



Annual Report



Public Service Association
Te Pūkenga Here Tikanga Mahi

2016 - 2017

Our values

Collective voice

We champion members' interests with a strong effective voice.
We stand together, supporting and empowering members,
individually and collectively.

Social justice

We take a stand for decent treatment and justice. We embrace
diversity and challenge inequality.

Integrity and respect

Our actions are characterised by professionalism,
integrity and respect

Problem solving

We are a progressive and constructive union, constantly
seeking solutions that improve members' working lives.

Democratic

We encourage participation from members. We aim to be
transparent, accessible and inclusive in the way we work.



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President's report



PSA president Janet Quigley (far left) with the women's network committee.

Ki to kotahi te kākaho ka whati, kite kāpuia, e kore e whati.

My first year as PSA president has brought me a great deal of pride. I've travelled from Whangarei to Dunedin, championing decent treatment and justice in our workplaces. I've been humbled to stand together with our team in the fight for equal pay. I've been empowered by our members' actions to increase funding for our public services and emboldened by the dedication of our sectors and networks.

As a long-time PSA member, delegate and former network convenor, my vision for our union has been shaped by hundreds of conversations over a number of years. This year, I've talked with many of you in workplaces, at hui and one-on-one, about your aspirations for our movement and a future for Aotearoa that embraces diversity and challenges inequality.

The growth of our union demonstrates a revival in collective organising. Our well-resourced, professional team is delivering for members with bargaining, campaigns and advocacy that reaches the top echelons of business and government. This year, the tenacity and dedication of PSA members has been rewarded with the most significant pay settlement in recent history. Our work on equal pay highlights what we can achieve when we stand together.

I especially want to thank our secretariat for overseeing the depth and breadth of work we do here at the PSA. Their leadership, not just within our union, but across the movement, is an example to us all. Our executive board

has also been a great support. We are a cohesive team, united in our vision to take the union forward. And to our staff, who give us their professional commitment as well as their personal passion and energy; thank you. We are a team who believe in the work we do and it shows.

To those of you who have aspirations to step into leadership roles yourselves, I want you to know there are opportunities for you at the PSA. If we are going to transform our workplaces, continue our fight for equal pay, support stronger community and public services and build our union, we need a community of leaders championing members' interests. I know many of you are ready to step-up and I encourage you to take that step this year.

As president of the PSA, I have been given the rare opportunity to align what I love and what I believe in. It's a privilege more New Zealanders should enjoy in their workplaces. In the year ahead, more of our members must get what they are entitled to at work. Our fight for equal pay doesn't stop here and neither do our calls for better-funded public services.

I want to thank all of you for your warm welcome, your support and your solidarity this year. I look forward to working with you to build our union's base, extend our reach and champion the rights of working people and their whānau.

Ngā mihi,
Janet



Executive board



The executive board is responsible for the governance of the PSA and is 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. The board, chaired by the PSA president, met on seven occasions this year.

Executive board activity

This year we welcomed our new president, Janet Quigley who is already excelling in her role. The board's work has included the implementation of the gender equity Rule 5, the adoption and rollout of the ngā kaupapa programme and the creation of union policy on social housing and sustainability. We are also supporting more active youth involvement in our union with PSA youth representatives now observing the work of our governance groups.

The board supported the rollout of the cross-union organiser traineeship programme, an initiative which ensures our organisers' institutional knowledge is passed on to the next generation. We also continued to support the professional development of the PSA's leadership team, supporting national secretary Erin Polaczuk to attend the prestigious Harvard Law School Trade Union Programme.

The board is already planning for the year ahead and have held a strategic planning session to ensure we hit the ground running after September's general election. As a team we are united in our purpose and committed to working to achieve the best outcomes for you, our members, stakeholders and supporters.

Mike Tana	Outgoing president (April – September 2016)
Janet Quigley	Incoming president (September 2016 – April 2017)
Peter Robertshaw	Vice president (2016)
Benedict Ferguson	Vice president (2017), local government
Andy Colwell	Treasurer (2016)
Jacky Maaka	Treasurer(2017), district health boards
Erin Polaczuk	National secretary
Glenn Barclay	National secretary
Marshall Tangaroa	Te Rūnanga o Ngā Toa Āwhina
Lesley Dixon	Te Rūnanga o Ngā Toa Āwhina
Kathy Higgins	PSA staff representative
Gail Arthur	State sector
Caro Fisher	Public service
Pania Love	Community Public Services

Congress
 Attended by delegates from each sector. Occuring every second year, this is the highest decision making body of the PSA.
 Congress elects the president.



Executive board - reports to congress

Made up of the president, the two national secretaries, the convenors of each sector committee and Te Rūnanga, and a representative of PSA staff.

The governance body of the PSA between congresses.



Sector committees - represented on the executive board

Delegates in each of our five sectors elect a committee to lead the work of the PSA in their area. Committees are made up of delegates who represent members in a particular region, industry or enterprise, plus representatives from Te Rūnanga.

Some committees also have additional women's representation.



Delegates - elect sector committees

Elected by PSA members at a particular workplace to represent them and to lead union activity in a workplace.

Different workplaces will have different numbers of delegates and structures that they work in.



Workplaces - elect delegates

Where you work, alongside other fabulous PSA members.



Te Rūnanga o Ngā Toa Āwhina

Te Rūnanga is the voice for Māori members of the PSA. We ensure Māori members are heard at all levels of the organisation. In 2017, membership remained steady with our Rūnanga members making up 8 per cent of PSA members overall and 15 per cent of PSA delegates.

Ngā Kaupapa

Our strategy, *Ngā Kaupapa*, was signed off by the executive board last year. The strategy is based on eight areas of activity which offer a holistic approach to promoting unity and strength for Māori members across the union. Eight principles support *Ngā Kaupapa* and the PSA's commitment to Te Tiriti o Waitangi principles of partnership, protection and participation.

The eight principles are:

- **Kotahitanga** – Unity and solidarity
- **Rangatiratanga** – Empowering Māori leadership
- **Kaitiakitanga** – Protection of Māori to secure fair working conditions in the workplace
- **Manaakitanga** – Health and wellbeing
- **Wairuatanga** – Cultural behaviour
- **Whakahiato umanga** – Realising potential through promotion of career development pathways
- **Whanaungatanga** – embracing of whānau, whakapapa and strong relationships

- **Whakamana** – promotion of effective Māori participation and partnerships

Through these principles, Te Rūnanga has worked with PSA teams and stakeholders to provide an agenda for furthering the interests of both Māori and non-Māori members.

Membership

- Te Rūnanga membership increased by 53 this year
- We have 521 Māori Delegates.



Te Rūnanga Kōmiti meeting in November 2016

Highlights

Kaitiakitanga group

This year Te Rūnanga set up the Kaitiakitanga working group to develop a bargaining strategy that incorporates goals and aspirations for Māori and reviews the maranga mai mo ngā whakangungu ā rohe, Māori delegate training package, among other things.

Māori participation

Te Rūnanga also actively promoted participation in the successful Hui Taumata 2016 and this year's Te Rātonga Mahi ā te Kāwanatanga (Public Sector) Hui. The public sector has now established its own Rūnanga with 13 active Māori enterprise delegates promoting and supporting *Ngā Kaupapa* in their enterprises and workplaces.

Rangatahi

Te Rūnanga has reviewed its procedures to support rangatahi at the governance level. This review also extends to the CTU organiser traineeship where the two PSA delegates selected are young Māori delegates.

Te Runanga continues to be actively involved in the CTU work programme and represented the PSA at the CTU's biennial hui at Kirikiriroa Marae in May. Additional activities include working with the CTU rūnanga to review Te Ture Whakawhanaungatanga (Māori strategy).

Kawa document

A kawa document is currently under development and nearing completion. This document will provide guidelines to assist all PSA staff and members to develop awareness and better understanding of tikanga Māori practices and protocols as they occur and relate to different settings, situations and activities across the union.

Komiti

Te Rūnanga o Ngā Toa Awhina Komiti is represented at a national level by 13 sector māngai from across the PSA's sectors. This year the komiti has continued to provide cultural leadership and policy advice as well as representing the rūnanga on the PSA executive board.

Kiwhare Mihaka	Kaumātua
Georgina Kerr	Kuia
Marshall Tangaroa	Tuakana
Lesley Dixon	Teina
Sara Tari	Community public services
Pania Love	Community public services / Rūnanga representative
Allan Franks	District health boards
Sandra Skipwith	District health boards
Dolly Larkins	PSA organiser
Susan Mitchell	Local government
Sophie Williams	Local government / Rūnanga representative
Bonnie Blake	Local government
Sharlene Brown	Public service / Rūnanga representative
Sharyna Newport	Public service
John Witana	Public service / Rūnanga representative
Gail Arthur	State sector / Rūnanga representative
Alby Marsh	State sector / Rūnanga representative
Sandra Heke	State sector
Helen Panoho	PSA organising administrator



PSA membership snapshot

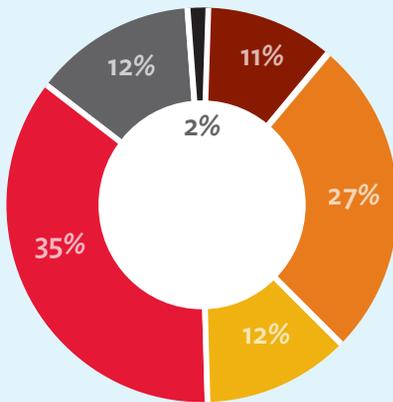
Membership reached 63,119 at 1 April 2017, an increase of 2,262 on the previous year. Recruitment remains a strong priority, with around 10,000 new members needed each year to maintain our current membership.

All statistics below are taken at 1 April 2017.

And the numbers:

Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Members	54,136	54,957	58,105	57,434	57,453	58,208	58,178	58,868	59,782	62,044	63,119
Annual change	+1270	+821	+3148	- 671	+19	+755	- 30	+690	+914	+2262	+973
Percentage change from previous year	2.4%	1.52%	5.73%	- 1.15%	0.03%	1.31%	- 0.05%	1.19%	1.55%	3.78%	1.7%

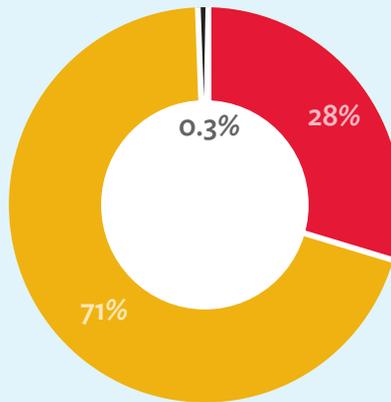
PSA membership by sector



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

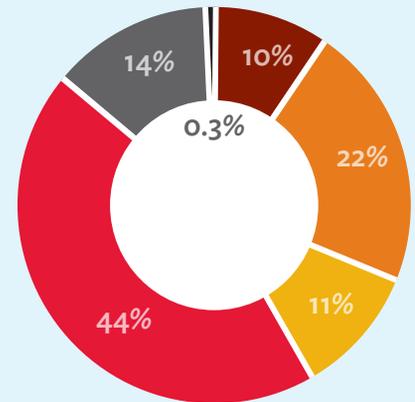
*Other includes student, life, and associate members, and PSA staff who are union members.

PSA membership by gender



- Female
- Male
- Intersex/unspecified

PSA delegates by sector



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

*Other includes student, life, and associate members, and PSA staff who are union members.

PSA membership by age

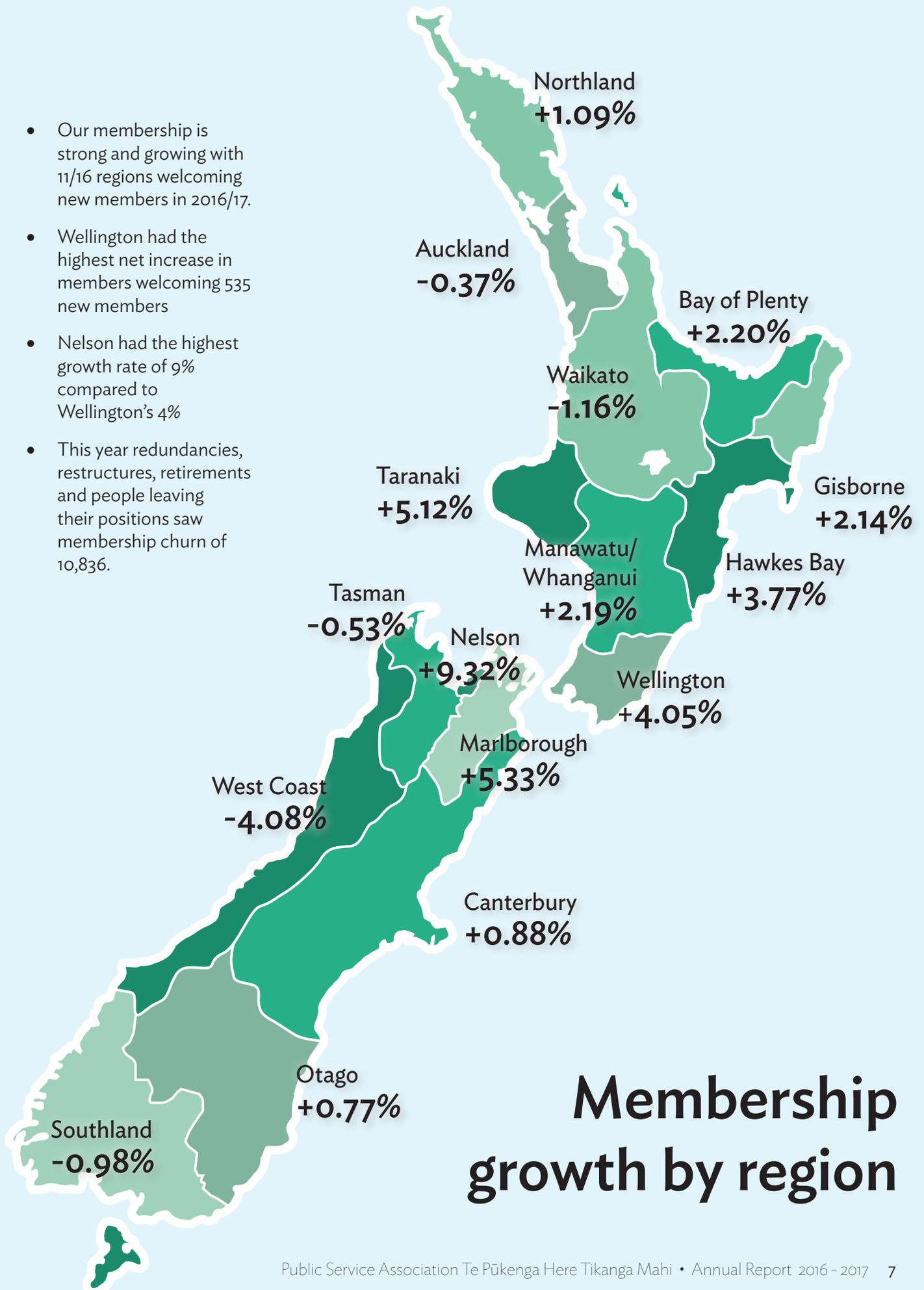
In 2016/17 we welcomed 9,258 new members of whom 3,497 were under 35 year's old. That's about 38% being 35 or under when they joined the PSA.

Year	<26	26-35	36-45	46-55	56-65	>65	No data
2013	2.7%	13.4%	18.8%	24.3%	18.7%	4.3%	17.8%
2014	3.0%	13.5%	18.4%	24.1%	19.1%	4.6%	17.3%
2015	3.0%	13.4%	18.1%	24.1%	19.8%	5.2%	16.4%
2016	3.1%	13.5%	17.3%	23.3%	19.9%	5.3%	17.7%
2017	3.3%	13.8%	16.8%	23.1%	20.8%	5.5%	16.6%

PSA membership snapshot

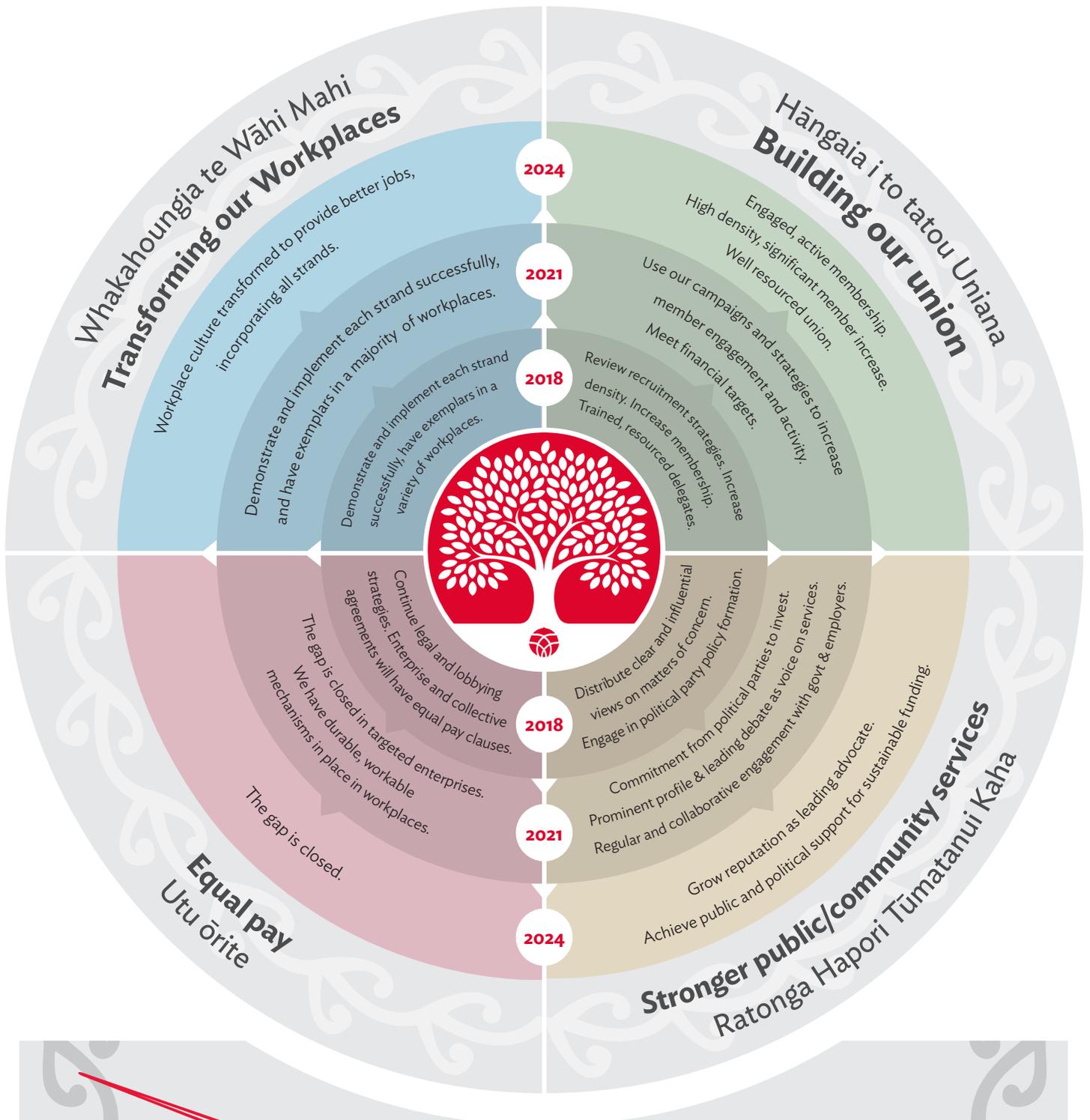


- Our membership is strong and growing with 11/16 regions welcoming new members in 2016/17.
- Wellington had the highest net increase in members welcoming 535 new members
- Nelson had the highest growth rate of 9% compared to Wellington's 4%
- This year redundancies, restructures, retirements and people leaving their positions saw membership churn of 10,836.



Membership growth by region

PSA strategic goals



Te Tiriti o Waitangi

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



What we do: **strategic goals**

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.

We've achieved a lot this year – here are some of the highlights.

PSA strategic goals

Transforming our Workplaces - Whakahoungia te Wāhi Mahi

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



Ministry of Social Development delegates meeting in August 2016

Transforming our Workplaces (ToW) is the PSA's strategy to build a better working life for members. In 2016/17, the five strands of the ToW agenda were progressed in workplaces, with exemplars of our strategy detailed here, as well as by sector.

Fair and secure

Being paid fairly in secure jobs, where change works for everyone

The PSA aims to ensure members have fair and decent working conditions and a secure future. This year, the PSA continued its work on remuneration systems, and made progress minimising the link between pay and performance in a number of enterprises.

The PSA opposes performance pay as a system because it provides scope for unconscious bias, managerial discretion and contributes to the gender pay gap. Most importantly, it is a system used to control budgets rather than recognise effort. We believe pay should genuinely acknowledge good

work rather than be driven by an organisation's bottom-line. The PSA's work in 2014/15 to remove performance pay at Auckland Council set a precedent, with remuneration and performance working parties formed this year at Inland Revenue and the Ministry of Education.

Career development

Increasing skills and experience through training and other opportunities.

Learning and career development for members is a priority for the PSA. The opportunity for members to extend their skills, qualifications and experience is an important feature of modern workplaces.

The PSA's work with the Department of Internal Affairs (DIA) to set up a member-only professional development fund, is one of the best examples of union-brokered allowances for members' career development. The fund, now in its third year, sets aside \$150,000 per year in additional funding to support career development.

PSA strategic goals

Personalised

Workplaces that welcome diversity help us all to thrive.

Everybody should be supported and valued as an individual in their workplace. Unfortunately, employers often don't have formal policies in place to enable equal employment opportunities or to keep discrimination in check. Championing workplaces and policies that support diversity is an important function of the PSA's work. This year, the Deaf and Disabled Network, the Women's Network and Out@PSA have all stepped up their advocacy effort in this space.

Trust and effectiveness

Being trusted in our jobs, so we can work smarter, not harder.

Strong relationships between employees and managers are characterised by high levels of trust and a workplace culture that values the voice and input of employees.

This goes beyond pay and conditions and is about the way in which we undertake work, our values and our support for each other. This year we continued to implement our High Performance High Engagement model (HPHE) across a number of workplaces, particularly those experiencing change.

We focused on negotiating collective agreements that facilitate high trust, and better recognition for the role of delegates as workplace leaders. The results have demonstrated our collective influence, with elected delegates given leave with pay to perform their elected PSA roles. This includes full-time delegates at agencies like Inland Revenue, The Ministry for Social Development and Auckland Council.

We also welcomed Smith Institute research fellow and visiting professor at the Centre for Sustainable Work and Employment Futures, David Coats, to write a report considering the current human resources paradigm with the aim of suggesting some direction for doing HR differently in the future.

The report David Coats produced was published in the PSA booklet: *"Beyond Human Resources: Towards the high-involvement in the workplace"*. The report was a significant contribution to the debate about how workplaces can be better, more innovative and more productive.

Healthy and safe

Positive workplace cultures that look after everyone's wellbeing.

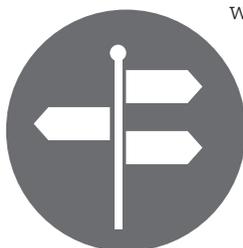
PSA members' safety, health and wellbeing must be looked after in the workplace. The PSA is committed to supporting organisations to develop a positive health and safety culture. Last year, we used the new health and safety legislation as a conversation starter with employers. This year, we focused on healthy behaviours by building the PSA health and safety network and introducing options for wellness in the workplace including through delegate training and health and safety committees.

We also spoke out on family violence as a workplace issue. Regardless of what's happening in your personal life, the PSA believes you should be able to participate at work. That was the view we put to Parliament's Justice and Electoral Select Committee in response to Green Party MP Jan Logie's Domestic Violence Victims Protection Bill. We continue to work to introduce model clauses in collective bargaining to support those experiencing family violence and continue to advocate for legislation to ensure minimum standards are upheld.

Ngā Kaupapa

At a union-wide level we continue to use *Ngā Kaupapa* principles to support and inform our bargaining strategy for workplace engagement. Empowering Māori members and delegates to have conversations with employers about their specific skills is an important part of a personalised workplace.

This year we drafted Te Rūnanga o Ngā Āwhina Bargaining Strategy to ensure there is a consistent approach to bargaining that backs the interests of Māori members personally and ensures employer obligations to Te Tiriti o Waitangi are always front of mind.



PSA strategic goals

Equal pay – Utu Ōrite

**Goal: PSA members are paid equally
for work of equal value**



PSA members and staff at the equal pay announcement for disability, home support and aged care workers.

Equal pay is a human right and has been a longstanding priority for the PSA. One of the PSA's four strategic goals is to close the gender pay gap by 2024.

Worth 100% campaign

PSA members celebrated two historic achievements this year. The equal pay victory for disability, home support and aged care workers is the first achievement. The \$2 billion settlement agreement, negotiated by our tripartite joint working group involving employers, unions and the Crown in the name of Kristine Bartlett was quickly followed by the settlement for vocational disability support workers.

Each settlement was the result of active campaigning by CPS members, delegates and our equal pay advocates who worked hard lobbying Members of Parliament and set a precedent for closing the gender pay gap by 2024.

In real terms the settlement will mean pay rises of up to 50 per cent depending on the level of qualifications or length of service of individual members. PSA delegate Helen

Amey told parliamentarians the settlement was a victory for all working women; "it shows what we can do when we stand together and what we can achieve when we join a union."

The second historic achievement is the Government's acceptance of pay equity principles for female-dominated occupations, and a mechanism to achieve equal pay.

National Secretary Erin Polaczuk represented the PSA on this Joint Working Group (JWG) which agreed a set of principles jointly recommended to government.

Unfortunately, the draft legislation to implement this commitment falls short of the PSA's expectations. The Employment (Pay Equity and Equal Pay) Bill repeals the Equal Pay Act and as crafted reduces women's equal pay rights.

The PSA along with over 220 equal pay advocates made submissions in opposition to the Bill arguing that it represents a big backward step from the Equal Pay Act 1972, the determinations of the courts in the Kristine

Bartlett case, and the JWG pay equity principles and process. We are continuing our campaign to amend this legislation so that it doesn't prevent other workers achieving equal pay.

In 2015, we filed an equal pay claim in the Employment Court against the State Services Commission (SSC) covering all public service workers. The case was put on hold this year to enable the PSA and other state sector unions to work proactively with SSC to develop a set of principles to end workplace inequalities and address issues that contribute to the gender pay gap in the state sector. The PSA has reserved the right to proceed with its claim if needed.

The on-going campaign for equal pay

The PSA is using the proven tripartite process to push ahead with other equal pay cases:

- We have filed a case with the Employment Relations Authority on behalf of social workers at Oranga Tamariki.
- We are in talks with DHB employers around administration and clerical workers.
- We are investigating equal pay for library assistants.
- In June we filed an equal pay case for all mental health support workers with the Employment Relations Authority.



Award-winning advocacy

Every day, steps towards closing the gender pay gap are being achieved as PSA members and advocates raise equal pay in their bargaining rounds. The PSA women's network is at the heart of much of this work.

This year, equal pay advocates and members of the women's network; Christchurch-based medical secretary, Nancy McShane and Auckland-based home support worker, Tessa Clement, were nominated for the prestigious CTU Union Women's Awards.

Nancy was nominated for the work she did around raising equal pay with South Island administration /clerical bargaining and her ongoing contribution to the equal pay campaign and Tessa also for her work in raising equal pay in her workplace, with MPs and whenever she gets the opportunity.

We are pleased to see Nancy receive an award and congratulate Tessa on her nomination.

Pollyanna Alo

Mental health support worker

“We're highly qualified, and we work under intense pressure and stress right at the heart of our communities trying to address serious mental health issues like suicide.

It's completely unfair that mental health support workers receive unequal pay and are undervalued just because we work in a traditionally female-dominated industry.”

PSA strategic goals

Building our union – Hāngaia i to tatou uniana

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



Group of our hard working delegates at stage one training

The PSA is focused on building the union movement, so we can continue to accurately reflect the interests of workers and maximise our bargaining power to get better results for members.

When we talk about strength in numbers we aren't spouting slogans, we're talking about our tried and tested model for member advocacy.

Recruitment

This year, we increased membership in three out of five of our sectors. The community public services (CPS) sector welcomed 1,239 new members, many of whom saw the value of union membership as a result of our work on the Equal Pay and In-Between Travel Settlements.

These settlements also reinvigorated our existing membership, with many members taking the step to become delegates after years of service. Hundreds of community meetings organised by the CPS sector around the country allowed for face-to-face engagement, and recruited a number of equal pay advocates.

The public service sector recruited a number of new members at the Department of Corrections, where membership is up significantly on last year.

The Living Wage campaign supported growth in the local government sector which welcomed 146 new members this year. The PSA now has a delegate at every single Auckland library – a huge achievement.

Recruitment within the state sector and district health boards remained steady with the Yes, We Care coalition encouraging existing members to be more active, supporting recruitment in the long-term.

All of the PSA's networks grew this year. The PSA youth network expanded its base by 723 members as more young people join our union.

The women's network welcomed 500 new members thanks to the Worth 100% campaign and the PSA's social workers action network (SWAN) added almost 250 members to its ranks by working proactively with social work students.

Delegate development

The education team's redesign of our delegate development programme has been a resounding success. This year, more than 1,000 delegates received development training with 134 courses delivered across 21 towns and cities. The new delegate workbooks, developed in consultation with PSA members, are supporting more active organisation in our workplaces.

PSA strategic goals

The workbooks are less of a manual and more of a record of activity, with guides that cover PSA rules, structures and strategies supporting delegates to build their influence and impact. In the past, delegate development has been delivered with discrete courses, which led to a sort of pick-and-mix approach. By folding the courses into three stages, our delegates receive comprehensive training, no matter where they live.

Level three training is in the development phase, and will be launched in the year ahead. All PSA networks are entitled to ask for specialised training to support their sector's specific needs. For example, the PSA youth network and the women's network ran a series of successful leadership training sessions this year.

Number of delegates that attended at least one PSA training course



Bicultural unionism

Following on from maranga mai mo ngā whakangunga ā rohe, Te Rūnanga is working in partnership with the education team and the PSA's national organiser: Māori to review and redesign the delegate course; *Bicultural Unionism*.

This mahi is intended to update and refresh the course while also introducing *Ngā Kaupapa* to non-Māori delegates in a culturally safe manner. To support the work of these delegates, Te Rūnanga has developed resources including the: *Te Kōmiti o Te Rūnanga o Ngā Toa Āwhina and Māori Delegate Structures Handbook*; and refreshed *Te Haere Mai* booklet to support and build Māori capability.

The review will ensure the course compliments the *Maranga Mai* workshop and delivers a common level of competence with Te Tiriti o Waitangi as well as ensuring Māori are actively involved in the facilitation of the course. The review is due to be completed by the end of 2017, at which time the new course will be renamed by Kaumātua.

Financial health

The PSA continues to operate with a strong and stable balance sheet as outlined in the financial report. This year we also adopted a new reserves policy which makes explicit the purpose of holding reserves and how they might be used.



Tamsyn Clemerson

Court reporter

“When I volunteered to be a delegate in my workplace and was elected by my colleagues, I was excited but a bit nervous. I knew I could support my peers but I wasn't sure about what a delegate's role was.

Learning about the role of the delegate, the history of the union movement, different leadership styles within a workplace, and how to deal with conflict has been excellent and helpful professional development for me, both as a delegate and as an employee.

Thanks PSA!”

Stronger public / community services – Ratonga haponi tūmatanui kaha

Goal: Our influence delivers sustained political and public support for properly funded innovative public and community services.

Stand Together

Stand Together is the PSA's campaign to fight for properly-funded, well-resourced, public and community services. Launched in 2016, Stand Together focuses on the vital work our members do and the important role they play in maintaining strong, vibrant communities. The campaign has two strands: Stand Together for health and Stand Together for public and community services.

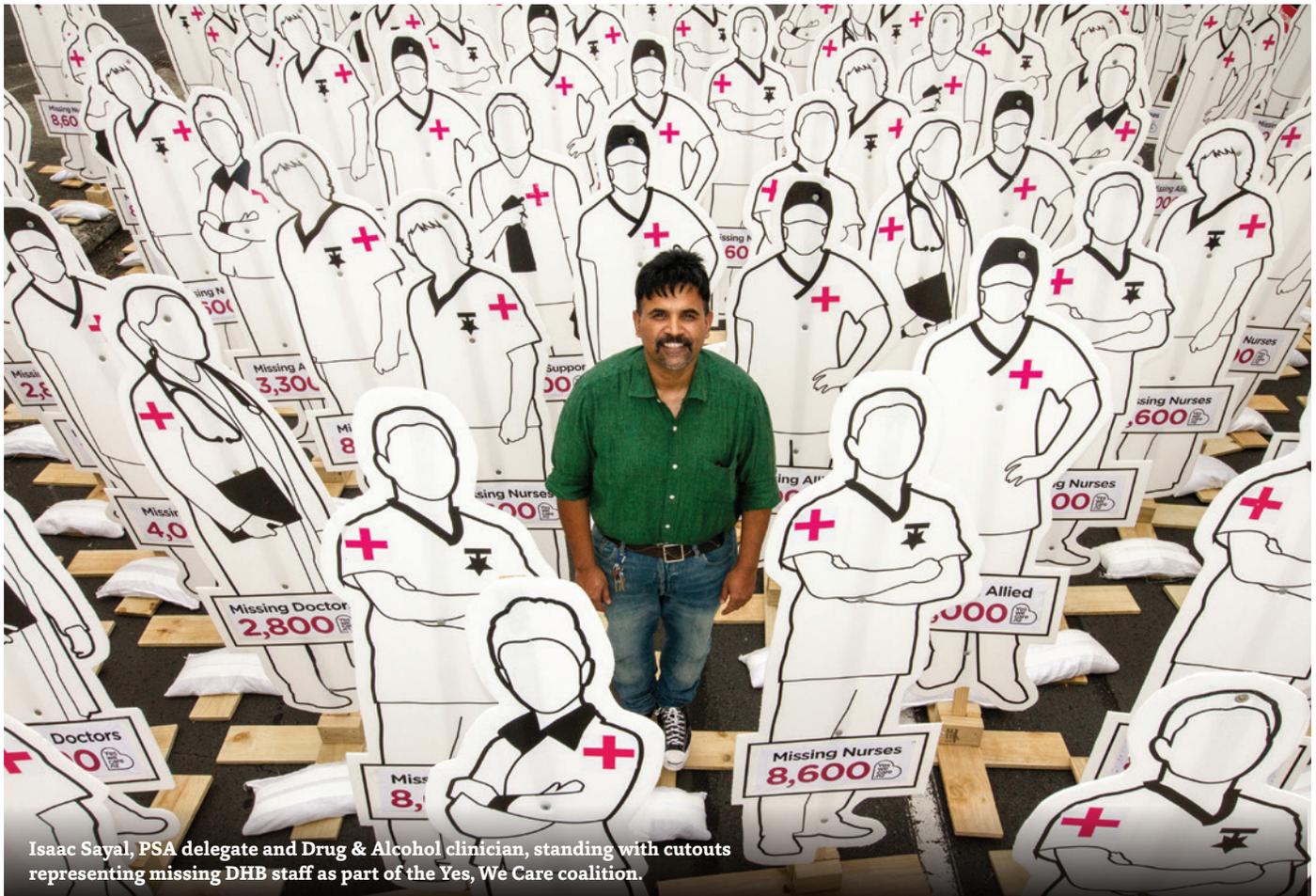
Stand Together aims to:

- Highlight the value of our members' work, both at their job and in their communities

- Encourage voters to see public services as crucial to our quality of life, and influence them to vote against tax cuts and privatisation
- Promote a widespread conversation about better funding of public and community services and involve our members in campaigning and organising.

Stand Together for health

Our campaign, Stand Together for health, was enacted through the creation of the Yes, We Care coalition. Yes, We Care brings together community groups, public health users and people working in the sector who understand the need for better health funding first-hand.



Isaac Sayal, PSA delegate and Drug & Alcohol clinician, standing with cutouts representing missing DHB staff as part of the Yes, We Care coalition.



Stand Together for a better working life

Creating a coalition to sit under the umbrella of Stand Together for health was a way to ensure the PSA's call to properly fund health services was amplified by as many groups as possible.

The coalition's Yes, We Care roadshow, which visited 36 towns from Bluff to Cape Reinga over 28 days was the centrepiece of the Stand Together for health campaign.

The roadshow saw the PSA team join together with other groups travelling 6,000 km across New Zealand to talk with communities about the impacts of health underfunding. Our roadshow, which visually highlighted the deficit in health services and the crisis in mental health funding, kept the pressure on the Government in the lead up to the general election.

Stand Together for public and community services

The Stand Together campaign highlights the importance of the work our members' do, with advocacy and activations that underline the value of public and community services.

In the lead-up to the 2017 general election, Stand Together focused its attention on political advocacy, supplying conversation cards to support members, their friends and whanau to have discussions about the kinds of policies that serve our members and the vital services they provide.

The cards were really well-received with people enjoying the opportunity to talk policy and politics in a way that related directly to their lives, and the lives of those around them.

Stand Together also continued the local heroes campaign, which asked members to nominate local heroes to ensure their good work is recognised. The local heroes campaign was informed by research which revealed many New Zealanders don't understand what we mean when we talk about public services.

By telling stories about the good work our librarians, our life guards and our Department of Conservation (DOC) rangers do, we're explaining what we mean when we call for better-funded public and community services.



Sally Francis Simpson

Senior library assistant

Sally is one of the PSA's local heroes. Librarians like Sally make sure libraries are not only a place for learning, but inclusive cultural hubs.

“I'm really passionate about representing people that aren't represented. I'm really proud of being a PSA member and a delegate. If I feel like someone is getting a bad deal, I'm willing to stick my neck out for them.”

PSA strategic goals

Election priorities

The PSA’s “election asks”, which compiled members’ views on issues from climate change to housing, were used this year to advocate members’ positions to politicians as well as to inform voters about specific political parties policies. These policies have the overarching aims of improving the working and living conditions of our members, and building stronger community and public services.



Cost of living

Social, economic and employment legislation must be designed to reduce inequalities, boost the productive capacity and capabilities of New Zealanders and deliver economic and social justice. Our policy priorities in this area are: equal pay, the reform of employment law to lift minimum conditions and strengthen collective bargaining; fairer taxation and the introduction of a universal family support payment.



Housing

We want to see the integrity, dignity and value of the social housing sector restored. Significant state investment in housing is required to boost supply. Social housing policy, provision and management should be combined in a dedicated public service social housing agency. Tenancy laws also need to be reformed to give greater security and protections to tenants.



Equal Pay

This is one of the PSA’s four strategic goals. We want legislation introduced that makes it easier for workers and their unions to resolve equal pay claims and that honours the equal pay principles agreed by the joint working group on pay equity in May 2016.



Health

New Zealanders are not getting the health care they need. The PSA is working with other unions to make increases in health funding a priority in election year and beyond. We are calling for a substantial increase in government health funding to account for the cuts that have occurred over last eight years and to meet the growing unmet need.



Public Sector

(includes public services, the state sector DHB and local government sectors)

A strong public sector is fundamental to a thriving democracy and strong communities. The PSA wants to see sustainable funding of public services; placing citizens at the heart of public services; a new spirit of transparency and openness of government; and recognition of public servants as professionals with an essential constitutional role.

Importantly, we believe the Te Tiriti o Waitangi must be incorporated into the State Sector Act so that all state sector agencies operate in a way that is consistent with the treaty principles.



Community sector

We want to see the introduction of public interest testing before any public services are outsourced. And we want to see responsible government commissioning and procurement processes that ensure decent employment conditions for community sector workers.



Local Government

Our priorities include: all councils to be living wage employers; reviewing the constitutional status of and funding model for local government; keeping services in-house; and restoring the four well-beings to the Local Government Act.



Tax

The PSA supports the principle of progressive taxation, both as a means of ensuring the fairer distribution of wealth, and because it sustains strong public services. We think current tax settings place an unfair burden on low to middle income earners and this needs to change.



Social Security

The PSA supports a fair social security system that enables people to live with dignity and to enjoy full social and economic participation, regardless of their employment status.

The PSA is committed to incorporating sustainable practice into the union's daily work and to supporting campaigns that promote sustainability.

The PSA's approach to sustainability is holistic. It is underpinned by an acknowledgement that the world is a system where time, resources, people, organisations, values and economies are interconnected. As part of the PSA's own commitment to Te Tiriti o Waitangi, sustainability incorporates the principles of kaitiakitanga (upholding our responsibilities), rangatiratanga (showing leadership) and manaakitanga (caring for our people) and also encompasses social, environmental and economic aspects expressed through the concepts of mana, wairua and mauri that relate both to people and to the natural world.

In 2016, the PSA reviewed its sustainability policy to ensure it had a clear mandate from members to not only pursue sustainability goals in the workplaces where members are employed, but to support action to address the wider challenges facing our planet such as climate change. For example, this year the PSA supported Climate Action Group 350 Aotearoa to "unwelcome" United States Secretary of State Rex Tillerson following his Government's decision to withdraw from the Paris Agreement.

Climate change is a union issue because it impacts on working people, and disproportionately poorer working people, around the world. Climate change has a particular resonance here in the Pacific where many of our neighbours and fellow unionists are already grappling with the fallout from rising sea levels.

The PSA is also committed to a 'just transition'. This is a framework for a fair and sustainable shift to a low carbon economy, proposed by trades unions and supported by environmental NGOs.



Our day-to-day activities

As an employer

The PSA is an employer and sustainability is an integral part of our organisational values and employment principles.

Energy use

We promote energy efficiency and look for ways to reduce our greenhouse gas emissions.

Procurement

We do what we can to ensure what we purchase is from retailers, providers, brands and supply chains that take responsibility for a sustainable society including providing good working conditions for the people who make the products they sell.

What we waste

We seek to:

- Reduce waste in the first instance e.g. by procuring products that have minimal packaging or are biodegradable.
- Re-use where waste is generated
- Re-cycle where we cannot re-use
- Compost wherever we can
- Eliminate or reduce E-waste

As a sustainable employer and organisation, the PSA is committed to monitoring and reducing its own energy use and environmental impact. The chart below shows progress in this area.

Resource Use:	2012	2013	2014	2015*	2016	2017
Vehicles (litres of fuel)	85,713	84,548	76,846		72,984	77,253
Vehicles (tonnes of CO ₂ -e)	229	227	206		196	206
Air travel (tonnes of CO ₂ -e)	265	285	334		522	566
Electricity (KWh)	397,237	424,051	411,100		436,281	487,536
Natural Gas (M ₃)	0	0	0		0	0

*The jump in air travel after 2015 reflects better reporting from a different travel agent. The 2015 dataset was disrupted due to a changeover in our data collection method.





Where we are: **our sectors**

Members of the PSA belong to one of five sectors. Each one of these sectors has its own committee and is represented on the PSA executive board.



Sector: public service Rātonga mahi ā te kāwanatanga



Ministry of Social Development bargaining team

Meeting our strategic goals

The public service remains our largest sector with 21,935 members representing 35 per cent of our membership. Our priority is to ensure public sector workers get a fair deal during periods of change.

This year, the separation of the Ministry for Social Development and the creation of the new Ministry for Vulnerable Children Oranga Tamariki has impacted many of our members and we have worked to make sure they are heard and supported.

We continue to work alongside our delegates within Inland Revenue as close to 4,000 workers face possible changes to their jobs as part of its business transformation programme.

Building our union

Bargaining: Negotiating fair pay increases and pay systems within collective agreements has been an ongoing struggle.

We have had some good outcomes, for example the two per cent wage increase bargained with the Ministry for Social Development (MSD), in addition to a lump sum payment for PSA members, was well-received.

The PSA negotiating team has also secured a pay increase of two per cent per year for our members at the Department of Corrections, plus additional pay in the form of allowances to most members. Child Youth and Family (now Oranga Tamariki) secured a two per cent pay increase with a delayed payment to non-members.

In June, PSA members took strike action with New Zealand Defence Force members and lodged a claim at the Employment Court to secure the right to negotiate pay. Ministry for Primary Industries (MPI) negotiations have also been protracted; the main sticking point being rates of pay for rosters and weekend work.

Māori organising: We are implementing *Ngā Kaupapa*



Sector: public service

Rātonga mahi ā te kāwanatanga

across the sector with its principles reflected in the MOE and Corrections collective agreements, in IR's strategy as well as in the PSA delegates protocol. Our goal this year is to have a Rūnanga representative in each region, then each site. We are also pleased to have secured a dedicated PSA Oranga Tamariki Rūnanga delegate.

Stronger public/ community services

We continue to stand in opposition to the Government's social investment approach to community and public services. To this end, the sector contributed to a number of submissions on legislation impacting our members this year, including a response to The Children, Young Persons, and Their Families (CYPF) (Oranga Tamariki) Legislation Bill.

Equal pay

We are currently part-way through a project which identifies female-dominated roles across the public service. The purpose of this project is to identify wage inequality where we see it by building a compelling, evidence-based case for equal pay across the sector.

This project complements our ongoing work with the State Services Commission (SSC) on applying equal pay across all government agencies. The PSA was also proud to lodge equal pay claims on behalf social workers within Oranga Tamariki.

Transforming our Workplaces

Our strategy to ensure members' work is fulfilling, productive and satisfying has been furthered across each of the five ToW streams this year. In the past year we have made progress with a number of ministries on high engagement models for work design; of particular note is the high engagement agreement with DOC.

These models represent a paradigm shift for the public service 'consultation' model to engaging on a problem or

initiative, while recognising interests of members in job security; development and decent pay and conditions.

In MSD and IR in particular we see new digital online services being introduced, with insufficient testing or involvement of the PSA in design of the new system and its implementation, causing considerable stress to members.

In IR we are challenging their design of new roles and implementation plan.

“*Ngā Kaupapa improves working lives for Māori by ensuring the Māori worldview and the principles of partnership, protection and participation are furthered in the workplace.*”

The November 2016, earthquakes saw many members relocated to temporary worksites and we continue to engage with employers to ensure these are healthy and safe. In Canterbury we continue to advocate for good workplace design and health and safety as new work precincts progress.

We are fully engaged in the development, led by SSC, of new workplace protective security requirements, flowing from the prosecution of MSD after the Ashburton shootings.

Sector committee

Caro Fisher (Co convenor, women's rep), **Peter Robertshaw** (Convenor last year) **Tania Cameron** (MPI and Cluster two), **Debbie Cleaver** (IR), **Shar Brown** (rūnanga rep), **John Witana** (Rūnanga rep), **Tracy Klenner** (PSA organiser), **Leigh Whale** (PSA organiser), **Robert Sisterson** (NZDF, cluster 3), **Shahmay Smith** (Incoming: Oranga Tamariki) **Marshall Tangaroa** (Rūnanga rep), **Virginia Wilton** (MSD), **Nicole Benkert** (womens rep), **Phillip Marshall** (MBIE proxy), **Premnath Menon** (cluster one), Vacant (MOJ), **Philipe Eyton** (Corrections proxy) **Chantalle Smith** (women's rep), **Robert Bennett** (MBIE), **Diana Te Rata** (Cluster four), **John Witana** (Rūnanga rep), **Paula Warren** (DOC), **Asha Prasad** – Justice (proxy), **Athol Ringrose** – MSD (proxy).



Sector: district health boards Pōari hauora ā rohe



District Health Boards Rūnanga

Meeting our strategic goals

Advocating for increased funding for district health boards has been a strategic priority in 2016/17. Our members have rallied behind the Yes, We Care coalition, which calls for a fully funded health service by humanising the impact of health sector cuts. Our sector has worked hard to support this campaign with people power, in the way we organise and the way we bargain with employers.

Building our union

Sector growth has been steady. Like local government, DHBs suffer high turnover as teams manage increased volumes of work with fewer staff. In particular, the practice of holding vacancies has created additional pressure for our members. We are constantly working with employers to ensure management recognises the negative effects of overloading workers.

Engagement: Kiwis are missing out on the mental health care they need. This year, in response to the ongoing crisis in mental health funding, we held member forums in Auckland, Hamilton, Wellington, Nelson and Christchurch to discuss the impact of an underfunded sector. These forums were an opportunity for members to discuss issues and propose solutions. Members discussed access to mental health services for patients, staffing shortages, recruitment process and retention.

Māori organising: Te Tira Hauora were part of the organising committee for Hui Taumata 2016. Te Tira Hauora is following the initiative from Te Rūnanga o Ngā Toa Āwhina to promote more visibility of ngā kaupapa e tuku ihoa. We have two representatives from Te Tira Hauora on the allied bargaining team and will continue to advocate for changes to the Hauora Māori pay scales and progression methodology. Te Tira Hauora is currently organising the DHB sector hui for September 2017.



Sector: District health boards Pōari hauora ā rohe

Bargaining: Last year, eight large MECAs and a large number of collective agreements were bargained. As a result 2016/17 was a quiet year. Settling the South Island Clerical MECA was a major achievement in the period to April, and will set the PSA up well for future negotiations.

Stronger public/ community services

The DHB sector continues to campaign for increased funding for mental health workers. This year our members helped raise awareness for the lack of funding for community-based mental health services by supporting Action Station's crowd-sourced inquiry into the public mental health system.

Anti-privatisation: We continue our work to remove DHB food services contractor Compass, which was awarded the contract to supply food to nine DHBs in 2015/16. The deterioration of food services is an ongoing concern, especially at the Southern DHB. There is no quick solution to this issue, but monitoring and advocacy is necessary to ensure patients and workers have access to decent and nutritious food.

Canterbury DHB has been able to bring its food services back in house – a significant win. However, it has been able to do so as a result of unique circumstances. The move to Compass on a national basis, led by HPL, saw a number of DHBs sign a 15 year contract which effectively means they are stuck with Compass. However, Canterbury DHB used to be a Compass site, having gone through the privatisation process in the early 2000s. This means Canterbury avoided the 15 year deal and as a result has this year been able to take the services back in-house.

Equal pay

The PSA continues to raise conversations around equal pay with employers at every opportunity. At the beginning of 2017, we made a formal claim with the five South Island

DHBs for administration and clerical workers. This claim has resulted in meetings with DHB representatives and we are currently developing our response to DHBs.

Transforming our Workplaces

Our strategy to get more managers involved in ToW is progressing well. Structured engagement processes are being established in DHBs between union delegates and managers and are helping to strengthen relationships. Our commitment to furthering High Performance through High Engagement (HPHE) strategies is progressing well, with delegates and organisers putting proposals to every DHB in 2016/17.

Those DHBs interested in the process have undertaken to work with the PSA, NZNO, E Tū and affiliated unions to take the strategies forward. The National Bipartite Action Group continues to meet as does the Health Sector Direction Forum. This year the Health Sector Direction Forum focused on supporting wellness in the workplace. The National Engagement Forum for the Allied Public Health and technical groups also met this year to progress salary scale changes, CASP and career framework issues.

“We are constantly working with employers to ensure management recognises the negative effects of overloading workers.”

Sector committee

Margaret Takoko (PSA organiser), **Allan Franks** (ADHB), **Dianna Mancer** (Mid Central DHB), **Te Whaea McFarlane** (Southern DHB), **Miranda Buhler** (SDHB), **Lesley Dixon** (CDHB), **Glenda Young** (Mid Central DHB), **Helen Panoho** (PSA organiser), **Andrew Colwell** (Convenor past year), **Barbara Graham** (Tairāwhiti DHB), **Te Ora Nyman** (WDHB), **Camron Muriwai** (NDHB), **Alistair White** (WDHB), **Ara Moore-Tuwhangai** (BOPDHB), **Jacky Maaka** (BOP DHB), **David Robiony-Rogers** (CCDHB), **Sandra-Lee Skipwith** (WDHB), **Nancy McShane** (CDHB), **Steve Grant** (NDHB), **William Newton** (CCDHB), **Nancy Dally** (CMDHB) and **Hilary Genet** (NMDHB).



Sector: state sector Rāngai tūmatanui



AVSEC member Laure Michon and her detection dog Cleo

Meeting our strategic goals

A number of mergers and ongoing restructures have been successfully worked through in 2016/17. Bargaining outcomes have improved, with slow but sure extension of collective agreement coverage, and negotiated pay outcomes, to more members.

Building our union

Engagement: State sector members are active in many enterprises, with high attendance at member meetings, bargaining discussions and workshops. This year we have improved engagement with many employers; for example, within ACC we now have quarterly strategic engagement meetings. We have also developed a new sector recruitment plan, increased our targeting and made better use of support from other teams, including the recruitment support provided by the benefits team.

The State sector of the PSA includes a broad range of organisations, from private enterprises through to offices of parliament. A small example of the breadth of workplaces in the PSA's State Sector: Office of the Ombudsmen, Human Rights Commission, ACC, Housing NZ, the Education Council, the Open Polytechnic, most Universities, AgResearch, the Metservice, RadioNZ, the Public Trust, some power companies, many crown companies, parts of New Zealand Post, and IAG Insurance. The elected delegates on our state sector committee work hard to accurately represent all members in their considerations.

Bargaining: Over the last year we have seen better rises in pay. Organisers are reporting that bargaining is becoming generally more productive with most organisations, although there are some exceptions. Industrial action came very close in a number of negotiations, and we have made more use of the mediation services to resolve these issues. Despite what remains a challenging environment, progress is good. Negotiated pay has been restored to some agreements, such as Heritage NZ. Pay rises have been slightly larger than last year. We have successfully averted



Sector: state sector Rāngai tūmatanui

clawbacks, such as efforts to bring in 90 day provisions for example with Open Polytechnic.

Stronger public/ community services

The sector continues to engage with the wider community on issues affecting members.

The science cluster has an engagement programme with a number of related groups and political allies, and we were proud to be involved in April's Global March for Science. We are communicating more strongly on the housing issue, to support our members in Housing New Zealand.

Equal pay

We continue to challenge performance pay, managerial discretion and market-based remuneration systems in many organisations. We are asking more employers about their outcomes in terms of equal pay, and looking for differences between men's and women's pay.

The sector bargaining strategy, which encourages bargaining teams to bring up equal pay with employers and to negotiate pay clauses into collective agreements, continues to strengthen the case for equal pay.

Transforming our Workplaces

In 2016/17 the state sector's organising and bargaining strategies were renewed. We are pleased to have negotiated the Living Wage concept into more agreements. Family violence clauses have also been a focus and priority for negotiations.

We have focussed on work/life balance issues, through such means as better call out provisions. Improving working relationships with most sector employers has raised the volume of our members' voices, but there is still a lot of work to do in the year ahead.

“The state sector of the PSA includes a broad range of organisations, from private enterprises through to offices of parliament.”



Sector committee

Gail Arthur (convenor), **David Do** (deputy convenor), **Mark Andersen** and **Roddy Henderson** (science cluster), **Brian Grey** (NZTA), **George Laird** (PSA organiser), **Alby Marsh** (runanga rep), **Pam Jemmett** (tertiary cluster), **Sandra Heke** (runanga rep), **Carla Batista** (infrastructure cluster), **Sean O'Kane** (PSA organiser) **Kelly Cotter** (social support cluster), **Keith Gutsell** (quality cluster).



Sector: local government Kāwanatanga-ā-rohe



Local government sector committee, November 2016

Meeting our strategic goals

This year Auckland and Wellington councils' set a precedent in the local government sector, securing a Living Wage for hundreds of New Zealanders. With our two largest cities leading the way, the PSA's work to increase wages in councils across the country is gaining momentum. Other councils have different approaches like increasing the bottom rates at a higher rate which is making progress towards achieving a living wage.

Building our union

Growth: The sector welcomed 146 new members this year and thirty new PSA delegates were welcomed on board to support our work on behalf of librarians at Auckland

Council. The PSA now has a delegate at every one of Auckland's 55 community libraries – a huge achievement. By coming together for purposeful action, we have developed a delegate structure that will serve librarians in the long-term. While the local government sector hasn't seen the strong membership growth other sectors have enjoyed, this can largely be put down to staff turnover within councils, which has impacted member and delegate density.

Engagement: Regional forums in Rotorua, Palmerston North and Christchurch brought together 28 local government sector delegates in May to discuss bargaining, restructuring, conflict resolution and the upcoming general election. Our local government sector committee continues



Sector: local government Kāwanatanga-ā-rohe

to deliver for PSA members and is currently planning a refresh of the format for regional delegate forums. The merger with the Southern Local Government Officers Union (SLGOU) has been a great success. Delegates have been extremely positive about the breadth and depth of training opportunities now available to them.

Bargaining: Bargaining in the local government sector is constant and complex. Organisers are and will continue to focus on coordinating a national approach to bargaining. This year new collective agreements was successfully negotiated for Museum, Gallery and Theatre (MGT) members at Napier District Council. SLGOU members are actively engaged in the sector committee and the libraries panel. All of the collective agreements have now been renegotiated under the PSA banner.

Stronger public/ community services

Auckland Council's final decision on the restructure of local libraries was released in April this year. As a result, the majority of librarians are facing significant role changes. To ensure their interests are represented, the PSA has created a delegate panel to support bargaining, equal pay negotiations and best-practice change management.

The PSA understands that the roles of librarians will continue to evolve, particularly with the introduction of new technologies. That is why a specific focus of the panel is about ensuring librarians have professional development opportunities. PSA National Secretary Glenn Barclay is progressing talks with Malcolm Alexander from LGNZ and Karen Thomas of the New Zealand Society of Local Government Managers (SOLGM) to establish a local government forum.

Equal pay

This year we have done some research into equal pay for library assistants which will help inform any future pay equity claims.

Transforming our Workplaces

Gaining traction on the Living Wage in Auckland and Wellington significantly furthered the PSA's Transforming our Workplaces (ToW) agenda.

Auckland council delegate Daniel Haines has used the PSA's High Trust, High Engagement model and the campaign for a Living Wage to engage 12 new PSA Youth members – a great achievement and example to other delegates.

Negotiations at Environment Canterbury have been protracted, with the main point of difference being how staff are paid under the Collective.

Environment Canterbury wanted more control and the members want a clear and understandable pay system. In finalising a two-year collective agreement. We have agreed to enter a working party and have a planning day with delegates to prepare for that work.

“The PSA now has a delegate at every one of Auckland's 55 community libraries – a huge achievement.”

Sector committee

Sophie Williams and **Susan Mitchell** (rūnanga rep), **Benedict Ferguson** (convenor, Auckland/Northland), **Richard Foster** (Midlands), **Eleanor Haggerty-Drummond** (deputy convenor, Lower North), **Noel Hodson** (Lower North), **Lee Manaia** (Auckland/Northland), **Susan Mitchell** (rūnanga rep), **Peter Mora** (Midlands), **Michael Ogden** (South Island), **Alana Reid** (South Island), **Joanne Tindall** (South Island).



Sector: community public services Rātonga mahi ā hāpori



Cathy Terry and Deidre Moemoe celebrating the equal pay announcement

Meeting our strategic goals

This year's landmark equal pay settlement for care and support workers was the culmination of close to a decade's worth of work in the CPS sector.

The significant milestone follows the 2011 Sleepover Settlement, the In-Between Travel Settlement and guaranteed hours for precarious work. Each win is an example of union strategy delivering for members.

Building our union

The CPS sector is just seven years old and is already the third largest sector in the PSA. As a new sector, our aim is to better develop our delegate structures and capacity so we meet the needs of more members.

Engagement: We held 150 meetings with 40 employers as part of the engagement around the In-Between Travel Settlement this year. This face-to-face member engagement was essential to the success of the settlement, giving workers an opportunity to have their say with union support around their pay and conditions. We also held some 300 meetings as part of the equal pay settlement ratification process. Another important work stream relates to the introduction of domestic and family violence clauses in collective agreements. Our work here supports employers to introduce new policies that support workers who are either victims or perpetrators of family violence seeking help.

Bargaining: CPS has more collective agreements than any other sector, meaning we are constantly bargaining. Our work is having an impact, with pay continuing to improve



Sector: community public services Rātonga mahi ā hāpori

and member-only benefits rising. This year, Pathways Health agreed a staged approach to secure a living wage entry pay rate by 2019 and a new collective agreement was signed with Healthcare Rehabilitation. Working in the midst of a complicated merger, we were also able to finalise a collective agreement at Able Trust Southland – the first of its kind for the organisation. Each of these sites has seen significant member growth as a result of the PSA's bargaining activity.

Stronger public/ community services

Low investment across the sector is still a key challenge. Our focus for the year ahead is to build our collective impact by continuing to work with client advocacy and umbrella groups increase our reach and amplify the views of our members. We have also participated in the Yes, We Care coalition.

Equal pay

Our fight for equal pay was won in the home support and disability sectors this year, but continues for our members in mental health and other sectors. Following this historic victory, a further equal pay settlement was agreed for MSD and MVCOT vocational and disability support workers. While technically outside of the scope of this report, we recently confirmed almost 1,700 vocational and disability support workers funded by the Ministry of Social Development and Oranga Tamariki will be included in the historic equal pay settlement for care and support workers that took effect on 1 July. The PSA, alongside its equal pay advocates, is proud to have lodged a claim on behalf of mental health support workers in June, and continues to organise to achieve equal pay especially for mental health workers.

Transforming our Workplaces

More than 22,000 home support workers now have guaranteed hours following the successful conclusion

of the In-Between Travel Settlement. The PSA's effort as part of a tripartite process has seen a regularisation of the workforce with wages based on qualifications, fair workloads and the opportunity to achieve a level three qualification within two years of starting work. This ensures all workers in home support are offered guaranteed hours rather than "the majority of workers" as outlined in the original settlement agreement.

“The PSA's advocacy this year will mean more stable and sustainable community public services with less churn and less burnout.”



Sector committee

Pania Love (National Convenor), **Pania Tulia** (Co-Convenor, Methodist Mission), **Vanessa Jensen** (MASH Trust Levin), **Jenny Goodman** (HHL), **Carol Hastie** (Stand), **Claudia Maaka** (Ngati Porou), **Sara Tari** (Runanga Representative), **Michele Donovan** (PSA Organising Administrator), **Eleanor Keepa** (Healthcare Rehabilitation), **Pollyanna Alo** (Emerge Aotearoa), **Donna Wealleans** (HHL), **Barbara Crozier** (PSA Organiser).



Who we are: **our networks**

Members can also join our PSA networks.
Networks are hubs for activism giving
members the opportunity to organise
according to their profession, passion or
priority issue.



PSAY youth leadership trainees

PSA Youth network (PSAY)

Our largest network, PSA Youth (PSAY) is made up of members under 35. Over the past year our network has grown by close to 700 members to 12,137, representing 22 per cent of the PSA’s total membership. We have 482 youth delegates and are active on social media, with our Facebook page a hub for member engagement and advocacy.

This year PSAY’s focus has been on raising the youth voice within the union. PSAY worked with CTU and PSA leadership teams to support the introduction of an Organiser Traineeship Programme. This programme offers youth a six month placement with different unions with the aim rejuvenating our organiser base to ensure we have a solid succession plan as older organisers leave the workforce.

Leadership training has been a big focus this year with PSAY training over 100 members.

Organiser Lauren Hourigan, who joined the PSA at 23, says the training is about encouraging young people to step into leadership roles within the union, their workplaces and their communities: “We have such a talented network of youth members and delegates. These courses are a chance to bring aspiring leaders together in a way that inspires action and personal development.”

PSAY is proud to have a strong voice within the PSA’s executive structure. The 2016 congress remit to include youth representatives on sector committees and the Board was passed and will better support youth to take on leadership roles in future.

Campaigning is a central part of what our youth leaders do. This year PSAY got in behind the local heroes campaign to better recognise the work of PSA members and we have proudly supported the campaign for equal pay. Networking with other unions is also a priority.

PSAY sent 12 members to the CTU Stand Up Conference in September and has held numerous events around the country in partnership with other unions, employers and PSA networks.



Highlights

- PSAY signed up 49 student members at the Auckland University careers fair
- PSAY forged a new relationship with the public sector graduate network
- 77 people turned up to an event in Auckland in conjunction with the Pasefika network
- 50 young members will converge on Palmerston North for the biennial PSAY Hui.

Women's network

“The women’s network is a place to share experiences about work, support each other and organise for positive change, both within our union and for a better working life.”

The women’s network provides a strong voice for the advancement of women’s issues within the PSA. In 2016/17, we increased our membership from 3,198 to 3,719 meaning we are the largest opt-in network at the PSA. This year we’ve been more active than ever, striving for better and fairer representation of all women.

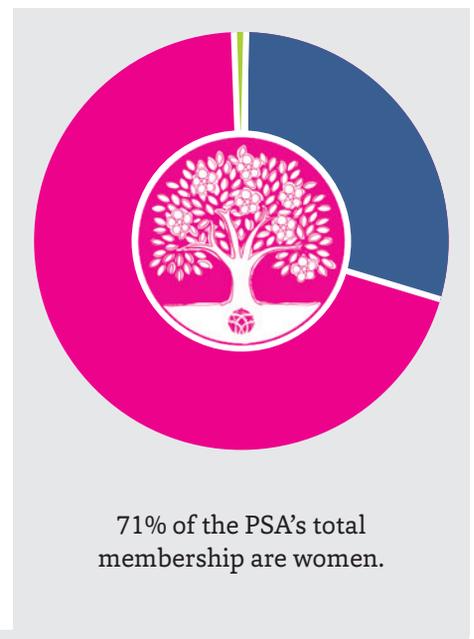
We have a commitment to gender equity within all levels of leadership at the PSA. With Janet Quigley leaving her position as convenor of the network in order to be PSA President, we are practicing what we preach; improving women’s representation at all levels of the organisation. Women’s leadership training continues to be a popular and fulfilling course for members. This work helps us to advance women both within their workplaces and in their roles at the PSA, supporting our work towards gender equity. Since April



2016 we have conducted training in Wellington, Christchurch, Rotorua and Auckland.

In broader campaign and political spaces we continue to step up, driving the Equal Pay campaign, supporting the PSA’s Worth 100% campaign and its equal pay advocates as well as the CTU’s Treat Her Right equal pay campaign.

We have lobbied MPs on a variety of issues including equal pay and Jan Logie’s Domestic Violence – Victims’ Protection Bill. Our members also regularly contribute to submissions for parliamentary select committees.



Social workers action network (SWAN)

SWAN is an informal network within the PSA that aims to advocate for, inspire, inform and unite social work and social workers.

SWAN continues to grow its influence with 248 new members in 2016/17 taking total membership to 948. Recruitment is a great strength of the SWAN network thanks to the proactive approach members take supporting social work students in and out of the workplace.

This year, SWAN scheduled visits with students around the country, talking to them about the importance of self-care and the value of standing together in a high-pressure, high-stress sector. Organiser Amy Ross says social workers are used to helping other people and often aren’t aware that there’s support available for them:



“Our recruitment strategy is about supporting students from their first placement so that when they are learning the ropes, they are also learning about the benefits of active union membership.” The PSA’s policy of free student membership recognises that when workers are in training, money should not be a barrier to organising.

SWAN held its national conference in Auckland in September 2016, hosting international guest speaker Professor Donna Baines, chair of social work and social policy at The University of Sydney. The conference was open to the public, bringing the wider social work community together to discuss social work identity in a neoliberal social, economic and political environment.

Professional development for social workers remains a central focus for SWAN. This year we continued our EREL approved training, which looks at unionism, organising and natural justice through a social work-specific lens.



PSA members and staff at the 2017 Pride Parade

Out@PSA

Out@PSA continues its course of rapid growth with 659 members, an increase of 200 members over the past year.

A new committee was recently elected and reflects the diversity of our communities.

Members of the network include a broad variety of sexual orientations, gender identities, biological makeup, ages, ethnicities, geographical locations, and PSA sectors.

Activities over the past year include the New Zealand Council of Trade Unions (NZCTU) Te Kauae Kaimahi Out@Work gathering for lesbian, gay, bisexual, transgender, and intersex, plus, unionists held in Wellington.

Out@PSA also hosted stalls at Auckland's Big Gay Out and Wellington's Out in the Park where several new PSA and network members were recruited. We participated in the Auckland Pride Parade with a PSA float on the theme of equal pay, and marched in the Wellington pride parade with our

sister unions E tū and the New Zealand Nurses Organisation (NZNO).

The CTU's *Gender and Sexual Diversity at Work Resource*, which is part of PSA's Transforming our Workplace campaign, continues to be delivered throughout the country.

Goals for the coming year include developing sample clauses on diversity for collective agreements, advocating for trans rights, and working with other PSA networks in the upcoming general election.

Pasefika network

The Pasefika network contributes a strong voice, and advocacy, for Pasefika members within the PSA.

This year we have focused on recruitment, growing our membership by close to 300 members.

The Pasefika network represents PSA members at conferences and events and works closely with Marshall Tangaroa, who represents



the network on the PSA's executive board. This year we've maintained strong ties with the New Zealand Council of Trade Unions' (NZCTU) Komiti Pasefika, particularly with the recent Pasefika and Creekfest Festivals in Auckland and Wellington.

The komiti is working on a number of initiatives to better represent our Pasefika members including a 'think piece' following the NZTU Komiti Pasefika looking at the possibility of holding Fono and further promoting the PSA's campaigns.

Deaf and disabled network

The deaf and disabled network advocates for the rights of PSA members living with different abilities by supporting them to organise and be heard within the union, in the workplace and in their communities.

Deaf and disabled members have a strong presence and voice within the PSA. In 2016/17, advocacy and engagement saw the network's membership increase from 300 to 414 members.

One of the key achievements in 2016/17 was the move to formalise the network, giving members the support of an official governance structure and committee. By becoming a formal network, deaf and disabled members can submit remits to congress, and make recommendations to the PSA Board.



Deaf and disabled inaugural meeting in Wellington in June. Left to right: Jason Watson, Paul Brown, Catherine McCaffie Roseanne Boddy, Sean Parker, Candace McCabe, Barbara Cameron, Jasmin Taylor, Kate Crawford, Claire Vincent. Absent: Martine Able, Tony Seymour.

In June, the network held its inaugural meeting in Wellington which focused on ensuring the PSA is responsive to the needs of deaf and disabled members. One way the network achieved this was

by working closely with the policy team to advocate to political parties in the lead up to the general election on issues of importance for deaf and disabled members.

Ethics virtual network

The PSA's ethics network has 1,184 members across the union. The network supports members by advocating their views on issues of public sector ethics including sexual harassment and whistleblowing.

This year, the ethics network has continued its involvement with the Open Government Partnership (OGP), ensuring public service workers views are actively considered in all open government design processes.

We also ran some successful events, including forums in Auckland and Wellington.

Following on from our successful *In The Thick Of It* series of lunchtime seminars in 2014/15, our 2016, *Free, frank and fearless* series drew speakers including former Prime Minister Sir Geoffrey Palmer, Victoria University academic, Dr Chris Eichbaum, and Russell McVeagh Partner, Dr Andrew Butler.



Dr Andrew Butler speaking at *Free, frank and fearless*

Eco reps network

The eco reps network advocates for sustainability and environmental issues as core concerns of the union movement.

The network has 896 members up from 765 last year. We are seeking to re-invigorate the network in the year ahead by

better responding to members' interest in environmental issues.

Many members, for example those working in health, environmental services, town planning and civil defence are directly involved with issues brought on by changing weather patterns and increasing numbers of severe climatic events.



Libraries panel

The PSA is continuing to advocate for Auckland librarians as Auckland council's *Fit for the Future* change process marches on. This year, we established the libraries panel to advocate in the interests of all libraries staff.

In May the panel held its inaugural meeting where it agreed to work constructively with all stakeholders to support

bargaining to ensure optimal employment conditions for members, including equal pay and the Living Wage, support best practice change management processes, enhance professional development opportunities for library staff and advocate for strong well-resourced public libraries as vital community assets. The panel discussed ways of supporting librarians in the coming months as well as the resources needed to achieve the group's aims.

Mental health committee

The PSA's mental health committee is a cross-sector committee linking mental health workers between district health boards, community public services and the core public service.

The focus of the committee is to support PSA members in mental health by advocating for safe and healthy working environments and manageable workloads.

In the lead up to the general election the mounting crisis in the mental health sector has been a focus of public and political debate.

Our committee has spoken to the media on issues of underfunding, lack of resources and the consequences of both within the sector.

We have also actively supported the PSA's Yes, We Care coalition and the campaign for equal pay.

Science committee

The national science committee is the longest running committee at the PSA. The committee meets three times a year, connecting members across the science cluster to discuss bargaining, HR policy and advocate for increases to CRI funding.

In 2017/18 most CRIs are negotiating new collective agreements but funding remains the sector's Achilles heel. Unless funding levels are adjusted to inflation, the value of CRIs will continue to be eroded. For this reason a primary focus for the national science committee this year was advocacy.

The science committee heard from both the Labour and Green Parties with Members of Parliament invited to share their party's views and policies on the wider science sector and the CRIs in particular. These sessions gave the committee an opportunity to advocate the interests of PSA members.

Activism for science took centre stage at April's Global March for Science, which saw scientists around the world come together in support of their right of freedom of expression. International time zones meant New Zealand scientists led the charge with PSA National Secretary Glenn Barclay addressing the Wellington march.



Helen Kelly and PSA staff in May 2016

New Zealand Council of Trade Unions

The PSA's strong relationship with the New Zealand Council of Trade Unions (NZCTU) continues. This year, we worked with the NZCTU to involve DHBs and other unions in strategies to progress the High Performance/High Engagement (HPHE) model. There is a lot of interest in pursuing HPHE at some DHBs which we continue to support and encourage.

Backed by affiliates, the NZCTU continues to put pressure on Government to deal with issues arising from the Holidays Act which have led to the underpayment of many New Zealand workers. The PSA maintains close ties with other unions through the National Affiliates Council (NAC) and continues to work with the NZCTU on equal pay and the development of equal pay principles.

In August, PSA members participated in a week of action as part of the NZCTU's Treat Her Right campaign. Our executive board and women's network also had strong representation at

the NZCTU women's conference and PSA staff attended the NZCTU's organising conference in 2016.

Helen Kelly

Late last year, we mourned the loss of Helen Kelly, former president of the NZCTU and a stalwart of our movement. Many PSA members were lucky enough to count her as a friend. Helen was a towering figure in the union movement both here and internationally – and an inspiration to all New Zealanders.

The grace and courage she showed in the face of her diagnosis and the bravery with which she fought was humbling. To the very end, she campaigned for the causes she believed in – and thought about how the union movement would continue to survive and thrive after she was no longer here to champion it. The best tribute we can pay her is to continue to fight for a better life for New Zealand workers, now and in the future.

Public Services International (PSI)

The PSA is a member of Public Services International (PSI), a global federation of 154 public sector unions. We play an active role, particularly in the Oceania region.

Being part of PSI Oceania is about standing in solidarity with our international sister unions, sharing advocacy and educational opportunities and coordinating our campaigns where appropriate. The PSI leads campaigns on issues such as quality public services, privatisation, public funding, taxation and gender equality.

This year we hosted a PSI Sub-Regional Advisory Committee for Oceania (OSRAC) meeting themed around public health.

This event involved our sister unions in our Stand Together for health activity.

We also attended the PSI's 13th Regional Conference for the Asia Pacific Region (APRECON) in Japan during October 2016.

In anticipation of the PSI World Congress in October 2017, we provided some recommendations for action, which have since been included in the work-plan of the PSI.

Specifically, we made recommendations around public servants' rights to give free, frank and fearless advice, the need to recognise rights of indigenous people in the public sector and the importance of equal pay for women.





How we work: **our** **organisation**

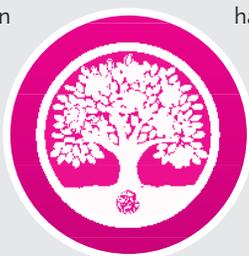
The PSA is New Zealand's largest union. Our organisation is supported by a team of full-time staff dedicated to supporting members.

Our head office team is broadly divided into two areas, strategy teams (campaigns, communications, legal, and policy), and support teams (finance, information technology, membership, and PSA Plus).

Strategy team

2016/17 highlights

- Research with UMR on perception of public services
- PSA Plus rebranding
- Public service women working for free day



- Submission on Te Ture Whenua Māori Reform Bill
- Ngā Kaupapa resource
- Responding to sexual harassment resource
- Women's network biennial conference design and comms support

- Restructure guide
- Congress
- SWAN conference comms support
- Submission on Draft Health of Older People Strategy



May 2016

Jun 2016

Jul 2016

Aug 2016

Sep 2016

Oct 2016



- Equal pay postcard campaign and submission
- Hosted MPs on work experience visits to the PSA
- Submissions on the Social Security Rewrite Bill

- Submission on Open Government Partnership National Action Plan 2
- Hui Taumata design and communications support
- Submission to the Cross-Party Homelessness Inquiry

- Submission to Human Rights Commission Seclusion and Restraint Review
- New PSA membership form launched
- PSA position on social housing finalised

One of the advantages of belonging to the largest union in the country, is having access to an expert strategy team working fulltime to support members, organisers and staff with policy advice, legal advice, communications and campaigns.

Policy advice

The policy team is the PSA's in-house think-tank. The team analyse and respond to draft legislation, advocating members' interests in parliamentary select committees, at events and as part of PSA campaigns. The policy team works closely with organisers, sector committees and networks to conduct research, and contribute to cross-union policy planning ensuring the voices of PSA members are heard in as many forums as possible. The team also supports the secretariat and executive board with strategic advice.

Communications and campaigns

The communications and campaign team comprise the PSA's chief wordsmiths and designers. The team is tasked with ensuring members' stories, successes, campaigns and causes are amplified in print and online.

The team produces the PSA's quarterly journal *Working Life*, network and sector newsletters and the *PSA News*. The team keep our website up to date, work with media and run campaigns on issues of importance to our union. Every poster, every logo and every branded piece of gear members receive can be traced back to our in-house design team. The team produces eye-catching resources to make sure PSA organisers and delegates have the materials they need to involve, inform and inspire our members.

Legal advice

The PSA legal team looks after the legal interests and rights of the union and its members. The team advises on bargaining and disciplinary investigations, the enforcement of collective agreements, changes to employment legislation, and represents the PSA and its members in legal proceedings in the employment jurisdiction, ACC reviews and before professional bodies. The team also supports members who have been unjustifiably dismissed, disadvantaged or faced unlawful discrimination in their work. Our legal team also offers training for union officials for example to support members to navigate new legislative environments.

Strategy team

2016/17 highlights



- *Free, frank, and fearless* seminar (part two)
- Second *Delegate Handbook* finalised
- Transforming our Workplaces visual redesign
- Submission on Oranga Tamariki Legislation Bill
- Support for Careers NZ delegates in front of the Education and Science Select Committee
- The legal team filed proceedings against the NZDF in the ERA
- Published *Ten Progressive Perspectives on Tax*
- Supported the Domestic Violence Victims Protection Bill
- Research and support for PSA pay equity claims
- Research on PSA members views about the 2017 election



Nov 2016

Dec 2016

Jan 2017

Feb 2017

Mar 2017

Apr 2017

- Submission on Education (Update) Amendment Bill
- *Free, frank and fearless* seminar
- Post-earthquake communications support

- Research on partners experience of parental leave
- Delegate recruitment leaflet
- *Haere mai* booklet and *Welcome in* booklet refresh

- Policy Support for Guaranteed Hours - a big win for support workers
- Election policy asks
- Submission to the Auckland Mayoral Taskforce on Housing.
- New delegate sign up form.



General legal update

Restructuring

The legal team advises on restructuring, particularly where employment entitlements are unfairly threatened. This year the team has had success in forcing employers to re-think their decisions and in seeking fair settlements for members. One example is the challenge of the Waikato DHB's restructure of its public health service and the Employment Relations Authority determination *Kathleen Archibald v Waikato District Health Board*.

Fixed-term agreements

This year a significant number of PSA members were placed in permanent employment as a result of challenges to the lawfulness of fixed-term arrangements. The legal team prepared comprehensive advice for organisers on the lawfulness of fixed-term arrangements and the unnecessary and unlawful use of them is raised in some collective bargaining.

Minimum wage claims

The legal team was successful in the Employment Relations Authority in seeking payment for on-call work

by Anaesthetic Technicians at South Canterbury District Health Board. The Authority held that as a result of the requirement to report for duty within ten minutes, the restrictions upon and responsibilities of the technicians while on call was such that they were "working" and entitled to the minimum wage for their time.

Contractual disputes

The team took a number of cases to enforce the provisions of our collective agreements.

Equal pay cases

The PSA has a number of cases filed seeking equal pay for groups of female dominated occupational groups. Negotiations are underway in relation to proceedings against the State Services Commission seeking principles for the implementation of equal pay throughout the state sector.

Personal cases

The legal team offers significant support to individual PSA members. This year the team worked alongside our Organisers on 310 personal cases.

Support teams

Growth team

Highlights

- 859 new PSA members in 2016/17
- 85% success rate for phone recruitment
- 61% of calls made are answered

Every year, for the PSA to maintain its level of influence in our workplaces we need to recruit 10,000 new members. Because the PSA's strength comes from the depth and breadth of its membership, recruitment is an essential part of ensuring our union can meet the needs of members.

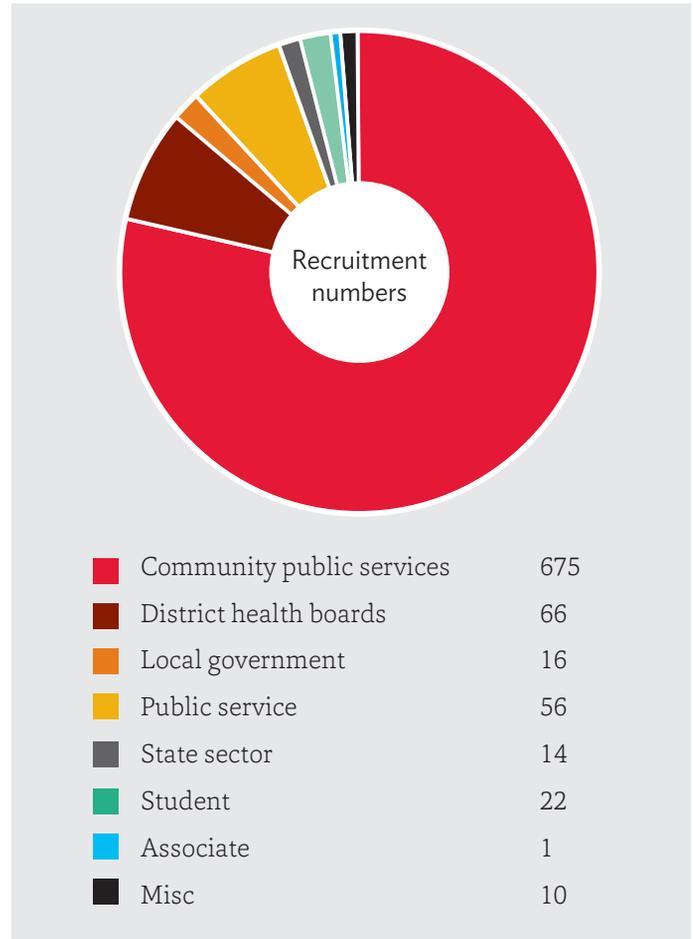
In an effort to seek out new methods of recruitment, the growth team has been established, with two PSA staff currently employed. The growth team, led by online organisers, succeeded in signing up an average of 80 per cent of the people they spoke to in 2016/17.

Some employers have agreed to supply the PSA with contact details for new staff starting work with them – this gives the team a solid list of people to contact. Additional contacts come from the likes of DHB bargaining fee payers, potential members referred by existing members and opportunities for recruitment generated by bargaining outcomes.

The growth team's success is supported by the effort and energy of organisers and delegates around the country who also recruit new members.

The majority of the benefits team's work involves recruitment of new members at various work sites. Where

necessary prospects are contacted again by phone after having been approached at their place of work.



Membership

The four-person strong membership team is based in Wellington. The primary role of the team is to process membership information including maintaining up-to-date and accurate records in Unison, the PSA database (employer, site, and member). The team is also responsible for inputting new member applications, reconciling accounts as they relate to members and answering membership enquiries. The team manages all member fee accounts and issues membership cards.

Keeping the union running

The membership team estimate that in the last financial year they handled:

- 13,000 follow-ups of members who hadn't paid fees
- 15,600 enquiries from members
- Almost 10,000 new member packs sent in the mail
- Hundreds of member location changes after each edition of *Working Life* journal
- Inputted close to 10,000 new member applications
- Roughly \$19,830,000 of membership fees processed.

Information Technology

Following last year's consolidation and the installation of new servers, most of the PSA's systems have now been successfully virtualised.

This has allowed a new disaster recovery process to be developed which will protect our systems and allow them to be recovered quickly should a major event occur in Wellington.

As planned last year the PSA's email system is now running in the cloud. Investigation is taking place to see

what other solutions used by the PSA can be cost effectively hosted in a similar way.

Despite a great deal of effort by the PSA and Spark, the provision of a private network for the mobile phones did not deliver what was promised and the project was abandoned. Alternative methods of delivering the information are being researched and should be available to staff within the next few months.

A new PSA app for members has been developed for Android and IOS and will be released by the end of the year.

Support teams

PSA Plus

PSA Plus is about giving back to our members. The programme is made up of member benefits, which allow organisations to show their support for the union movement with member-only discounts and deals, and PSA holiday homes, which, thanks to our collective investment, make taking a break affordable.

Member benefits

This year we are proud to have expanded our member benefits scheme significantly, with 32 member-only perks. In April 2017, we added UNIONPower to our portfolio of benefits. Thanks to Switch Utilities, PSA members now receive discounted power and gas. HealthcarePlus have also extended their Primary Care and Primary Care+ medical insurance policies to all PSA members.

By the numbers:

- 50 members take up our discounted travel insurance every month
- We're making the most of discounts at Noel Leemings, spending more than \$200,000 this year.

Holiday homes

Our holiday home annual occupancy rate was 72 per cent for the year – that's a 5 per cent increase on last year. The PSA's holiday homes remain a sound investment, and are treated like family batches by members. Our two new Auckland apartments are receiving rave reviews. The PSA apartments make taking a trip to Auckland all that more affordable. Already occupancy rates are high and both apartments in demand.

All annual maintenance projects were completed with the major projects being the recladding and double glazing of Otematata and a makeover of Quintin Drive's bathroom



Auckland apartments

in Te Anau. Two units in Rotorua were renovated and four bathrooms spruced up in Whitianga. We continue to welcome feedback from members as to the standards of our homes. In the year ahead we are looking to expand our holiday home offering and are currently working with a team in Ohakune on the use of seven motel units.

Organising centre

The PSA organising centre (OC) continues to provide advice and assistance when members need it including dealing with general enquiries, employment relationship problems, and personal cases.

The OC also provides information on membership, clarification of employment agreements, clarification of New Zealand employment law, signs up new members over the phone, and acts in lieu of delegates for sites where this important role is not filled.

The staff of the OC, located at PSA national office in Wellington, engage in ongoing professional development to enhance their ability to support members and delegates. The OC is available Monday – Friday, 8:30am – 5:00pm and can be contacted either by free phone (0508 367 772) or by email (enquiries@psa.org.nz).





Financial Statements
For the year ended
31 March 2017

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Treasurer's report

New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated
For the year ended 31 March 2017

Introduction

It is with pleasure that I present my report for the financial year ending 31 March 2017. The PSA continues to be financially stable with good financial management ensuring the union is well resourced to meet the needs of its members.

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 2017 of \$20,243,089 (2016 - \$19,595,836) which amount to 91% (2016 – 97%) of our actual annual operating spend in the 2017 year. These cash reserves are enough to fund 11 months of operations (2016 – 11.6 months) which is well within the range in which the PSA prefers to operate.

Holding appropriate reserves is an important tool for the PSA to ensure it can continue to operate in the event of a sudden reduction in our income, and to take advantage of opportunities to further our strategic goals.

Statement of Comprehensive Revenue and Expense – “Profit & Loss”

The net operating loss after tax of \$24,350 represents a net loss on income of 0.1%, effectively a break-even result. Total income is up 1% on the previous year while expenses increased by 8%.

The number of fee paying members as at 31 March 2017 was 59,384 compared to 58,743 at the end of the previous year. Member numbers increased slowly but steadily during the year and the final income from member subscriptions increased 0.5% with no fee increases.

Other comprehensive income shown in the financial report of a net \$716,012 gain, relates to the net increase in market valuation of the holiday homes and PSA House. 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. The scale of this gain emphasises the value of holding a significant investment in property in addition to financial investments.

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 \$1,006,922 (2016 - \$2,390,887). This change is mainly the result of higher expenses during the year rather than reduced cash income.

In respect to investing activities, outflows of cash were used for increasing our investments and investing in capital expenditure. In terms of capital expenditure, a significant step was taken during the year with the purchase of two apartments in Auckland, which are proving a popular new benefit for members.

Outlook

The PSA has finished another year with a better than forecast result, and our balance sheet remains strong with good reserves. Our investment in the holiday homes continues to be a popular benefit for members and these are assets which continue to maintain their value.

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.

Member numbers are growing with the recent Care and Support Settlement, and the PSA continues its work to make the most of opportunities for recruitment.

As we go into an election, the PSA executive board remains committed to strategies designed to create strong financials to ensure we go into an uncertain future well prepared.

Jacky Maaka
Treasurer

Statement of Comprehensive Revenue and Expense

New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated
For the year ended 31 March 2017

Account	Notes	2017	2016
Revenue from Non-Exchange Transactions			
Donations		2,543	1,025
Rental Income - Holiday Homes		639,612	559,396
Total Revenue from non-exchange transactions		642,155	560,421
Revenue from Exchange Transactions			
Subscriptions		19,830,011	19,727,547
Other Income	5	1,728,667	1,609,877
Total Revenue from Exchange Transactions		21,558,678	21,337,424
Total Revenue		22,200,833	21,897,845
Expenses			
Amortisation	11	79,814	117,131
Audit Fees	6	32,550	45,500
Communications and Printing		826,811	641,023
Depreciation	12	672,701	811,613
Lease of Vehicles and Equipment		691,363	443,078
Meetings and Travel		2,765,600	2,525,491
Property Revaluations	7	11,484	(277,679)
Rent and Rates		714,722	707,764
Salaries and Wages		12,310,314	11,718,525
Superannuation		794,530	760,390
Other Operating Expenses		3,106,045	2,870,870
Total Expenses		22,005,934	20,363,706
Total Expenses		22,005,934	20,363,706
Net Surplus (Deficit) before Tax		194,899	1,534,139
Taxation			
Income Tax relating to Operating Expenses	15	219,249	170,977
Total Taxation		219,249	170,977
Total Surplus (Deficit)		(24,350)	1,363,162
Other Comprehensive Revenue and Expenses			
Revaluation of Property	12	823,437	392,460
Income tax relating to components of other comprehensive income	15	(107,425)	(109,889)
Transfer of cash from merger with SLGOU	19	-	261,259
Total Other Comprehensive Revenue and Expenses		716,012	543,830
Total Comprehensive Revenue and Expense		691,662	1,906,992

These financial statements should be read in conjunction with the notes to the financial statements.



Statement of Changes in Net Assets

New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated
For the year ended 31 March 2017

	2017	2016
Members Funds		
Opening Balance	21,027,615	20,403,194
Surplus/(deficit) for the year	(24,350)	1,624,421
Transfer to Industrial Fund	-	(1,000,000)
Total Members Funds	21,003,265	21,027,615
Asset Revaluation Reserve		
Opening Balance	6,877,172	6,594,601
Property revaluation increases	823,437	392,460
Deferred tax relating to property revaluations	(107,425)	(109,889)
Total Asset Revaluation Reserve	7,593,184	6,877,172
Industrial Fund		
Opening Balance	1,000,000	-
Transfers In		
Transfer from Members Funds	-	1,000,000
Total Transfers in	-	1,000,000
Total Industrial Fund	1,000,000	1,000,000
Total Equity	29,596,449	28,904,787

These financial statements should be read in conjunction with the notes to the financial statements.

Statement of Financial Position

New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated
For the year ended 31 March 2017

	Notes	31 Mar 2017	31 Mar 2016
Assets			
Current Assets			
Cash and Cash Equivalents	8	843,089	695,836
Receivables from exchange transactions	9	338,597	368,497
Prepayments		163,809	107,528
Shares		9,773	11,158
Taxation Receivable	15	171,073	123,295
Term Deposits		17,500,000	18,000,000
Total Current Assets		19,026,341	19,306,314
Non-Current Assets			
Property, Plant and Equipment	12	15,355,847	14,801,990
Intangibles	11	97,754	133,644
Term Deposits		1,900,000	900,000
Total Non-Current Assets		17,353,601	15,835,634
Total Assets		36,379,942	35,141,948
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	13	1,402,207	1,166,724
Trade and Other Payables from Non-Exchange Transactions	13	473,053	328,577
Employee Entitlements	14	1,052,153	972,159
Total Current Liabilities		2,927,413	2,467,460
Non-Current Liabilities			
Deferred tax provision	15	2,266,719	2,159,294
Employee Entitlements	14	1,589,361	1,610,407
Total Non-Current Liabilities		3,856,080	3,769,701
Total Liabilities		6,783,493	6,237,161
Net Assets		29,596,449	28,904,787
Net Assets attributable to the owners			
Members Funds		22,003,265	22,027,615
Asset Revaluation Reserve		7,593,184	6,877,172
Total Net Assets attributable to the owners		29,596,449	28,904,787

National Secretary: 

Date: 22/6/17

Signed by:



Treasurer:

Date:

22/6/2017

These financial statements should be read in conjunction with the notes to the financial statements.

Statement of Cashflows

New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated
For the year ended 31 March 2017

	2017	2016
Cashflow		
Cash from Operating Activities		
Cash provided:		
Subscriptions	19,830,011	19,727,547
Dividend Income	769	791
Interest Income	747,698	692,772
Rental Income	1,109,028	1,057,740
Transfer from SLGOU	-	261,259
Other Income	544,088	355,585
Total Cash provided:	22,231,594	22,095,694
Cash applied:		
Payments to Suppliers and Employees	(20,957,645)	(19,445,902)
Taxation	(267,027)	(258,905)
Total Cash applied:	(21,224,672)	(19,704,807)
Total Cash from Operating Activities	1,006,922	2,390,887
Cashflow from Investing Activities		
Cash provided:		
Sale of fixed assets	712,955	-
Sale of Hill St property	-	740,000
Total Cash provided:	712,955	740,000
Cash applied:		
Increase in deposits maturing after 3 months	(500,000)	(3,650,000)
Purchase of fixed assets	(1,028,700)	(615,961)
Purchase of intangible assets	(43,924)	(125,664)
Total Cash applied:	(1,572,624)	(4,391,625)
Total Cashflow to Investing Activities	(859,669)	(3,651,625)
Net (Decrease)/Increase in Cash Held	147,253	(1,260,738)
Add Opening Cash Brought Forward	695,836	1,956,574
Ending Cash to Carry Forward	843,089	695,836
Bank and cash	843,089	695,836

These financial statements should be read in conjunction with the notes to the financial statements.

Notes to the Financial Statements

New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated
For the year ended 31 March 2017

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 are 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.

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, Greymouth and Dunedin.

The financial statements were authorised for issue by the executive board on 22 June 2017.

2. Statement of Compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Not-For-Profit entities. For the purposes of complying with NZ GAAP, the PSA is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-For-Profit PBE IPSAS on the basis that it does not have public accountability and it is not defined as large.

The PSA has elected to report in accordance with Tier 2 Not-For-Profit PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime ("RDR") disclosure concessions.

3. Summary of Accounting Policies

The significant accounting policies used in the preparation of these financial statements as set out below have been applied consistently to both years presented in these financial statements.

3.1 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.

These financial statements have been prepared on a going concern basis.

3.2 Functional and Presentational Currency

The financial statements are presented in New Zealand dollars (\$) and rounded to the nearest dollar.

3.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the PSA and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

Revenue from non-exchange transactions

A non exchange transaction is one in which the PSA either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

The application of this standard affects the PSA's accounting for holiday home rental revenue as holiday homes are rented out at less than market value.

Donations

Donations are recognised as revenue upon receipt and include contributions from members and associate members to the hardship fund and to the election fund.

Rental Income

Rental income is received in relation to holiday homes that are rented out to members at a rate that is less than market rent for equivalent properties. Revenue is recognised when the member stays.

Revenue from exchange transactions

An exchange transaction is one in which the PSA receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

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Subscriptions fees

Subscription revenue represents amounts received during the year. Subscription revenue 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.

Interest and dividend revenue

Interest revenue is recognised as it accrues, using the effective interest method.

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

Commercial Rental Income

Rental income is received in relation to tenants in PSA House, tenants holding a commercial lease. Tenants pay a market based commercial rent and revenue is recognised on a straight line basis.

3.4 Financial Instruments

Financial assets and financial liabilities are recognised when PSA becomes a party to the contractual provisions of the financial instrument.

Financial Assets

PSA derecognises a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when the rights to receive cash flows from the asset have expired or are waived, or PSA has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either:

- PSA has transferred substantially all the risks and rewards of the asset; or
- PSA has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial assets within the scope of NFP PBE IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets. The classifications of the financial assets are determined at initial recognition.

All financial assets except for those at fair value through surplus or deficit are subject to review for impairment at least at each reporting date. Financial assets are impaired

when there is any objective evidence that a financial asset or group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include items that are either classified as held for trading or that meet certain conditions and are designated at fair value through surplus or deficit upon initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less any allowance for impairment. PSA's cash and cash equivalents, short-term investments, receivables from non exchange transactions, receivables from exchange transactions and non-equity investments fall into this category of financial instruments.

Impairment of financial assets

PSA assesses at the end of each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

For financial assets carried at amortised cost, if there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cashflows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

The amount of the loss is recognised in the surplus or deficit for the reporting period.

Financial Liabilities

PSA's financial liabilities include trade and other creditors (including GST), and employee entitlements.

All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at

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fair value through surplus or deficit) and are measured subsequently at amortised cost using the effective interest method except for financial liabilities at fair value through surplus or deficit.

3.5 Cash and cash equivalents

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.6 Term deposits

Term deposits have a term of greater than three months and therefore do not fall into the category of cash and cash equivalents.

3.7 Property, Plant, Equipment and Depreciation

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired through

a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Subsequent to initial recognition, land and buildings are measured using the revaluation model. Under the revaluation model, land and buildings are measured at fair value, less accumulated depreciation on buildings and impairment losses recognised since the date of the last revaluation.

The fair value of land and buildings is their market value as determined by a registered valuer.

Revaluation is performed on a class-by-class basis. If an item of property, plant and equipment is revalued, the entire class to which the asset belongs is revalued.

Valuations are performed with sufficient frequency to ensure that the fair value of the valued asset does not differ materially from its carrying amount. The valuation cycle for revalued asset classes is annual.

A revaluation surplus is recorded in other comprehensive revenue and expenses and credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same class of asset previously

Buildings	1% - 2.5% & 6% - 48%	Straight Line
Leased Assets	25% - 33%	Straight Line
Plant and Equipment	9.5% - 67%	Diminishing Value/ Straight line
Vehicles	17%	Straight Line

recognised in surplus or deficit, the increase is recognised in surplus or deficit. A valuation deficit is recognised in the surplus or deficit, except to the extent that it offsets an existing surplus on the same asset class recognised in the asset revaluation reserve.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. 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.

Depreciation methods, useful lives and residual values are

reviewed at each reporting date and are adjusted if there is a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset.

Impairment of non-financial assets

At each balance date, non-financial assets are classified into four categories: assets measured at fair value; assets currently available that the PSA intends to use to the end of its useful life; assets intended to be sold prior to the end of their useful life; and assets damaged or idle at balance date.

Assets measured at fair value or assets the PSA intends to use to the end of its useful life, are not reviewed for impairment at balance date.

Assets intended to be sold prior to the end of their useful life or assets damaged or idle at balance date are reviewed

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to determine if any indicators of impairment exist. If indicators exist the asset is tested for impairment to ensure that the carrying amount of the asset is recoverable.

3.8 Intangible Assets - Computer Software

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised on a straight line basis over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits or service potential embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in surplus or deficit as the expense category that is consistent with the function of the intangible assets.

PSA does not hold any intangible assets that have an indefinite life. The amortisation periods for PSA assets are as follows:

Software	40% - 48%	Straight Line
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3.9 Leases

PSA as Lessee

Payments on operating lease agreements, where the lessor retains substantially the risk and rewards of ownership of an asset, are recognised as an expense on a straight-line basis over the lease term.

PSA as Lessor

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

3.10 Employee Benefits

Wages, salaries and annual leave

Provision is made for benefits accruing to employees in respect of wages and salaries and annual 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.

PSA service leave, resigning leave and retiring leave

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.

Provisions are 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.

3.11 Income Tax

Income tax comprises current and deferred tax. Income tax expense is recognised in the Statement of Comprehensive Revenue and Expenses except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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Current tax is the expected tax payable on the taxable income for the year, using tax rates at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted at the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.12 Goods and Services Tax (GST)

Revenues, expenses and assets are recognised exclusive of GST except for receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the Inland Revenue Department is classified as part of operating cash flows.

3.13 Equity

Equity is made up of the following components:

Accumulated comprehensive revenue and expense

Accumulated comprehensive revenue and expense is the PSA's accumulated surplus or deficit since its formation, adjusted for transfers to/from specific reserves.

Asset revaluation reserve

This reserve is for the revaluation of those PP&E items that are measured at fair value after initial recognition.

Industrial Fund

The industrial campaign fund was established in December 2015 with a view to ensuring that the PSA has sufficient funds to provide a resource that will enable the PSA to help support its members in the event of industrial action resulting in a significant loss of members' wages.

The initial fund was sourced from existing members' reserves. It is intended to keep this reserve at \$1,000,000 for the foreseeable future. Any use of the fund will be replaced from reserves

4. Significant accounting judgements, estimates and assumptions

The preparation of the PSA's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the PSA's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Operating lease commitments

The PSA has entered into a number of vehicle and equipment leases.

The PSA has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the vehicle or equipment and the present value of minimum lease payments, that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Classification of 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.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The PSA based its assumptions and estimates on parameters available when the financial statements were prepared.

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Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the PSA. Such changes are reflected in the assumptions when they occur.

Revaluation of property, plant and equipment

PSA measures land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive revenue and expense.

PSA engaged an independent valuation specialist to assess fair value as at 31 March 2017 for land and buildings.

Land and buildings were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to determine potential future use and value from disposal:

- The condition of the asset
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

The estimated useful lives of the asset classes held by PSA are listed in Note 3.7 and 3.8.

Determination of 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.

	2017	2016
5. Other Income		
Bargaining Fees	346,620	176,017
Commission	153,317	147,649
Dividend Income	769	791
Interest Income	718,322	756,742
Journal advertising	2,355	6,473
Rental Income - Property	469,416	498,344
Sundry income	39,253	24,421
Unrealised Gain on Investments	(1,385)	(560)
Total Other Income	1,728,667	1,609,877

	2017	2016
6. Auditors Remuneration		
Audit of the financial statements	32,550	36,500
Other services performed during the reporting period	-	9,000
Total Auditors Remuneration	32,550	45,500

The auditor is Deloitte Limited.

	2017	2016
7. Property Revaluation		
Whitianga holiday home decrease/(increase)	11,484	(277,679)
Total Property Revaluation	11,484	(277,679)

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	2017	2016
8. Cash and cash equivalents		
Cash and cash equivalents		
Cash and Cash Equivalents	843,089	695,836
Total Cash and cash equivalents	843,089	695,836

	2017	2016
9. Receivables from Exchange Transactions		
Trade Debtors	2,124	2,648
Accrued Interest	336,473	365,849
Total Receivables from Exchange Transactions	338,597	368,497

	2017	2016
10. Investments		
Investment properties		
Opening Balance	-	740,000
Less Sold	-	(740,000)
Total Investment properties	-	-

The property at Hill Street was sold on 15 October 2015 for \$740,000.

	2017	2016
11. Intangibles		
Computer Software		
Cost or Valuation		
Opening Balance	1,077,094	951,430
Additions	43,924	125,664
Disposals	-	-
Total Cost or Valuation	1,121,018	1,077,094
Amortisation		
Opening Balance	(943,450)	(826,319)
Amortisation charge for the year	(79,814)	(117,131)
Total Amortisation	(1,023,264)	(943,450)
Total Computer Software	97,754	133,644
Total Intangibles	97,754	133,644

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	2017	2016
12. Property, plant and equipment		
Land		
Cost or Valuation		
Opening Balance	4,846,261	4,773,696
Revaluation	194,826	72,565
Total Cost or Valuation	5,041,087	4,846,261
Total Land	5,041,087	4,846,261
Buildings		
Cost or Valuation		
Opening Balance	8,700,755	7,918,511
Additions	1,015,011	417,768
Disposals	(18,526)	(44,927)
Transfer of accumulated depreciation on revaluation	(249,365)	(188,171)
Revaluation	617,127	597,574
Total Cost or Valuation	10,065,002	8,700,755
Depreciation		
Opening Balance	(420,229)	(361,846)
Depreciation charge for the year	(323,332)	(290,977)
Transfer of accumulated depreciation on revaluation	249,365	188,171
Accumulated depreciation on assets disposed	14,695	44,423
Total Depreciation	(479,501)	(420,229)
Total Buildings	9,585,501	8,280,526
Plant and equipment		
Cost or Valuation		
Opening Balance	2,269,005	2,114,748
Additions	274,298	165,930
Disposals	(132,126)	(11,673)
Total Cost or Valuation	2,411,177	2,269,005
Depreciation		
Opening Balance	(1,641,977)	(1,451,778)
Depreciation charge for the year	(198,466)	(200,635)
Accumulated depreciation on assets disposed	114,370	10,436
Total Depreciation	(1,726,073)	(1,641,977)
Total Plant and equipment	685,104	627,028
Motor Vehicles		
Cost or Valuation		
Opening Balance	1,919,638	1,919,638
Additions	-	-
Disposals	(1,801,854)	-
Total Cost or Valuation	117,784	1,919,638
Depreciation		
Opening Balance	(871,462)	(551,460)
Depreciation charge for the year	(150,903)	(320,002)
Accumulated depreciation on assets disposed	948,736	-
Total Depreciation	(73,629)	(871,462)
Total Motor Vehicles	44,155	1,048,176
Total Property, plant and equipment	15,355,847	14,801,991

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Valuation details of property

All properties (apart from the Auckland holiday apartments) 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	2017 \$	2016 \$
Holiday Homes				
Raumati	Darroch	7-Apr-17	2,610,000	2,470,000
Whitianga	Darroch	13-Apr-16	1,200,000	1,200,000
Carters Beach	Darroch	31-Mar-16	267,826	267,826
Te Anau	Darroch	31-Mar-16	338,000	246,000
Otematata	Darroch	4-May-17	215,000	173,000
Rotorua	Darroch	13-Apr-16	1,004,348	991,305
Nelson	Darroch	11-Apr-16	681,740	629,565
Auckland (purchased March 2017)			741,490	-
Total Holiday Homes			7,058,404	5,977,696
Wellington Office	Darroch	10-Apr-17	7,200,000	6,750,000
Total			14,258,404	12,727,696
Book Value of improvements to leasehold properties			368,184	399,090
Total			14,626,588	13,126,786

The valuers have utilised the capitalisation approach for the valuation of the Wellington Office (yield rate of 8.0-8.75%, 2016: 8.0-8.50%) and the Whitianga property (yield rate of 6.5-7.0%, 2016: 6.5-7.0%). 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.

2017

2016

13. Trade and other payables

Trade and other payables from exchange transactions		
Trade Payables	1,402,207	1,166,724
Total Trade and other payables from exchange transactions	1,402,207	1,166,724
Trade and other payables from non-exchange transactions		
GST Payable	212,444	328,577
Settlement cost Auckland apartment	260,609	-
Total Trade and other payables from non-exchange transactions	473,053	328,577
Total Trade and other payables	1,875,260	1,495,301

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	2017	2016
14. Employee Entitlements		
Current Employee Entitlements		
Annual Leave	864,923	787,384
Long Service Leave	90,397	99,427
Early Retirement, Retirement and Resignation Leave	96,833	85,348
Total Current Employee Entitlements	1,052,153	972,159
Non-current Employee Entitlements		
Early Retirement, Retirement and Resignation Leave	1,439,198	1,466,761
Long Service Leave	150,163	143,646
Total Non-current Employee Entitlements	1,589,361	1,610,407
Total Employee Entitlements	2,641,514	2,582,566

	2017	2016
15. Taxation		
Net surplus before tax	194,899	1,534,139
Additions to Taxable Profit		
Non-deductible expenses	20,535,313	19,310,753
Non-assessable income	(20,091,564)	(20,056,520)
Tax return preparation costs	(1,000)	(1,000)
Tax return adjustments	145,385	(255,790)
Total Additions to Taxable Profit	588,134	(1,002,557)
Deductions from Taxable Profit		
Losses Brought Forward	-	-
Total Deductions from Taxable Profit	-	-
Taxable Profit (Loss)	783,033	531,582
Tax Payable at 28%		
Tax Payable at 28%	219,249	148,843
Deductions from Tax Payable		
Prior Period Adjustment	-	(22,134)
Total Deductions from Tax Payable	-	(22,134)
Income Tax Payable (Refund Due)	219,249	170,977
Tax Expense		
Current Tax Expense	219,249	148,843
Deferred Tax Expense	-	-
Total Tax Expense	219,249	148,843
Income tax recognised directly in equity		
Taxation relating to revaluation of property	107,425	109,889
Total Income tax recognised directly in equity	107,425	109,889
Current Tax Asset		
Taxation Receivable	171,073	123,295
Total Current Tax Asset	171,073	123,295
Deferred Tax Liabilities		
Opening balance	2,159,294	2,049,405
Deferred tax on revaluation of property	107,425	109,889
Total Deferred Tax Liabilities	2,266,719	2,159,294

Notes to the Financial Statements

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	2017	2016
16. Operating Leases		
PSA as Lessee		
Not later than one year	1,096,344	666,734
Later than one year and no later than five years	1,971,341	573,417
Later than five years	-	23,317
Total	3,067,685	1,263,468

Operating leases related to office premises located in Auckland, Hamilton, Napier, Palmerston North, Nelson, Christchurch, Greymouth and Dunedin. Office equipment leases and vehicle leases. During the year the vehicle fleet was sold and replaced with leased vehicles.

PSA as Lessor		
Not later than one year	297,004	305,766
Later than one year and no later than five years	401,679	310,972
Later than five years	-	-
Total	698,683	616,739

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

17. Related Parties

Related Party	Description of the Transaction	Value of the Transactions		Amount Outstanding	
		2017	2016	2017	2016
		\$	\$	\$	\$
		-	-	-	-

Key Management Personnel

The key management personnel, as defined by PBE IPSAS 20 Related Party Disclosures, are the members of the governing body which is comprised of the Executive Board, National Secretaries and Assistant Secretaries. The aggregate remuneration of key management personnel and the number of individuals, determined on a full-time equivalent basis, receiving remuneration is as follows:

	2017	2016
Key Management Remuneration		
Executive Board	27,410	24,037
Number of persons	10	9
Senior Management	963,298	943,443
Number of persons	7	6
Total Remuneration	990,708	967,480

Notes to the Financial Statements

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Remuneration and compensation provided to close family members of key personnel

During the reporting period, total remuneration and compensation of \$nil (2016: nil) was provided by PSA to employees who are close family members of key management personnel.

18. Categories of financial assets and liabilities

The carrying amounts of financial instruments presented in the statement of financial position relate to the following categories of assets and liabilities:

	2017	2016
Financials at fair value through surplus or deficit		
Shares	9,773	11,158
Total Financials at fair value through surplus or deficit	9,773	11,158
	2017	2016
Loans and Receivables		
Trade and other receivables	338,597	368,497
Bank and cash/(bank overdraft)	843,089	695,836
Taxation Receivable	171,073	123,295
Term Deposits	19,400,000	18,900,000
Total Loans and Receivables	20,752,759	20,087,628
	2017	2016
Financial Liabilities		
Trade and other payables	1,875,260	1,495,301
Employee entitlements (wages, annual leave, etc)	2,641,514	2,582,566
Total Financial Liabilities	4,516,774	4,077,867

19. Merger with Southern Local Government Officers Union (SLGOU)

On 1 April 2015 the Southern Local Government Officers Union (SLGOU) and the New Zealand Public Service Association Te Pūkenga Here Tikanga Mahi (PSA) merged. The merger added nearly 2000 members from Canterbury and otago who work for local government. The assets vested were a mixture of cash and vehicles.

20. Capital Commitments

There are no capital commitments at balance date (2016:\$nil).

21. Contingent assets and liabilities

There are no contingent assets or liabilities at balance date (2016:\$nil).

22. Events after the reporting date

The Executive Board and management are not aware of any other matters or circumstances since the end of the reporting period, not otherwise dealt with in these financial statements, that have significantly or may significantly affect the operations of New Zealand Public Service Association Te Pūkenga Here Tikanga Mahi Incorporated (2016: \$Nil).

Supplementary Information

New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated
For the year ended 31 March 2017

Uncommitted cash reserves

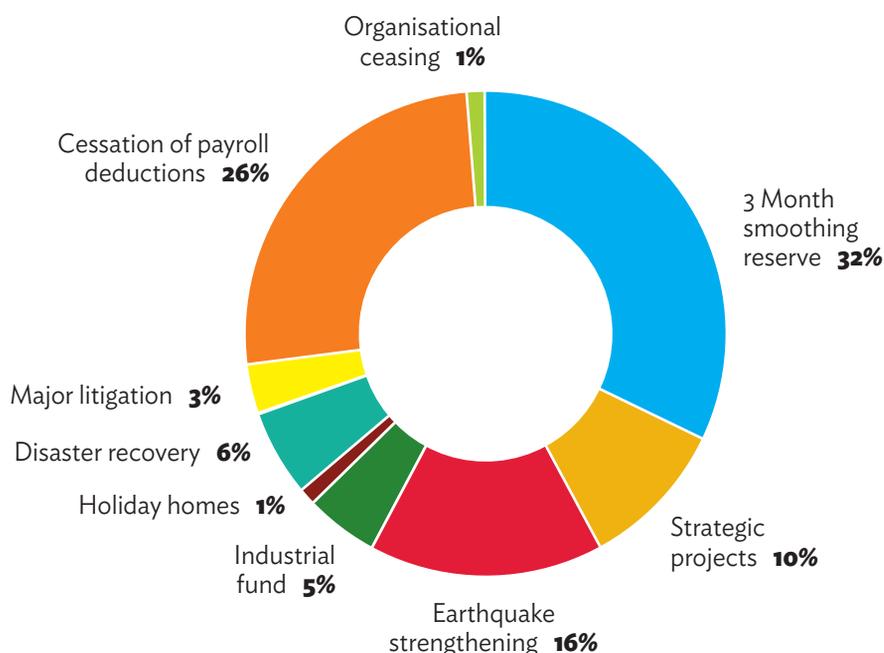
PSA has a reserves policy which identifies the potential use of its uncommitted cash reserves. Uncommitted cash reserves are calculated by cash and near cash assets less current liabilities and annual leave liabilities (i.e. what we are committed to pay in the near future).

The Executive Board and management believe holding appropriate reserves is an important part of their fiduciary duties to the members and to ensure the organisation can

continue in delivering its strategic goals. The reserves are part of an extensive policy and are a mix of fixed level issue specific amounts and amounts relating to current budgeted overall expenditure.

Details of the various reserves are set out below and total \$17,640,000.

It is important to note that the equity figure in the Statement of Financial Position is backed by cash and non-cash assets.



3 Month smoothing	This reserve exists to provide sufficient cash reserves to enable the PSA to pay staff , rent and overheads in the event that cash flows are uneven.
Strategic projects	To fund one-off projects set up to further the PSA's strategic goals.
Earthquake strengthening	To fund bringing PSA house up to 100% of earthquake code.
Industrial fund	To support members in the event of industrial action resulting in a significant loss of wages.
Holiday homes	To fund an ongoing expansion of holiday homes for the benefit of members.
Disaster recovery	This reserve is for disaster preparation and recovery after a disaster.
Major litigation	To fund any major legal action to support our members or strategic goals.
Cessation of payroll deductions	To fund the loss of income & costs to change to alternative fee collection methods .
Organisational ceasing	To fund the obligations (leases , redundancies) if PSA ceased to operate.

Independent Auditor's Report

To the Members of New Zealand Public Service Association

Opinion

We have audited the financial statements of New Zealand Public Service Association (the 'Association'), which comprise the statement of financial position as at 31 March 2017, and the statement of comprehensive revenue and expense, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements, on pages 3 to 19, present fairly, in all material respects, the financial position of the Association as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs') and International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

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

We are independent of the Association in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other than in our capacity as auditor, we have no relationship with or interests in the Association.

Other information

The Executive Board are responsible on behalf of the Association for the other information. The other information comprises the information in the Annual Report that accompanies the financial statements and the audit report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information obtained prior to the date of our audit report, and consider whether it is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.

Executive Board's responsibilities for the financial statements

The Executive Board are responsible on behalf of the Association for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Standards Reduced Disclosure Regime, 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.

In preparing the financial statements, the Executive Board are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Board either intend to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the External Reporting Board's website at:

<https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8>

This description forms part of our auditor's report.

Restriction on use

This report is made solely to the Members, as a body, in accordance with 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.

Wellington, New Zealand
22 June 2017

Deloitte Limited



Equal pay advocates at 'public service women working for free' event



Kate Hamilton delegate achievement award



Ministry of Primary Industries bargaining team July 2016



NZDF strike action in Devonport



PSA staff and delegates supporting Pink Shirt Day



PSA staff and members supporting the TEU strike in Auckland



'26 for babies' parental leave event at Parliament



PSA executive board 2016



Helen Kelly speaks at the Wellington PSA office



PSA staff children's Christmas party



PSA Wellington staff in onesies supporting Wellington Free Ambulance



PSA members attending Māori Language Week parade



Access delegates from PSA and E Tū



Women's leadership training, Rotorua



Labour MP Grant Robertson and Green Party MP James Shaw showing solidarity with AVSEC members

**Thank you for your solidarity and
support this year.**



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

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