



Annual Report



Public Service Association
Te Pūkenga Here Tikanga Mahi

2014 - 2015

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President's report

E ngā iwi, e ngā reo, e ngā mana, e ngā mātāwaka.
Tēnā koutou, tēnā koutou, tēnā koutou katoa.
E mihi kau tēnei ki a koutou i runga i ngā tini
āhuatanga e pa ana ki to tatou uniana o te
NZPSA mai i Te Pūkenga Here Tikanga
Mahi.

Ngā tini mate, haere haere haere.
Ratou te hunga wairua ki a ratou.
Tatou te hunga ora ki a tatou.
Tēnā koutou katoa.

Following the highs of a very successful congress last year we were faced with the re-election of a government with its agenda to cut public sector spending, increase privatisation and reduce workers' rights. The PSA has always positioned itself, politically and organisationally, to withstand adverse environments such as the one we find ourselves in currently. The union's policy goals and objectives continue to be strategic, relevant and achievable, albeit via different tactics and a longer time frame.

At congress delegates gave the go-ahead to a proposed merger with the Southern Local Government Officers Union (SLGOU). As a result of that merger, which took place in April, the number of PSA members in the local government sector has increased by about 25 percent – from 6000 to 8000. The outcome is that we have an even stronger voice for quality services and jobs in local government and a stronger union overall.

A major focus at congress was equal pay for work of equal value. Many of our members in the community public services sector remain grossly underpaid for the important work they do supporting some of the most vulnerable in society. A particularly satisfying outcome was the agreement we reached with the government to pay home support workers for travel time between clients and a mileage allowance.

Over the past year we have made real progress with our Worth 100% equal pay campaign. We are engaging with employers on equal pay through bargaining and partnership forums and seeing institutional barriers being challenged. We ran two equal pay seminars co-hosted with the EEO Commissioner and Victoria University of Wellington's Centre for Labour, Employment and Work (CLEW). Equal pay was also a theme of the Council of Trade Unions (CTU) Women's Conference this year.

Our 3406 workplace delegates are the heart of our union. To support them, this year we introduced an emerging leaders' programme and mentor training. We are also updating our delegate training workshops.

We continue to work closely with the State Services Commission (SSC) to develop positive workplace cultures. The PSA was part of the sexual harassment reference group set up after the SSC investigation into former



CERA chief executive Roger Sutton's conduct following a complaint from a CERA staff member. Important new policy guidelines on the prevention and response to workplace sexual harassment have now been issued to the chief executives of all public sector agencies. The PSA is also working with the SSC to produce an overarching strategy for integrity in the state services.

Another important area is health and safety where we are working with Worksafe New Zealand and the SSC to develop agency risk profiles, a response to the shooting at the Ministry of Social Development Ashburton office in which two Work and Income staff were killed and another was injured.

Bargaining, of course, remains the union's core activity and this is a big year with many collective agreements being negotiated across the public sector. While budgetary restraints in the public sector have meant that pay increases have been modest and negotiations difficult, our skilled and highly committed organisers and bargaining teams have settled, or are in the process of settling many of our larger agreements, including ACC, District Health Boards, Statistics New Zealand and the Department of Corrections.

Much of the union's work comes under the umbrella of Transforming our Workplaces, the union's agenda for building better working lives for our members. The strategy launched at congress 2012 is now firmly embedded in the union's work and has had a positive response from members and delegates.

I am happy to report that despite the pressures on the public sector and on workers, the PSA remains in good heart and is making progress on its goals. Over the past 12 months I have made it my goal to engage with as many of our members as possible at meetings, rallies and in workplaces. I am truly inspired by both members and staff who work tirelessly for the rights of workers in the public sector.

I would like to thank my fellow board members, our PSA staff, and our wonderful delegates who give up their time and do so much, representing the union in their workplaces, serving on PSA sector committees, bargaining teams and the other working groups that keep our union going. Finally a big thanks to all our members without whose continued support, participation and solidarity, the PSA would simply not exist.

We are a strong, vibrant, caring and growing union which I am proud to be a member of and to serve. Kia Kaha!

Mike Tana
president
Public Service Association
Te Pūkenga Here Tikanga Mahi

Executive board

The executive board is a policy-making body accountable to congress. The board consists of the president, the secretariat, the elected convenor of each sector committee, the convenor of Te Rūnanga o Ngā Toa Āwhina and a representative of the staff group. This year the executive board met on five occasions: October 2014, December 2014, February 2015, April 2015 and June 2015.

Mike Tana	President	Daryl Gatenby	Staff representative
Peter Robertshaw	Vice President	Jenny Goodman	Community Public Services
Pam Jemmett	Treasurer	Marcia Puru	Te Rūnanga
Ian Cooper	Local Government (from March 15)	Flash Sandham	Local Government (until Feb 15)
Andy Colwell	District Health Boards (from March 15)	Richard Wagstaff	National secretary
Renee Delamere	District Health Boards (until Feb 15)	Erin Polaczuk	National secretary



Executive board during congress 2014: From left; Marcia Puru, rūnanga convenor; Peter Robertshaw, public service sector; Erin Polaczuk, national secretary; Pam Jemmett, state sector convenor; Glenn Barclay, acting national secretary (until October 2014); Mike Tana, president; Daryl Gatenby, PSA staff representative; Jenny Goodman, community public services sector; Richard Wagstaff, national secretary; Flash Sandham, local government sector (until February 2015). Seated in front: Kiwhare Mihaka, kaumātua.

Congress

The PSA National Delegates Congress was held in Wellington on 23-24 September 2014. Held just days after the general election, it featured analysis of the results and the implications for the PSA and the union movement as a whole.

Highlights of key motions that passed during congress:

- Gender equity in PSA governance – the women’s network proposed that women’s representation in PSA governance bodies and official delegations be in line with the gender demographics of the membership they

represent. After debate, the motion was passed with a requirement that gender equity be implemented by next congress, and a working group set up to amend the existing structures.

- Recognition of gender diversity – the Out@PSA network asked the PSA to expand gender choices on PSA forms and record-keeping to include the option of indeterminate, intersex, unspecified in addition to male and female. The proposal was accepted and the PSA is in the process of implementing it across its range of materials.

Our people

- Network representation – each of the formal networks is now entitled to three representatives to congress. Formal networks supporting this proposal were the Women’s network, PSA Youth Network, PSA Pasefika and Out@PSA. The motion was passed.
- Merger with SLGOU – the executive board asked delegates to endorse the amalgamation of SLGOU with the PSA, subject to satisfactory negotiations. The vote in favour was unanimous with one abstention.



Donald Bruce, Richard Wagstaff, Angela Collier, and Erin Polaczuk at the SLGOU pōwhiri.

Our delegates



Official photo of the congress 2014 delegates. In 2015 the number of delegates increased from 3160 to 3406, an increase of 240, partly accounted for by the merger with SLGOU. The gender breakdown is 2117 women and 1289 men.

Life membership awards



Keith Gutsell and Mike Tana



Sue Piper

The congress 2014 voted unanimously to award life membership to Sue Piper and Keith Gutsell. This is a special honour that marks a significant and sustained contribution to the PSA.

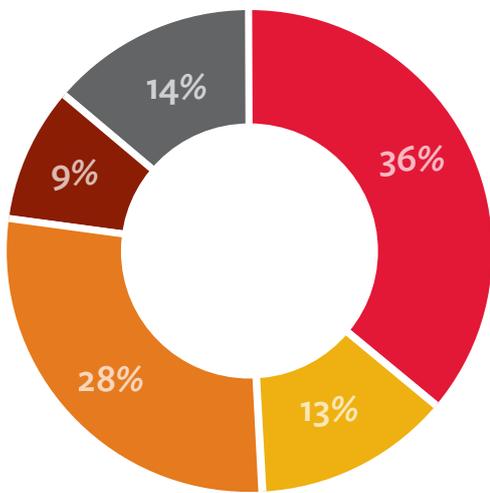
Membership snapshot

Membership was boosted this year by the merger with SLGOU and currently stands at 61,738. Recruitment remains a top priority and is a feature of the union's activities to maintain and increase our influence.

And the numbers:

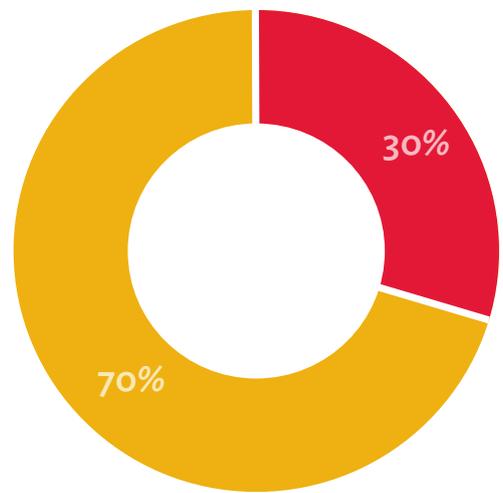
Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Members	41,556	43,570	45,778	49,502	54,859	55,010	55,569	57,652	58,258	57,581	58,332	58,427	58,721	61,738

PSA membership by sector



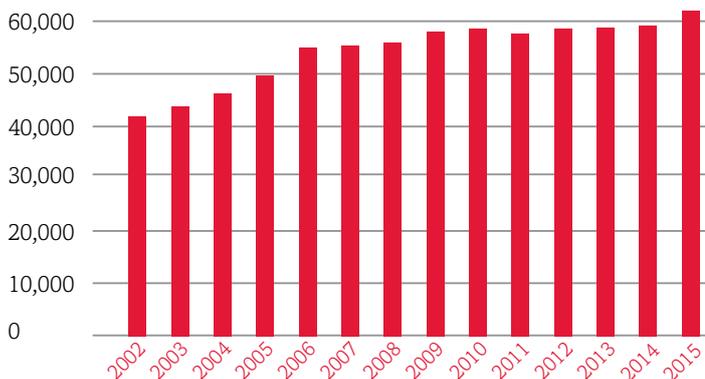
- Public service
- Community public services
- Local government
- State sector
- District health boards

PSA membership by gender

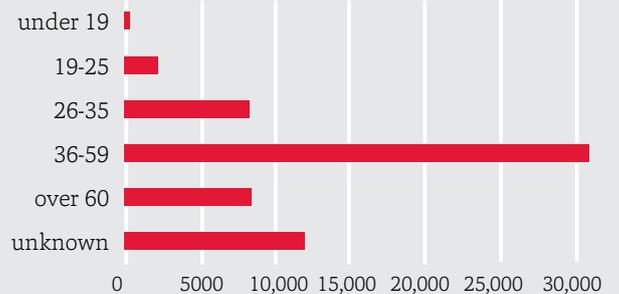


- Female
- Male

Membership growth 2001 – 2015



Age bands



Te Rūnanga has 5767 Māori members and 756 Māori delegates.

Membership participation in union activity continues to grow.

Te Rūnanga is working to develop union density data and targeted recruitment strategies across all enterprises to increase participation of Māori in the union. Te Rūnanga now has a “Haere Mai” booklet used to recruit Māori across the PSA and a poster to complement the booklet.

Te Rūnanga is developing training, induction and mentoring initiatives for new Rūnanga delegates, Māori enterprise delegates and sector māngai. A series of regional leadership hui were held for delegates across the country.

The bargaining environment is difficult for all members, especially Māori members. Te Rūnanga continues to research, review, and collate cultural clauses in PSA collective agreements.

Te Rūnanga is also progressing towards a Māori bargaining strategy that will see better outcomes for Māori across all

enterprises to assist bargaining teams to ensure that the minimum outcomes for Māori members are achieved.

Te Rūnanga has developed the “Nga Kaupapa Māori” document that has a Māori perspective and aligns with the PSA’s Transforming our Workplaces agenda. Feedback from Māori members, delegates and sector committees has welcomed our approach to support Kaupapa Māori within the workplace.

Delegates at congress 2014 endorsed Te Rūnanga remits to implement new sector names in te reo Māori.

These are now known as:

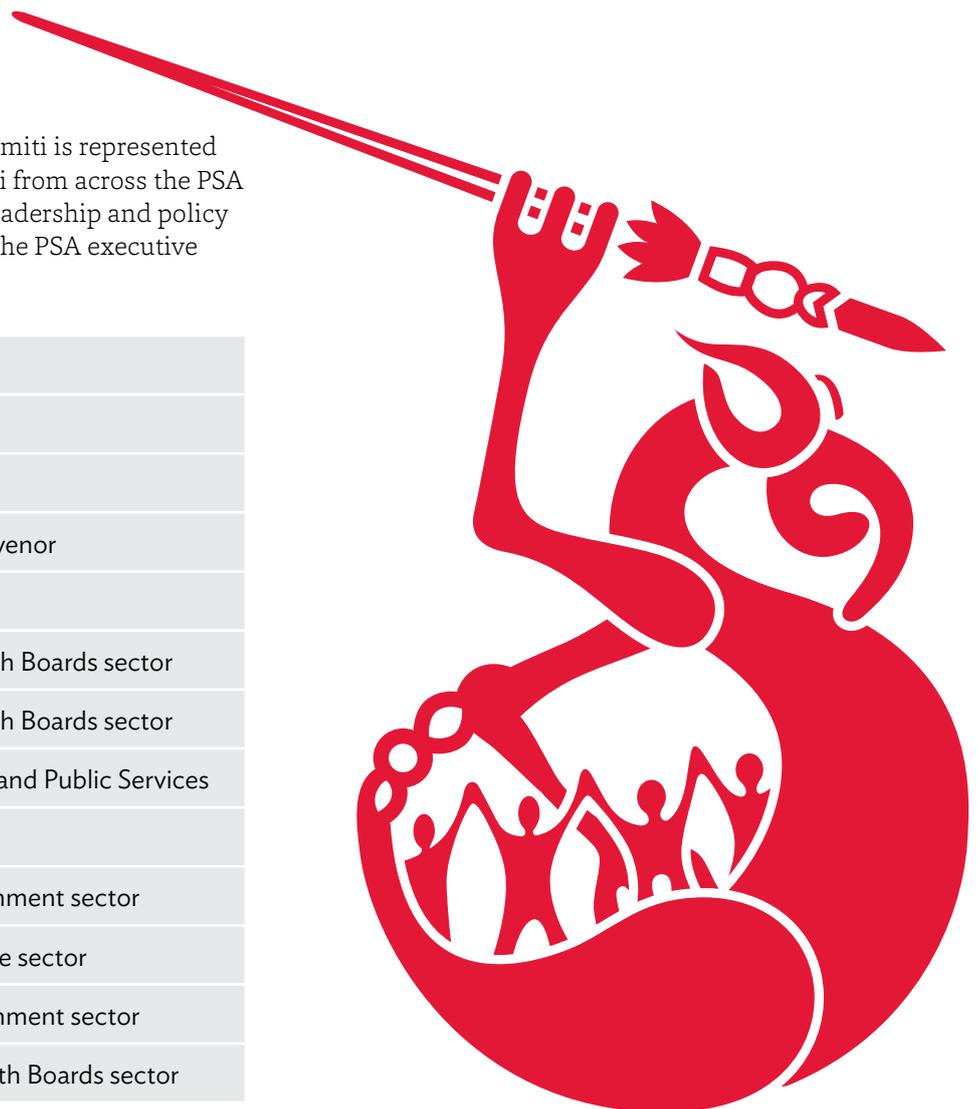
- Public Service – **Rātonga mahi ā te Kāwanatanga**
- District Health Boards – **Pōari Hauora ā Rohe**
- State Sector – **Rāngai Tūmatanui**
- Local Government – **Kāwanatanga-ā-Rohe**
- Community Public Services – **Rātonga Mahi ā Hāpori.**

Te Rūnanga continues to forge links with indigenous Australian unionism.

Komiti members

The Te Rūnanga o Ngā Toa Āwhina kōmiti is represented at a national level by 13 sector māngai from across the PSA sectors. The kōmiti provide cultural leadership and policy advice. The convenor is a member of the PSA executive board.

Kiwhare Mihaka	Kaumātua
Georgina Kerr	Kuia
Marcia Puru	Convenor
Marshall Tangaroa	Deputy Convenor
Gail Arthur	State sector
Lesley Dixon	District Health Boards sector
Allan Franks	District Health Boards sector
Pania Love	Community and Public Services
Alby Marsh	State sector
Lee Rauhina-August	Local Government sector
Richard Wagner	Public Service sector
Sophie Williams	Local Government sector
Tiare Williams	District Health Boards sector



PSA strategic goals

The strategic goals set out where the PSA wants to be by the year 2024.

Our purpose is to build a union that is able to influence the industrial, economic, political and social environment in order to advance the interests of PSA members – creating a better working life for our members.

Our strategic goals:

- **Equal Pay Utu ōrite**

All women and men PSA members are paid equally for work of equal value.

- **Building our union Hāngaia i to tatou Uniana**

Membership of the PSA is strong and growing, and the union is resilient and sustainable.

- **Transforming our Workplaces Whakahoungia te Wāhi Mahi**

Workplaces are transformed so that work is fulfilling, productive and satisfying.

- **Advocating for strong, innovative and effective public and community services Ratonga Hapori Tūmatanui Kaha**

Our influence has led to sustained political and public support for properly funded innovative public and community services.

Supporting these goals, and woven through them, is the PSA's commitment to advancing the **Treaty of Waitangi** principles of partnership, protection and participation as they relate to the working lives of members.

Strategic goals – progress

Equal pay

The equal pay campaign has been gaining momentum since October last year when the Court of Appeal dismissed an appeal by Terranova Homes against an earlier Employment Court ruling backing Lower Hutt rest home worker Kristine Bartlett's claim that women care workers' low pay was discriminatory. Legal action is ongoing and the PSA has joined with the New Zealand Nurses Organisation (NZNO) and the Service and Food Workers Union (SFWU) in pursuing the case.

Equal pay advocates have been recruited and a training module for advocates is being rolled out. Our community public services advocates have begun lobbying MPs.

We have sought to engage with employers on equal pay through bargaining, partnership forums and two equal pay seminars co-hosted with the EEO Commissioner and the CLEW at Victoria University of Wellington.

The Worth 100% campaign was reviewed and updated to continue to raise the profile of this important issue.

Building our union

Recruitment remains a core part of the union's activity and we are always looking for opportunities to sign-up new members. This year we have had success with phone-based recruitment. We also appointed an online organiser (recruitment) to better build and maintain our membership.

SLGOU and the PSA merged on 1 April 2015 – joining together two unions with a strong public services ethos. By the numbers, SLGOU's members increased the number of PSA members who work in local government by about 25 percent – from 6000 to 8000.

Transforming our Workplaces

The Transforming our Workplaces strategy has five strands: *fair and secure, career development, healthy and safe, trust and effectiveness, and personalised.*

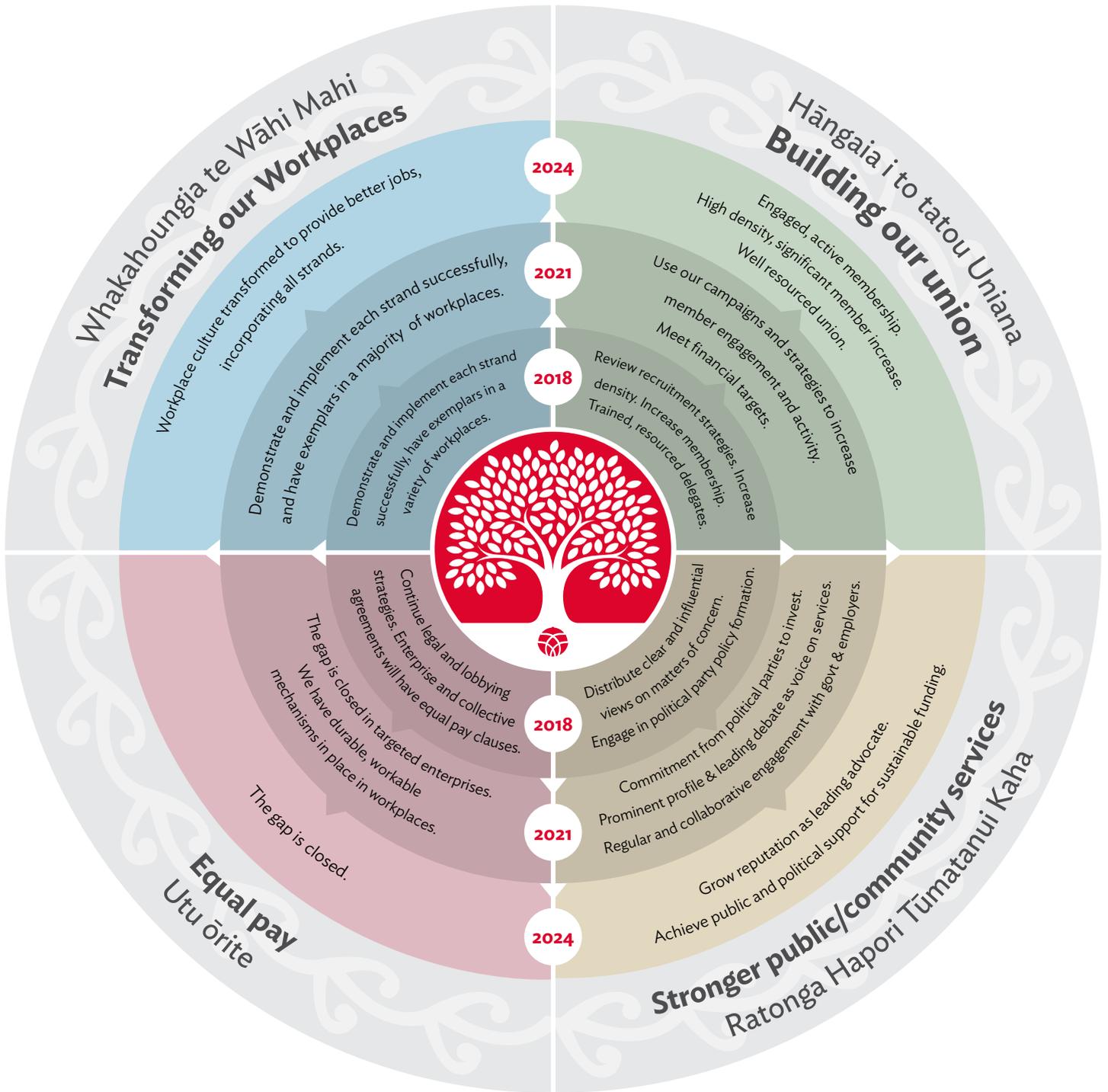
For an update on this year's initiatives under each strand of Transforming our Workplaces see page 8.

Advocating for strong, innovative and effective public and community services

The PSA's role as the leading voice in favour of properly funded, innovative, public and community services has led to a number of positive steps for our members in these areas.

We have signed relationship agreements with public service agencies this year, moving beyond good intentions to a concrete positive working relationship between organisations and the PSA. Our Sustainable Work Systems tool has also been taken up more widely, with a number of new employers trialling and adopting it. Discussions are continuing with other organisations.

PSA strategic goals



Our strategic goals set aspirational targets about where we want the PSA to be in 2024, and within that has three year cycles where we set more specific goals and plan towards achieving them.

This whole-of-union approach has been signed off by the executive board and has been developed through the governance structures of the union and after consultation with other interested parties.

Transforming our Workplaces

Transforming our Workplaces is the strategic agenda of the PSA. It was included in the PSA's strategic plan 2011 – 2014 and launched at congress 2012 as Transforming the Workplace. As part of the recent review of the strategic plan, however, the agenda has been renamed as Transforming our Workplaces to emphasise that it is inclusive and relevant to members' working lives. Initial work focused on identifying the five strands that comprised this agenda: fair and secure; healthy and safe; trust and effectiveness; personalised; and career development. This included identifying the key features of the kind of workplaces we want.

In the last year there has been good progress in advancing the Transforming our Workplaces agenda. Organisers are integrating the agenda in their daily work with delegates and members and it is also a component in delegate training. Employers are becoming more informed about Transforming the Workplace either through bargaining or through union presentations. Below are some notable achievements in the five strands.

Fair and secure strand

In the fair and secure strand we are making progress in the campaign for equal pay through collective agreements and raising awareness activities.

The In Between Travel Settlement Agreement negotiated this year by the PSA, SFWU, providers, DHBs, and the Ministry of Health means that on 1 July 2015 many home support workers started to be paid for their travel time as an interim payment until the new travel bands come into effect by 1 March 2016. The negotiated agreement affects about 23,000 workers across about 70 home and community-based support providers.



In addition, the initial negotiations for this agreement have led to a broader discussion about the sustainability of the Home and Community-Support Services model. As a result, a working group that includes representatives from the PSA, SFWU, DHBs, the Ministry of Health and providers is looking at ways to transition to a “regularised” workforce. The changes are significant and when achieved will ensure guaranteed hours for the majority of the workforce, paid training to enable support workers to gain level 3 qualifications, wages based on the required levels of training, and fair and safe workload allocations.

Career development strand

In the career development strand we have been working closely with Careerforce on a development programme for the kaiāwhina workforce in community, health and disability. This work also includes building a relationship with working with Skills Organisation, with whom we are developing a memorandum of understanding.

Healthy and safe strand

In the healthy and safe strand we reviewed our model employee (now worker) participation agreement (WPA) and agreed a WPA with WorkSafe New Zealand. We also worked with WorkSafe New Zealand and the SSC as part of a programme to get the state sector to show leadership in health and safety.

We continued to serve as an advocate for our members, for example, challenging Waikato DHB's poor review processes aimed at pushing through dangerous changes to the rostering of mental health workers of the Henry Bennett Centre.

We worked to revive our health and safety network and established a working group to develop an organising strategy and resources on dealing with workplace violence.

Personalised

As part of the personalised strand, the union has been continuing its work on family violence, developing a resource kit for organisers and successfully including clauses into some collective agreements.

Out@PSA has organised the training of some PSA delegates and Out@PSA members by the CTU as part of the first training for trainers of the Gender and Sexual Diversity at work resource.

Trust and effectiveness

In the trust and effectiveness strand we have developed resources for Sustainable Work Systems, the union-based system of continuous improvement and work is underway in the DHB, public service and state sectors to implement this approach.

Delegate development and review

The delegate development steering committee, consisting of delegates and PSA staff, met several times in 2014. Between meetings, work took place in three areas – delegate induction and orientation, enterprise delegate development, and the PSA education programme.

Core areas of work this year included the design of a new three-day stage two delegates' course. This was piloted in Auckland, Hamilton and Christchurch. The course was designed to broaden and deepen stage one and to provide content that both challenged and nurtured delegates. Feedback from the pilots was very positive, and this course is now running nationally.

A document has been produced which will assist enterprises to incorporate delegate development into enterprise plans. A revised and updated delegates' handbook is in the process of design and publication.

The pilot emerging leaders programme is due to conclude in 2015. Fifteen delegates representing a broad range of our membership were selected to participate. There have been real successes with the programme, with participants stepping up to senior roles within the PSA. The programme is resource intensive, and we will need to be sure to allocate sufficient time and money to allow this programme to continue.

A new full-time implementation project manager has been appointed to continue the work in the delegate development re-design project. Future work includes the design of stage three modules and workshops, increasing the amount of mentoring education, and embedding the work of the delegate development steering group.

Affiliations

National

New Zealand Council of Trade Unions

The PSA is a committed affiliate of the CTU and participates in CTU national and local forums and programmes. National secretary Richard Wagstaff holds the position of vice president of the CTU.

This year we have been involved in the following CTU bodies:

- Health Sector Steering Committee
- Pay and Employment Equity
- State Sector Council
- Women's Council
- Stand Up
- Out@Work
- Komiti Pasefika
- CTU Runanga

The PSA is also represented at CTU conferences. The CTU's Stand Up youth biennial conference was in held in

May. About 10 active PSA Youth members attended the conference, alongside young members from other New Zealand unions. The conference focused on building youth voices within the union movement and strengthening Stand Up's structures.

International

Public Services International

The PSA is a member of Public Services International (PSI), the global federation of public sector unions, and plays an active role in the Oceania region. PSI Oceania aims to deliver both campaign support and educational, capacity building support for the affiliates, along with the traditional solidarity activities. Support is particularly important for affiliates in countries where the political situation is detrimental to the trade union movement.

Over the past 12 months the sub-region has reviewed its operations and decided that it was important to coordinate activities and actions more congruently with the PSI global plans and goals. That means aligning our local activity with the goals of: influencing global policies, opposing privatisation, asserting trade union rights, and focusing on organising and the growth of PSI.

PSI is coordinating activity in the Oceania sub-region in keeping with these goals. Trade agreements in this sub-region are especially important to affiliates, including building an organised response to the Trans-Pacific Partnership agreement (TPPA) and the Pacific Agreement on Closer Economic Relations Plus.

Annual members' meetings

Annual members' meetings (AMMs) took place from April to June. A small number were delayed slightly, with approval to proceed later, due to alignment with bargaining preparation meetings.

The meetings met the requirements of PSA Rule 27. Members received reports on sector and enterprise activity, and discussed the year ahead.

The biennial election of delegates was the main requirement for this round. An effort to lift the number of women delegates was made. More women will help address balance issues in representational structures such as enterprise and sector committees. This was done indirectly; for example, organisers discussed how they might appropriately encourage more women to stand for delegate roles, and posters featuring female delegates were released.

The number of delegates increased from 3160 to 3406, an increase of 240, partly accounted for by the merger with the SLGOU. The gender breakdown is 2117 women and 1289 men.

“We all need to pay our bills, look after our families, and not worry about where the next dollar is coming from.”

**Glenda Young
Dental Therapist**

worth RESPECT
PSA

EMAIL: ENQUIRIES@PSA.ORG.NZ FREEPHONE: 0508 367 772 PSA

Living Wage

The PSA continues to actively support the Living Wage campaign. This year we have established a national network of organisers, with at least one organiser in each office who is connected to what is happening locally with the Living Wage campaign. We continue to play a role on the national governance committee. The big success this year has been in Wellington City Council, where the council has agreed to budget in 2016 and 2017 to extend the Living Wage (\$19.25) to contracted out workers as well as those directly employed by council. This is compared to the minimum wage of \$14.75. The PSA is proud to be a Living Wage Accredited Employer, meaning that all staff and people we regularly contract for services are paid at least the Living Wage.

Health

Along with other health sector unions, the PSA has returned to the bargaining table this year with a determination to achieve a good settlement. We know that the government has consistently, across several years now, continued to underfund services and wages in the health sector. At the time of writing, we were seeking to elicit an offer from DHBs. Members are committed to standing strong for a better outcome this time round.

Trans-Pacific Partnership agreement

The PSA has supported the campaign to release the text of the TPPA and has also voiced its concern about the Trade in Services Agreement. We will continue to advocate alongside the CTU and other union affiliates for full transparency in our trade negotiations.

Worth 100% Equal Pay campaign

May 2015 marked a year since the appointment of a full-time PSA equal pay campaign organiser and the launch of the PSA Worth 100% Campaign. The steering committee reviewed the campaign and noted that equal pay remains a high-level goal for the PSA. Our union is again seen as a leader in the equal pay debate with our Worth 100% branding and logo receiving positive public recognition.

The Worth 100% campaign was the theme of the Women’s Network Committee conference, and this year the network has made it the focus of their work. The development of an equal pay advocates’ network will be useful in taking our equal pay message out to the community and educating politicians and employers. Delegates have had the Worth 100% campaign incorporated into their training and national meetings and are spreading the word in workplaces.

TRADE MINISTER GROSER IS IN HAWAII TO FINALISE THE TRANS-PACIFIC PARTNERSHIP AGREEMENT (TPPA).

**WE SAY:
TPPA?
WALK
AWAY!**

The TPPA is a secret deal that’s about a whole lot more than trade.

We believe it would raise the price of medicines, let foreign investors sue our government in shady tribunals, restrict internet freedom, and much more.

8-15 AUGUST TPPA ACTION WEEK ITSOURFUTURE.ORG.NZ

This advertisement was crowdfunded by thousands of everyday NZers like you.

ActionStation PSA

Issues and campaigns

We have sought to engage with employers on equal pay through bargaining, partnership forums and two equal pay seminars co-hosted with the EEO Commissioner and the CLEW at Victoria University of Wellington.

The PSA has entered into a memorandum of understanding with other unions in the aged care sector, NZNO and SFWU, to cooperate on lobbying and public campaigning and to contribute to the landmark Terranova case.

Our legal team are prepared for the possibility of taking key equal pay cases to court.

We have established a productive working relationship with Jackie Blue, EEO commissioner, as our goals for equal pay are closely aligned. In addition, we are working strongly with umbrella groups of union and civil society in both Wellington and Auckland to spread the equal pay message and protect the Equal Pay Act 1972.

Our plans for the upcoming year include strengthening organiser engagement, resources and skills around advocating for equal pay, widening our lobbying particularly among the small parties who are government allies, engaging more with the Rūnanga on Worth 100% and working to ensure job evaluation exercises are gender neutral and fair to women.



In the Thick of It seminar series

Last year we ran a successful seminar series, *In the Thick of It*, on issues of interest to state servants. The first seminars looked at how public servants can engage in the political system and the relationship between public servants and ministers.

The speakers from those talks are helping us to draft a charter of political rights for state servants. We will be producing a publication launching the charter and drawing on the issues covered by these talks.

The seminar series continued this year. In February, Helen Wyn, a deputy chief executive of the Department of the Prime Minister and Cabinet, spoke on the project she is leading to improve policy outputs across the state services system. In April we began a series of talks on the Official Information Act 1982 and speakers included journalist David Fisher and deputy ombudsman Leo Donnelly.

The seminars continued in June with presentations on “How Are Your Workplaces Changing” and “What’s Happening with Pay in the Public Service”. Where there is sufficient interest, the seminars are video-linked to other centres. Most have been filmed and are available on the PSA website.

Merger with SLGOU

On 1 April 2015 the PSA merged with SLGOU, a union for local government workers based in Canterbury and Otago. This brought nearly 2000 new members to the PSA, increasing the local government sector’s membership by 25 percent.

The merger means the PSA now represents workers at nearly every city, province and regional council in the country, and can be a national voice on local government issues.

SLGOU had members working for 27 different employers, two of which were shared sites with the PSA. A system of phased changes to membership fees will bring them into line with PSA membership fees by July 2017.

Existing SLGOU delegates have become PSA delegates, and will be given the opportunity to attend PSA delegate development.

The merger strengthens the voice of PSA local government members across the country and will lead to a better working life for all local government workers.

Community Public Services sector activity

Membership

Over the past 12 months the Community Public Services (CPS) sector has grown to around 5600 members and continues to be the fastest growing sector within the union.

Issues

Time to care campaign

This campaign for home support workers was launched two years ago in time for the local body elections and initially targeted DHB candidates. Home support workers sought a commitment from DHB candidates to ensure their DHB passed on all funding increases the DHB received from the government, and support for pay parity for home support workers with DHB health care assistants. This campaign also targeted politicians for better funding for the home support sector, and paid travel time between clients alongside proper payment for travel costs.

The campaign resulted in a negotiated settlement that has now been ratified by members including payment for travel time and travel costs as well as a move to regularise the home support workforce.

Up where we belong – equal pay

The PSA goal by 2020 is to ensure that jobs predominantly performed by women will be paid at rates that reflect the real value and the skills involved. The groundwork has been set with the successful case taken for Kristine Bartlett. The PSA has made equal pay claims in bargaining and is preparing to take a legal case too.

The CPS sector has substantial research already completed and is well placed to lead this work. We are currently recruiting members to be equal pay advocates to advocate for equal pay in the workplace and to educate and lobby the community and politicians.

Insecure work

The CPS sector has many workers employed as casuals, fixed term, zero hours, no guaranteed hours or assignment workers. Combined with low pay and poor funding, many PSA members are in vulnerable insecure work. The PSA in conjunction with the CTU is campaigning to bring improvements to funding and to make sure that vulnerable employees' rights are not eroded through anti-worker legislation.

Bargaining

The CPS sector has the most collective agreements of any PSA sector. Collective bargaining trends show that the CPS sector continues to see improvements in pay, terms and conditions above what the employer was or is providing in individual agreements. Currently many agreements in the sector are up for renewal. Key elements of the sector's bargaining strategy are:

- equal pay – raising the pay rate of support workers to meet the true value of the work
- security of work – such as having a majority of the workforce having permanent work and guaranteed hours
- funding – that any funding increases for providers of community public services are passed through to workers.

Sector committee

Jenny Goodman (convenor), Carol Hastie, Carrol Mace

DHB sector activity

Membership

The DHB sector has 16,954 members in 20 enterprises and 731 workplace delegates. This compares with 15,831 members in 20 enterprises and 720 workplace delegates in 2014.

Many of the worksites are small and a large number of employees are part-time or casual.

Issues

At the Heart of the Hospital

The PSA continues to work to improve the pay and status of hospital administrative staff and to raise awareness of the negative effects of the staffing cap, including excessive workloads, mounting backlogs and poor use of resources.

To improve the pay for administrative staff PSA will be pursuing equal pay claims as well.

Health Sector Relationship Agreement

The Health Sector Relationship Agreement (HSRA) is a tripartite forum involving the DHBs, CTU (and affiliated health sector unions – ASMS, NZNO, PSA and SFWU), along with the Ministry of Health. The HSRA works on areas of common interest and has identified a work plan for next year including health and safety, HSRA-sponsored forums, and engagement with the sector, for example Health Workforce NZ.

Bipartite relationships

The National Bipartite Action Group (NBAG) held regular meetings over the last year. The NBAG programme included work on safe staffing, healthy workplaces, the Living Wage, the impact of family violence on

the workplace, and the implications of the Vulnerable Children's Bill/Guidelines on the sector.

Healthy workplaces

The PSA continues to be represented on the Safe Staffing Healthy Workplaces Unit governance board. The unit has appointed a full-time staff member to help develop tools to better measure workloads of allied health clinicians. PSA organisers and delegates are involved in helping to develop these tools. The PSA now has formal representation on Care Capacity and Demand Management Group for Mental Health, Addiction and Disability Services.

Sustainable work systems

The Waitemata DHB Sustainable Work Systems programme, Te Aranga Hou, continues to be used and is in the process of being introduced to Auckland DHB mental health services. The PSA continues to promote a much wider agenda of high-performing workplaces with the DHBs. Currently, the PSA together with other health sector unions is working with Hutt Valley DHB to create such a workplace.

Bargaining

The DHB sector bargaining strategy is broadly based on the PSA overarching bargaining strategy. The bargaining strategy is set within the context of continued funding constraints, restructurings and changes to the Employment Relations Act 2000.

While recognising the contextual factors the bargaining strategy promotes members' expectations for fair pay and conditions of employment. The key matters addressed in the strategy are that we engage with members at the earliest possible time to identify bargaining issues and engage with employers either collectively or individually to promote our bargaining briefs.

Worth Respect

The Worth Respect brand and messaging strategy was developed this year to support bargaining and bring public awareness to the hidden hard work of DHB staff.

As part of this strategy, a petition to DHB chief executives asking to support healthcare workers garnered 6000 signatures and reached a third of PSA DHB members.

The Worth Respect branding has been used across a variety of channels including posters, web banners, newsletters, stickers and brochures.

Members stories are at the forefront of the messaging strategy. Shareable images containing messages from DHB staff and bargaining team members are being shared on social media.

Bargaining priorities

The bargaining priorities for the past year have been:

- wage increase to maintain the current value of wages

- focus on improving wages for those on low pay
- regionally consistent rates of pay for clerical administration workers.

The Lower North Island Clerical and Administration multi-employer collective agreement (MECA) was ratified by members. While there was low pay increase, the single-salary scale for the seven DHBs was a good step forward to ensure a framework to develop progression criteria and an overall job evaluation system.

The following MECAs have been settled: South Island Clerical and Administration MECA; Auckland and Northland Clerical MECA; and Allied and Nursing MECAs.

National and regional meetings are being held with delegates and organisers to commence the work from the Allied MECA.

Sector committee

Andy Colwell (convenor), Jacky Maaka (deputy convenor), Janet Calley, Rosemary Cullen, Nancy Dally, Lesley Dixon, Allan Franks, Hilary Genet, Tracie Glennie, Te Whaea McFarlane, Mike Prouting, Janet Quigley, Caz Thompson, Tiare Williams, Glenda Young



State sector activity

Membership

The state sector has 8244 members in 143 different enterprises and 475 workplace delegates. This compares with 8030 members in 131 enterprises and 509 delegates in 2014. Many worksites in the sector are smaller and there is an increase in part-time and casual work.

New enterprises in the sector include: Alpine Energy Limited, Christchurch International Airport – Operations, Centre Connetics, Crown Forestry Rental Trust, Delta Utilities, Electricity Ashburton, Orion NZ, NZ Families Commission, NZ Productivity Commission, Power Store, Education Payroll and Wilson Hellaby.

Issues

Fruit fly outbreak

AsureQuality is one of the principal organisations involved in the fruit fly outbreak in Auckland, with up to 120 staff involved. Members from around the country have been seconded to help in a variety of roles.

Tertiary funding

Funding pressures from reduced student numbers leaves tertiary members concerned at the potential effect on jobs and workloads. The removal of mandatory staff, student, and community representatives from university councils has meant their activities are under less scrutiny.

Performance pay

The transportation cluster has identified performance-based pay as an area of particular concern and the “take it or leave it” approach to collective bargaining, as well as the growth of digital surveillance and what this might mean for workers.

Māori

Te Rūnanga ō Ngā Toa Āwhina members are busy refining the “Ngā Kaupapa Māori” document for the PSA board’s approval, as well as planning a number of regional hui.

Restructuring effects

Some organisations still bear the consequences of past

restructuring which may have brought improvements but more often higher workloads and a loss of institutional knowledge. In some places the lack of new investment over the past years has impacted on the organisation’s ability to be responsive to the people they serve.

Delegate achievement

Thirty-three delegates received long service awards which highlights the commitment they have to their organisations and members. Paula Scholes and Bala Beeram were presented with the Delegate Achievement Award and Keith Gutsell from AsureQuality was awarded an honorary life membership at congress.

Bargaining

Bargaining is still on everyone’s agenda, with modest member claims and low settlements the norm. A bargaining strategy has been developed for the state sector that seeks to have good collective agreements that cover all employees. A goal is to have pay settlements included in the collective bargaining process.

Te Rūnanga ō Ngā Toa Āwhina is developing a bargaining strategy for Māori that will include recognition of cultural skills.

Closing the gender pay gap is a priority for members, and recruitment is the key to improving density and bargaining power.

Sector committee

Pam Jemmett (convenor), Judy Gardner (deputy convenor), Mark Andersen, Gail Arthur, Sambol Bhattacharjee, David Do, Brian Grey, Keith Gutsell, Alby Marsh, Liisa McMillan, Ben Prasad



Local Government sector activity

Membership

The local government sector has 5881 members in 73 enterprises and 285 workplace delegates. As a result of the merger with SLGOU, the sector was boosted by an additional 1965 members and 29 enterprises.

Many of the worksites are small and a large number of employees are part-time or casual. Good communication across the sector is therefore a challenge.

Issues

Merger with SLGOU

The SLGOU merger with the PSA was completed on 1 April making the PSA the predominant union organising local government in New Zealand. This means local government union members across the country have a much stronger voice.

Council amalgamations

In Northland, Hawke’s Bay and Wellington the debate around council amalgamations has continued.

The PSA took a position of opposition to amalgamation in Northland and Hawke's Bay as this reflected the view of the members and the local community. The PSA, however, does not have an overall position on amalgamations and any proposal is considered on its merits.

The PSA continues to have concerns regarding the local government legislation that governs how amalgamation ballots are run and the lack of power given to community boards.

Bargaining

The PSA local government bargaining strategy developed by the PSA's local government sector committee is derived

from and underpins the overarching PSA bargaining strategy 2013 – 2015.

The issues for bargaining in local government fit within the four broad themes identified as bargaining priorities within the PSA bargaining strategy: wage movement, fair pay and careers; secure work; towards a better working life; and ensuring the PSA can better support members.

Sector committee

Ian Cooper (convenor), Ceinwyn Bannister, Richard Foster, Sara Moylan, Flash Sandham, Annette Smithard, Sophie Williams

Public Service sector activity

Membership

The public service sector members has 22,092 members in 36 enterprises and 1353 workplace delegates. This compares with 22,458 members and 1344 delegates in 2014.

Issues

Recruitment

The most successful recruitment has been connected to bargaining, particularly in the Department of Conservation, Inland Revenue, Ministry for the Environment and Statistics New Zealand.

Membership activism

Membership participation continues to grow as shown by attendance at union meetings on bargaining and change management, increased numbers on PSA networks, and participation in PSA surveys. Both the women's network and PSA Youth have had conferences, forums and leadership development workshops.

The sector committee will play a leadership role in encouraging members to be an active part of the Worth 100% campaign, including through the equal pay advocate initiative.

Delegates

Public service delegates continue to have a strong presence in delegate training. Delegate structures have been reviewed and reformed in a number of enterprises to improve engagement with both members and the employer.

Māori enterprise delegate structures are continuing to be established, along with a clearer understanding of the role and purpose.

Transforming our Workplaces

As the PSA further refines the objectives for Transforming our Workplaces, the sector committee is exploring the

opportunities to advance this agenda through both direct engagement with members and employers, or bargaining, or both.

We are getting increased interest from employers on high-performance engagement with programmes underway in Worksafe New Zealand and Land Information New Zealand. The PSA's work in this area featured in a *Listener* article.

Accommodation

The PSA provided feedback to various enterprises on these issues from the perspective of the health, safety and well-being of members. Particularly in Christchurch where co-location was piloted by a number of agencies in response to the Canterbury earthquakes, and also following the tragedy at Work and Income in Ashburton.

Bargaining

The bargaining environment continues to get tougher as we enter the seventh year of frozen operational budgets in the public service. There is a growing concern of ministerial interference in bargaining, making it even more difficult to achieve fair wage outcomes, improved and or new conditions and PSA-only benefits.

National organisers continue to meet as a group to plan and improve the approach to bargaining, change management and implementation of the PSA's Transforming our Workplaces agenda. They also continue to discuss and develop an overall response on pay rates and pay systems.

Sector committee

Peter Robertshaw (convenor), Nicole Benkert, Robert Bennett, Caroline Fisher, Jackie Kerr, Esther Longley, Premnath Menon, Bruce McKinlay, Dave Nendick, Marcia Puru, Robert Sisterson, Verna Sutherland, Marshall Tangaroa, John Upfold, Richard Wagner

Women's network

The network is a strong voice for the improvement of the working lives of PSA women members and it aims to be influential both inside the PSA and externally.

Membership of the network stands at 2357 members which is a 62.8 percent increase from 2014. Women make up 69.6 percent of the membership, so there is still considerable potential to build the network membership.

Delegates at congress 2014 passed a gender equity remit which requires the PSA representative structure to reflect the PSA gender membership make-up. Women's network representatives are actively involved in the working party to achieve this requirement.

The network takes an active role with the Worth 100% campaign and encourages women members to sign up as PSA equal pay advocates.

The network ran level one leadership courses that encourage and enable women's participation in leadership positions in the PSA's governance structures. This year we ran a pilot of stage two of this course – Targeting the Untapped Talent: building on our skills and learning new skills like assertiveness and public speaking. The new course was very well received in Auckland and will be rolled out over the rest of the country in 2015/16.

Out@PSA

Out@PSA is a network for PSA members who identify as gay, lesbian, intersex, transgender, takataapui, fa'afafine or bisexual (GLITTFAB).

The Out@PSA Network is growing rapidly and has increased 41 percent over the past three years from 250 to 425 members. A new Out@PSA committee was selected in 2014 bringing broad representation to the network's leadership. The diversity represented includes a variety of sexual orientations, gender identities, ages, ethnicities, geographical locations, and all PSA sectors. We once again hosted stalls at Wellington's Out in the Square and Auckland's Big Gay Out. The committee is considering entering a float in next year's Auckland Pride Parade with equal pay as the theme.

Out@PSA sent 14 network members to the first training offered by the CTU for Out@Work's Gender and Sexual Diversity at Work – A Resource for Organisers and Delegates held by the CTU at PSA House last August. Several copies of the resource were purchased and have been placed in every PSA office. Those who have been trained are now in the process of initiating their own seminars.

Out@PSA committee member, Merv Taueki-Ransom, and Out@PSA organiser, Art Daniel, represented the PSA and the CTU on a Standards New Zealand committee tasked



Representatives of the women's network 2015.

with developing a new standard for organisations to measure their commitment to gender identity and sexual orientation diversity in the workplace. The standard is now in place and represents the first such governmental standard in the world.

A dozen network members attended the CTU's Out@Work biennial conference in Hamilton where Out@PSA convenor, Maddy Drew, was one of the keynote speakers and Art Daniel was elected as co-convenor. The PSA's communication team has developed an impressive Out@PSA banner which is proudly exhibited at public events.

Deaf and Disabled members' network

The Deaf and Disabled members' network is a place for Deaf and Disabled members to share information, organise and lobby on issues which affect them and their communities. The network celebrates diverse communities living with different abilities and their right to organise and be heard.

One of the network's current projects is the auditing, by the company AccEase, of the PSA website for accessibility. We are getting the full assessment which requires we list a number of things we would like people to be able to do on our site and they are independently tested by members of the Deaf and Disabled communities to see how achievable they are. A report will be produced which will carry a series of recommendations for improvement which the PSA is committed to undertaking.

Social workers action network

The social workers action network (SWAN) has around 323 members and is still growing rapidly. Over the last year we have been working on getting good resources out for social workers and now have two brochures available. The first *Trouble at Work?*, is a step-by-step guide for social workers who are facing problems at work. The other brochure details all the organisations relevant to professional social workers.

Actions we have taken over the last year include sponsoring the conference packs at the 50-year celebration of Aotearoa New Zealand Association of Social Workers and writing a formal letter on behalf of the network to Anglican Family Care in Otago when they locked out their social work staff.

We have also been actively responding to the Child, Youth and Family (CYF) Review that was announced by the social development minister on 1 April 2015.

PSA Youth network

All PSA members aged 35 and under are automatically members of the PSA Youth network (PSAY), making it our largest network with over 10,000 members.

The network has two overall goals, supported by a regularly updated strategic plan:

- increasing youth participation and engagement in the union and in the workplace
- supporting the sustainability of unions in New Zealand by helping to modernise the union movement.

At the congress 2014, PSAY members put forward three remits, two of which (for voting rights at congress and for permanent free student membership) passed, while the third (for a transitional PSA membership category between employment) has taken effect through operational measures.

PSAY members are kept up-to-date and engaged through a range of communications, including a monthly newsletter, Facebook and Twitter accounts, and local events. Articles from the monthly newsletter are also available on the PSA website.

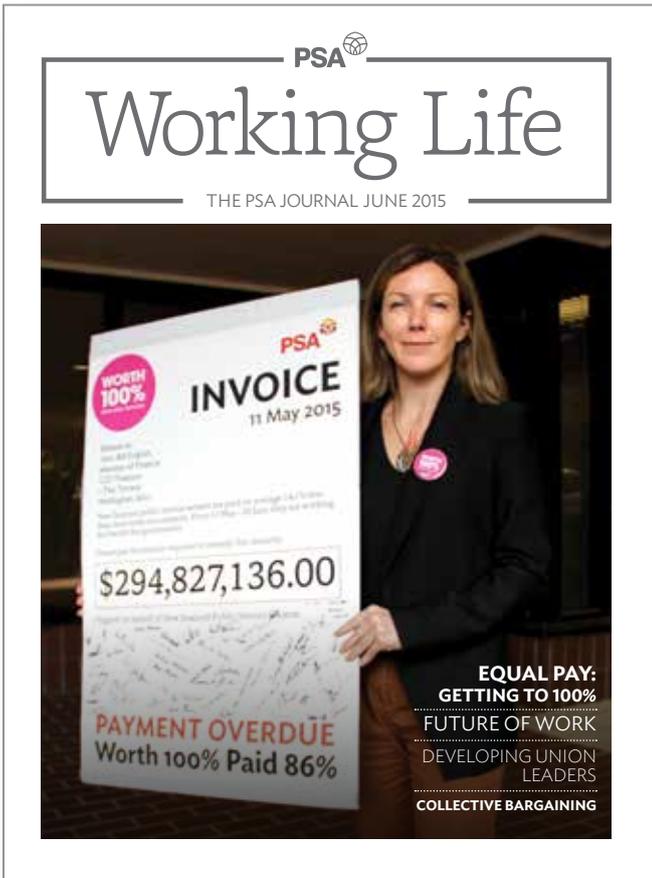
PSAY's major focus is on developing our young leaders. Earlier this year, youth leadership training was held in Auckland, Hamilton, Wellington and Christchurch, with nearly 400 people applying to fill only 100 places. A number of PSAY members also took part in the pilot emerging leaders programme.

The network is tracking the union journeys of members who attend trainings, conferences and events, and positive results are emerging. After attending PSAY events a number of members are becoming delegates, considering nominations for sector committee positions, and taking other leadership roles within our union.

PSAY has a structure with five elected representatives, supported by two PSA staff with some dedicated time. All positions are open for nomination. Elections for 2015/16 leaders were determined at a PSAY hui in August 2015.

National convenor – Joseph Murray-Cullen
Upper North Island convenor – Cory Anderson
Lower North Island convenor – Peter Kim
Upper South Island convenor – Jessi Abrams
Lower South Island convenor – Erin Hodgson





Communications

Print resources, including *Working Life*, booklets, leaflets and flyers, continue to be used for both industrial and campaigning purposes, including for the election campaign. Digital communication is also heavily used, with PSA members across all sectors being kept updated on the work of the union with regular email newsletters.

The launch of the new website in late 2014 gave PSA members a whole new way to interact with their union online. More features are in the works to allow members to customise their interaction with the PSA, and we look forward to the website playing a supportive role in future PSA organising projects.

Social media use continues to grow, with the PSA Facebook and Twitter accounts both having their most successful year yet in terms of new likes/follows and engagement.

Submissions

Since September 2014 the PSA has presented 12 submissions in response to bills that affect members' working lives. Encouraging members to make submissions has proved to be a successful way of raising awareness and involving members in campaigns. The PSA made submissions on a wide range of issues from health and safety and local government reorganisation to health services and social services. The submissions are available on the PSA website.

Member benefits

The PSA has now signed up with other New Zealand unions to Member Advantage, an Australian union-owned company that specialises in negotiating member benefits. The new arrangements are expected to greatly enhance the benefits the PSA will be able to offer members in the future at no extra cost to the union. The PSA's existing benefits will continue under the new Member Advantage programme.

Information technology

The new call handling software introduced last year in the Organising Centre has been linked to a unified communication solution and has been rolled out across the whole organisation and is settling down as expected.

A new user interface to the Unison membership database has been designed and is undergoing testing with organisers. This new user interface called uOrganise will enable members' calls to be handled more smoothly. By keeping track of interactions with members it will allow a more complete picture of our members' needs to be developed.

Legal representation

The PSA legal team looks after the legal interests and rights of the union and its members. On a day-to-day level its work includes supporting organisers in dealing with bargaining and disciplinary investigations, enforcement of collective agreements, employment legislation, and providing advice and representation in legal proceedings in the employment jurisdiction, ACC reviews and before professional bodies. Most matters are resolved confidentially with the employer or at mediation, with a minority of cases resulting in litigation.

This year we have provided legal advice and assistance about collective bargaining throughout the PSA membership. We have also assisted members in a number of restructuring situations including privatisation of public servants' work. There have been instances of employers seeking to limit public holiday rights, failures to pay agreed salary rates and changes to hours of work without agreement that we have challenged.

The team has worked on a number of personal grievances and contractual disputes on behalf of members who have been unjustifiably dismissed, disadvantaged or faced unlawful discrimination in their work, most of which have been resolved with an agreed settlement either through mediation or the Employment Relations Authority. Some examples of specific matters we have worked on this year are listed below.

Travel case

We filed litigation against an employer in the home support and disability sector seeking lawful payment of the time that PSA members spend travelling between clients. We are now involved in discussions with the Crown about a resolution of this matter.

Unlawful preference cases

We successfully challenged an employer who conferred an unlawful preference on its non-union staff. This employer was also held to have breached its good faith obligations.

Changes to legislation

We advised the union about changes to various pieces of legislation including changes to the Employment Relations Act 2000. We have developed and delivered training for union officials about the strategy and approach we should adopt to ensure that the rights and interests of PSA members are best protected.

Drug testing

We are increasingly seeing employers adopting drug and alcohol testing policies. We advised a number of members about the lawfulness of the tests they have been asked to do and advised the union about the lawfulness and fairness of proposed drug and alcohol policies (with mixed success).

Precarious work

We have challenged a number of examples of precarious work including the unlawful use of casual employees and unlawful fixed terms. We have had significant success in gaining permanent employment for a number of members in the public service and in DHBs.

Facilitation

We successfully applied for facilitation to assist with the bargaining with a Dunedin-based Child and Family Support Service for a new collective agreement. In the current environment, we will be increasingly looking at how we can use facilitation and other levers in the Employment Relations Act 2000 to achieve bargaining outcomes for members.



The PSA team continues to work towards our aim of building a union that is able to influence the political, economic, industrial and social environments in the interests of our membership.



Financial Statements
For the year ended
31 March 2015

Treasurer's report for the financial year ended 31 March 2015

Introduction

It is with pleasure that I present my report for the financial year ending 31 March 2015. This is my final report as Treasurer and I congratulate the National Secretaries and a very competent finance team for their stellar work in supporting the Executive Board in ensuring the organization remains financially stable. I am greatly encouraged that I leave the finances in good health for the incoming Treasurer.

Statement of Financial Position – “Balance Sheet”

Our statement of financial position has continued to indicate that the PSA is in a strong financial position with good liquidity and nothing to indicate any issue with continuing operations.

The PSA held cash reserves as at 31 March 2015 of \$17,206,574 (2014 - \$16,400,342) which amount to 86% (2014 – 76%) of our actual annual operating spend in the 2015 year. These cash reserves are enough to fund 10 months of operations (2014 – 9 months). This is at the lower end of the ideal range within which the PSA prefers to operate however it is a reasonable result in light of unexpected expenditure during the year.

Statement of Comprehensive income – “Profit & Loss”

The net operating loss before tax of \$36,817 represents a net loss on income of less than 1%. Total income is up 1% on the previous year while expenses increased by 2%.

The number of fee paying members as at 31 March 2015 was 56,578 compared to 55,725 at the end of the previous year. Member numbers fluctuate during the year with the final income from member subscriptions increasing 1%. It is anticipated that member numbers will increase in the next financial year after the 1 April 2015 merger with the Southern Local Government Officers Union.

Other comprehensive income shown in the financial report of a net \$145,330 gain, relates to the net increase in market valuation of the PSA properties. This comprehensive income is included in the financial report to fully reflect the impact of non-operating changes in the value of the PSA assets.

Statement of Cash Flows

The Statement of cash flows shows the actual cash that the PSA received and paid during the year into its operating bank accounts. It excludes non-cash expenditure such as depreciation and movements in the liabilities and debtors of the Union.

The importance of the statement of cash flows is that it can identify potential problems if cash outflows consistently exceed cash inflows. If this were the case, it would show that the PSA was using its reserves to maintain operations, which is not a sustainable practice.

This year net cash flows from operating activities are \$1,331,098 (2014: \$840,607). This change is mainly the result of lower cash expenditure on running expenses and taxation and an increase in cash received from member subscriptions and interest income.

Outlook

The end of year financial result is another positive one for the PSA. The operating deficit was relatively small and our balance sheet remains strong with good reserves. Our investment in the holiday homes continues to be a popular benefit for members and are assets which continue to maintain their value, however, maintenance is required which will be factored into the expenditure budget for the coming year.

The cash reserves continue to be an important long term strategic tool for the PSA. By maintaining and building strong reserves we have much greater ability to continue operations and confront difficult circumstances more effectively. This has been the case to the 31 March 2015 financial year where our reserves have allowed us to cope easily with the unexpected requirements. As required by Congress 2014, we will, in the 2015/16 financial year, create a reserve to support members in financial hardship through strike action.

Membership income currently remains stable and the PSA will continue its work in making the most of all available opportunities for recruitment. While this Government enacts more unfriendly worker legislation, there is always the potential for changes that could leave us vulnerable in the area of fee collection, however, there are models of good practice elsewhere that would leave us well placed to effect change should it be required.

The PSA is well placed to maintain strong and effective operations in the foreseeable future due to our strong financial position.

Pam Jemmett

Treasurer

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New Zealand Public Service Association
Te Pukenga Here Tikanga Mahi Incorporated

Statement of Comprehensive Income
For the year ended 31 March 2015

	Note	2015 \$	2014 \$
Income			
Subscriptions		18,173,197	17,992,959
Other income	2(a)	2,262,926	2,243,647
Total Income		20,436,123	20,236,606
Expenditure			
Employee benefits expense			
Salary and wage expense		(11,755,949)	(11,140,645)
Superannuation contribution		(740,437)	(664,067)
Amortisation	11	(150,021)	(152,630)
Depreciation	10	(829,937)	(849,892)
Property revaluation (decrease)/increase	2(b)	(280,116)	78,876
Auditor's Remuneration	4	(40,000)	(44,243)
Rent and rates		(687,533)	(588,069)
Lease of vehicles and equipment		(347,272)	(445,088)
Meetings and travel		(2,196,490)	(2,508,360)
Communications and printing		(675,523)	(773,710)
Other operating expenses		(2,769,662)	(2,955,609)
Total Expenses		(20,472,940)	(20,043,437)
Net Operating (deficit)/surplus before income tax		(36,817)	193,169
Income tax expense due to operations	3(a)	222,248	265,535
Operating (deficit) for the year		(259,065)	(72,366)
Other comprehensive income			
Revaluation of Properties		201,846	290,929
Income Tax relating to components of other comprehensive income	3(b)	(56,516)	(81,460)
Other comprehensive income for the year, net of tax		145,330	209,469
Total comprehensive (deficit)/income for the year, net of tax		(113,735)	137,103

The notes on pages 6 to 18 form part of and are to be read in conjunction with these financial statements.

Statement of Changes in Equity
For the year ended 31 March 2015

	2015 \$	2015 \$	2015 \$	2015 \$
Note	Members' funds	Asset revaluation reserve	Christchurch earthquake hardship fund reserve	Total equity
Balance at 1 April 2014	20,662,259	6,449,271	-	27,111,530
Deficit for the year	(259,065)	-	-	(259,065)
Donations and grants provided	-	-	-	-
Add increase in deferred tax liability	-	(56,516)	-	(56,516)
Add property revaluations to "fair value"	-	201,846	-	201,846
Other comprehensive income for the year, net of tax	-	145,330	-	145,330
Total comprehensive income	(259,065)	145,330	-	(113,735)
Balance at 31 March 2015	20,403,194	6,594,601	0	26,997,795

	2014 \$	2014 \$	2014 \$	2014 \$
Note	Members' funds	Asset revaluation reserve	Christchurch earthquake hardship fund reserve	Total equity
Balance at 1 April 2013	20,690,300	6,239,802	44,326	26,974,428
Deficit for the year	(72,366)	-	-	(72,366)
Donations and grants provided	44,325	-	(44,326)	(1)
Add increase in deferred tax liability	-	(81,460)	-	(81,460)
Add property revaluations to "fair value"	-	290,929	-	290,929
Other comprehensive income for the year, net of tax	44,325	209,469	(44,326)	209,468
Total comprehensive income	(28,041)	209,469	(44,326)	137,102
Balance at 31 March 2014	20,662,259	6,449,271	-	27,111,530

The notes on pages 6 to 18 form part of and are to be read in conjunction with these financial statements.



New Zealand Public Service Association
Te Pukenga Here Tikanga Mahi Incorporated

Statement of Financial Position
For the year ended 31 March 2015

	Note	2015 \$	2014 \$
Current Assets			
Cash and cash equivalents	5	1,956,574	371,884
Trade and other receivables	6	474,866	968,477
Other assets	7	15,250,000	16,028,458
Investments	8	11,718	9,566
Tax Receivable	3(c)	35,367	7,099
Total Current Assets		17,728,525	17,385,484
Non - Current Assets			
Investment Property	9	740,000	790,000
Property, plant and equipment	10	14,361,508	14,807,251
Intangible assets	11	125,111	220,655
Total Non - Current Assets		15,226,619	15,817,906
Total Assets		32,955,144	33,203,390
Current Liabilities			
Trade and other payables	12	1,135,193	1,506,421
Other financial liabilities	13	-	61,991
Provision for employee entitlements	14	992,707	1,034,986
Total Current Liabilities		2,127,900	2,603,398
Non - Current Liabilities			
Other financial liabilities	13	-	59,488
Provision for employee entitlements	14	1,780,044	1,436,085
Deferred tax provision	3(d)	2,049,405	1,992,889
Total Non - Current Liabilities		3,829,449	3,488,462
Total Liabilities		5,957,349	6,091,860
Net Assets		26,997,795	27,111,530
Equity			
Members' Funds		20,403,194	20,662,259
Asset Revaluation Reserve		6,594,601	6,449,271
Total Funds and Reserves		26,997,795	27,111,530

The Financial Statements were approved for issue by:

Treasurer

11 August 2015

National Secretary

25 August 2015

The notes on pages 6 to 18 form part of and are to be read in conjunction with these financial statements.

Statement of Cash Flows
For the year ended 31 March 2015

	Note	2015 \$	2014 \$
Cash flows from operating activities:			
Cash was provided from:			
Subscriptions		18,173,197	18,119,688
Rental income		1,117,160	1,012,493
Interest received		803,690	737,708
Dividends received		727	1,752
Other income		415,834	491,252
		<u>20,510,608</u>	<u>20,362,893</u>
Cash was applied to:			
Payments to suppliers and employees		18,928,994	19,221,494
Taxation		250,516	300,792
		<u>19,179,510</u>	<u>19,522,286</u>
Net cash inflow from operating activities	19	1,331,098	840,607
Cash flows from investing activities:			
Cash was provided from:			
Decrease deposits maturing after 3 months		778,458	1,171,542
		<u>778,458</u>	<u>1,171,542</u>
Cash was applied to:			
Purchase of fixed assets		470,389	2,328,777
Increase deposits maturing after 3 months		-	-
Purchase of intangible assets		54,477	141,419
		<u>524,866</u>	<u>2,470,196</u>
Net cash inflow/(outflow) from investing activities		253,592	(1,298,654)
Cash flows from financing activities:			
Cash was applied to:			
Finance lease payments		-	77,125
		<u>-</u>	<u>77,125</u>
Net cash (outflow) from financing activities		-	(77,125)
Net increase/(decrease) in cash and cash equivalents		1,584,690	(535,172)
Add opening cash and cash equivalents brought forward		<u>371,884</u>	<u>907,056</u>
Closing cash and cash equivalents carried forward	5	<u>1,956,574</u>	<u>371,884</u>

The notes on pages 6 to 18 form part of and are to be read in conjunction with these financial statements.



New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated

Notes to the Financial Statements
For the year ended 31 March 2015

1. Reporting Entity

The New Zealand Public Service Association Te Pūkenga Here Tikanga Mahi Incorporated (PSA) is a democratic union incorporated under the Incorporated Societies Act 1908.

The PSA represents the interests of its members working in government departments, local government, the health sector, crown agencies, state-owned enterprises and community and government-funded agencies.

The principal activities of the PSA is to build a union to influence the industrial, economic, political and social environment in order to advance the interest of its members.

The financial statements have been prepared for the individual entity of the PSA and for the purposes of financial reporting the PSA is a public benefit entity. A public benefit entity is defined as a reporting entity whose primary objective is to provide goods or services for community or social benefit and where the equity has been provided with a view to supporting that primary objective rather than for a financial return to equity holders.

The PSA operates all its activities within New Zealand and its main office is at 11 Aurora Terrace, Wellington. Hub offices are situated in Auckland, Hamilton, Palmerston North, Nelson, Christchurch and Dunedin.

Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with the New Zealand Equivalents to International Financial Reporting Standards ("NZ IFRS") and other applicable financial reporting standards as appropriate for public benefit entities.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 March 2015, and in the comparative information presented in these financial statements for the year ended 31 March 2014.

The financial statements were authorised for issue by the Executive Board on 25 August 2015.

Basis of Preparation

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

Accounting policies are selected and applied in a manner which ensures the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The financial statements are presented in New Zealand dollars.

Critical Accounting Judgements and Estimates

The PSA makes estimates and assumptions that affect the reported amounts of assets and liabilities at year end. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The areas where critical accounting judgements and estimates are applied are noted below:

(i) Determination of the useful lives of the buildings

The PSA has estimated the useful lives of buildings as 40 to 100 years.

(ii) Determination for employee entitlements

A provision is calculated based on historic claim patterns and current staff service levels. An estimate is made of the likely timing and rate at which these entitlements will be paid based on criteria set out in the PSA Employees Collective Agreement and these are discounted to the net present value using the five year government forward discount rates.

(iii) Classification of PSA Holiday Homes

The PSA considers Holiday Homes to be a non profit service to members and therefore has not classified them as investment property, but as property, plant and equipment.

(iv) Revaluation of investment property and buildings/land held as property, plant and equipment

The PSA has an accounting policy to measure its investment property and land and buildings at fair value.

Changes in Accounting Policy

There have been no changes in accounting policy since 2014.

Standards and Interpretations in issue not yet adopted

The External Reporting Board (XRB) has introduced a revised Accounting Standards Framework. The revised framework intends to introduce Public Benefit Entity Accounting Standards (PAS) comprising International Public Sector Accounting Standards (IPSAS), modified as appropriate for New Zealand circumstances.

The Financial Reporting Act 2013 was enacted in December 2013 and will bring the revised framework into law. As a result the financial reporting requirements for PBE's are frozen in the short-term and that all NZ IFRS with a mandatory effective date for annual reporting commencing on or after 1 January 2012 are not applicable to public benefit entities.

Accordingly no disclosure has been made about new or amended NZ IFRS that exclude PBE's from their scope.

Under the revised Accounting Standards Framework the PSA is expected to prepare annual financial statements in accordance in IPSAS based standards for the first-time for the year ending 31 March 2016.

The Executive Boards is currently assessing the impact of IPSAS adoption on the annual financial statements of the PSA. While changes in presentation and additional disclosures are expected, significant changes to the measurement of the financial performance and position are not, based on a preliminary assessment.

Significant Accounting Policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements:

(a) Borrowings

The PSA has no current borrowings.

(b) Borrowing Costs

The PSA has no current borrowings.

(c) Comparative Amounts

There have been no reclassifications to prior year comparatives.

(d) Employee Benefits

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

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured at the present value of the estimated future cash outflows to be made by the PSA in respect of services provided by employees up to reporting date.

(e) Financial Assets

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract, the terms of which require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Financial assets are classified into the following specified categories: '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.

Held-to-Maturity Investments

Term Deposits are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Shares held as Available-for-Sale

Shares held by the PSA are stated at fair value.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each Statement of Financial Position date. Financial assets are impaired where 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 impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

(f) Goods & Services Tax

Revenues, expenses, assets and liabilities are recognised net of the amount of goods and services tax (GST), except for receivables and payables which are recognised inclusive of GST.

(g) Impairment of Assets

At each reporting date, the PSA reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. The fair value of properties are assessed as explained in accounting policies (i) and (l).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Comprehensive Income immediately, unless the relevant asset is carried at fair value and has an associated revaluation reserve amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in the Statement of Comprehensive Income immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(h) Income Tax

The PSA is an incorporated society which transacts with members and non-members. The PSA is not liable for taxation to the extent it generates net income from member transactions such as subscriptions received.

Current tax

Current tax is calculated by reference to the amount of income tax payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is the amount of income tax payable or receivable in future periods in respect of temporary differences differences arising from differences in the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities which affects neither taxable income nor accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the PSA expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when the PSA intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax is recognised as an expense or income in the Statement of Comprehensive Income.

(i) Investment Property

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at its fair value at the reporting date. Gains or losses arising from changes in the fair value of investment property are included in the net (deficit)/surplus for the period in which they arise.

(j) Leased Assets

PSA as lessee

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.

Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Finance lease assets are amortised on a straight line basis over the estimated useful life of the asset or the lease term, whichever is shorter.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

PSA as lessor

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

(k) Payables

Trade payables and other accounts payable are recognised when the PSA becomes obliged to make future payments resulting from the purchase of goods and services.

(l) Property, Plant and Equipment

Land and buildings are measured at fair value. Fair value is determined on the basis of an independent valuation prepared by external valuation experts, based on capitalisation of net income or comparables approach (as appropriate). The fair values are recognised in the financial statements of the PSA, and are reviewed at the end of each reporting period to ensure that the carrying value of land and buildings is not materially different from their fair values.

Any revaluation increase arising on the revaluation of land and buildings is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense in the net (deficit)/surplus for the year, in which case the increase is credited to the Statement of Comprehensive Income to the extent of the decrease previously charged. A decrease in carrying amount and arising on the revaluation of land and buildings is charged as an expense in the net (deficit)/surplus for the year to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the asset revaluation reserve is transferred directly to retained earnings.

Plant and equipment, leasehold improvements and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

On the subsequent disposal or permanent withdrawal of an item of property, plant and equipment the difference between the disposal proceeds (if any) and the carrying amount is recognised in the statement of comprehensive income.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is charged on a straight line basis on all property other than land and plant and equipment. The depreciation charge is at a rate that will write-off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

Buildings (including Renovations & Alterations)	1% -2.5% & 7.5% - 33% straight line
Leased Assets	25 - 33% straight line
Plant and Equipment	9.5% - 50% diminishing value
Vehicles	17% straight line

(m) Provisions

Provisions are recognised when the PSA has a present obligation as a result of a past event, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(n) Revenue Recognition

Subscription Income

Subscription income represents amounts received during the year.

Subscription income is dependent on information supplied by employers pursuant to respective collective agreements. For practical reasons, the PSA is unable to independently confirm the validity of personnel information supplied.

Dividend & Interest Revenue

Dividend revenue from investments is recognised when the shareholders' rights to receive payments have been established.

Interest income is accrued using the effective interest rate method.

(o) Intangible assets

Software

Software is recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight line basis over the estimated useful life of two years. The estimated useful life and the amortisation method is reviewed at the end of each annual reporting period.

(p) Statement of Cash Flows

For the purpose of the Statement of Cash Flows, cash and cash equivalents include cash on hand and in banks and investments in term deposits that mature within 3 months of acquisition. The following terms are used in the Statement of Cash Flows:

- (i) Operating activities are the principal revenue producing activities of PSA and other activities that are not investment or financial activities;
- (ii) Investment activities are the acquisition and disposal of long-term assets and other investments not included in cash equivalents; and
- (iii) Financing activities are activities that result in changes in the size and composition of PSA's contributed equity and borrowings.

(q) Receivables

Receivables are valued at net realisable value, after making allowance for amounts considered to be doubtful.

2. Income from operations

	2015	2014
	\$	\$
(a) Other income		
Other income from operations consisted of the following items:		
Rental income	1,117,160	1,012,496
Interest received	727,053	717,323
Dividends received	727	1,752
Journal advertising	6,550	12,283
Donations	200	130
Commission	160,033	164,333
Bargaining Fees	184,597	230,920
Change in market value of investments	2,152	(1,784)
Other	64,454	106,194
	2,262,926	2,243,647
(b) Property revaluation		
Investment property (decrease)/ increase	(50,000)	10,000
Whitianga holiday home (decrease)/ increase	(230,116)	68,876
	(280,116)	78,876

	2015	2014
	\$	\$
3. Taxation		
(a) Income tax recognised in surplus or deficit		
Net operating surplus before tax	(36,817)	193,169
Add/(less) permanent differences:		
Non-deductible expenses	18,993,964	18,725,779
Non-assessable income	(18,303,214)	(18,311,896)
Taxation return preparation costs	(1,000)	(1,000)
Taxation return adjustments	377,524	342,287
Taxable income	<u>1,030,457</u>	<u>948,339</u>
Tax thereon charged for the year @ 28% (2014 28%)	288,528	265,535
Prior period adjustment	(66,280)	1,084
	<u>222,248</u>	<u>266,619</u>
Tax expense comprises:		
Current tax expense	222,248	265,535
Deferred tax expense	-	-
Total tax expense	<u>222,248</u>	<u>265,535</u>
(b) Income tax recognised directly in equity		
The following current and deferred amounts were charged /(credited) directly to equity during the period:		
Property revaluations	56,516	81,460
	<u>56,516</u>	<u>81,460</u>
(c) Current tax assets and liabilities		
Current tax asset		
Tax receivable	(35,367)	(7,099)
	<u>(35,367)</u>	<u>(7,099)</u>
(d) Deferred tax liabilities:		
Opening balance	1,992,889	1,911,429
Deferred tax on revaluation of property	56,516	81,460
Closing balance	<u>2,049,405</u>	<u>1,992,889</u>
4. Remuneration of auditors	2015	2014
	\$	\$
Audit of the financial statements	30,000	37,993
Other services performed during the reporting period relating to due diligence of SLGOU merger	10,000	6,250
	<u>40,000</u>	<u>44,243</u>
The auditor is Deloitte.		
5. Cash and cash equivalents	2015	2014
	\$	\$
Cash and cash at bank	1,956,574	371,884
	<u>1,956,574</u>	<u>371,884</u>

	2015	2014
	\$	\$
6. Trade and other receivables		
Trade debtors	73,981	196,890
Accrued interest	301,879	378,516
Prepayments	99,006	393,071
	<u>474,866</u>	<u>968,477</u>

Receivables are recorded at amounts considered to be recoverable.

Aging of Trade Debtors

As at 31 March 2015	Current	31-60 days	61-90 days	90+ Days	Total
Accounts Receivable	3,969	-	-	70,012	73,981
	<u>3,969</u>	<u>-</u>	<u>-</u>	<u>70,012</u>	<u>73,981</u>

As at 31 March 2014	Current	31-60 days	61-90 days	90+ Days	Total
Accounts Receivable	144,389	(2,471)	(1,078)	56,050	196,890
	<u>144,389</u>	<u>(2,471)</u>	<u>(1,078)</u>	<u>56,050</u>	<u>196,890</u>

	2015	2014
	\$	\$
7. Other assets		
Deposits made on held to maturity basis.		
Bank deposits maturing more than 3 months from acquisition date.	15,250,000	16,028,458
	<u>15,250,000</u>	<u>16,028,458</u>

	2015	2014
	\$	\$
8. Investments		
Shares in Trustpower	11,718	9,566
A holding of 1,474 shares at market value.		
	<u>11,718</u>	<u>9,566</u>

	2015	2014
	\$	\$
9. Investment Property		
Balance at 1 April	790,000	780,000
Net (loss)/gain from fair value adjustments	(50,000)	10,000
Balance at 31 March	<u>740,000</u>	<u>790,000</u>

Property Location	Valuer	Inspection date	2015	2014
			\$	\$
66 Hill Street	Darroch	31-Mar-14	740,000	790,000
Fair Value of Property at Balance Date			<u>740,000</u>	<u>790,000</u>

The property at Hill Street was subject to a sale and purchase agreement at balance date. The sale price has been used as the fair market value of the property at 31 March 2015.

10. Property, plant and equipment

	Motor Vehicles	Freehold land at fair value	Buildings at fair value	Leased assets	Plant and equipment at cost	Total
Cost or Valuation						
Balance at 1 April 2013	-	4,619,600	8,472,328	607,046	2,574,611	16,273,585
Additions	1,890,609	-	269,363	-	171,512	2,331,484
Disposals	-	-	-	-	(71,247)	(71,247)
Revaluation increase	-	190,400	169,405	-	-	359,805
Balance at 31 March 2014	1,890,609	4,810,000	8,911,096	607,046	2,674,876	18,893,627
Additions	29,029	-	301,683	-	228,373	559,085
Disposals	-	-	(11,166)	(607,046)	(788,496)	(1,406,708)
Revaluation (decrease)/increase	-	(36,304)	8,034	-	-	(28,270)
Balance at 31 March 2015	1,919,638	4,773,696	9,209,647	-	2,114,753	18,017,734
Accumulated depreciation/amortisation and impairment						
Balance at 1 April 2013	-	-	1,058,684	433,714	1,815,037	3,307,435
Eliminated on disposals	-	-	(60)	-	(70,890)	(70,950)
Depreciation expense	231,849	-	294,482	84,817	238,744	849,892
Increased on revaluation	-	-	-	-	-	-
Balance at 31 March 2014	231,849	-	1,353,106	518,531	1,982,891	4,086,377
Eliminated on disposals	-	-	(11,166)	(518,531)	(730,390)	(1,260,087)
Depreciation expense	319,611	-	311,043	-	199,283	829,937
Balance at 31 March 2015	551,460	-	1,652,983	-	1,451,784	3,656,227
Carrying amount						
As at 31 March 2014	1,658,760	4,810,000	7,557,991	88,515	691,985	14,807,251
As at 31 March 2015	1,368,178	4,773,696	7,556,665	-	662,969	14,361,508

10. Property, plant and equipment (continued)

2015 Valuation details of property

All properties were valued on a fair value basis at balance date by independent registered valuers, listed below, who are members of the Institute of Valuers of New Zealand. The valuers have the appropriate qualifications and experience in the valuation of properties in the relevant location. The fair value of the properties at balance date were as follows:

Property Location	Valuer	Inspection Date	2015 \$	2014 \$
Holiday Homes				
Raumati	Darroch	17-Apr-15	2,220,000	2,160,000
Whitianga	Darroch	20-Apr-15	800,000	1,050,000
Carters Beach	Coast Valuations	16-Apr-15	330,000	330,000
Te Anau	Darroch	21-Mar-14	242,000	288,000
Otematata	Darroch	18-Mar-14	170,000	180,000
Rotorua	Darroch	6-Mar-14	860,000	810,000
Nelson	Darroch	10-Mar-14	584,348	630,000
Total Holiday Homes			5,206,348	5,448,000
Wellington Office	Darroch	31-Mar-15	6,700,000	6,550,000
			11,906,348	11,998,000
Book value of improvements to leasehold properties			424,011	369,989
			12,330,359	12,367,989

The valuers have utilised the capitalisation approach for the valuation of the Wellington Office (yield rate of 8.25-8.50%) and the Whitianga property (yield rate of 6.7-9.2%). This approach involves capitalising the actual contract and/or potential net income at an appropriate market derived rate of return. In situations where the contract rental varies from anticipated market rent the rental surplus or rental shortfall is calculated on a present value basis and adjusted against the capitalised value.

The remaining properties have been valued by reference to market evidence of transaction prices for similar properties. This conforms to the New Zealand Property Institute Practice Standard 3 - Valuations for Financial Reporting Purposes. Valuations for the following properties were made on the basis of desktop valuations: Nelson, Otematata, Te Anau, and Rotorua.

	2015	2014
11. Intangible assets		
	\$	\$
Computer Software		
Gross carrying amount		
Balance 1 April	1,094,937	953,518
Additions	57,093	141,419
Disposals	(200,600)	-
Balance as at 31 March	951,430	1,094,937
Accumulated amortisation and impairment		
Balance at 1 April	874,282	721,652
Amortisation expense	150,021	152,630
Disposals	(197,984)	-
Balance at 31 March	826,319	874,282
Net book value Computer software	125,111	220,655
Total Intangible Assets	125,111	220,655

	2015	2014
12. Current Trade and other payables	\$	\$
Trade payables	834,435	1,284,667
Goods and services tax (GST) payable	300,758	221,754
	1,135,193	1,506,421

	2015	2014
13. Other financial liabilities	\$	\$
Finance leases (current portion)	-	61,991
Finance leases (non-current portion)	-	59,488
	-	121,479

	2015	2014
	\$	\$
14. Provision for employee entitlements		
Current Portion		
Leave and allowances	992,707	1,034,986
NonCurrent portion		
Leave and allowances	1,780,044	1,436,085
	<u>2,772,751</u>	<u>2,471,071</u>

The PSA Staff collective agreement allows for service based union service leave and associated allowances. After reaching qualifying periods of service staff are entitled to retirement or resignation leave. The entitlement increases with length of service.

A provision is calculated based on historic claim patterns and current staff levels. An estimate is made of the likely timing and rate at which these entitlements will be paid and these are discounted to the net present value using the forward discount rates published by Treasury.

15. Related Party Transactions

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Significant influence is defined as the power to participate in the financial and operating policy decisions of an entity, but not control over those policies. Significant influence may be gained by statute or agreement.

Key management remuneration	2015	2014
	\$	\$
Remuneration of key management personnel and board members.		
Short-term employee benefits	438,997	376,476

Key management personnel and board members are also members of PSA and may from time to time enter into transactions with PSA as part of their membership. These transactions are at arms length.

16. Commitments for expenditure

(a) Capital Expenditure Commitments

Capital expenditure contracts authorised by the executive board and contracted for at balance date totalled Nil (2014: Nil).

(b) Lease commitments

Non-cancellable operating lease commitments are disclosed in note 18 to the financial statements.

17. Contingent Liabilities

The PSA has no contingent liabilities as at 31 March 2015.

18. Leases

Finance leases

(a) Leasing arrangements

The PSA has no finance leases at 31 March 2015

(b) Non-cancellable operating lease payments (lessee)

Operating leases related to office premises located in Auckland Hamilton, Nelson, Palmerston North, Christchurch and Dunedin. Office Equipment leases and pool car leases.

	2015	2014
	\$	\$
Not later than 1 year	670,584	263,664
Longer than 1 year and not longer than 5 years	1,241,583	283,250
Longer than 5 years	4,438	-
Total	<u>1,916,605</u>	<u>546,914</u>

(c) Non cancellable operating lease (lessor)

Operating leases related to Wellington properties (PSA House) where PSA is landlord.

	2015	2014
	\$	\$
Not later than 1 year	417,060	478,226
Longer than 1 year and not longer than 5 years	396,085	778,678
Longer than 5 years	-	-
Total	<u>813,145</u>	<u>1,256,904</u>

19. Reconciliation of net (deficit) for the period to net cash flows from operating activities

	2015	2014
	\$	\$
Net (deficit) from operations	(259,065)	(72,366)
Add non cash items:		
Depreciation	829,937	765,076
Amortisation of leased assets	-	84,816
Amortisation of software	150,021	152,018
Loss on disposal of fixed assets	57,922	(2,410)
(Gain)/Loss on Investments (unrealised)	(2,152)	1,784
Loss/(Gain) on revaluation of properties (unrealised)	280,116	(78,876)
Reclassification of Leased Assets	(121,479)	-
	<u>1,194,365</u>	<u>922,408</u>
Add/(less) movements in working capital items:		
Accounts receivable decrease/(increase)	199,546	(15,619)
Prepayments decrease/(increase)	294,065	(260,951)
Tax paid in advance (increase)	(28,268)	(35,257)
Accounts payable and accruals (decrease)/increase	(371,228)	160,192
Leave provision increase	301,683	142,200
	<u>395,798</u>	<u>(9,435)</u>
Net cash flow from operating activities	<u>1,331,098</u>	<u>840,607</u>

20. Financial instruments

(a) Capital risk management

The PSA manages its capital to ensure it will be able to continue as a going concern by setting the level of subscription charges to provide a moderate annual surplus to maintain sufficient financial reserves to ensure it is able to act in the interest of members.

The capital structure of the PSA consists of cash and cash equivalents as disclosed in note 5, term deposits as disclosed in note 7 and equity attributable to members comprising reserves and Members' funds.

PSA capital management is strictly governed by the executive board investment policy dated 31 October 2002, and as amended April 2012. The investment policy is risk averse and places an emphasis on security and liquidity.

The overall strategy remains unchanged from 2014.

(b) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset and financial liability are disclosed in note 1 to the financial statements.

20. Financial instruments (continued)

(c) Categories of financial instruments

As at 31 March 2015

	Held to maturity investments	Loans and receivables	Available for sale financial assets	Financial assets and liabilities at amortised cost	Total
Assets					
Cash and cash equivalents	1,956,574	-	-	-	1,956,574
Trade and other receivables	-	474,866	-	-	474,866
Other assets	15,250,000	-	-	-	15,250,000
Investments	-	-	11,718	-	11,718
Tax Receivable	-	35,367	-	-	35,367
Total financial assets	17,206,574	510,233	11,718	-	17,728,525
Liabilities					
Trade and other payables	-	-	-	1,135,193	1,135,193
	-	-	-	1,135,193	1,135,193

As at 31 March 2014

	Held to maturity investments	Loans and receivables	Available for sale financial assets	Financial assets and liabilities at amortised cost	Total
Assets					
Cash and cash equivalents	371,884	-	-	-	371,884
Trade and other receivables	-	968,477	-	-	968,477
Other assets	16,028,458	-	-	-	16,028,458
Investments	-	-	9,566	-	9,566
Tax Receivable	-	7,099	-	-	7,099
Total financial assets	16,400,342	968,477	9,566	-	17,385,484
Liabilities					
Trade and other payables	-	-	-	1,506,421	1,506,421
Other financial liabilities	-	-	-	121,479	121,479
Total financial liabilities	-	-	-	1,627,900	1,627,900

(d) Financial risk management objectives

The PSA finance department co-ordinates access to the domestic financial market and monitors and manages the financial risk (including interest rate risk and credit risk).

(e) Market risk management

PSA's activities expose it primarily to the financial risks of changes in interest rates as it borrows and invests funds in fixed interest rates. The PSA manages the risk by positioning funds through different interest rate cycles.

(f) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss. The PSA has adopted a policy of only dealing with credit worthy counterparties as a means of mitigating the risk from defaults. PSA investments will be in institutions and instruments that have a Standard & Poors credit rating of A- or better. PSA exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread among approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed by the executive board as part of the Investment Policy.

The PSA places its cash and short term investments with high credit rated, quality financial institutions and limits the PSA amount of credit exposure to any one financial institution or corporate thus eliminating the need for the PSA to acquire collateral or other security to support financial instruments. All term deposits mature within twelve months. Interest rates range from 4.5% to 5%.

There is minimal risk arising from trade receivables as subscriptions are recognised on receipt, which is generally salary deduction from employers, and holiday home and office rents receivable are paid in advance.

(g) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the executive board which has built an appropriate liquidity risk management framework for the management of the PSA's short, medium and long term funding and liquidity management requirements. The PSA manages liquidity risk by maintaining adequate reserves and banking facilities and by continuously monitoring actual cash flows and matching the financial profiles of financial assets and liabilities.

Liquidity and interest risk tables

The following tables detail PSA's contractual maturities for its financial liabilities. They are based on the undiscounted cash flows of financial liabilities based on the earliest date on which PSA can be required to pay. The table includes both interest and principal cash flows.

As at 31 March 2015	Less than 1 year	Later than 1 year and not later than 5 years	Later than 5 years	Total
Trade and other payables	1,135,193	-	-	1,135,193
Financial leases	-	-	-	-
	<u>1,135,193</u>	<u>-</u>	<u>-</u>	<u>1,135,193</u>

As at 31 March 2014	Less than 1 year	Later than 1 year and not later than 5 years	Later than 5 years	Total
Trade and other payables	1,506,421	-	-	1,506,421
Financial leases	61,991	59,488	-	121,479
	<u>1,568,412</u>	<u>59,488</u>	<u>-</u>	<u>1,627,900</u>

Interest Rate Sensitivity Analysis

The interest rate sensitivity analysis below have been determined based on the exposure to interest rates available for bank term deposits that the PSA have classified as other assets.

A 50 basis points increase or decrease has been used to illustrate the sensitivity. Comprehensive income after tax for the year ended 31 March 2015 would decrease/increase by \$80,266 (2014: decrease/increase by \$80,142).

21. Subsequent events

On 1 April 2015 the NZPSA merged with the Southern Local Government Officers Union.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
NEW ZEALAND PUBLIC SERVICE ASSOCIATION**

Report on the Financial Statements

We have audited the financial statements of New Zealand Public Service Association (the 'Association') on pages 2 to 18, which comprise the statement of financial position as at 31 March 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Members, as a body, in accordance with Rule 78(6) of the Association's Rules and Regulations. Our audit has been undertaken so that we might state to the Members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Members, as a body, for our audit work, for this report, or for the opinions we have formed.

Executive Board's Responsibility for the Financial Statements

The Executive Board is responsible for the preparation and fair presentation of financial statements, in accordance with generally accepted accounting practice in New Zealand, and for such internal control as the Executive Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 the accounting policies used and the reasonableness of accounting estimates, as well as the overall presentation of the financial statements.

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

Other than in our capacity as auditor and the provision of agreed upon procedure services, we have no relationship with or interests in the Association. These services have not impaired our independence as auditors of the Association.

Opinion

In our opinion, the financial statements on pages 2 to 18 present fairly, in all material respects, the financial position of the Association as at 31 March 2015, and its financial performance and cash flows for the year ended on that date in accordance with generally accepted accounting practice in New Zealand.



Chartered Accountants
25 August 2015
Wellington, New Zealand



For a better working life
New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi

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