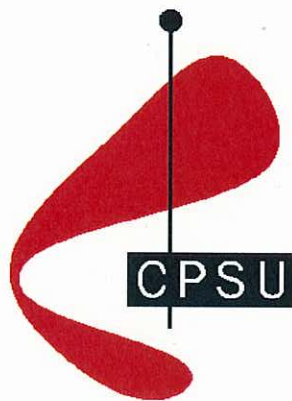


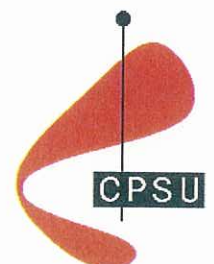
**CPSU, The Community and Public Sector Union,
PSU Group**

**Annual Financial Report
Year ending 30 June 2010**



OPERATING REPORT

for the year ended 30 June 2010



FROM THE NATIONAL SECRETARY

2009/10 has been a busy year for the CPSU, delivering on our Better Way to Bargain campaign and continuing to build on our Agenda for Change. The unusual federal election result has provided some positive and new opportunities for our union. It has also demonstrated that we are a flexible organisation, capable of adjusting our strategies and campaigns to meet the needs of our members in a changing environment.

A Better Way to Bargain

CPSU is well advanced in delivering a Better Way to bargain in the Australian Public Service to secure consistent pay and conditions. CPSU campaigned successfully to align the expiry dates of APS agency agreements to 30 June 2011 and has done significant research on the disparity in APS employees' pay and conditions. We have now developed a detailed service-wide bargaining claim for a new APS bargaining framework, based on extensive member and delegate feedback and detailed research. Members have strongly endorsed the draft claim, with over 15,000 members voting and 97.5% in favour. We are currently building support and engagement for the campaign across APS agencies and are seeking commencement of negotiations with Government.

Bargaining

2009–10 was also a very busy year for bargaining with positive new CPSU agreements being delivered for tens of thousands of members in workplaces including Telstra, Australia Post, Northern Territory Public Service and ACT Government.

Membership

Increasing membership is a priority for the CPSU, given the changing demographic in our key industries. During the 2009-10 year, a number of successful projects were undertaken in attracting new starters and employees in Human Services agencies. During this financial year our membership went from 55,310 to 54,394 (excluding CSIRO section).

Members have the right to resign in accordance with s174 of the Fair Work Act (Registered Organisation) Act 2009 and in conjunction with CPSU rule 5.3 Resignation of Membership.

Delegates

CPSU has made significant progress on securing recognition of union delegates in 2009-10. We have now secured appropriate recognition of delegates in agencies comprising over 100,000 of the 160,000 employees in the APS. Union delegates have also achieved recognition in the new Telstra enterprise agreement. CPSU is continuing to seek improved rights and facilities for our delegates in all sectors.

Our work rebuilding delegate structures and improving delegate support has been achieving significant results during 2009-10.

Key achievements include:

- Over 2,600 delegates and deputy delegates elected or re-elected
- Over 400 delegates attending regional delegate conferences.
- Over 900 delegates attended a CPSU training course.

Growth and Development

The Growth and Development team is responsible for a number of big initiatives to support workplace delegates and grow the union's membership. Key initiatives include:

- Delegate training program
- New starter recruitment project
- Human Services Growth campaign
- Graduates induction program
- Regional delegates conferences

Equity at Work

CPSU's annual What Women Want survey, conducted in conjunction with the University of Queensland's Institute for Social Science Research, has continued to provide a unique and vital insight into the issues facing women at work. Results of the survey have been used in numerous forums including:

- advocacy with the Government on the needs of working women, including the impact of public sector funding on the capacity to access leave and find work/life balance
- the ACTU Women's Committee and to other unions
- assisted ARIA in conducting superannuation sessions for CPSU members
- in bargaining, for example winning superannuation payments on periods of unpaid parental leave.

Employment of Aboriginal and Torres Strait Islander peoples

The CPSU National Aboriginal and Torres Strait Islander Cabinet (NATSIC), formed in 2009 to provide a united voice for Aboriginal and Torres Strait Islander members and delegates, has been working hard on developing strategies to campaign for improved indigenous employment in the APS.

Work/life balance

The CPSU has actively participated in the successful ACTU campaign to secure the development of a universal paid parental leave scheme, which comes into effect from February 2011. CPSU has also been a leader in securing superannuation payments on periods of unpaid parental leave, which goes a long way to addressing gender inequity in retirement income.

Protecting people at work

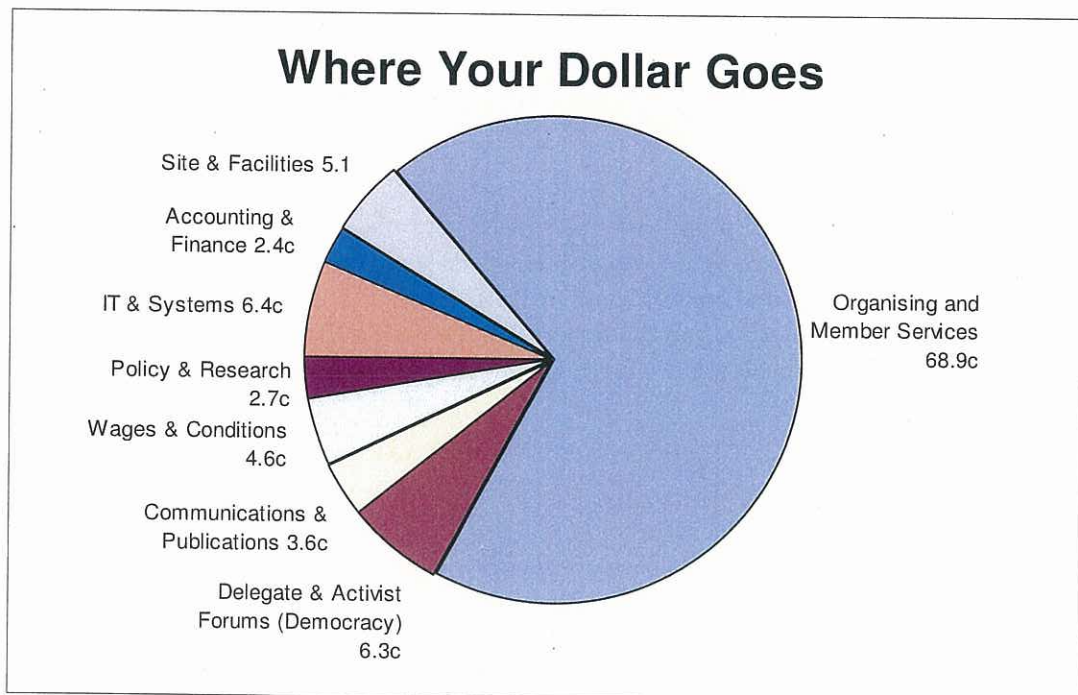
CPSU continues to lobby for the reintroduction of journey and recess cover for APS employees. This is an issue we will continue to advocate with Government. As additional protection for CPSU members, we have continued our income protection insurance coverage for members injured while travelling to and from work.

Finance matters

CPSU has increased subscription revenue by \$2.9 million over the 2009-10 financial year. This has been achieved through more accurately tracking member salary data and fee tiers. In addition an active strategy to reduce unfinancial members has resulted in 99.6% of our members being financial.

The CPSU employed a total number of 212 staff as at 30 June 2010.

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 2009 – 18 March 2010
Mark Gepp	1 July 2009 – 18 March 2010
Lisa Newman	1 July 2009 – 30 June 2010
Louise Persse	1 July 2009 – 30 June 2010
Michael Tull	1 July 2009 – 30 June 2010
Nadine Flood	1 July 2009 – 30 June 2010
Rupert Evans	1 July 2009 – 30 June 2010
Kristin Van Barneveld	18 March 2010 – 30 June 2010
Alistair Waters	18 March 2010 – 30 June 2010

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

Meeting Number	Date	Location
6.2009	23 – 24 July 2009	Sydney
7.2009	29 – 30 September 2009	Melbourne
8.2009	26 – 27 November 2009	Sydney
1.2010	13 – 14 January 2010	Sydney
2.2010	18 – 19 February 2010	Sydney
3.2010	14 – 15 April 2010	Sydney
4.2010	26 – 27 May 2010	Adelaide
5.2010	30 June 2010 – 1 July 2010	Melbourne

Statement on Superannuation Trustees

Mark Gepp, Peter Feltham and Louise Persse are CPSU officers who are known to be (and in the case of Mr. Gepp, now an ex-officer):

- 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 Fair Work (Registered Organisations) Act 2009.


Nadine Flood
National Secretary

8 November 2010

GENERAL PURPOSE FINANCIAL REPORT & AUDITOR'S REPORT

for the year ended 30 June 2010



**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
GOVERNING COUNCIL
30 JUNE 2010**

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**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
GOVERNING COUNCIL
COMMITTEE OF MANAGEMENT STATEMENT**

On 8 November 2010 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 2010:


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:



Nadine Flood
National Secretary



Louise Perse
Assistant National Secretary

Dated this 9th day of NOVEMBER 2010

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
GOVERNING COUNCIL
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010**

	Note	2010 \$	2009 \$
Revenue	3	27,223,871	24,214,254
Depreciation and Amortisation	4	(892,828)	(1,072,782)
Employee Benefits Expense	4	(16,445,186)	(14,804,739)
Other expenses from ordinary activities	4	(9,106,169)	(8,261,750)
INCOME FOR THE YEAR		779,688	74,983
Other Comprehensive income:			
Net gain on revaluation of land and buildings		6,346,757	-
Total comprehensive income for the year		7,126,445	74,983

The accompanying notes form part of these financial statements.

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
GOVERNING COUNCIL
BALANCE SHEET
AS AT 30 JUNE 2010**

	Note	2010 \$	2009 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	11,137,690	9,015,218
Trade and other receivables	7	232,842	293,551
Other assets	8	354,727	301,127
TOTAL CURRENT ASSETS		<u>11,725,259</u>	<u>9,609,896</u>
NON-CURRENT ASSETS			
Property, plant and equipment	10	16,445,440	10,676,546
TOTAL NON-CURRENT ASSETS		<u>16,445,440</u>	<u>10,676,546</u>
TOTAL ASSETS		<u>28,170,699</u>	<u>20,286,442</u>
CURRENT LIABILITIES			
Trade and other payables	11	3,532,378	3,066,376
TOTAL CURRENT LIABILITIES		<u>3,532,378</u>	<u>3,066,376</u>
NON-CURRENT LIABILITIES			
Provisions	12	2,059,611	1,758,801
TOTAL NON-CURRENT LIABILITIES		<u>2,059,611</u>	<u>1,758,801</u>
TOTAL LIABILITIES		<u>5,591,989</u>	<u>4,825,177</u>
NET ASSETS		<u>22,578,710</u>	<u>15,461,265</u>
EQUITY			
Reserves	14	10,354,946	4,017,189
General Fund Balance		12,223,764	11,444,076
		<u>22,578,710</u>	<u>15,461,265</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 2010**

	Capital Profits and Asset Revaluation Reserve	Death and Benevolent Fund	Levy Reserve	Superannuation Trust Fund	General Fund	Total
Balance at 1 July 2008	2,441,631	69,164	-	16,584	11,369,093	13,896,472
Transfer of levy reserve	-	-	1,489,810	-	-	1,489,810
Net income for the year	-	-	-	-	74,983	74,983
Balance at 30 June 2009	2,441,631	69,164	1,489,810	16,584	11,444,076	15,461,265
Funds used	-	(9,000)	-	-	-	(9,000)
Net income for the year	-	-	-	-	779,688	779,688
Reserve increment	6,346,757	-	-	-	-	6,346,757
Balance at 30 June 2010	8,788,388	60,164	1,489,810	16,584	12,223,764	22,578,710

The accompanying notes form part of these financial statements.

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
GOVERNING COUNCIL
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2010**

	Note	2010 \$	2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and others		27,057,499	23,830,000
Payments to suppliers and employees		(25,010,634)	(22,698,884)
Interest received		390,571	371,140
Net cash provided by operating activities	15	<u>2,437,436</u>	<u>1,502,256</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(314,964)	(462,172)
Net cash used in investing activities		<u>(314,964)</u>	<u>(462,172)</u>
Net increase in cash held		2,122,472	1,040,084
Cash at beginning of financial year		9,015,218	7,975,134
Cash at end of financial year	6	<u><u>11,137,690</u></u>	<u><u>9,015,218</u></u>

The accompanying notes form part of these financial statements.

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
GOVERNING COUNCIL
NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Note 1 Statement of Significant Accounting Policies

Basis of preparation

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

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

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

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

(a) Statement of Compliance

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

(b) Impairment of Assets

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

(c) Property, Plant and Equipment

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

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

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

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

The depreciation rates used for each class of asset are:

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

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
GOVERNING COUNCIL
NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

(d) Income Tax

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

(e) Employee Leave Entitlements

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, 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 collectability of debts is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that the Union will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the income statement as an expense.

(k) 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.

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
GOVERNING COUNCIL
NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

(m) Accounting policies and Standards

- Adoption of New and Revised Accounting Standards

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

The adoption of these Standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these Standards and Interpretations has had on the financial statements of the Union.

AASB 101: Presentation of Financial Statements

In September 2007, the Australian Accounting Standards Board revised AASB 101, and as a result there have been changes to the presentation and disclosure of certain information with the financial statements. Below is an overview of the key changes and the impact on the company's financial statements.

Disclosure impact

Terminology changes – The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Statement of comprehensive income – The revised AASB 101 requires all income and expenses to be presented in either one statement – the statement of comprehensive income, or two statements – a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The company's financial statements now contain a statement of comprehensive income.

- New Accounting Standards for Application in Future Periods

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

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
GOVERNING COUNCIL
NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Note 2 Information to be provided to members of the Registrar

(a) In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009 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 2010.

Note 3 Revenue

	2010 \$	2009 \$
Revenue from Operating Activities		
- Subscriptions Received (net of refunds and charges)	25,225,309	22,363,865
- Interest Received	390,571	371,140
- Management Fee - CSIRO Staff Association	85,421	81,471
- Rental Trading - CPSU Properties	1,378,049	1,334,988
- Grant - TUEF	80,000	-
- Sundries	64,521	62,790
Total revenue	27,223,871	24,214,254

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
GOVERNING COUNCIL
NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Note 4 Surplus from Ordinary Activities

	2010	2009
	\$	\$
Expenses		
Fees for payroll deduction for subscriptions	11,363	13,181
Depreciation and amortisation		
- Computer equipment	81,088	66,616
- Buildings	211,107	173,496
- Office Equipment	53,754	45,325
- Telephone System	-	6,440
- Leased Office Equipment	-	411
- Leasehold Improvements	133,129	117,845
- Freehold Improvements	230,562	193,101
- Information Systems Project	183,188	469,545
Total Depreciation and Amortisation	<u>892,828</u>	<u>1,072,779</u>
Remuneration of Auditor		
- Audit - Current Year	29,000	35,000
- Other Services	4,000	4,000
Employee Benefits		
- Salaries		
Elected Officials	832,270	803,170
Employees	13,001,876	11,681,054
- Annual Leave		
Elected Officials	9,472	23,231
Employees	65,759	101,382
- Long Service Leave		
Elected Officials	38,124	31,880
Employees	446,682	506,920
- Superannuation		
Elected Officials	117,350	123,379
Employees	1,889,253	1,658,336
Total Employee Benefits	<u>16,400,787</u>	<u>14,929,352</u>
Affiliation Fees	562,169	493,778
Legal and Professional Fees	23,332	88,549

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
GOVERNING COUNCIL
NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Note 5 Grants & Donations

	2010 \$	2009 \$
Included in others expense from ordinary activities are grants and donations:		
Trades and Labour Council WA	2,000	2,909
Centre for Policy Development	22,500	-
Australian People for Humanitarian Education & Aid Abroad	44,031	50,761
AmIEU	500	-
Austral Media Group Ltd	434	-
AFTINET	500	-
Death in Custody Watch Committee	750	-
Labour Day Celebrations Committee	181	136
Unions Tasmania	200	193
Workers Out	-	100
ABC Scholarship	546	300
APHEDA-Harti Appeal	20,000	-
Kidney Health Australia	318	-
Australian Peace Committee (SA)	91	91
Queensland Council of Unions	-	3,000
NSW ARTU	-	100
Trades and Labour Council ACT	-	250
Australian Red Cross	-	20,000
	<u>92,051</u>	<u>77,840</u>

Note 6 Cash and Cash Equivalents

	2010 \$	2009 \$
Cash on Hand	5,000	5,000
Cash at Bank	11,132,690	8,880,375
Term Deposits	-	129,843
	<u>11,137,690</u>	<u>9,015,218</u>

Note 7 Trade and Other Receivables

	2010 \$	2009 \$
Current		
Sundry debtors	200,184	180,208
Other related parties	32,658	113,343
	<u>232,842</u>	<u>293,551</u>

Note 8 Other Assets

	2010 \$	2009 \$
Current		
Prepayments	354,727	301,127
	<u>354,727</u>	<u>301,127</u>

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
GOVERNING COUNCIL
NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Note 9 Financial assets

	2010 \$	2009 \$
Non-current		
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>

Note 10 Plant and equipment

	2010 \$	2009 \$
Land and Buildings		
Freehold land and buildings at independent valuation 2010:		
Thomas Street, Sydney	14,704,285	10,200,000
Woods Street, Darwin	390,000	390,000
	<u>15,094,285</u>	<u>10,590,000</u>
Less Accumulated Depreciation	(277,107)	(1,908,472)
Net Land and Buildings	<u>14,817,178</u>	<u>8,681,528</u>
Leasehold improvements		
At cost		
Hobart	6,935	6,935
Hay Street, Perth	157,927	157,927
Brisbane Ave, Canberra	267,954	231,955
Henley Beach Road, Adelaide	16,722	16,722
Collins St, Melbourne	400,314	396,954
Browning Street, Brisbane	324,254	324,254
Plamer Street, South Townsville	5,395	5,395
	<u>1,179,501</u>	<u>1,140,142</u>
Less Accumulated Depreciation	(611,851)	(478,722)
Net Leasehold Improvements	<u>567,650</u>	<u>661,420</u>
Freehold Improvements		
Thomas Street, Sydney	2,124,910	2,000,743
Woods Street, Darwin	3,525	3,525
	<u>2,128,435</u>	<u>2,004,268</u>
Less Accumulated Depreciation	(1,337,862)	(1,107,299)
Net Freehold Improvements	<u>790,573</u>	<u>896,970</u>
Computer System		
At Cost	3,388,290	3,241,589
Less Accumulated Depreciation	(3,226,941)	(3,147,384)
Net Computer System	<u>161,349</u>	<u>94,205</u>
Office Equipment		
At Cost	2,714,259	2,711,051
Less Accumulated Depreciation	(2,605,569)	(2,551,815)
Net Office Equipment	<u>108,690</u>	<u>159,236</u>

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
GOVERNING COUNCIL
NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Telephone System		
At Cost	935,539	935,539
Less Accumulated Depreciation	(935,539)	(935,539)
Net Telephone System	<u>-</u>	<u>-</u>
Information Systems Project		
At Cost	213,406	213,406
Less Accumulated Depreciation	(213,406)	(213,406)
Net Information Systems Project	<u>-</u>	<u>-</u>
CRM/Membership System		
At Cost	1,795,414	1,795,414
Less Accumulated Depreciation	(1,795,414)	(1,612,226)
Net CRM/Membership System	<u>-</u>	<u>183,188</u>
Website		
At Cost	63,091	63,091
Less Accumulated Depreciation	(63,091)	(63,091)
	<u>-</u>	<u>-</u>
Total plant and equipment	<u>16,445,440</u>	<u>10,676,546</u>

Movements in Carrying Amounts

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

2010	Balance at beginning of year	Additions	Depreciation expense	Revaluation During the year	Carrying amount at the end year
Land and Buildings	8,681,528	-	211,107	6,346,757	14,817,178
Leasehold Improvements	661,420	39,359	133,129	-	567,650
Freehold Improvements	896,970	124,165	230,562	-	790,573
Computer Equipment	94,205	148,232	81,088	-	161,349
Office Equipment	159,236	3,208	53,754	-	108,690
CRM/Membership System	183,188	-	183,188	-	-
TOTAL	<u>10,676,547</u>	<u>314,964</u>	<u>892,828</u>	<u>6,346,757</u>	<u>16,445,440</u>

Note 11 Trade and Other Payables

	2010 \$	2009 \$
Current		
Accounts Payable and Accruals	1,976,640	1,609,234
Rental Bond	130,130	129,843
Annual leave		
- holders of office	127,903	173,308
- other employees	1,297,705	1,153,991
	<u>3,532,378</u>	<u>3,066,376</u>

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
GOVERNING COUNCIL
NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Note 12 Provisions

	2010	2009
	\$	\$
NON CURRENT		
Long Service Leave		
holders of office	197,128	328,184
other employees	1,862,483	1,430,617
	2,059,611	1,758,801

Provision for Employee Entitlements

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

Note 13 Capital and Leasing Commitments

	2010	2009
	\$	\$
(a) Operating Lease Commitments		
Payable-minimum lease payments		
- not later than 12 months	1,716,689	1,253,391
- later than 1 year but not more than 5 years	2,336,880	3,039,600
Balance at the end of the year	4,053,569	4,292,991

Note 14 Reserves

	2010	2009
	\$	\$
Capital Profits and Asset Revaluation Reserve (a)	8,788,388	2,441,631
Death and Benevolent Fund	60,164	69,164
Superannuation Trust Fund	16,584	16,584
Levy Reserve	1,489,810	1,489,810
Balance at the end of the year	10,354,946	4,017,189
(a) Capital Profits and Asset Revaluation Reserve		
Balance brought forward	2,441,631	2,441,631
Increment on property value	6,346,757	-
Balance carried forward	8,788,388	2,441,631

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
GOVERNING COUNCIL
NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Note 15 Cash Flow Information

	2010	2009
	\$	\$
(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	11,132,690	8,880,375
Term Deposits	-	129,843
	<u>11,137,690</u>	<u>9,015,218</u>
 (b) Reconciliation of Cash Flow from Operations with Operating Surplus		
Operating surplus	779,688	74,983
Non cash flow in operating surplus:		
Depreciation and amortisation	892,828	1,072,778
(Increase)/Decrease in trade debtors	(3,913)	(13,114)
(Increase)/Decrease in prepayments	(53,599)	86,455
(Increase)/Decrease in other assets	64,621	(27,118)
Increase/(Decrease) in provisions	300,806	319,019
Increase/(Decrease) in trade creditors and levy fund	457,005	(10,747)
Net cash provided by operating activities	<u>2,437,436</u>	<u>1,502,256</u>
 (c) Credit standing arrangements with Bank:		
Credit Facility	3,770,000	3,770,000
Amount Utilised	1,745,087	919,812

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
GOVERNING COUNCIL
NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Note 16 Related Party Information

	2010	2009
	\$	\$
(a) Receivable from Related Party		
Shared Advantage Limited	32,658	113,343
	32,658	113,343

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 200/2010 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 2009 - 18 March 2010
Mark Gepp	1 July 2009 - 18 March 2010
Lisa Newman	1 July 2009 - 30 June 2010
Louise Persse	1 July 2009 - 30 June 2010
Michael Tull	1 July 2009 - 30 June 2010
Nadine Flood	1 July 2009 - 30 June 2010
Rupert Evans	1 July 2009 - 30 June 2010
Kristin Van Barneveld	18 March 2010 - 30 June 2010
Alistair Waters	18 March 2010 - 30 June 2010

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 2010 is limited to cash and term deposits of \$11,137,690.

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

(c) Net Fair Values

For other assets and other liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and notes to and forming part of the financial statements.

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
GOVERNING COUNCIL
NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

Note 18 Contingent Liabilities

	2010	2009
(a) Guarantees	\$	\$
Guarantees for security deposits	129,843	129,843
Bank Guarantees	475,087	499,812
	<u>604,930</u>	<u>629,655</u>

Note 19 Events After the Balance Sheet Date

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

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

Scope

Report on the Financial Report

We have audited the accompanying financial report comprising the Committee of Management Statement, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and accompanying notes to the financial statements for the CPSU, The Community and Public Sector Union, PSU Group, Governing Council for the year ended 30 June 2010 as set out on pages 1 to 17.

Executive Committee's responsibility for the financial report

The executive committee of the union is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009. This responsibility includes 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 judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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.

Associated Offices

VIC Melbourne
QLD Brisbane
SA Adelaide
WA Perth
NT Durack
NZ Albany
NZ Auckland



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Auditor's Opinion

We have inspected and audited the accounting records kept by CPSU, The Community and Public Sector Union, PSU Group, Governing Council in respect for the year ended 30 June 2010 and have received all the information and explanations we required for the purposes of our audit.

In our opinion:

- a. They were kept by the organisation, in respect of the period, satisfactory accounting records detailing the sources and nature of the income of the organisation (including income from members) and the nature and purposes of the expenditure; and
- b. The general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the RAO Schedule of the Fair Work (Registered Organisations) Act 2009.

Name of Auditor Pran Rathod - Director Audit Services
(Registered Company Auditor)

Signature 

Dated at Sydney, 9 November 2010



Hayes Knight

accountants & business advisors
your partners in success

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AUDITORS DISCLAIMER

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

**ADDITIONAL INFORMATION INCLUDED FOR THE BENEFIT OF MEMBERS ON
THE FINANCIAL ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2010**

This additional financial data presented in the Income Statement is in accordance with the books and records of CPSU, The Community and Public Sector Union, PSU Group, Governing Council for the year ended 30 June 2010 which have been subject to the auditing procedures applied in our statutory audit of the union. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly we do not express an opinion on such financial data and no warranty of accuracy or reliability is given. Neither we nor any member or employee of our practice undertakes responsibility in any way whatsoever to any person (other than our client) in respect of such data, including any errors or commissions therein however caused.

Name of Auditor Pran Rathod - Director Audit Services
(Registered Company Auditor)

Signature  _____

Dated at Sydney, 9 November 2010

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**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
GOVERNING COUNCIL
DETAILED INCOME & EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2010**

	2010	2009
Income		
Member Subscriptions	25,641,292	22,736,960
Cost of Member Subscriptions	(404,619)	(359,915)
Net Member Subscriptions before PRD Commission	25,236,673	22,377,045
Other Income	1,998,561	1,850,390
Income before PRD Commission	27,235,234	24,227,435
PRD Commission	(11,363)	(13,181)
Total Income	27,223,871	24,214,254
Expenditure		
Organising & Member Services	17,300,236	15,346,429
Democracy, Delegate & Activist Forums	1,582,305	1,580,103
Communications & Publications	903,310	720,094
Wages & Conditions	1,139,332	1,021,361
Policy & Research	668,459	746,799
Information Technology & Systems	1,590,262	1,679,408
Finance & Administrative Overhead	617,191	643,025
Site & Facilities	2,643,088	2,402,052
Total Expenditure	26,444,183	24,139,271
INCOME FOR THE YEAR	779,688	74,983

The above must be read in conjunction with the Auditor's Disclaimer.