

**(a) Reconciliation of Cash**

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

Cash on Hand	5,000	5,000
Cash at Bank	8,880,375	7,843,002
Term Deposits	129,843	127,131
	9,015,218	7,975,133

**(b) Reconciliation of Cash Flow from Operations with Operating Surplus**

Operating surplus	74,983	613,126
Non cash flow in operating surplus:		
Depreciation and amortisation	1,072,778	1,149,596
Changes in assets and liabilities:		
(Increase)/Decrease in trade debtors	(13,114)	94,597
(Increase)/Decrease in prepayments	86,455	(107,753)
(Increase)/Decrease in other assets	(27,118)	(55,285)
Increase/(Decrease) in provisions	319,019	(6,227)
Increase/(Decrease) in trade creditors and levy fund	(10,747)	742,165
Net cash provided by operating activities	1,502,256	2,430,219

**(c) Credit standing arrangements with Bank:**

Credit Facility	3,250,000	3,250,000
Amount Utilised	188	-

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP  
GOVERNING COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	2009	2008
	\$	\$
<b>NOTE 16: RELATED PARTY INFORMATION</b>		
<b>(a) Receivable from Related Party</b>		
Shared Advantage Limited	113,343	86,225
	113,343	86,225

The amount receivable is unsecured and interest free.

**(b) CSIRO Members**

CPSU, the Community and Public Sector Union, Governing Council, received all subscriptions paid by members during 2008/2009 other than subscriptions paid by CSIRO Section members.

**(c) Remuneration of Elected Officials**

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

Name	Period in Office
Stephen Jones	1 July 2008 - 30 June 2009
Mark Gepp	1 July 2008 - 30 June 2009
Lisa Newman	1 July 2008 - 30 June 2009
Louise Persse	1 July 2008 - 30 June 2009
Michael Tull	1 July 2008 - 30 June 2009
Nadine Flood	1 July 2008 - 30 June 2009
Evans Rupert	1 July 2008 - 30 June 2009

**NOTE 17: FINANCIAL INSTRUMENTS**

**(a) Interest Rate Risk**

Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates. The Governing Council's exposure to interest rate risk as at 30 June 2009 is limited to cash and term deposits of \$9,015,218.

**(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 18: CONTINGENT LIABILITIES**

**(a) Guarantees**

Guarantees for security deposits	129,843	127,131
Bank Guarantees	499,812	442,153
	629,655	569,284

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

**INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2009**

	2009	2008
	\$	\$
<b>REVENUE</b>		
Subscriptions Received (net of refunds and charges)	22,363,865	21,338,277
Interest Received	371,140	425,395
Management Fees	81,471	80,313
Rental Income	1,334,988	1,450,848
Sundries	62,790	3,923
<b>TOTAL REVENUE</b>	<b>24,214,254</b>	<b>23,298,756</b>
<b>LESS EXPENDITURE</b>		
Salaries and Related Payments		
- Elected Officials	803,170	755,497
- Fringe Benefits Tax	2,954	2,620
- Leave Provision	538,800	153,519
- Other Salaries	16,798	62,121
- Payroll Tax	774,082	750,212
- Employee Salaries	11,681,054	10,680,779
- Superannuation	1,764,918	1,601,580
- Workers' Compensation Insurance	280,924	264,693
- Other related expenses	237,150	429,489
Total Salaries and Related Payments	<b>16,099,850</b>	<b>14,680,510</b>
Affiliation fees	493,778	446,098
Audit and Accounting Fees	32,885	42,955
Bank Charges	3,906	2,596
Consultants Fees	-	-
Computer Operation and Maintenance	386,868	593,218
Depreciation and Amortisation	1,072,782	1,149,596
Donations	79,327	94,860
Furniture and Equipment	62,290	33,101
Interest Expense and line fees	-	1,651
Legal and Professional fees	88,549	(5,313)
Library Purchases	49,838	52,540
Membership Services	70,261	12,704
Motor Vehicle Expenses	315,374	315,986
Office Operation and Administration	1,035,856	975,413
Office Premises and Relocation	1,166,895	1,159,788
Postage and Freight	64,673	70,032
Publications (includes printing costs)	274,295	450,196
Representations	1,722,216	1,455,089
Telephones	1,119,628	1,154,610
	<b>8,039,421</b>	<b>8,005,120</b>
<b>Total Expenditure</b>	<b>24,139,271</b>	<b>22,685,630</b>
<b>Operating Surplus for the year</b>	<b>74,983</b>	<b>613,126</b>

# AUDITOR'S REPORT

for the year ended 30 June 2009



**THE COMMUNITY AND PUBLIC SECTOR UNION (PSU GROUP)  
ABN 30 987 910 747  
INDEPENDENT AUDIT REPORT  
TO THE MEMBERS OF THE COMMUNITY AND PUBLIC SECTOR UNION (PSU GROUP)**

**Scope**

**Report on the Financial Report**

We have audited the accompanying financial report of The Community and Public Sector Union (PSU Group), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the executive committee's declaration.

**Executive Committee's Responsibility for the Financial Report**

The executive committee of the union is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Workplace Relations Act 1996. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the executive committee also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

**Auditor's Responsibility**

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

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

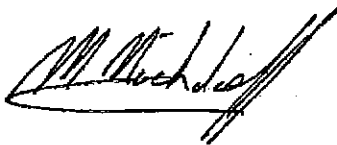
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Auditor's Opinion**

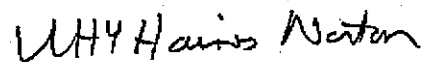
We have inspected and audited the accounting records kept by the The Community and Public Sector Union (PSU Group) in respect for the year ended 30 June 2009 and has received all the information and explanations we required for the purposes of our audit.

In our opinion:

- (a) There were kept by the organisation, in respect of the period, satisfactory accounting records detailing the sources and nature of the income of the organisation (including income from members) and the nature and purposes of the expenditure; and
- (b) The general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of Schedule 1 (RAO Schedule) of the Workplace Relations Act 1996.



**M. D. Nicholaeff**  
Partner



**UHY Haines Norton**  
Chartered Accountants

Signed at Sydney on 27 November 2009