Te Pūkenga Here Tikanga Mahi

New Zealand Public Service Association

Congress 2006 Annual Report
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STATEMENT FROM PSA PRESIDENT KEITH GUTSELL

The annual report is an organisation’s flagship. It is supposed to communicate how the organisation has performed over the previous year, how it is likely to perform in the year ahead, and strategies it will use to get there.

I am proud to record that the PSA – this country’s biggest union - has performed extremely well over the last year and has every intention of doing so in the next. While it is important, however, to make plans for the shorter term, we are looking ahead much further than that.

In this report, you will read about our significant membership growth; our industrial, economic, and political achievements; our sound financial position, our delegate workplace representative review and its aim to improve our delegate support and structures; our 2005 general election strategy; our activities overseas; our plans to build and strengthen Te Rūnanga o Ngā Toa Āwhina, and our future development programme, Fresh Perspectives.

The report provides clear evidence of a union that is growing, active, achieving, and preparing to play a key role in the design and shape of a modern, innovative, and successful public sector.

One of the themes of Fresh Perspectives is evolving Partnership for Quality, the union’s successful strategy which has achieved significant benefits for PSA members. Members have told us what they want from Partnership for Quality, so we have developed – and the executive board has endorsed – a framework for a third agreement.

I look forward to signing this agreement with the Labour-led government and public sector employers, and strengthening Partnership for Quality’s inherent principles of genuine engagement, good faith and respect for each other’s roles, and establishing relationships that maximise the interests of all parties.

The union is also looking at how we continue to affirm our political role, engage effectively with politicians across the spectrum, and start preparing for the next general election.

Last year’s election saw the PSA lead a high profile campaign after voters were presented with a stark choice: vote for continued investment in public services, or vote for public sector job cuts to fund across-the-board tax cuts. As the union for public sector workers, it would have been an abrogation of our responsibility to our members if we had not taken a strong stand on this issue.

Another important piece of work we have launched in the past year is a review of our workplace representative structures. Our delegates are critical to our success. We want to be better able to identify who are our potential workplace leaders, what skills they need, and whether our structures work well enough to support them.

To the 4,000 delegates who are currently working hard for us, a huge thank you. Thank you also to members – you are the reason for our existence, to the PSA executive board who have again done a great job, and to PSA staff who often go beyond the call of duty.

I am full of pride and satisfaction to be at the helm of the PSA. We are a union that is thriving. We are a union that is making a difference.
The 2005/2006 year has been one of celebration for the PSA in many ways and we are delighted to reflect here on some of the reasons for that. At the same time, however, we maintain our position of determining a clear vision for the future, both for the union – all 55,000+ of us – and for New Zealand’s public services. When we say that, we are talking not just from an industrial perspective, but also a political, social, and economic one. The PSA is not wondering ‘what comes next?’, it is deciding.

PSA GROWTH
Any decisions the union makes, of course, are based primarily on what is in the best interests of our members. During the time this report covers, membership numbers increased from 47,000 to close to 54,000 – indeed, we are now New Zealand’s biggest union and we continue to grow. Part of this growth can be put down to implementing well-planned and co-ordinated bargaining strategies.

INDUSTRIAL
Our increasing membership has translated into increased industrial strength. We have maintained a strong focus on building union organisation through increasing the number of organisers and the investment in training resources. We have developed a coherent approach to bargaining across the union and this has led to some real improvements for members through increased pay, work/life balance provisions, extra annual leave, and pay and employment equity. The multi-employer collective agreements negotiated on behalf of 12,000 members working in district health boards resulted in pay increases of between 12 and 20 percent. In local government we continue to press for improved national standards of pay and better conditions for our 5,000 local government members.

The PSA launched its bargaining strategies in late 2004 in a specific bid to seek recognition for our members of their contribution to the success of New Zealand’s economy, and to highlight the importance of our public services and the people who work in them.

ELECTION 2005
These themes were hurled into the spotlight during the 2005 general election when a principal platform difference between the National and Labour parties emerged – tax cuts versus strong public services. The union adopted an unswerving stance on this issue. Cutting public services was utterly contrary to two of the main themes of our election strategy – building quality public services and investing in people – and not in the best interests of our members or New Zealand as a whole.

THE FUTURE
A year later, the PSA is well on track to identifying the issues and trends that will shape our future, meeting the challenges they may bring, and shaping what that future might mean for working people, for the future of public services, and for the union. We have continued to increase our staff and resource capacity to assist us and we are improving the management of our knowledge and information systems to enable us to be better at what we do. We have also made an active decision to adopt a whole-of-union approach to building and strengthening our structures for Māori members to enable them to have a stronger voice.

The future is the focus of our strategic development programme, Fresh Perspectives: public services and the PSA, a ten year view. The PSA was eager to explore the trends and issues that will influence what citizens want and need from public services in the future, how governments might respond, and what the response may mean for workers in the public sector, as employees and as union members. Topics encapsulated in our future development programme include: ‘What future do we want?’ ‘What makes a satisfying and rewarding job?’ ‘What does a decent workplace look like?’ ‘How do we work “smarter”?’ ‘Where are we going with Partnership for Quality?’.

We have been talking to members, delegates, employers, and politicians and drawing on the expertise of local and international academics to challenge, and assist us in shaping, our thinking around these and other important issues. The PSA is creating a vision of how the state will look in a rapidly changing world.

Fresh Perspectives, and this annual report, reflect who and what we are – an active and proactive organisation pursuing a positive agenda for our members – New Zealand’s public sector workers – and our public sector.

During the 2005 general election a principal platform difference between the National and Labour parties emerged: tax cuts versus strong public services. The union adopted an unswerving stance on this issue. Cutting public services was contrary to building quality public services and investing in people – and absolutely not in the best interests of our members or New Zealand as a whole.
PSA governance

PSA Executive Board
The Executive Board is the PSA’s governing body. It includes the president, convenors of the sector committees and te rūnanga, a PSA staff group representative, and the national secretaries.

ACHIEVEMENTS
The Executive Board met six times during the year 31 March 2005-1 April 2006 to provide strategic oversight of the work of the union. Significant decisions made during this time included:

- The development of a new strategic plan for the PSA information technology and knowledge management systems.
- A policy to support union representation on boards of crown entities.
- A new strategic plan for the union.
- A policy on student support.
- A tertiary education sector strategy.
- Launching our future development programme, Fresh Perspectives: public services and the PSA, a ten year view.
- A joint project between UK based research group Demos and the PSA as part of the union’s strategic planning.
- Approving financial assistance to the Tongan Public Service Association strike fund.
- Further implementation of the PSA organising review.
- Replacement of the PSA fleet of leased vehicles.
- Ongoing development of PSA plus including adding to the holiday homes chain.
- A review of the PSA workplace delegate structure.
- Endorsing PSA international activities, including supporting the development of unionism in the South Pacific.
- Adopting a whole of union approach to building participation of Māori members in the PSA.
- A Komiti Pasefika workplan.
- Endorsing the PSA 2005 general election strategy.
- Adopting a PSA national science strategy.
- Agreeing to a five-year goal of equitable representation of women at all levels of the PSA.

See appendix one for a list of executive board members.

PSA sector committees
The PSA structure is divided into six sectors. Each sector has a sector committee of elected delegates representing members from across the sector. Each sector committee has a PSA organiser in a committee support role.

The body representing our Māori members, Te Rūnanga o Ngā Toa Āwhina, is made up two representatives from each sector committee.

Sector committees met four times during the year 1 April 2005-31 March 2006.

For names of sector committee members: see appendix 1.
For a full list of organisations with PSA coverage and the sectors into which they fall, see appendix 4.

COMMUNITY SECTOR COMMITTEE
Representing: Members working in five industrial groups based on commonality of interest: broadcast media; local government; tertiary education; arts and culture; and energy.

ENVIRONMENT SECTOR COMMITTEE
Representing: Members working in enterprises that are seen to be associated with land-based or environmental industries and science such as Ministry of Agriculture and Forestry; Department of Conservation; Asure New Zealand; Crop and Food; Land Information New Zealand; AgResearch; Environmental Scientific Research; Landcare; MetService.

GOVERNANCE SECTOR COMMITTEE
Representing: Members working in government policy; revenue collection and administration, and Parliamentary Services, such as the Department of Internal Affairs; Public Trust; IAG; Inland Revenue Department; Statistics New Zealand; Ministry of Foreign Affairs and Trade; the State Services...
Commission; the Department of the Prime Minister and Cabinet; Te Pūni Kökiri.

HEALTH SECTOR COMMITTEE
Representing: Members working in the health sector including mental and allied health professions; clerical, administration and technical services; Māori and public health services; NGOs; and the Ministry of Health.

INFRASTRUCTURE SECTOR COMMITTEE:
Representing: Members working in public sector agencies such as the Ministry of Justice; Ministry of Transport; Ministry of Defence; Customs Department; Crown Law; Department of Corrections.

SOCIAL SERVICES SECTOR COMMITTEE
Representing: Members who work in social services such as the Ministry of Social Development; Child Youth and Family; Department of Labour; ACC; Ministry of Housing; NGOs; Ministry of Education and education cluster.

TE RŪNANGA O NGĀ TOĀ ĀWHINA
Representing: The PSA’s Māori members who are spread throughout the sectors.

PSA national delegates
National delegates are delegates elected to represent members’ views and interests at a national level. This may mean engaging with the senior management teams of their organisations, including the chief executive. National delegate committees are integral to the enterprise planning process.

For names of national delegates see appendix 1.

PSA member employee group
Staff employed by the PSA are able to join the PSA and are represented and recognised under the PSA rules through the PSA staff group, the Member Employee Group (MEG). The ability for staff to join the PSA came about as a result of the re-organisation of the union’s constitution in 1999.

The PSA staff group is unique in that it has direct representation on the executive board, thus allowing staff who are PSA members direct involvement, through their representative, in the union’s governance.

The PSA structure

PSA MEMBERS

WORKPLACE DELEGATES
Chosen by PSA members.

DELEGATE COMMITTEES
Organisations with multiple workplaces may have regional and national delegate committees.

SECTOR COMMITTEES
Each sector has a sector committee of elected delegates representing members from across the sector.

TE RŪNANGA O NGĀ TOĀ ĀWHINA
Has two representatives from each sector committee.

PSA EXECUTIVE BOARD
President, sector committee and te runanga convenors, secretariat and staff union representative.

PSA ANNUAL GENERAL MEETING
Executive board and delegates representing each of the sectors.

PSA NATIONAL CONGRESS
The biennial conference of sector committee convenors and representatives. Sets the policy direction.
At the end of March 2006, PSA membership stood close to 54,000. This represents a 9.5% total increase in membership over the year and a net increase of 8.8%. It is particularly pleasing that growth has been across all sectors.
PSA membership trends

Total membership

At the end of March 2006, PSA membership stood close to 54,000. This represents a 9.5% total increase in membership over the year and a net increase of 8.8%. It is particularly pleasing that growth has been across all sectors.

Membership by sector

COMMUNITY

The Community Sector experienced a small growth in membership from 7128 to 7288 during the year ending March 2006. Membership in local government remains patchy with the presence of staff associations continuing to be a barrier to recruitment. However, there has been strong growth in local government in the Auckland region as a result of targeted organising and good bargaining outcomes. The PSA has achieved additional annual leave through the local government bargaining strategy which has now become the accepted annual leave entitlement throughout local government.

Limited growth in other areas is mainly due to the competitive union environment which exists in almost all enterprises in the community sector. The mergers of colleges of education and universities resulted in some redundancies and this led to a loss of members amongst general staff in tertiary institutions.

In 2005, the PSA carried out a review of our role in the tertiary education sector. The executive board considered the findings and decided that the PSA would commit itself to the tertiary education sector as the union for clerical and administration staff with recruitment targeted at tertiary sites where there is a higher likelihood of successfully gaining new members, rather than potentially wasting resources on sites where membership has no critical mass.

This decision has been conveyed to AUS and a recruitment plan developed.

The increasing trend in TVNZ to contract out to film and production companies has made recruitment there difficult. Delegates from throughout the broadcasting sector have formed a group and started to meet regularly to discuss how to address recruitment and professional issues in the broadcasting sector.

ENVIRONMENT

Membership within the environment sector has continued to slightly increase. As at March 2006, there were 6,123 members, an increase from 6,019 in the previous year.

There has been a growth in membership across most enterprises but this has been most evident in the Ministry of Agriculture and Forestry, the Department of Conservation, Environmental Science Research, and Crop and Food Research.

There has been a decline in membership in Land Information New Zealand, Industrial Research Limited, and Scion (formerly Forest Research Institute). These losses were due to restructuring and loss of government funding.

GOVERNANCE

Membership numbers in this sector grew slightly from 5,295 to 5,344 in the year ending March 2006. Increases in membership in the governance sector is traditionally tied to bargaining in large enterprises and there has been no bargaining this year. Planning for the
upcoming bargaining in IRD has been a major focus for the sector and increasing members in this enterprise has been a key part of that planning.

There have been some difficulties in gaining membership increases in some enterprises, particularly IAG where the operation of the staff association has impeded union growth.

HEALTH
The health sector has grown from 15,130 to 18,121 in the year ending March 2006. The health sector has experienced a continuous increase in membership over the last five years and now represents almost one-third of the total PSA membership.

While the successful settlement of the district health board multi-employer collective agreements has contributed to this growth it has not all been as a result of bargaining as growth in non-governmental organisations and amongst district health boards’ clerical and administration workers has been just as strong.

The profile of unions in the health sector, the bipartite and tripartite activities involving government, employers and unions, combined with uncertainty around rapidly changing workplaces, have all played a part in ensuring the PSA is seen as relevant to workers in the sector.

SOCIAL SERVICES
Membership numbers during the financial year in the social services sector grew from 9,096 to 9,876 in the year ending March 2006. Bargaining at the Ministry of Social Development which led to good outcomes for members led to some increases in membership.

The PSA actively participated in the Education Sector Review announced in March. Every non-union member in the New Zealand Qualifications Authority, Ministry of Education and Tertiary Education Commission received a letter inviting them to join the PSA to participate in the review. There were good bargaining outcomes in the Department of Building and Housing resulting in some membership increase.

INFRASTRUCTURE
Membership grew from 5,215 to 5,834. This growth reflects, in part, a heavy bargaining programme in the sector through the period under review. Membership at the Ministry of Justice national office has more than doubled and field staff membership has increased by 20%. Crown Law Office membership grew fourfold, albeit from a low base. The growth is attributed to the presence of active and experienced delegates and a successful conclusion to collective agreement negotiations.

Growth in the Public Prisons Service continued steadily, although at a slightly lower rate than in the previous year. The competitive union environment continues to have a negative impact on overall unionisation rates. A number of enterprises in the transport sector continue to recruit above the overall sector average increase.

Recruitment
Bargaining continues to be an effective recruitment tool which is being increasingly exploited. The development and application of explicit recruitment plans before bargaining has meant that many teams have entered negotiations with membership numbers increasing which in turn have led to improved bargaining outcomes. Membership-only benefits arising from bargaining have been well utilised to recruit new members after the completion of bargaining.

PROJECT ORGANISERS
Three project organiser positions were established in 2005, each with a strong focus on recruitment. These are new positions. They are temporary appointments through internal secondments.

Project organisers work with organisers and support and strategic teams in identifying recruitment opportunities, analysing the potential membership, and developing appropriate recruitment plans, strategies and resources. Project organisers are working in local government, the core public service and in workplaces with competing unions.
Workplace representation

PSA delegates

The PSA’s delegate structure is the lynchpin of union organisation in the workplace and building strong and effective delegate networks is a key organising task.

As at the end of March 2006, the PSA had 3,910 delegates. This compares favourably with the previous year.

DELEGATE DEVELOPMENT

Delegate development courses have been offered in a greater range of geographical areas in an attempt to better meet delegate needs. Courses have been run in 17 different regions.

The total number of delegates who attended courses during the year to the end of March 2006 came from 110 different enterprises from across the six sectors. The statistics in the table below reflect those submitted to the Department of Labour:

DELEGATE SURVEY

In June 2005, 593 delegates completed a survey on their work as delegates, the delegate training programme, and their interest in the National Certificate of Employment Relations. As a result of this survey a number of changes were made to the development programme, some of which were piloted prior to March 31. This review has led to a greater range of courses being available, some courses being offered which are more appropriate for delegates with experience, greater flexibility in how the courses are offered, as well as the order of attendance being optional after the first course.

The following new courses have been developed over the past year and are now part of the delegate development programme:

- Facilitation Skills
- Difficult Situations
- Bicultural Unionism.

NATIONAL CERTIFICATE OF EMPLOYMENT RELATIONS

The survey showed there was interest in principle from many delegates in undertaking the National Certificate of Employment Relations. However, enrolments in this programme have been capped by the Executive Board to match available staffing resource. A further evaluation of this Certificate will occur in mid 2007.

The past year has also seen some enterprise-specific delegate courses which have been well received and more of these are being planned for the coming year. Some changes which were identified but not yet developed have been refresher and half-day options and a greater variety of media being used to provide delegate resources.

A reorganisation of administration relating to the delegate courses has also occurred with all co-ordination of the courses now being done centrally from the Wellington office.

DELEGATE LEADERSHIP

In October 2005, the Executive Board endorsed the concept of a new delegate leadership development programme to deepen the pool of the skills and knowledge required to successfully implement the PSA’s strategy and achieve our objective. This was referred to as the review of workplace representation.

It was envisaged that the programme would be targeted at delegates who demonstrated the recognised characteristics of successful leaders such as good listening skills, strong decision making and process management abilities, learning agility, and a degree of comfort in operating at all levels. It would seek to attract women with these abilities as women are currently under-represented in the leadership structures. Suitable Maori delegates would also be targeted as part of building te runanga structures and processes.

Any such programme would be limited initially to 45 delegates, and involve a planned series of activities including workshops, peer mentoring, discussion forums, email networks and working with organisers. Further development of this concept will take place through the review of workplace representation (see next page).

DELEGATE DEVELOPMENT 2005 – 2006

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<th>Female</th>
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<td>3</td>
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</tr>
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<td><strong>517</strong></td>
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Representatives

HEALTH AND SAFETY REPRESENTATIVES

Changes to the Health and Safety Act, which came into force in 2003, established the role of health and safety representatives as part of a new philosophy that requires everyone – unions, employees and employers – to work together to make workplaces safe and healthy. Health and safety representatives are required to be elected every two years by their work colleagues and to undergo training. They are not required to be union representatives. The Council of Trade Unions, in partnership with ACC, provides a two-day training course for all elected representatives.

The CTU’s National Affiliates Council reported in February 2006 that a total of 2,056 PSA members had undergone health and safety representative training. Of these, 223 had discontinued in the role.

LEARNING REPRESENTATIVES

The Learning Representative Project was announced by Government in the 2004 Budget with an allocation of funding administered by the Tertiary Education Commission. It is an initiative of the Council of Trade Unions in conjunction with Skill NZ, Business NZ and the Industry Training Federation. It is based on a model that was developed in Britain and has achieved a marked degree of success.

The aim of the learning representative scheme is to promote awareness in the workplace of learning that can lead to full, portable qualifications. Learning representatives are recruited from within the workforce and trained to provide their colleagues with guidance and information on learning needs and opportunities. The scheme provides the PSA with another opportunity for visible activity in the workplace. It also responds to the clear desire of workers for access to appropriate and lifelong learning that can lead to improved job opportunities.

The PSA is to canvass this concept with Child, Youth and Family and a local authority and explore the possibility of developing pilot schemes. Useful linkages exist as both have industry training organisations with PSA representation on the respective boards.

Training for learning representatives is being organised through the CTU. As with health and safety representatives, it is a role that is available to all staff, not just union members.

Review of workplace representation

In 2005 the Executive Board commissioned Owen Harvey to review the effectiveness of the PSA’s delegate structures as part of the wider long-term strategic development programme, Fresh Perspectives. Boxing and Dancing: PSA Review of Workplace Representation was submitted in June 2006.

The review canvassed the views of delegates, members, organisers, employers and HR managers. It pointed to the valuable role delegates can play in building a collective voice, helping to solve problems, improve decision-making and contribute to a better working life.

But it also noted the complexities of the workplace that go beyond bargaining.

The review’s main recommendations centred on:

- making the delegate role attractive and something to be sought after
- selecting and developing good delegates and nurturing talent
- the need for a continual focus on and investment in delegate structures to build the desired capacity and capability
- ensuring delegate accountability to members in the workplace and to the wider union
- the importance of organiser visibility and support for delegate structures
- the importance of a closely integrated approach to organising and delegate development.

The Executive Board views it as essential that the review’s findings be the focus for a broad-based discussion amongst members.
Te Rūnanga o nga Toa Āwhina has contributed a Māori perspective to much of the PSA’s work over the past year, including:

- participating in the HR Framework on the recruitment and development of Māori in the public service;
- having input into the PSA’s strategic development programme Fresh Perspectives;
- developing the PSA’s policy on recognition of te reo Māori and tangihanga leave;
- assisting with the development of the new delegate course Bicultural Unionism.

Tikanga and protocol have been identified as important for Māori members, both within the union and at work. Through the work of Te Rūnanga o nga Toa Āwhina, the PSA has become increasingly conscious of the tikanga and kawa of the mana whenua in events such as the opening of new offices and holiday homes. Discussions have also begun on what tikanga Māori means for the public sector workplace.

**STRENGTHENING MĀORI REPRESENTATION**

The Executive Board has endorsed a plan designed to strengthen Māori representation and activism and build more effective runanga structures. Te Rūnanga o nga Toa Āwhina has been hampered by the lack of sector runanga, poor understanding on the part of staff and members of the role and functions of te runanga, ongoing vacancies in the national runanga, and inadequate information about Māori membership in the PSA.

The plan, adopted in December 2005, is designed to provide a stronger structural framework and greater clarity around organisational resources and responsibilities. It includes training for organisers on strengthening runanga structures. The strategic priorities have been identified as continuing to build sector runanga, strengthening Māori membership and unionising iwi-based public services.

**CTU RŪNANGA**

The PSA plays an active part in the work of the CTU runanga – Te Rūnanga o ngā Kaimahi Māori o Aotearoa – through the ongoing involvement of the PSA kaumatua and the convenor of te Rūnanga o nga Toa Āwhina. The PSA’s kaumatua, Kiwhare Mihaka, is also the CTU kaumatua and played an important role in the development and presentation of the Maori name for the CTU, Te Kauae Kaimahi, announced in December 2005.

**THE PRIORITIES ARE TO BUILD SECTOR RUNANGA, STRENGTHEN MAORI MEMBERSHIP AND UNIONISE IWI-BASED PUBLIC SERVICES.**
PSA networks

PSA KOMITI PASEFIKA
Komiti Pasefika is a network to encourage the involvement of Pacific Island peoples in union activities and decisions. Members of PSA Komiti Pasefika have been active in the past year in the CTU Komiti Pasefika, participating in the biennial fono held in July 2005, regional fono, and in the production of a dvd. The dvd, called *Unions Start With You!*, was a cross-union activity that puts unions in a Pacific context with the aim of encouraging Pacific Island workers to join their union.

The Executive Board has identified the need for a stronger framework to promote and support Pasefika representation at all levels of the PSA.

OUT@PSA
In April 2005, the Executive Board endorsed the establishment of a cross-sector PSA network for gay, lesbian, bisexual and transgender members. The name Out@PSA reflects the title of the CTU’s Out@Work.

Out@PSA was set up as an email network. As at August 2005, over 70 members had joined the network. It offers an initial point of contact for members seeking guidance around issues in their workplace and provides a forum for sharing information and ideas.

YOUNG WORKERS
The PSA is involved in the work of the CTU Youth Council. The importance of attracting young workers to the union is well understood so it is encouraging to note the number of relatively young organisers and activists within the PSA. The Executive Board has endorsed setting up networks and activities to raise the PSA’s profile and build union organisation amongst young workers.
Communicating with members

Meetings with members

Communicating with members is integral to the work of organisers and is carried out on a daily basis, whether at meetings, by phone and email, through union newsletters or through informal face-to-face discussions.

This section looks at some of the additional ways used by the PSA to communicate with members.

REGIONAL MEETINGS

In recent years, the PSA has held occasional regional meetings for delegates and members to come together to discuss policy and strategic issues such as bargaining strategies, pay and employment equity, and election activities. These have not only promoted discussion and knowledge sharing but provided another avenue for broad consultation across the union.

Membership meetings are generally well attended and the feedback shows that participants welcome the opportunity to get together with members from other workplaces, hear reports on key issues and learn more about the work of the union.

A review of the membership meetings held in December 2005 confirmed the value of continuing with this approach whilst identifying the need for some fine-tuning in organising venues and other facilities. The review highlighted the importance of a union leadership presence at all membership meetings.

The Executive Board determined that, in 2006, membership meetings be held around the country as one of the main avenues for consultation on the PSA’s Fresh Perspectives programme. Fifteen one-day meetings on Fresh Perspectives were held in 13 locations around the country. They attracted over 400 participants; the evaluations suggest they were highly successful.

DEPARTMENT OF LABOUR DAYS

A new initiative in the year ending March 2006 was the series of Department of Labour member days, an outcome of the partnership between the PSA and the department which is written into the collective agreement. Members in the Department of Labour are invited to participate in one-day workshops facilitated by the PSA and funded by the department. The workshops are an opportunity for members to explore the role of the union, Partnership for Quality in their workplace, and issues for collective bargaining.

The Department of Labour member days are an ongoing initiative.

Publications

EMAIL NEWSLETTER

Notice Board is a monthly email newsletter that reaches about 75 per cent of the PSA’s total membership. This has proved to be an immediate and effective means of communicating with members. Judging from the feedback received from members, it is also popular. Articles are short and highly topical and, where appropriate, provide links to more information.

PSA JOURNAL

The PSA Journal is issued four times a year. It aims to be interesting, informative and positive about public services and the work carried out by PSA members. Most issues contain at least one opportunity for members to give feedback on a particular issue and this generally attracts a healthy response.

Of concern is the fact that many workplaces do not have good union distribution systems. This is something that is to be addressed over the coming year.

A second concern is the widespread view, particularly in the core public service, that any journal stories featuring a delegate or member must first be ticked off by their manager. This points to the need for some shared understandings, with employers and delegates, about the role of an independent union journal.

Media

The PSA has maintained a high profile in the media. This was particularly so during the election campaign when the PSA was the main group speaking in favour of public services and against tax cuts. The industrial activities of the union also captured media attention, particularly at Radio New Zealand, Child Youth and Family and in the health sector.

The PSA has also used the media to provide a useful perspective on employment policies in the public service, for example in relation to pay and employment equity, health and safety and work-life balance.

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Bargaining in the public sector

Background

The PSA’s public sector bargaining strategy was formally launched in February 2005. The PSA made a clear and deliberate decision to develop the strategy as we believed recognition of the contribution PSA members were making to the success of our economy was long overdue. It sought, amongst other things, significantly more pay for our members who are public servants.

The PSA public service bargaining strategy is being applied in all bargaining public service enterprises, and is also being used in developing bargaining briefs for enterprises outside the core public service.

Over the last decade, the general movement in public service pay has been less than in the health, private, and education sectors. This has led to recruitment difficulties, skill shortages, and skill gaps. Our strategy aimed to deliver equitable and meaningful pay increases, and fairer remuneration systems.

Feedback from delegates during briefings we held around New Zealand strongly indicated that the establishment of good performance development systems not directly tied to the pay system was their single biggest issue. We stated our commitment to negotiate remuneration back into collective agreements, and to negotiate all elements of remuneration, i.e. adjustments to pay; the nature of pay systems; methods of pay setting; and progression.

As well as pay rises, however, the PSA also sought more consistency and better career opportunities across the public sector; pay and employment equity; the right for all employees to be covered by a collective agreement; union facilities; a minimum of four weeks’ annual leave; and healthy and safe workplaces.

To support the various bargaining strategies, much effort went into improving the resourcing available. This included better reporting and recording mechanisms. This is allowing better tracking of bargaining progress and outcomes, as well as the level and effectiveness of PSA organisation within enterprises. More opportunities for organiser advocates to share information and approaches were created.

Collective agreement bargaining continues to grow in procedural complexity and many agreements are taking longer to settle than previously, due to the greater compliance issues arising from the recent legislation. In some difficult negotiations, the PSA’s determination to achieve delivery of our strategy to members required industrial action.

The role of the bargaining process became clearer through a better understanding of good faith requirements. A series of good bargaining process agreements has been developed, although it is noted that this requirement to negotiate the “rules of play” on a case by case basis, while good practice, adds to the time and resource needed to bargain effectively.

Feedback from delegates around New Zealand strongly indicated that the establishment of good performance development systems not directly tied to the pay system was their single biggest issue.

Progress in bargaining

Bargaining in the public sector during the period covered by this report saw significant activity and progress.
The public sector saw some reallocation of enterprise co-ordinator and advocacy roles, with some organisers joining the public service team from the health sector. The use of two organisers to support particularly difficult situations helped in many cases, although added to the levels of resourcing needed to complete negotiations.

This period saw a number of major agreements settled in the public sector and the science group – some were done so with little fuss, others took more time and were more difficult. Overall, gains were made in remuneration, leave, union facilities and union-only benefits. A number of enterprises with no collective agreement for some time saw this remedied.

The use of market-related, performance pay systems – in the public service in particular – continues to be a major impediment to negotiated settlements; either through employer ideological inhibitions to negotiate pay, or through the more practical reason that they have spent all the money through the performance pay system and had little money to fund an acceptable agreement.

**Bargaining by sector**

**SOCIAL SERVICES SECTOR**
The PSA bargaining strategy was a key activity during the year for the committee.

The Ministry of Social Development was the first major department to commence bargaining after the launch of the strategy. We achieved significant break-through in securing an additional week’s annual leave; putting pay back into the collective agreement; and securing a commitment to vary the collective agreement if required to implement the pay equity review response plan.

A concerted industrial action campaign underpinned the Child, Youth and Family negotiations to achieve a pay increase comparable to the increases in the health sector and to eliminate the performance pay system. Significant gains were made and the details of an alternative remuneration system are being worked through in a joint working party. Comparable pay increases to the health sector were also an issue for the Special Residential Schools’ negotiations.

The members’ only benefit contributed to a major increase in membership in the Department of Labour. Over 100 members joined prior to ratification and overall membership increased from 660 to 840 in the year ending March 2006. This equates to around 75% of coverage under the collective agreement. Considerable effort has been put into building a tangible “partnership for quality” relationship at all levels within the Department of Labour. A full time partnership for quality co-ordinator has assisted the steering committee and other initiatives.

A programme for upskilling delegates has been developed and members’ only days have provided a forum for education and participation of members. These themes have dominated bargaining in other enterprises as well, including the Ministry of Building and Housing and the Tertiary Education Commission.

**COMMUNITY SECTOR**

Bargaining in the sector saw industrial action taken in two organisations, TVNZ Avalon and Radio New Zealand. The settlement at Radio New Zealand resulted in a 4.25% pay increase across-the-board; a 5% increase to allowances; removal of the nexus between pay and performance; and no pass-on.

The settlement at TVNZ Avalon resulted in a 4% pay increase; increases in allowances; and more rostered days off for union members.

Other enterprise bargaining in the sector included significant pay increases; pay and employment equity; member-only benefits; extra annual leave; work/life balance provisions.

**ENVIRONMENT SECTOR**

In June 2005, the executive board approved a science sector bargaining strategy.

We have continued to promote Partnership for Quality and have increased the number of collective agreements now having PfQ provisions.

All of the collective agreements that expired during the year have been renegotiated. However we continue to see the settlement of collectives not being consistent across the entire sector, with some employers moving slowly to settle. This was particularly so with
the Ministry of Agriculture and Forestry where the negotiations were drawn out and by the use of the Employment Relations Authority to settle legal differences.

A highlight of this year’s bargaining was the settlement of the Asure New Zealand collective agreement which achieved good improvement for members in the areas of penal payments. Members reached this agreement after several attempts at mediation and low level industrial action.

Recruitment has mainly been centred on collective bargaining with an excellent result being achieved with the Crop and Food settlement. Overall union density has remained high in Asure and Environmental Scientific Research with good improvements in the Department of Conservation. However there are some enterprises where union density has declined. These enterprises will be focused on for improvement in the next year.

The year ahead will be a challenging one industrially for the sector as most of the major enterprises, including the Ministry of Agriculture and Forestry, will be renegotiating their collective agreements.

GOVERNANCE SECTOR
Significant achievements in collective agreement negotiations during the reporting year were made in the Department of Internal Affairs; Parliamentary Services; Statistics New Zealand; Te Puni Kokiri; and the Ministry of Women’s Affairs.

Bargaining continues to be the main activity giving a profile to recruitment drives. The year ahead will involve bargaining in some of the larger and more diverse enterprises in the sector, notably the Inland Revenue Department (IRD) – the second-largest public service department – and in IAG, a private sector Australian-owned company. The challenge we will need to make to the concept of performance pay was expected to be a major area of contention in both these enterprises.

The settlement of a remuneration review in IRD has seen the negotiation of pay changes from about 4% to about 7% for our members, depending upon their position. While we are pleased that several groups who have had minimal movement in recent years have had a useful pay rise, this has been via market-based input rather than collective agreement negotiations.

Issues expected to be the most challenging to address will be around the current reliance on performance based remuneration systems closely linked to market data; member-only benefits; partnership for quality days; large pay increases; increases in mileage rates; extra annual leave; pay equity reviews; PSA recognition clauses; review of remuneration systems.

INFRASTRUCTURE SECTOR
Significant bargaining results were achieved in the Ministry of Transport and the Human Rights Commission. Members in the Human Rights Commission received: 6.2% – 6.4% pay increase over 15 months; a project set up to look at performance management systems and ultimately de-link performance and pay; three days extra leave for personal/family reasons; and a significant extension of the partnership relationship.

In the Ministry of Transport, the first collective agreement in a long time was settled. It included: pay increases for most members of between 3.5% and 6.4%; 37.5-hour working week for PSA members only; improved long service leave; increased annual leave; and a commitment to the conducting of a pay and employment equity audit.

Bargaining in the Department of Corrections was about to get underway at the end of the reporting year.
BACKGROUND
The PSA is the second largest union in the health sector (nearly 18,000 members, of whom approximately 13,000 are employed by the district health boards) and the largest union among the following groups: allied health professionals; mental health nurses; clerical and administration staff; mental health services; community and public health services. The PSA also has significant membership among technical staff and employees of non-governmental organisations (NGOs), particularly among providers of intellectual disability services.

In 2004 the PSA adopted a health bargaining strategy to achieve multi-employer collective agreements (MECAs) in the district health boards. Through MECAs we sought: improved remuneration; pay and employment equity; quality jobs; strong union organisation; and national standards.

With the multitude of occupational groups the PSA covers, and the huge diversity in pay and conditions across the country, we believed it would be more practical to seek regional MECAs first and then aim for national MECAs in subsequent negotiations. The focus of PSA work in the health sector over the year has been on implementing the strategy.

PROGRESS IN HEALTH BARGAINING
The negotiating process was slow and difficult and included strike action in mental health services. Talks became stalled as the employers (the DHBs) argued they could not offer pay rises without additional government funding.

The Government’s decision to inject over $150 million into the DHB wages budgets meant the majority of our members in DHBs received pay increases well into double figures in most cases and national pay scales and regional MECAs were achieved and endorsed by an overwhelming majority of members. (Regrettably, we did not achieve the same outcome for our clerical and administration members but have been successful in negotiating improvements for them.

There are now eight regional MECAs in place, one each for mental health and for allied-public health/technical in the four PSA regions. While salaries are now standardised nationally, most allowances and working conditions still vary greatly from DHB to DHB and dealing with this will present a considerable challenge ahead.

Working parties have been set up to deal with outstanding issues relating to progression on the salary scales and the mechanism for dealing with clinical career structures for senior staff in designated positions. MECAs for our clerical/administration members have been achieved in Auckland and the South Island and negotiations are underway in Midlands and the Lower North Island.

The hard work of delegates on bargaining teams and delegates who contributed to bargaining through running meetings, providing information and feedback, and ensuring effective membership backing of our efforts must be acknowledged. Where good results were achieved more easily was where the level of membership organisation and commitment was high; this is not achieved overnight.

One of the goals in the health sector is to roll-out the gains made in public health services into the NGOs. The health sector committee, together with health sector organisers, has identified the lack of representation from NGOs and is committed to raising the PSA profile in those organisations, in which we represent 3000 members.

Disability Services are particularly important and special mention should be made of Healthcare NZ where our membership has doubled during the year.
BACKGROUND
The PSA seeks greater consistency and higher standards in employment across local government. As well as the significant elements of the public sector bargaining strategy, our local government bargaining strategy focuses on the negotiation of local government multi-employer collective agreements (mecas) based on regional council boundaries. We proceeded with a strategy of lining up collective agreement expiry dates in 2006 with the aim of commencing meca negotiations.

The main issues in local government bargaining are:
- a union-management partnership approach to working in local government (already working successfully in some councils, including PSA members sitting on senior management teams)
- greater consistency in terms and conditions across local government
- pay systems that are transparent and more accurately reflect job complexity, experience, and issues around recruitment and retention
- workplace-based retirement savings with a dollar-for-dollar employer contribution to an agreed maximum
- training opportunities to support careers in local government
- pay and employment equity
- improved annual leave.

PROGRESS IN LOCAL GOVERNMENT BARGAINING
Implementation of our local government bargaining strategy has progressed over the year with mixed results. This sector is traditionally difficult to organise and bargain in, as it can be fractured amongst employers. The presence of staff associations in a number of councils is also a significant barrier to building union organisation.

Some significant gains have been made in some councils with key elements of the strategy, such as member-only benefits and improved leave.

New collective agreements were negotiated for Hutt City Council core services and library staff. These included provisions for: new, backdated pay rates; access to overtime payments extended; 10 days' sick leave; return from maternity leave payment; no automatic pass-on to those not in the union.

Very successful partnership for quality relationships have been established in Manakau City Council and Waitakere City Council. A PSA member sits on the senior management team at Manakau City Council and Waitakere City Council pays half of our members' union fees in recognition of the relationship.
It is almost two years since the Pay and Employment Equity Taskforce reported its findings to the government and a plan of action to close the gender pay gap was put in place. The plan confirms the Government’s commitment to pay and employment equity, sets out expectations and accountabilities for employers, and identifies the tools that will help identify and address inequities.

Over the coming five years, the government’s plan will be rolled out across the state sector and into local government and the private sector. By around 2010, all PSA members will be covered by the plan of action.

The Department of Labour Pay and Employment Equity Steering Group is overseeing the implementation of the plan of action. The PSA is part of the CTU team represented on the steering group. A priority is providing advice to ministers on pay investigation and remedial pay settlement processes.

A key element of the plan is having the ‘tools’ to identify and address gender bias in pay, in systems, and in employment practice. The audit or review tool is available, the job evaluation tool will be available later in the year, and a national standard for job evaluation systems will be registered in December. There is an associated project to make sure skills required in female dominated occupations are identified and factored into job evaluations. A remedial pay settlement process will be available to unions and employers to address pay inequities found in female dominated occupations.

Additional funding to address pay and employment inequities will be considered by Government as part of the annual budget planning process; a formal business case will need to be prepared by organisations each year.

EQUITY REVIEWS
The first step towards closing the gender pay gap is usually a pay and employment equity review. Eight public service enterprises are involved in a review, with a further 13 about to start this year. The remainder will begin reviews in 2007/08. The health sector has identified five district health boards to review, tertiary institutions will undertake a review, as will a sample of schools. This group makes up phase 1 of the plan of action.

Phase 2 includes crown entities, state owned enterprises and contractors; phase 3 covers local government and the private sector.

The PSA is involved in the first set of reviews. Our goal is to have PSA members on every review committee with staff providing support.

PLANNED ACTIVITIES
Alongside the policy work being undertaken is our own action plan which includes:

- educating members, delegates and staff on equity issues and on the action plan;
- providing specialised training for delegates and staff on equity review committees and bargaining teams;
- developing resources;
- continued advocacy of pay equity;
- co-ordinating work within the PSA, between unions, and with employers, the Department of Labour and the CTU;
- ensuring our bargaining strategies take into account issues of pay equity.

As part of the CTU, we are helping to develop resources and training for union officials and delegates on the review process. The PSA is closely involved in the CTU’s forum for inter-union planning and debate.

The PSA submitted an application to the Department of Labour’s contestable fund to employ a full-time pay and employment equity co-ordinator. This position will complement and support the work currently underway.

While much has been achieved, the PSA has reservations about the funding available to address pay equity, the timeframe for implementing the three phases, and the commitment of state sector employers.

In our briefing to the government, the PSA identified the need for:

- a separate allocation of funding to address pay and employment inequity;
- stronger expectations on employers to give priority to implementing the plan of action;
- an independent review of the effect of the mechanisms to achieve and sustain equity.

The PSA has led the way on pay and employment equity. We intend to keep up that momentum to ensure all PSA members are treated fairly and equitably.
Government parameters

The PSA was advised in February 2005 that the Minister of State Services had requested a review of the government’s bargaining parameters. We met with the State Services Commission to discuss the scope of the review. The PSA sought to ensure the parameters were more compatible with our bargaining strategy.

The revised parameters formally took effect on 1 May 2005. The most significant change was a new provision setting out the Government’s expectation around the negotiability of pay:

... in general, the Government expects that minimum pay rates will be a matter for negotiation and that, unless there is a good reason not to, these will be included in the collective agreement.

Also the emphasis on performance based progression was altered: previously progression beyond the minimum rate was to be based on performance; this was now “merit”.

Other issues raised by the PSA around the parameters included pay and employment equity; extension of the parameters to the wider state sector; application of the Human Resource Framework; PSA involvement in departments’ planning for and funding of settlements; pass-on, and productivity gains.

The addition of a Government expectation that pay would be bargained was considered by the PSA as a significant step forward. There continue to be instances, however, of some employers’ actions appearing inconsistent with the bargaining parameters, especially in respect of pay as a bargaining matter. The PSA has raised this issue with the State Services Commission and ministers and will continue to advocate for this fundamental right.

Policy on bargaining fees

The PSA has recently revised its policy on the use of the bargaining fee under the Employment Relations Act. The key provisions of the Employment Relations Act include:

1. Bargaining fees, payable to unions by non-union members in a workplace, may be bargained into collective agreements.
2. A bargaining fee does not come into force unless agreed by the employer and the union and then endorsed in a secret ballot (conducted jointly by the employer and union) of employees who perform work within the coverage clause of the collective agreement, whether they are members of the union or not.
3. The bargaining fee must not exceed the standard union subscription.
4. The employer must provide the non-union members affected with a copy of the collective agreement, notice that the terms and conditions contained therein apply to them, the amount of the bargaining fee, the timeframe for them to declare that they do not want to pay the bargaining fee and the fact that the fee will be deducted from their wages.
5. Individuals can choose not to pay the fee but they must notify the employer within the timeframe set out in the bargaining fee clause. Their terms and conditions remain the same until such time as varied by agreement with the employer. Failure to notify the employer within the timeframe means that the bargaining fee may be deducted from the employee’s wages.

When this provision first became available in 2004 the PSA decided not utilise it, preferring to rely on effective organising and bargaining union-only premiums for members. With the provision being in place for over a year, it seemed appropriate to review this approach. The Executive Board, at its April 2006 meeting, decided that:

- The bargaining fee is to be used only where more positive approaches, such as union-only provisions, are unlikely to ensure a positive outcome.
- A set of guidelines to be developed to assist the union when deciding when to seek a bargaining fee, and ensure consistency in the implementation of the fee.

Those guidelines have since been developed and they stress that the decision lies with the secretariat while recognising the input of organisers and negotiating teams. The secretariat will take into account such factors as the level of union membership and the relationship with the employer.
Building
Influence

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POLITICAL PARTIES
Before and since Election 2005, the PSA has met with Labour-led Government ministers and has sought to meet with all political parties. Meetings have been held with the National Party, the Green Party and the Maori Party. The PSA has also met with the Prime Minister and the Leader of the Opposition.

ELECTION CAMPAIGN
The PSA ran a highly visible campaign in the lead up to the 2005 general election. The central focus of the election campaign was the promotion of the PSA agenda Valuing Public Services, launched on International Workers’ Day on 1 May.

The agenda sought to encourage people to enrol and to vote. It covered three main themes: unions as social partners; building quality public services; and investing in people. Our aim was “to influence public opinion sufficiently to contribute to the re-election of a Labour-led government in 2005”.

The general election was identified by delegates in 2004 as a key priority for the PSA. Members were involved in a variety of ways to firstly construct the PSA agenda and then to promote it. The initial part of the strategy focused on engaging members and broadening understanding around the issues of importance to PSA members. While this strand was maintained throughout, a second was introduced in response to political parties’ comments on the current state of public services and on government expenditure.

We anticipated tax would be a defining election issue and worked to ensure that members and the public understood the implications of tax cuts on public services, and the range of services that would be affected. We identified early in the campaign the need to expand public perception of the ‘public sector’ and factored this into the strategy. We aimed to show the diversity of the work that public service workers do and how active they are in local communities. Our clear message was that tax cuts would undermine important public services.

While a large focus of our election campaign was ensuring that members and delegates were aware of the parties that supported the PSA’s policies, we also actively engaged with the public. The PSA had a high profile in the media and ensured that resources were distributed at public meetings, rallies and door-to-door.

The strategy relied on the engagement of delegates and members but it also drew on external expertise. We regularly monitored and tracked trends and shifts in membership, media coverage and public opinion, and used the results to inform the content and design of our resources, and to determine activity of greatest effect.

Complementary to our strategy was the Council of Trade Unions’ election campaign which focussed on employment relations, reminding voters of both the Labour and National parties’ records in government and the impact of their policies on working people and for unions. The CTU’s campaign was organised through local affiliates councils (LACs) supported by centrally co-ordinated activities and resources.

While significant numbers of members and delegates actively participated in the election strategy, there was at times some confusion about political neutrality obligations and members’ rights as citizens and union members to engage in political activity. This highlighted the need for ongoing discussion and activity on the political role and influence of unions and contributed to the development of our post-election strategic programme.

BRIEFINGS TO THE INCOMING GOVERNMENT
The PSA prepared a briefing to the incoming government which drew on themes and issues members identified for the Valuing Public Services election agenda. The briefing was comprehensive and set out the priorities and areas of work, and included specific recommendations for action.

In addition, a number of ministers including the Ministers of Finance, Labour, Māori Affairs, Transport, Corrections, Local Government, Health, Education, and Research, Science and Technology received a briefing outlining the priority issues in their portfolio areas. The PSA Briefing to the Government was also sent to each of the political party leaders, with an invitation to meet with the PSA.

OUR CLEAR MESSAGE WAS THAT TAX CUTS WOULD UNDERMINE IMPORTANT PUBLIC SERVICES.
Influence with government

Engagement

PUBLIC SERVICE TRIPARTITE FORUM
The Public Service Tripartite Forum is convened by the Minister of State Services and meets at least four times a year. The forum gives effect to the Partnership for Quality Agreement and enables the three parties (government, PSA and public service employers) to discuss and advance common interests and issues concerning the delivery of quality public services. The PSA acknowledges the role of Trevor Mallard as then Minister of State Services in convening the forum.

Forum members have changed in the last year with Hon Annette King taking on her new role as Minister of State Services after the general election and two chief executives replaced on the group. Current chief executive members are from the Ministries of Women’s Affairs and Culture and Heritage, Departments of Labour, Corrections, Building and Housing, and Statistics, and Land Information New Zealand. The State Services Commission is secretariat to the forum. The PSA is represented by the president and the national secretaries.

In this past year, the forum discussed the key elements for consideration in a third Partnership for Quality agreement, the PSA’s strategic development programme Fresh Perspectives, the State Services Commission’s development goals and career progression survey, and political neutrality.

The PSA is concerned that there is a disconnection between the Government’s policy commitment to Partnership for Quality and the actions of some public service employers, particularly around bargaining. Looking at ways of building connections will be an area of future work.

HEALTH SECTOR TRIPARTITE STRUCTURES
Tripartite structures in the health sector were established in 2002 and have continued to ensure open and robust communication between government, employer and union parties. The steering group has met regularly and has supported the establishment of constructive engagement models at a local level via a series of training workshops at each district health board. The role of District Health Boards New Zealand (DHBNZ) as the central conduit for the 21 separate DHBs to streamline decision-making in the sector has continued to evolve, although each chief executive retains a keen interest in the wage costs.

PSA members are disappointed at the lack of progress toward an employer-subsidised superannuation scheme, which was promised by Government to be rolled out in the sector. The terms of reference have been agreed for a Review of Health Sector Industrial Relations Policy Settings within the Ministry of Health, the State Services Commission, and Treasury which may lead to a changed bargaining arrangement in the DHBs in the future.

EXPENDITURE REVIEWS
In February 2005, the government announced a review of state sector spending and a review of the role of the State Services Commission in improving industrial relations in the state sector.

The PSA has sought active involvement in the review and called for government oversight about how public service employers manage any change processes in the public service. We have been briefed about the expenditure reviews and continue to monitor the impact they are having on the capacity of the public service.

The PSA has made it clear to government that the rebuilding of the public sector is not yet complete and that further investment is needed in many areas of the public sector.

SCIENCE
The PSA’s National Science Committee (NSC) developed a PSA science strategy on funding and capability, endorsed by the executive board. Representatives of the NSC have met with the Minister of Research Science and Technology and discussed the strategy on several occasions. As well, the NSC made a submission on the Government policy paper A More Effective and Stable Funding Environment for Science. The NSC has continued to strengthen its relationships with other industry stakeholders such as the Association of Crown Research Institutes, the NZ Association of Scientists and the Ministry of Research, Science and Technology.

There is a disconnection between the Government’s policy commitment to Partnership for Quality and the actions of some public service employers, particularly around bargaining.
DEPARTMENT OF CONSERVATION
The PSA held meetings with the Minister of Conservation to argue for increased funding for DoC and improvements in salaries. This was successful.

STATE-OWNED ENTERPRISES
The PSA had discussions with the Minister of State Owned Enterprises and the Minister of Food Safety on the continued state delivery of meat inspection and growing concerns over the impact of competition between SOEs.

Social and economic benefits

RETIREMENT SAVINGS
The State Sector Retirement Savings Scheme is one of the outcomes of the PSA partnership agreement with government. It currently applies to employees in public service and non-public service departments, in schools and to kindergarten teachers.

The government centrally funded a matching employer contribution of 1.5% in 2004, raising the maximum to 3% in July 2005. 1.5% remains the minimum contribution. Take-up in the public service and non-public service departments has stayed stable at about 45% of eligible employees. Since the inception of the scheme a number of other government entities have decided to offer the scheme to their employees, but have had to find the employer contribution in baseline funding.

In the course of year two, working parties have been looking at the issues of:

- increasing the employer contribution beyond 3%; and
- extending the scheme to the wider state sector.

The first working party finished its task and reported to the responsible ministers last year. The ministers have yet to respond to that report. The second working party began its work in February 2006 and is still underway, with a view to reporting in September this year. The PSA remains committed to extending the scheme to the wider state sector and will continue to be actively involved to this end. We have been represented on both working parties and made a submission to the second one.

The PSA is one of the two CTU representatives on the State Sector Retirement Savings Scheme Advisory Board. The Board meets bi-monthly to consider the performance of the three scheme providers – AMP, ASB and AXA – and oversee the development of the scheme. The major issue the Board has had to consider is the impact of KiwiSaver on the structure of the SSRSS and it has been monitoring the progress of the policy work and the Bill before the House. A decision will have to be made on the status and structure of the scheme in the KiwiSaver environment, a decision which is likely to be made at the time of the National Delegates’ Congress.

The Board has also considered the question of having an ethical investment option available under the SSRSS. This was not considered viable at the time but will be revisited in 2007.

The PSA made a submission to the select committee considering KiwiSaver. The KiwiSaver scheme, which does not require an employer contribution but which provides for automatic enrolment and deduction of 4% of wages when an employee begins a new job, a $1,000 joining incentive from the government and quite restrictive rules about accessing funds, will have particular impact on PSA members outside of the catchment of the SSRSS. The PSA supports KiwiSaver but seeks to encourage employers’ contributions.

FUTURE OF WORK
In late 2004, the state sector tripartite forum endorsed the joint proposal of the PSA, Department of Labour and State Services Commission to hold a series of seminars which would culminate in a symposium on the Future of Work. The seminars on work, workforce, and workplace were held during 2005.

The first seminar in the series focused on the workplace of the future. Peter Cassells from the Irish National Centre for Partnership and Performance gave a keynote address looking at the Irish experience of economic transformation, and Ireland’s approaches to the role of the workplaces in supporting, and maintaining, this transformation now and in the future.

The second seminar focused on the work of the future, in particular the changing nature of work in the public sector. Tom Bentley from...
Demos gave the keynote address. Tom’s presentation looked at the trends likely to shape work in the public sector in the future, especially in terms of changes to service delivery demands and technological developments that will make working in this environment increasingly complex.

The third seminar focused on the workforce of the future. It explored the challenges and opportunities related to likely trends impacting on the workforce of the future, including greater ethnic diversity, the ageing of the population, and the global mobility of people and the workforce.

WORK/LIFE BALANCE
The resource Work/Life Balance: A Resource for the State Sector was launched at Parliament by the Minister for State Services Trevor Mallard, PSA national secretary Richard Wagstaff and State Services Commissioner Mark Prebble on 5 April 2005. The PSA was represented on the working party which developed this resource. The resource promulgates a partnership approach to developing work/life balance policies and practices with organisations.

The Department of Labour work/life balance pilot projects are proceeding. The participant organisations have received funding to pay for assistance to develop work/life balance policies. The PSA is participating in the pilot projects in the Department of Labour, Hutt Valley District Health Board and the Education Review Office.

The PSA contributed to the CTU resource “It’s About Time” and to the CTU submission on the Flexible Working Hours Bill. This Bill has been put on hold for further consultation. We participated in the workplace leaders’ summit on Quality Flexible Work. The event was sponsored by Business New Zealand, the CTU and the Equal Employment Opportunities Trust.
The PSA is a committed affiliate of the Council of Trade Unions and actively participates in its national and local forums and programmes. Appendix 2 includes a list of PSA representatives to CTU groups and forums.

**NATIONAL AFFILIATES’ COUNCIL**

The national affiliates council (NAC) is the CTU’s main representative forum. Key matters agreed by the NAC during the year included:

- CTU union co-operation and organising pact to co-operate rather than compete in building union organisation.
- A strategy to advance union views and influence during the election campaign.
- CTU affiliated unions’ participation in the workplace productivity agenda.
- Ongoing CTU and affiliates’ perspectives and actions in relation to retirement savings and pay and employment equity.

**HEALTH SECTOR STANDING COMMITTEE**

This committee has met regularly throughout the year and been the main forum for establishing a health sector view for the CTU. The unions who regularly attend are the PSA, the NZ Nurses’ Organisation, the Service and Food Workers’ Union, the Association of Salaried Medical Specialists, and the Clothing and Laundry Allied Workers Union of Aotearoa. The main activities in the last year have been:

- Tripartite and bipartite forums
- There have been regular meetings with district health board chief executives and a revival of the tripartite process with the new Minister of Health, Pete Hodgson and DHBs. The issues and achievements include:
  - Funding for delegate and manager training in each DHB to build bipartite processes.
  - A CTU health policy statement.
  - A proposal for a professional-led service, involving doctors, nurses and allied health professionals (the PSA promoted the inclusion of administration workers as well). This proposal is before the Minister and awaits a meaningful response.
  - Engagement with District Health Boards NZ on the Future Workforce strategy and the role of unions on workforce development.
  - Representations to the Ministry of Health on the ministry’s report Mental Health and Addiction Workforce Plan.
  - Age care and disability issues – ongoing issues about funding levels, contracting, and the pay and conditions.

Ministry of Health
PSA delegate Colette Gordon represents the CTU on the Ministry of Health Core Competencies Advisory Group in Mental Health.

**PAY AND EMPLOYMENT EQUITY**

The PSA is represented on the CTU Pay and Employment Equity Project Group. The group comprises the three CTU representatives on the Department of Labour (DoL) steering group overseeing the roll-out of the government’s pay and employment equity plan of action and representatives of the CTU Women’s Council. The purpose of the group is to contribute to and support the work of the CTU on pay and employment equity. The group developed an initial application to the DoL contestable fund to employ two people to help unions prepare for and participate in the action plan, and has prepared a second application to develop resources and training.

See also the report on pay and employment equity on page 23.

**CTU BIENNIAL CONFERENCE**

The PSA sent a delegation to the CTU biennial conference – Unions 2010 – held in Wellington on 17–19 October 2005. Sessions were along more informal, discussion-based lines about the future of unions, along with the standard sector council reports and debates on remits.

PSA delegate Kiwhare Mihaka’s role as CTU kaumatua was a prominent one, especially given the significance of several events during the conference: the accession of a Māori vice-president, and the gifting of a Māori name for the CTU – Te Kauae Kaimahi, translated as ‘the voice of the worker’.

**GENERAL ELECTION 2005**

As well as running its own election campaign, the PSA contributed to the strong campaign run by the CTU during the run-up to the general election. It was felt the campaign was a vital and successful one and contributed to the return of a Labour-led government.

See also the report on the general election on page 26.
Workplace productivity

WORKPLACE PRODUCTIVITY
The PSA has worked in collaboration with the Council of Trade Unions on workplace productivity and participated in the national discussion about productivity. We believe it is important to have a strong union perspective in the national discussion about productivity.

While most of the national focus and debate about the need to grow the New Zealand economy through increased productivity has centred on the private sector, we believe that the public sector also needs to look at the issues (as the Department of Labour’s 2004 Workplace Productivity Challenge document noted).

The PSA is addressing this challenge through Fresh Perspectives, which has productivity as one of the seven workstreams.

GOVERNMENT CONTEXT
There are a number of external factors that make PSA thinking about public sector productivity both relevant and timely. The government’s expenditure review, with its focus on improving state sector productivity, and recent statements from the Ministers of Finance and State Services indicate that government is looking for a return on its investment in public sector capacity building.

The PSA, in pursuing its bargaining strategy, needs to be able to address the pressure to fund wage increases from within baselines (and productivity gains are one way of finding money).

We think there is a need for a public sector policy framework that connects the existing Managing for Outcomes and Value for Money work, the government’s Workplace Productivity Agenda and the government expenditure review work. This should help keep the focus on productivity gains as a way of adding public value, rather than driving it into efficiency/cost-saving approaches.

The Department of Labour, which is taking the government lead through its Workplace Productivity Agenda, has recognised that productivity in the public sector needs to be included as part of its work, and is engaging with the PSA as it develops its thinking. The State Services Commission is also a big player in state sector productivity work through the related elements of the government expenditure review.
IN 2005 THE PSA BEGAN A STRATEGIC DEVELOPMENT PROGRAMME — CALLED FRESH PERSPECTIVES — TO SHAPE HOW OUR UNION WILL LOOK AND WORK OVER THE NEXT DECADE TO 2015.
Looking to the future

CONTENTS

FRESH PERSPECTIVES – PUBLIC SERVICES AND THE PSA: A 10-YEAR VIEW

The Demos project
Decent work/decent workplaces
Productivity
State sector reform
Partnership for Quality
Workplace Representation
Affirming our political role

annual report 2005 / 06
INTRODUCTION
In 2005 the PSA began a strategic development programme to shape how our union will look and work over the next decade to 2015. The aim was to build and develop our Partnership for Quality strategy for the future through:
- developing the structures and approaches to partnership in the workplace, in enterprises and across the public sector, health and local government sectors
- developing a PSA agenda around work, workplaces and organisations.

The programme of work was developed to shape a dialogue within the PSA through to the November 2006 Congress where the PSA's future path and planning on how we will implement it will be confirmed.

Since this time we have been engaging the whole organisation in a dialogue on the future – it is the strategic development element of our future thinking. In early 2006 the programme was branded as Fresh Perspectives: public services and the PSA, a ten year view.

The following workstreams have been developed under Fresh Perspectives:

THE DEMOS PROJECT
The PSA has teamed up with Demos, a UK-based research group to "re-imagine" the role of New Zealand’s public sector, with the assistance of other unions, academics and employers. This has involved literature reviews, country analysis, seminars and workshops, and publication of a report. Questions included:
- What are modern public services for? What kind of social vision should they seek to realise?
- What are the key forces driving change in the New Zealand public sector? How will factors like a growing population, changing social values and an ageing society affect public services?
- What are the domestic and international examples of innovative policy and practice that point the way to the future?
- What does all this mean for New Zealand people working to provide services to the public, the organisations they work for and the kind of work they do?
- What does it mean for the PSA?

DECENT WORK/DECENT WORKPLACES
Decent work is meaningful and healthy work, and includes good work design and rewards. Decent workplaces are driven by such factors as management style and culture, workplace practices and worker participation. We were asking:
- What are the critical elements of decent work/decent workplaces?
- What is the relationship between decent work/workplaces and quality services?
- What is the role of the union and what is the nature of union engagement in creating decent work/decent workplaces?

PRODUCTIVITY
The PSA is developing a union perspective on public sector workplace productivity. Productivity for us is not about job losses, cost-cutting, outsourcing and trade-offs in bargaining. It is more about public value. Good work/life balance practice; employee satisfaction that pay is fair and transparently dealt with; flexible working hours; employee engagement in workplace decision-making; and investment in skills development and training all contribute to enhancing the value of our public services.

STATE SECTOR REFORM
We want to see a move away from the 1980s model of public sector management towards one that places citizens and their needs foremost and is built around public value. This work will be further developed during 2007.

PARTNERSHIP FOR QUALITY
The PSA is seeking a third Partnership for Quality Agreement with the government by the end of 2006. A three-part approach has been proposed which would engage the government, public service employers collectively and individual public sector employers.

WORKPLACE REPRESENTATION
A review has looked at ways of engaging members in union activities in the workplace and examined issues such as the identification of workplace leaders and training and support.

AFFIRMING OUR POLITICAL ROLE
Following the high profile engagement of the PSA in the 2005 election the union has been looking at ways to affirm and develop our political role through all our activities.
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PSA STAFFING

ORGANISATIONAL DEVELOPMENT
Organising practice
Organising centre
Legal support
Administrative support
Information management
Information systems strategic plan

PSA SERVICES AND EXTRA BENEFITS
PSA Plus
PSA assets
PSA staff

NUMBERS AND LOCATION
PSA permanent staff numbers have increased from 100 to 109 during the year to 31 March 2006. This reflects growth in the number of organisers and in the administrative support for organising and delegate development. Each PSA office now has at least one part-time organising administrator.

Staff are located in offices in Auckland, Hamilton, Gisborne, Napier, Palmerston North, Wellington, Nelson, Christchurch and Dunedin. Staff with an office based in their own home are in Whangarei, Tauranga and Masterton.

The national secretaries are accountable to the executive board and responsible for the strategy and support teams: IT, finance and assets, PSA Plus, membership, policy, legal and communications. Assistant secretaries are responsible for the organisers, the organising centre and the development teams.

PSA SECRETARIAT
National secretary Paul Cochrane resigned in 2005. This reduced the PSA Secretariat to two national secretaries. In light of the appointment of four assistant secretaries, the executive board decided in December 2005 not to appoint a third national secretary but instead to assess the effectiveness of a two-person team. A review in February 2006 confirmed the two-person team.

RECRUITMENT AND RETENTION
Although the number of staff who have worked for the PSA for over 6 years has dropped from 48 to 38 over this reporting period, the number who have worked between 3 and 6 years has increased from 17 to 25. The number of staff who have worked for the PSA for less than 3 years has increased from 35 to 46. Some new staff have come to the PSA from other unions.

Eight staff resigned during this period which equates to a 7.3 per cent turnover. This is a little higher than usual for the PSA but still well below the average figures in workplaces generally. Between 5 and 10 per cent is considered to be a healthy turnover that brings enough new skills while still retaining the experience of longer serving staff members.

The PSA is an employer of choice for over 100 potential employees, largely delegates, who have listed themselves on a job alert service so they are aware of any new vacancies.

PAY AND EMPLOYMENT EQUITY
The PSA is committed to identifying whether any pay and employment inequities exist and is soon to commence an internal pay and employment equity audit.

PSA member employee group
The PSA member employee group (MEG), along with the other staff unions, successfully bargained a multi-union collective agreement with the PSA national secretariat. The approach to bargaining was consistent with the PSA public sector bargaining strategy and the partnership for quality strategy. The agreement expires on 31 March 2007.

The MEG is continuing the process of jointly developing a formal partnership agreement with the secretariat and, as part of this, planned to hold a series of MEG members’ days during August 2006 to review and formalise the way the MEG works, and to find new ways to improve the value it adds to the PSA.

<table>
<thead>
<tr>
<th>Salary range($)</th>
<th>Total staff</th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>35,000 to 55,000</td>
<td>48</td>
<td>41</td>
<td>7</td>
</tr>
<tr>
<td>55,000 to 65,000</td>
<td>46</td>
<td>17</td>
<td>29</td>
</tr>
<tr>
<td>65,000 and over</td>
<td>15</td>
<td>7</td>
<td>8</td>
</tr>
</tbody>
</table>
ORGANISATIONAL DEVELOPMENT
In 2004 the PSA commissioned a review of organising capacity and capability. This was a major undertaking that looked at all the factors that impact on the work of organising and the PSA’s ability to carry out its strategy effectively and achieve its goals. These included such things as the organisation’s staffing and structures, accountabilities and responsibilities, access to information, workloads and work allocation, training and support systems.

The review identified any gaps and shortfalls and was the first step in a programme of organisational development. The next stage, carried out in 2005 and 2006, was a series of projects to specify the measures to be taken to achieve the desired outcomes. These included structural redesign and improving systems that support organising. The final stage is the implementation of the decisions made.

The projects that were part of this organisational development programme are summarised below.

ORGANISING PRACTICE
During 2005, the PSA adopted a team-based approach to organising. Changes were also made to the accountability and responsibility structures and to the way roles and workload are allocated.

The purpose of a team-based approach is to implement the PSA’s approach to organising in the most effective way possible within existing resources. Teams are collectively responsible for delivering results and work in close collaboration with their assistant secretary.

A key element of the PSA organising approach is the allocation of roles as a function of teams. Roles draw on individual strengths, knowledge and skills for the benefit of the team – for example, in recruitment, enterprise coordination, providing sector committee and te runanga support, and health and safety.

Part of the structure redesign programme was synthesising the PSA’s organising approach into a single document: Organising Practice. This describes good organising practice to bring effect to the Partnership for Quality strategy. It is the basis for recruitment, staff development and day-to-day organising. The approach is a living set of ideas and will continue to evolve and be adapted over time.

ORGANISING CENTRE
An analysis of the role of the Organising Centre and its capacity to provide effective support for the union’s organisational functions was carried out in early 2005. Because of the Organising Centre’s role as a central point for disseminating to members and staff, it has links with both the information management project and the ISSP recommendations on telephony and technology.

The role of the Organising Centre was determined as that of a high-performing advisory and information centre. This is to be supported through improved training, operational planning and support, and access to new technology. Implementation of the decisions, which is a staged programme, is underway and has been given impetus with the fixed-term appointment of a team leader to manage the project.

LEGAL SUPPORT
A project to review the PSA’s legal support for organising was carried out in 2005. The project’s aim was to ensure effective deployment of legal resources.

The project came up with a number of recommendations that, taken together, provide for a systematic approach to making the best use of the PSA’s legal resources and expertise and to fostering a close alignment between the work of the legal and organising teams. The recommendations include a strengthened legal training programme for organisers, improved information resources, and dedicated administrative support for the legal team. The legal team has been increased to three lawyers.

The recommendations are being implemented.

ADMINISTRATION SUPPORT
This project looked at how best to align administration support with organising and development teams and with the elected sector and runanga structures, as well as identifying the administration needs of the management and strategy and support teams.

The project team’s report outlined 11 recommendations and an implementation path.
for each. These focused on the roles of administrative staff; the ability to work as a cohesive group with clear accountabilities; and the provision of adequate and consistent administrative support. The centralisation of delegate development administrative support freed up organising administrators to provide more support to organising teams.

INFORMATION MANAGEMENT
The Information and Knowledge Management Project links closely to the Information Systems Strategic Plan described below. It reflects the critical and growing importance of good information systems and management. The project was carried out in the second half of 2005. Its broad objectives were identified as:
- The information required to do a good job is available and can be located.
- Clear, streamlined and well-understood processes for managing information.
- Secure systems that mitigate risk.
- Good practices are identified and shared.
- Staff share knowledge and learn from each other.
- Information is collectively owned and there is collective responsibility for building and maintaining the PSA’s information base.

The Executive Board determined the following areas of work to achieve the desired outcomes:
- Enhanced capacity and clear responsibilities – a key decision was the establishment of an information management position to oversee the development and maintenance of the desired information systems.
- An information base – additional databases are to be developed and the intranet reconfigured to provide online access to a comprehensive information base.
- Improved records management systems.
- Ongoing needs-based training and staff development in information management.
- Technology – the Information and Knowledge Management Project links to the Information Systems Strategic Plan in developing systems that are fit-for-purpose, user-friendly and cost effective.

INFORMATION SYSTEMS STRATEGIC PLAN (ISSP)
The ISSP is part of the PSA’s regular strategic resource planning. The last planning and implementation exercise for information technology had been carried out in 2000. The ISSP carried out in 2005/06 was to ensure that the PSA had the technological and strategic support and resources to achieve the good information practices identified above. It reflects a realisation that information is more critical than ever to the success of the PSA.

In terms of the ISSP, there is now a three-year horizon, 2006 – 2009, in which to develop our systems and technology. The decisions involve updating our technology to new standards of mobility and access for organisers in particular. While full mobility in terms of access to all PSA information is part of the longer-term picture, we do not envisage being able to make all the changes necessary for that within the life of this three-year ISSP, but will take significant steps in that direction, within the limits of our budget. New phone devices will be explored that enable other communications such as email. Remote connections will be improved by increasing bandwidth and improving connectivity.

A new e-image is also planned in the form of an enhanced website and intranet to provide better two-way communication with both staff and members. It is intended that the intranet become the central point of access for all information held electronically. This was a key recommendation of the knowledge management project and is one of the most important priorities.

Further decisions involve the upgrading of the Microsoft desktop products which have become several versions out of date. It is intended that the union will upgrade to the latest version over the coming year. In addition the telephone system (PABX) is due for overhaul; new technology will be explored that is more closely integrated with our computer connectivity. However, this is potentially a major cost item and one that can wait for at least another year.

This is an important set of decisions for the PSA. Proper implementation will enhance our organising effort through providing all staff with more accessible and reliable information no matter where they are.

Proper implementation of these decisions will enhance our organising effort through providing all staff with more accessible and reliable information no matter where they are.
PSA services and extra benefits

PSA Plus

PSA plus adds extra value to PSA union membership through a range of benefits and money-saving discounts. These include:

- PSA holiday homes in Rotorua, Raumati, Nelson, Carters Beach, Otematata and Te Anau
- Home, contents and car insurance
- Travel insurance
- Life insurance, income protection and other risk insurances
- Health insurance
- PSA credit card
- Optometry and optic (glasses)
- Rental cars
- Tyres and tyre services
- Pharmacy services

HOLIDAY HOMES

During the past year the PSA Raumati holiday home complex had a big makeover with three units demolished and replaced with four up-to-the-minute units designed to be winter-friendly with the inclusion of heat pumps and, for the two larger units, spa baths. The new units have been designed with families in mind; two of them can sleep up to seven people with bunk beds for children. Decks have been added to provide sea views over to Kapiti Island.

It is hoped that a site for a new holiday home complex can be found close to Auckland and the Waikato in the next year to 18 months.

FINANCIAL AND DISCOUNT SERVICES

PSA Plus entered into an arrangement with Eyepro, a collective of independent eyecare professionals, offering PSA members a $50 discount on combined frame and lens purchases over $250.

It is hoped to re-establish personal loans to the list of financial services in the coming year.

<table>
<thead>
<tr>
<th>Product / service</th>
<th>No. of members</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holiday homes</td>
<td>1,826</td>
<td>60% occupancy. Average stay = 4 nights.</td>
</tr>
<tr>
<td>Home, contents, car insurance</td>
<td>956</td>
<td>Total of 1,168 policies.</td>
</tr>
<tr>
<td>Travel insurance</td>
<td>160</td>
<td></td>
</tr>
<tr>
<td>Life insurance, income protection, risk insurance</td>
<td>250</td>
<td>Recently introduced; expected to grow.</td>
</tr>
<tr>
<td>Health insurance</td>
<td>230</td>
<td>To be marketed through a broker.</td>
</tr>
<tr>
<td>PSA credit card</td>
<td>1,230</td>
<td>1,459 cards in force.</td>
</tr>
<tr>
<td>Rental cars</td>
<td>165</td>
<td>Members spent $48,847 in 2005/06.</td>
</tr>
<tr>
<td>Tyres and tyre services</td>
<td>260</td>
<td>Total spend of $35,000 after discounts.</td>
</tr>
<tr>
<td>Long-term travel insurance</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Pharmacy services</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>Affiliate members</td>
<td>242</td>
<td>Pay $50 pa and have access to benefits.</td>
</tr>
</tbody>
</table>

PSA assets

OFFICES

Changes to office premises over the reporting year are outlined below.

Christchurch office: With the expiry of the lease, the PSA was required to find new office accommodation. The new office is close to the previous office, is slightly larger, and has been fitted out to provide a pleasant and functional work environment with good meeting facilities.

Hamilton office: The executive board has endorsed a proposal to move the Hamilton office from the Trade Union Centre to alternative premises nearby. This was occasioned by the lack of adequate space at the Trade Union Centre. The new premises provide space for delegate training.

Auckland office: A review of the Auckland premises is underway as the accommodation is too small and the lease will soon expire. In the meantime the top floor of the neighbouring Trades Hall is being rented to provide additional meeting space.

CAR FLEET

The executive board approved in December 2005 the decision to replace the fleet of cars during the 2006 to 2007 financial year.
THE PSA – THIS COUNTRY’S BIGGEST UNION – HAS PERFORMED WELL OVER THE LAST YEAR AND HAS EVERY INTENTION OF DOING SO IN THE NEXT.
CONTENTS

PUBLIC SERVICES INTERNATIONAL

INTERNATIONAL CONFEDERATION OF FREE TRADE UNIONS

PACIFIC UNIONS

AUSTRALIA

UNION NETWORK INTERNATIONAL
International activities

PUBLIC SERVICES INTERNATIONAL
The PSA is an active member of Public Services International (PSI), a global union federation made up of more than 600 trade unions. It represents more than 20 million workers who deliver public services in 160 countries around the world. The PSA pays an annual affiliation fee to PSI. PSA House in Wellington is the headquarters for the PSI Oceania sub-regional secretary. Former PSA national secretary Paul Cochrane is the Oceania sub-regional representative on the main policy-making group of PSI.

Activities undertaken by PSI during the year included a quality public services campaign and a global call for action against poverty. Both are linked through the concept of quality public services helping to provide relief from poverty, disease, illiteracy and hunger.

During the year the PSA was represented at the following PSI meetings:
- Public Sector Working Group meeting 31 March – 1 April 2005, Geneva, Switzerland.
- Asia-Pacific regional executive meeting 20-22 April 2005, Taipei, Taiwan.
- Oceania sub-regional meeting, 21-24 March 2006, Sydney, Australia.

ICFTU
The International Confederation of Free Trade Unions (ICFTU) is a confederation of 215 national trade union centres, representing 125 million trade union members in 145 countries and territories, which campaigns to defend workers’ rights worldwide. The PSA is represented at ICFTU through the CTU.

PACIFIC UNIONS
Cook Islands and Samoa
The PSA continues its programme of support to build public sector union organisation in the Cook Islands and Samoa.

Tonga
Practical support from the PSA helped Tongan public servants establish the kingdom’s first ever union following an historic 7-week strike.

In July and August 2005, Tonga’s 4,500 public service workers went on strike over their pay. Following a successful result of pay increases between 60 and 80 percent, the workers – who had gone 30 years without a pay rise – resolved to make unionism a permanent part of their society. (Previous attempts to establish a union in Tonga had been prevented by the government).

The strikers received strong backing from Tongans and from unions across the Pacific, including the PSA, which also provided financial support.

The PSA is developing a long-term partnership with the new union and providing staff and delegate development and ongoing support.

AUSTRALIA
In late 2005, Australian Prime Minister John Howard’s government passed harsh new industrial relations laws which stripped away basic worker rights.

On November 15, 2005, to coincide with a national day of protest in Australia, PSA members and staff attended rallies organised by the CTU in Wellington and Auckland to show support for Australian workers.

At the request of the executive board, the PSA national secretariat wrote to the Australian Council of Trade Unions and the Community and Public Sector Union expressing concern at the passing of the legislation.

In August 2005, PSA representative Kimberley Simpson, former convenor of the PSA Women in Prisons national committee, attended a conference in Western Australia organised by the Construction, Forestry, Mining, and Energy Union. The conference theme was ‘women in male-dominated occupations and industries’.

UNION NETWORK INTERNATIONAL
Union Network International (UNI) is a global union federation representing 15 million members in 900 unions covering workers in the mass media, entertainment, and the arts.

In March 2006 PSA executive board member and Radio New Zealand employee Ian Bull attended a conference of Asia-Pacific broadcasting workers held in Thailand which was co-sponsored by UNI.

The Executive Board subsequently decided to affiliate PSA broadcasting members to UNI.
Appendices

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BOARD AND COMMITTEE MEMBERS
Executive Board
Sector committees
National delegates

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CTU committees
Representing CTU on external bodies
Other representative roles

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PSA SUBMISSIONS

ORGANISATIONS WITH PSA COVERAGE
APPENDIX 1

Board and committee members

PSA executive board members
Keith Gutsell (president), Environment
Sue Dillon (vice president), Governance
Rawhiti Moses (treasurer), Te Rūnanga o Ngā Toa Āwhina
Ian Bull, Community
Richard Chalklen, Social Services
Trevor Day, Infrastructure
Colleen Sayer-Roberts, Health
Paula Scholes, Environment
Ian Gordon, Staff group representative
Brenda Pilott, PSA national secretary
Richard Wagstaff, PSA national secretary

Sector committees
PSA sector committee members and organisations in which they work

COMMUNITY SECTOR COMMITTEE
Ian Bull (convener), Radio New Zealand
Carol Mitchell, Taupo District Council
Koroseta To’o, Waitakere City Council
Pam Jemmett, Otago University
Alemelu Badrinarayanan, Auckland University
Stephen West, Environment Southland
Ted Rippey, Waipa District Council
Kitch Cuthbert, Waitakere City Council
Walter Cook, National Library
Diana McRae, National Library
PSA organiser support: Brenden Sheehan

ENVIRONMENT SECTOR CTTEE
Paula Scholes (convener), Environment and Scientific Research
Craig Ross, Landcare
Peter Embling, AgResearch
Mei Hardy-Birch, Department of Conservation
Dave Nendick, Ministry of Agriculture and Forestry
Craig Hawthorne, Ministry of Agriculture and Forestry
Chris Buckler, Land Information NZ
Ken Lloyd, Asure New Zealand
Alby Marsh, Crop and Food
PSA organiser support: Malcolm Blair

GOVERNANCE SECTOR COMMITTEE
Sue Dillon (convener), IAG NZ Ltd
John Upfold, Statistics New Zealand
Daryl Taktimu, Dept. Internal Affairs
Denise Lusby, Inland Revenue Department
Judy McCready, Inland Revenue Dept.
Martha Selwyn, Public Trust
Gloria Estall, Inland Revenue Department
Maria Oxman, Public Trust
PSA organiser support: Jayne MacFarlane

HEALTH SECTOR COMMITTEE
Colleen Sayer-Roberts (convener), Auckland DHB
Gloria Reid, Northland Health
Nancy Daily, Counties-Manukau DHB
Annette Davies, Napier Health Centre
Steve Downs, Waikato DHB
Glenis Stewart, Taranaki DHB
Jen Lankshear, Child Oral Health Service
Janet Quigley, Canterbury DHB
Randall Jones, Nelson DHB
Collette Gordon, Otago DHB
Erana Poulsen, Waitemata DHB
Allan Franks, Canterbury DHB
PSA organiser support: John Shennan

INFRASTRUCTURE SECTOR CTTEE
Trevor Day (convener), Ministry of Justice–Courts
Ashley Otene, Ministry of Justice
Brendon Trask, Ministry of Justice – Courts
Florence George, Department of Corrections
Graham Barrett, Aviation Security Service
Hamiora Te Aramakutu, Dept. of Corrections
Harry Dower, New Zealand Defence Force
Keith Oldcorn, New Zealand Defence Force
Mike Cross, Department of Corrections
Norm Mannix, Chch. International Airport
Rawhiti Moses, Transit New Zealand
Steve Clarke, Department of Corrections
PSA organiser support: Alan Ware

SOCIAL SERVICES SECTOR CTTEE
Richard Chalklen (convener), Special Residential Schools
Sam Battacharjee, ACC
Neil Lester, Department of Labour
Jacky Robertson, Ministry of Education
Colleen Boyer, Child Youth and Family

Ben Prasad, Housing New Zealand
Kerrie Scott, Min. of Social Development
Paul Spain, Education Review Office
Georgina Kerr, Education Review Office
Marlene Pitman, Child Youth and Family
PSA organiser support: Barbara Lautogo

TE RūNANGA O NGĀ TOA ĀWHINA
Kiwhare Mihaka (kaumātua), Inland Revenue Department
Rawhiti Moses (convener), Transit New Zealand
Allan Franks, Canterbury DHB
Martha Selwyn, Public Trust
Gloria Estall, Inland Revenue Department
Alby Marsh, Crop and Food
Georgina Kerr, Education Review Office
Marlene Pitman, Child Youth and Family
Carol Mitchell, Taupo District Council
Florence George, Department of Corrections
Erana Poulsen, Waitemata DHB
Organiser support: Hina Short/Ria Walker

National delegates
PSA national delegates and the organisations in which they work

COMMUNITY
Local government
Stephen West, Environment Southland
Kaaren Mitcalfe, Hawke's Bay Cultural Trust
Neil Coup, Hutt City Council
Lynette Sheehan, National Library
Raymond King, North Shore City Council
Robert McSpadden, Papakura District Council
Koroseta To’o, Waitakere City Council
Susan Northey, Western Bay of Plenty DC District Council
Tertiary
Pam Jemmett, Otago University
Nicki McMillan, Dunedin College of Ed
Lynne Scott, Christchurch College of Ed
Janette Third, Auckland College of Education
ENVIRONMENT
Andrew Welsh, Department of Conservation (DOC)
Nicola Douglas, DOC
Grant Sim, DOC
James Herdman, DOC
Garry Hickman, DOC
Donna Morris, DOC
Sharon Anderson, DOC
Anthony Walton, DOC
Dave Westcott, DOC
Bruce McKinlay, DOC
Piet Nieuwland, DOC
Leigh Bramley, DOC
Kapi Tupe, DOC
David Eastwood, DOC
Ross Hurly, Land Information New Zealand
Bruce Bycroft, Crop & Food Research
Charles Wright, Crop & Food Research

GOVERNANCE
Tracey O'Rourke, IAG New Zealand Limited
Allan Wysocki, IAG New Zealand Limited
Sue Dillon, IAG New Zealand Limited
Maria Oxnam, Public Trust
Martha Selwyn, Public Trust
Timothy McCardle, Public Trust
Garth Cherrington, DIA – Regulation & Compliance
Wynn Olsen, DIA – Regulation & Compliance
Gloria Estall, Inland Revenue Department (IRD)
Mark Commins, IRD
Joanna Adams, IRD
Deborah Holmes, IRD
Walter Kupa, Inland Revenue Department
Christopher Thomson, IRD
Robynne Greaney, IRD
Susan Wong, Inland Revenue Department
Steve Turnbull, IRD
George Snell, Inland Revenue Department
Stephen Bradley, IRD
Stephen Minto, IRD
Hendrikje Buss, Statistics NZ
Ian Tinkler, Statistics NZ
Richard Wickens, Te Puni Kokiri
Tasman Collier, Te Puni Kokiri
Violet Poihipi, Te Puni Kokiri
Susan Stewart, Te Puni Kokiri
Corina Ruru, Te Puni Kokiri

HEALTH
Mikaele Teofilo, NZ Blood Service
Debra Buchanan, NZ Blood Service
Paula Gibbings, NZ Blood Service

INFRASTRUCTURE
Shane Lean, Min. of Justice Collections
Lyell Morrison, Min. of Justice Collections
David Watson, Min. of Justice Collections
Stephen Lion, Min. of Justice Courts
Ashley Otene, Min. of Justice Courts
Anthony Dayal, Min. of Justice Courts
Trevor Day, Min. of Justice Courts
Gordon Mosley, Min. of Justice Courts
Hoki Aholelei, Min. of Justice Courts
Leonie Faulkner, Min. of Justice Maori Land Court
Carol Smith, Min. of Justice Maori Land Court
Amelia Manson, Min. of Justice National Office

SOCIAL SERVICES
Richard Cuthbert, Child, Youth and Family
Karen Young, Child, Youth and Family
Bryce Seymour, Child, Youth and Family
Albert Vahaakolo, Child, Youth and Family
Tina Corrigan, Child, Youth and Family
Alan Pearson, Child, Youth and Family
Shahmay Smith, Child, Youth and Family
Steven Alder, Child, Youth and Family
Ata Apulu, Child, Youth and Family
Kathleen Keepa, Child, Youth and Family
Marlene Pitman, Child, Youth and Family
Colleen Boyer, Child, Youth and Family
Cathrene Brophy, Child, Youth and Family
Diane Cave, Depart. Building and Housing
Jack Tam, Dept. of Building and Housing
Elise Norfolk, Dept. of Labour Workforce
Neil Lester, Dept. of Labour Workforce
Gerald Butler, Dept. of Labour Workforce
Glen Coleman, Dept. of Labour Workplace
Noel Wells, Dept. of Labour Workplace
Georgina Kerr, Education Review Office
Terry McLean, Housing NZ Corporation
Tina Simcock, Housing NZ Corporation
Ben Prasad, Housing NZ Corporation
Pauline Giles, Ministry of Education
Jacqueline Robertson, Ministry of Education
Gerald Rawson, Ministry of Education
Leon Carter, Ministry of Education
Gavin McKenzie, Ministry of Education
Denise Wallen, Ministry of Education – Special Education
Kerri Scott, MSD Benefit Control
Barclay Anstiss, MSD Benefit Control
Kelvin Richardson, MSD Benefit Control
Christian Ainsworth, MSD Benefit Control
Renee Thomas-Zuur, MSD Contact Centre
Julie Sly, MSD Contact Centre
Shirley Douglas-Oneroa, MSD Contact Centre
Lynette Patterson, MSD Debt Management
Margaret Hutchison, MSD Debt Management
Geoffrey Boxell, MSD Debt Management
Philip Worthington, MSD National Office
Bronwyn Hiku, MSD Service Delivery
Kathryn Gardner, MSD Service Delivery
David Palmer, MSD Service Delivery
Timothy Bish, MSD Service Delivery
Brian Weck, MSD Service Delivery
Judith Hart, MSD Service Delivery
Adrian Farrell, MSD Service Delivery
Denise Rouse, MSD Service Delivery
Alison Van Dyk, MSD Service Delivery
Teresa Kennedy, MSD Service Delivery
Maxine Wynyard, MSD Service Delivery
Richard Fry, MSD Service Delivery
Michael Edwards, MSD Service Delivery
Barry Walker, MSD Specialist Services
Donna West, MSD Specialist Services
Kathrin Southee, MSD StudyLink
Jacqueline McLaren, MSD StudyLink
Mary Clarke, MSD StudyLink
APPENDIX 2

Representatives

CTU COMMITTEES
National Affiliates Council: Brenda Pilott
Te rūnanga: Kiwhare Mihaka, Rawhiti Moses
Youth Union Movement: Hina Short (co-convenor)
Women’s Council: Sue O’Shea (co-convenor)
Health sector committee: Richard Wagstaff, Glenn Barclay
Education sector committee: Glenn Barclay
State sector committee: Brenda Pilott, Christine Ross
Pay and employment equity reference group: Clare Wells
Finance and administration committee: Richard Wagstaff
International committee: Glenn Barclay
Health and Safety: Anne Thewles
Organising and education committee: Tricia French
Out@work: Jo Adams (co-convenor)
Communications group: Jayne McCullum

The PSA is involved on 14 of the 16 Local Affiliates Councils.

REPRESENT CTU ON EXTERNAL BODIES
Partnership Resource Centre board: Richard Wagstaff
Health bipartite forum: Richard Wagstaff
Local government industry training organisation: Brenda Pilott
State sector retirement savings scheme working group: Glenn Barclay
Pay and Employment Equity Steering Group: Clare Wells

OTHER REPRESENTATIVE ROLES:
Public sector tripartite forum: Keith Gutsell, Brenda Pilott, Richard Wagstaff
Workplace Productivity Agenda reference group: Brenda Pilott
People Capability sub-committee (of the Advisory Committee on State Services): Richard Wagstaff
Public Sector Training Organisation: Tricia French, Sue O’Shea
Te Kaiawhina Ahumahi (Social services ITO): John Stace

APPENDIX 3

PSA submissions

HEALTH WORKFORCE

MEDICAL WORKFORCE

TREASURY BRIEFING

PUBLIC LIBRARIES

CHILD YOUTH AND FAMILY

MENTAL HEALTH NURSING

WELLINGTON CITY COUNCIL

LOCAL GOVERNMENT
Submissions were made to several local authorities on the long-term plans.
APPENDIX 4

Legal report

The legal team provides advisory assistance and, where appropriate, provides advocacy in legal proceedings over the year. The key legal matters of note for the PSA in this annual reporting year were:

NZPSA V WAITEMATA DISTRICT HEALTH BOARD
The Waitemata DHB had sought leave to appeal the decision to the Court of Appeal in relation to payment of the civilian clothing allowance to PSA members at the Mason Clinic in Auckland.

The Court of Appeal decided on 4 October 2005 that the appeal would proceed to a full hearing, however it did not make a decision on whether or not to grant leave in respect of both of the questions before the Court. The Court of Appeal will determine at the substantive hearing whether or not to grant leave to appeal in respect of both issues. The appeal is due to be heard in November 2006.

NZPSA V SOUTHLAND REGIONAL COUNCIL
The Employment Relations Authority had ruled that a provision in the Collective Agreement requiring the union to be notified of the name, designations, and workplace contact details of new employees was contrary to the Employment Relations Act 2000 and/or Privacy Act 1993.

The union appealed the decision to the Employment Court. It ruled that the provision was contrary to the Employment Relations Act 2000 but that the union’s position was correct with respect to the Privacy Act 1993.

ASURE NEW ZEALAND LIMITED V SANDERSON & ORS
This matter commenced in the Employment Relations Authority. The Authority found that it did not have jurisdiction to hear the matter, and Asure appealed to the Employment Court.

The Employment Court agreed to hear the matter, and a full hearing took place at the end of November 2005. The Employment Court issued its decision on 19 December 2005 which found that, despite the meat inspectors having had separate facilities for more than eighty years at the meat processing plant, this did not amount to a custom and practice and therefore term and condition of the meat inspectors’ employment with Asure.

The NZPSA sought leave to appeal to the Court of Appeal, but the Court of Appeal determined that the matter did not pass the very high threshold required to be granted leave to appeal to that Court.

NZPSA V MINISTRY OF AGRICULTURE AND FORESTRY, AND MAF V NZPSA
This matter before the Employment Relations Authority arose out of the bargaining in 2005 for a collective agreement at MAF. The PSA was partially successful in this matter. Most importantly the Employment Relations Authority found that bargaining continued (MAF had tried to argue otherwise) after the members had decided not to ratify the proposed Collective Agreement.

OTHER
The PSA also acted for individual members with respect to personal grievances and/or arrears of wages issues.

The legal team undertook various seminars and presentations to groups of members, at staff development and for new organisers during the year. Many of these presentations focused on new developments in relation to the law applying to bargaining, and other recent developments since the 2004 amendments to the Employment Relations Act 2000.
APPENDIX 5
Organisations with PSA coverage

Social services

ACC
Across - Te Kotahitanga O Te Wairua
Anglican Family Care
Anglican Trust For Women and Children
Barnardos
Buller REAP Soc Inc.
Career Services
Child,Youth and Family
Department of Building and Housing
Department of Labour
Dispute Resolution Services
Education Review Office
Family Help Trust
Family Start
Gateway Housing Trust
Horizon Education
Housing New Zealand Corporation
Manukau Youth Resource Service
Mature Employment Support Agency
Ministry of Education
Ministry of Social Development
Miriam Centre
New Zealand Qualifications Authority
New Zealand Teachers Council
Office of the Commissioner for Children
Open Home Foundation
Ruakura Manaaki Trust
School Support Limited
Secondary schools
Special Residential Schools
Te Uri O Hau Social Services
Teachers Refresher Course Committee
Tertiary Education Commission
Victim Support
Waahi Whaanui Trust
Workbridge
Youth Horizons Trust

Environment

AgResearch Limited
AgriQuality Limited
Agriculture New Zealand Limited
Antarctica New Zealand
Asure New Zealand
Auckland Abattoir
Auckland Meat Processors
Building Research Association
Carter Observatory
Cawthron Institute
Consumers Institute
DTZ NZ
Department of Conservation
Dexcel Limited
Energy Efficiency and Conservation Auth
Environmental Science & Research
 Fonterra Research Centre
Foundation for Research, Science and Technology
Gribbles
HortResearch
Industrial Research Ltd
Inst of Geological & Nuclear Sciences
Kaikoura Whale Watch
Land Information New Zealand
Landcare Research
Landcorp Farming Limited
Meteorological Service of NZ Ltd
Ministry of Agriculture and Forestry
Ministry for the Environment
Ministry of Fisheries
Ministry of Research, Science & Tech
NZ Historic Places Trust
NZ Institute for Crop & Food Research
National Inst of Water & Atmospheric Research
New Zealand Fish & Game Council
New Zealand Forest & Bird Society
Quotable Value New Zealand
SCION
Telarc NZ
Terralink
The Royal Society of New Zealand

Infrastructure

Airways Corporation
Aviation Security Service
Christchurch International Airport
Civil Aviation Authority
Commerce Commission
Community Law Canterbury
Crown Law Office
Department of Corrections
Government Communications Security Bureau
Human Rights Commission
Land Transport New Zealand
Legal Services Agency
Maritime New Zealand
Marlborough Community Law Centre
Ministry of Defence
Ministry of Justice
Ministry of Transport
New Zealand Defence Force
New Zealand Fire Service
New Zealand Police
New Zealand Customs Service
Office of Film & Lit Classification
Office of the Ombudsman
Office of the Privacy Commissioner
SOS NZ Ltd
Serco Project Engineering Limited
Serious Fraud Office
Task Protection Services
Transfield Services SGNZL
Transit New Zealand
Transport Accident Investigation Comm
Vehicle Testing NZ
VT Fitzroy Ltd

Health

Access Home Health
Action For Mental Health (Nth Shore/Rodney)
Alcoholic Liquor Advisory Council
Aorangi Hospital
Arthritis New Zealand
Artificial Limb Board
Auckland District Health Board
Baptist Action Support Office
Bay Of Plenty District Health Board
Boulcott Hospital & Specialist Ctre
Broadway Radiology
Canterbury District Health Board
Capital and Coast District Health Board
CCS New Zealand
Challenge Trust
Children's Health Camps
Coast Care Trust
Community Living Trust
Counties Manukau District Health Board
Dalcam Company Ltd
Dawn Trust
Deaf Association of New Zealand
Delamore & Reidy Mental Health Services
Disability Equity and Lifestyle Support
Donaldson Residential Trust
Education For Change
Elderslea Limited
Elizabeth Memorial Hospital
Epilepsy Association NZ Inc
Focus 2000 Limited
Fulford Radiology Services
Goodwood Park Trust
Gore Health Limited
Gracelands Vocational Services
Hamilton Workshop Training Ctre
Hapai Te Hauora Tapui
Hauora Waikato
Hawkes Bay District Health Board
Health Advocacy Trust
Health Promotion Forum
Health Support Services Ltd
Healthcare of New Zealand Limited
Hine Ko Tou Ariki Trust
Hokianga Health Enterprise Trust
Home Support Hawkes Bay
Hutt Valley District Health Board
Kapiti Disability Information & Equipment Ctre
Kensington Court LifeCare Limited
Lakes District Health Board
Laura Ferguson Trust
Lesley Groves Hospital
Linkage
Links Integrated Health
MAH Trust
Mahitahi Trust
Malologa Trust
Mana Community Enterprise Inc
Manaaki Trust
Maniapoto Maori Trust Boad
Meningitis Trust
MidCentral District Health Board
Ministry of Health
 NesMar
 Nelson Marlborough District Health Board
 Nelson Region Hospice Trust
 New Zealand Blood Service
 New Zealand Disabilities Resource Ctre
 New Zealand Towel Service
 Ngai Tahu Development Corporation
 Ngaruahine Iwi Health Services
 Ngati Awa Social & Health Service
 Ngati Hine Health Trust
 Ngati Kahu Social & Health Services
 Ngati Porou Hauora Inc
 Ngati Ruanui Tahua Inc Authority
 Northcare Trust
 Northland District Health Board
 Nurse Maude Association
 Orthotics Centre
 Otago District Health Board
 Pasifika Healthcare
 Pathways
 Patients Aid Community Trust
 Problem Gambling Foundation
 Queen Elizabeth Hospital Ltd
 Rangitane O Tamaki Nui A Rua Inc
 Rangitane O Wairarapa
 Ranworth Health Care Limited
 Raumano Health Trust
 Rescare Homes Trust
 Richmond Fellowship
 Rural Health New Zealand
 SILC BOP Limited
 Salvation Army Services
 Schizophrenia Fellowship
 Solway Trust
 South Canterbury District Health Board
 Southland District Health Board
 Spectrum Care Trust
 Spotless Catering Limited
 Taiawhiti District Health Board
 Taranaki District Health Board
 Te Aka Ora
 Te Anua-nua Trust
 Te Awamutu Residential Trust
 Te Ha O Te Oranga O Ngati Whatua
 Te Hauora O Te Hauora O Te Ika
 Te Kaha O Te Rangatiratoa Whanau O Tamaki
 Makaurau
 Te Korowai Aroha
 Te Kotuku Ke Te Rangi Trust
 Te Manu Tora
 Te Puawaitangi O Otangarei Healthcare Ctre
 Te Rau Matatini
 Te Rohe Potae O Rereahu Maniapoto Trust
 Te Roopu Taurima O Manakau Trust
 Te Runanga O Te Rarawa
 Te Runanga O Toa Rangatira
 Te Tai Whenua O Heretaunga
 Te Tuhuna Manaakitanga Trust
 Te Whanau O Waipareira Trust
 The Brain Injury Association of NZ Inc
 The Hearing Association
 The Quit Group
 Turuki Health Care
 Vincent House Trust
 W.A.L.S.H. Trust
 Wairakei Health Trust
 Waikato Island Support Home Trust
 Wairarapa District Health Board
 Wairoa District Charitable Health Trust
 Waitaki District Health Services Limited
 Waitemata District Health Board
 West Coast District Health Board
 Whanganui District Health Board

Community

Access Radio – Wellington
Apex Consultants Limited
Areva T&D New Zealand Ltd
Auckland City Citizens Advice Bureaux Inc
Auckland City Council
Auckland Institute and Museum
Auckland Regional Council
Bay Building Certifiers
Broadcast Communications Ltd
Carterton District Council
Central Hawkes Bay District Council
Central Hawkes Bay Works Limited
Central Otago District Council
Century Drilling & Energy Services Ltd
Christchurch College of Education
City Design Limited
Community Arts Council
Contact Energy Limited
Council For International Development
Creative Arts Trust
Creative NZ
Duffill Watts & King
Dunedin College of Education
ElectroNet
Energy Library & Information Services Ltd
Envirosoft Southland
Environment Canterbury
Environment Bay of Plenty
Environment Waikato
Environmental Laboratory Services
Envirowaste Services LTD
Excell Corporation Limited
Far North District Council
Franklin District Council
Franklin District Library Trust
GHD Limited
Genesis Energy
Gisborne District Council
Gore District Council
Grey District Council
HEB Contractors Limited
Hamilton City Council
Hastings District Council
Hauraki District Council
Hawkes Bay Cultural Trust
Hawkes Bay Regional Council
Helensville Citizens Advice Bureau
Horowhenua District Council
Horowhenua Learning Centre
Horowhenua Library Trust
Hutt City Council
Impact Services Limited
Invercargill City Council
Johnsonville Community Centre
Kaipara District Council
Kapiti Coast District Council
Katherine Mansfield Birthplace Society
Kawerau District Council
Kim Webby Productions
King Country Energy Ltd
Learning Media Ltd
Lincoln University
MWH Limited
Manawatu District Council
Manukau City Council
Marlborough District Council
Marlborough Lines Limited
Massey University
Master Roads & Services Limited
Masterton District Council
Matamata-Piako District Council
Meridian Energy Limited
Metro Water Limited
Mighty River Power
Ministry For Culture and Heritage
NIU FM
NZ Film Archive
Napier City Council
National Library
Natural Gas Corporation Ltd
Natural History Limited
Nelson City Council
Network Tasman
New Plymouth District Council
New Zealand Film Commission
New Zealand Listener
NZ National Fieldays Society Inc
New Zealand School of Radio
Ngati Pahauwere Inc Society
North Shore City Council
Northland Regional Council
Northpower
OCS Ltd
Open Polytechnic of New Zealand
Opotiki District Council
Opus International Consultants Ltd
Otago Community Broadcasters Trust
Otago Museum Trust Board
Otago University
Otago University Students Assn.
torohanga District Council
P B Power (NZ) Limited
Palmerston North City Council
Papakura District Council
Park Road Post Productions
Plains FM 96.9
Porirua City Council
Powerco Ltd
Quality Roading Services
Queenstown Lakes District Council
Radio Kidnappers Charitable Trust
Radio Network of New Zealand
Radio New Zealand
Rangitikei District Council
Rodney District Council
Rotorua District Council
Ruapehu District Council
SKY Television
SPCA
Sicon Limited
Siemens (NZ) Limited
Solid Energy
South Taranaki District Council
South Waikato District Council
South Wairarapa District Council
Southland Community Broadcasters
Southland District Council
Sport Otago
Taranaki Consultancy
Taranaki Regional Council
Te Mangai Paho
Te Papa Tongarewa
Te Runanga O Turanganui-A-Kiwa
Te Upoko O Te Ika Inc
Techscape Limited
Television New Zealand Limited
Television Taranaki Ltd
Thames-Coromandel District Council
The Power Company Limited
Top Energy Ltd
Transportation Auckland Corp
Transpower NZ Limited
TrustPower Limited
Unison Networks Limited
United Contracting Limited
University of Auckland
University of Canterbury
Upper Hutt City Council
VECTOR Limited
Victoria University
Volunteer Service Abroad
Waiheke Visitor Information Ctre
Waikato District Council
Waikato University
Waipa District Council
Wairoa District Council
Waitakere City Citizens Advice Bureau
Waitakere City Council
Waitangi National Trust
Waitomo District Council
Wanganui District Council
Wanganui Gas
Watercare Services Ltd
Wellington City Council
Wellington College of Education
Wellington Museums Trust
Wellington Regional Council
Wellington Stagecoach
Wells Instrument & Electrical
West Coast Regional Council
Western Bay of Plenty Dist. Council
Westland District Council
Westreefs Services Limited
Whakatane District Council
Whakatopoa Maori Trust Board
Whangarei District Council
Works Infrastructure Limited
Financial reports

CONTENTS

TREASURER'S REPORT

AUDIT REPORT

FINANCIAL STATEMENTS
There can be nothing better than commencing a term as treasurer at a time when the finances of the union are as good as they have ever been. We farewell Rawhiti Moses as our outgoing treasurer, acknowledging that during his tenure our financial planning and indeed our finances have gone on improving continuously. His leadership contributed in no small way to the excellent results we are reviewing today.

FINANCIAL PERFORMANCE
The highlight is that this is our sixth successive surplus. Noteworthy on its own, this is more impressive when measured against the fact that the budget allowed for an operating deficit of $500,791. That we achieved an operating surplus before tax and revaluations of $1,165,249 is a welcome turnaround and a credit to all those involved in achieving it, and particularly all those who contributed to a net gain in members of 5,600 by recruiting their colleagues to the union. This membership growth saw subscription income improve over $1,000,000 against budget.

In planning the year the Executive Board approved a bold budget which allowed for considerable increases in the staffing and travel budgets, the objective being to boost recruitment momentum by implementing aspects of the organising review by adding new staff. By then the signs were confirming that the strategy was successful and the resources were committed. The success of the strategy in growth in membership and the impact on our finances is very pleasing.

Investment income and the surplus from PSA plus continues to fund the investment in reserves and provide surplus funds to assist the industrial activities of the union. Without the returns on investment we would not have a surplus.

In generating the growth in membership there was some increase in travel over budget as increased effort was put in the health sector bargaining. Overall, expenses were kept within budget.

The strengthening income position was recognised in the 2006/07 budget and further commitments to increasing staff resources made. The 2007/08 year is when we expect to restore the long term parameters of better than break even results, consistent investment in fixed assets and commencing to restore the reserves to expenditure ratio.

FINANCIAL POSITION
The union maintains a very strong net asset position and ultimately aims to hold readily realisable financial assets equal to a year’s operating expenditure. The results this year show how volatile our subscription income can be with growth in income outstripping expenditure. The converse could very easily occur and income reduce at a rate faster than we can reduce our commitment to expenditure. The reserve strategy reflects that it is our priority to ensure the union will always be present to protect our members’ interests in the future.

Investments have been increased in recent years by the reinvestment of income earned. Term deposits grew by $881,424 and the asset revaluation reserve by $1,420,758 which is a major strengthening of the union’s net asset base.

During the year a project was commenced to remove the oldest buildings at the Raumati holiday homes. The result was the replacement of three units which were below standard with four stand alone units with much improved facilities. The new units all enjoy excellent views and are immensely popular. A mortgage of $450,146 was raised for this and is to be repaid from the cash flow generated from the homes.

FACING THE FUTURE
The momentum continues to build a strong union ready and able to meet the challenges of the future. The 2006/07 year budget allowed for further resources to meet the demands of a growing membership. Planning is not just a year ahead. The executive board looks out to the future through the development of scenarios that look ten years ahead. Sound financial strategies are in place to ensure we face the future with a strong organisation built on informed members, skilled delegates, a strong staff resource and a solid financial foundation.

THE MOMENTUM CONTINUES TO BUILD A STRONG UNION READY AND ABLE TO MEET THE CHALLENGES OF THE FUTURE.
AUDIT REPORT

TO THE MEMBERS OF THE NEW ZEALAND PUBLIC SERVICE ASSOCIATION INCORPORATED (THE ‘NZPSA’)

We have audited the financial statements on pages 3 to 15. The financial statements provide information about the past financial performance of the NZPSA and its financial position as at 31 March 2006. This information is stated in accordance with the accounting policies set out on pages 7 to 9.

Executive Board’s Responsibilities
The Executive Board is responsible for the preparation, in accordance with New Zealand law and generally accepted accounting practice, of financial statements which fairly reflect the financial position of the NZPSA as at 31 March 2006 and the results of its operations and cash flows for the year ended 31 March 2006.

Auditors’ Responsibilities
It is our responsibility to express to you an independent opinion on the financial statements presented by the Executive Board.

Basis of Opinion
An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:
- the significant estimates and judgements made by the Executive Board in the preparation of the financial statements; and
- whether the accounting policies are appropriate to the NZPSA’s circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards except that our work was limited as explained below. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditor and the provision of taxation advice, we have no relationship with or interests in the NZPSA.

Qualified Opinion
In common with organisations of a similar nature, control over subscription income prior to its being recorded is limited, and there are no practical audit procedures to determine the effect of this limited control. In this respect alone we have not obtained all the information and explanations that we have required.

In our opinion, except for adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning subscription income, the financial statements on pages 3 to 14, fairly reflect the financial position of the NZPSA as at 31 March 2006 and the results of its operations and cash flows for the year then ended.

Our audit was completed on 26 June 2006 and our qualified opinion is expressed as at that date.

Deloitte.

CHARTERED ACCOUNTANTS
WELLINGTON, NEW ZEALAND
New Zealand Public Service Association  
Te Pūkenga Here Tikanga Mahi Incorporated  

Financial Statements  

For the year ended 31 March 2006  

<table>
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<th>PAGE</th>
</tr>
</thead>
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<td>7-15</td>
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<td>Auditors' Report</td>
<td>16</td>
</tr>
</tbody>
</table>
# Statement of Financial Performance

For the year ended 31 March 2006

<table>
<thead>
<tr>
<th>Note</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subscriptions</td>
<td>1(c)(i)</td>
<td>12,843,295</td>
</tr>
<tr>
<td>Rental income</td>
<td></td>
<td>744,778</td>
</tr>
<tr>
<td>Interest received</td>
<td></td>
<td>863,423</td>
</tr>
<tr>
<td>Dividends received</td>
<td></td>
<td>853</td>
</tr>
<tr>
<td>Journal advertising</td>
<td></td>
<td>6,976</td>
</tr>
<tr>
<td>Legal costs recovered</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Commission</td>
<td></td>
<td>140,668</td>
</tr>
<tr>
<td>Change in market value of investments</td>
<td>1(c)(iv)</td>
<td>2,344</td>
</tr>
<tr>
<td>Sundry income</td>
<td>13</td>
<td>164,840</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td></td>
<td>14,767,179</td>
</tr>
</tbody>
</table>

| **Less Expenditure:** |            |            |
| Commission on subscriptions |           | 321,287    | 260,865    |
| Salaries |           | 6,870,499  | 6,144,297  |
| Other staff costs |           | 543,886    | 516,234    |
| Meetings and travel | 2          | 2,052,383  | 1,762,154  |
| Communications and printing |           | 888,094    | 693,889    |
| Affiliation fees |           | 262,074    | 257,232    |
| Rent and rates |           | 418,154    | 336,135    |
| Lease of vehicles and equipment |           | 484,797    | 458,657    |
| Depreciation | 7          | 324,323    | 406,146    |
| Audit fees |           | 24,550     | 25,040     |
| Professional fees |           | 268,030    | 259,189    |
| Loss on disposal of fixed assets |           | 4,621      | 2,797      |
| Other expenses | 14         | 1,139,212  | 1,078,936  |
| **Total Expenditure** |            | 13,601,930 | 12,201,571 |

| **Net Operating Surplus** |            | 1,165,249  | 32,921     |

| **Net gain on revaluation of Investment property** |           | 60,445     | 136,889    |

| **Net Surplus before Taxation** |            | 1,225,694  | 169,810    |

| **Less taxation charge** | 3          | 325,463    | 94,177     |

| **Net Surplus after Taxation** |            | 900,231    | 75,633     |

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*The notes on pages 7 to 15 form part of and are to be read in conjunction with these financial statements.*
New Zealand Public Service Association  
Te Pūkenga Here Tikanga Mahi Incorporated  

Statement of Movements in Equity  
For the year ended 31 March 2006

<table>
<thead>
<tr>
<th>Note</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Members' Funds and reserves at 1 April 2005</td>
<td>18,569,189</td>
<td>18,138,722</td>
</tr>
<tr>
<td>Net surplus after taxation</td>
<td>900,231</td>
<td>75,633</td>
</tr>
<tr>
<td>Increase in asset revaluation reserve</td>
<td>1,775,592</td>
<td>354,834</td>
</tr>
<tr>
<td>Members' Funds and reserves at 31 March 2006</td>
<td>21,245,012</td>
<td>18,569,189</td>
</tr>
</tbody>
</table>

The notes on pages 7 to 15 form part of and are to be read in conjunction with these financial statements.
New Zealand Public Service Association  
Te Pūkenga Here Tikanga Mahi Incorporated  

Statement of Financial Position  
As At 31 March 2006

<table>
<thead>
<tr>
<th>Note</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Members' Funds</td>
<td>4</td>
<td>16,704,528</td>
</tr>
<tr>
<td>Asset Revaluation Reserve</td>
<td>5</td>
<td>4,540,484</td>
</tr>
<tr>
<td><strong>Total Funds and Reserves</strong></td>
<td></td>
<td><strong>21,245,012</strong></td>
</tr>
</tbody>
</table>

Represented by:

**Current Assets**
- Cash and Short Term Deposits
- Accounts Receivable 1(c)(iii)
- Interest Receivable
- Prepayments
- Tax Paid in advance 3
- Investments 6

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Cash and Short Term Deposits</td>
<td>636,918</td>
<td>450,611</td>
</tr>
<tr>
<td>Accounts Receivable 1(c)(iii)</td>
<td>190,545</td>
<td>195,561</td>
</tr>
<tr>
<td>Interest Receivable</td>
<td>88,989</td>
<td>115,181</td>
</tr>
<tr>
<td>Prepayments</td>
<td>87,005</td>
<td>4,437</td>
</tr>
<tr>
<td>Tax Paid in advance 3</td>
<td>54,347</td>
<td>74,458</td>
</tr>
<tr>
<td>Investments 6</td>
<td>12,398,933</td>
<td>11,517,509</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>13,456,737</td>
<td>12,357,757</td>
</tr>
</tbody>
</table>

**Less Current Liabilities**
- Lease Liability
- Accounts Payable and Accruals
- Provision for Holiday Pay
- Provision for Long Service & Union Leave

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Lease Liability</td>
<td>26,673</td>
<td>43,254</td>
</tr>
<tr>
<td>Accounts Payable and Accruals</td>
<td>837,090</td>
<td>848,134</td>
</tr>
<tr>
<td>Provision for Holiday Pay</td>
<td>552,616</td>
<td>417,510</td>
</tr>
<tr>
<td>Provision for Long Service &amp; Union Leave</td>
<td>125,297</td>
<td>124,972</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>1,541,676</td>
<td>1,433,870</td>
</tr>
</tbody>
</table>

**Net Current Assets**

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Net Current Assets</strong></td>
<td>11,915,061</td>
<td>10,923,887</td>
</tr>
</tbody>
</table>

**Non - Current Assets**
- Investment Property 7(iii)
- Fixed Assets 7(i), (ii)

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Investment Property 7(iii)</td>
<td>643,556</td>
<td>583,111</td>
</tr>
<tr>
<td>Fixed Assets 7(i), (ii)</td>
<td>9,150,045</td>
<td>7,102,554</td>
</tr>
<tr>
<td><strong>Total Non - Current Assets</strong></td>
<td>9,793,601</td>
<td>7,686,665</td>
</tr>
</tbody>
</table>

**Non - Current Liabilities**
- Lease Liability
- Kiwibank mortgage 11

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Lease Liability</td>
<td>13,504</td>
<td>40,363</td>
</tr>
<tr>
<td>Kiwibank mortgage 11</td>
<td>450,146</td>
<td></td>
</tr>
<tr>
<td><strong>Total Non - Current Liabilities</strong></td>
<td>463,650</td>
<td>40,363</td>
</tr>
</tbody>
</table>

**Total Net Assets**

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td>21,245,012</td>
<td>18,569,189</td>
</tr>
</tbody>
</table>

The Financial Statements were approved for issue by:

President

National Secretary

Date: 11/07/06

The notes on pages 7 to 15 form part of and are to be read in conjunction with these financial statements.
New Zealand Public Service Association  
Te Pūkenga Here Tikanga Mahi Incorporated  

Statement of Cash Flows  
For the year ended 31 March 2006

<table>
<thead>
<tr>
<th>Note</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Cash Flows from Operating Activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash was provided from:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subscriptions</td>
<td>12,848,311</td>
<td>10,454,061</td>
</tr>
<tr>
<td>Rental income</td>
<td>744,778</td>
<td>714,083</td>
</tr>
<tr>
<td>Interest received</td>
<td>889,615</td>
<td>775,698</td>
</tr>
<tr>
<td>Dividends received</td>
<td>853</td>
<td>339</td>
</tr>
<tr>
<td>Other income</td>
<td>312,486</td>
<td>316,248</td>
</tr>
<tr>
<td><strong>Total cash provided from operations</strong></td>
<td>14,796,043</td>
<td>12,260,429</td>
</tr>
<tr>
<td>Cash was applied to:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments to suppliers and employees</td>
<td>(13,231,167)</td>
<td>(11,477,075)</td>
</tr>
<tr>
<td>Taxation</td>
<td>(305,352)</td>
<td>(168,635)</td>
</tr>
<tr>
<td><strong>Total cash used in operations</strong></td>
<td>(13,536,519)</td>
<td>(11,645,710)</td>
</tr>
<tr>
<td><strong>Net Cash inflow from Operating Activities</strong></td>
<td>1,259,524</td>
<td>614,719</td>
</tr>
<tr>
<td></td>
<td>9</td>
<td></td>
</tr>
</tbody>
</table>

**Cash Flows from Investing Activities:**
Cash was applied to:
- Purchase of fixed assets | (600,843) | (110,952) |
- Net Movement in Investments | (879,080) | (314,038) |
| **Total cash used in investing activities** | (1,479,923) | (424,988) |
| **Net Cash (outflow) from Investing Activities** | (1,479,923) | (424,988) |

**Cash Flows from Financing Activities:**
Cash was provided from:
- Borrowing on Mortgage Security | 450,146 |
Cash was applied to:
- Finance lease payments | (43,440) | (98,550) |
| **Net Cash Inflow (outflow) from Financing Activities** | 406,706 | (98,550) |

Net increase in cash held | 186,307 | 91,181 |
Add opening cash brought forward | 450,611 | 359,430 |
| **Closing cash carried forward** | 636,918 | 450,611 |

The notes on pages 7 to 15 form part of and are to be read in conjunction with these financial statements.
New Zealand Public Service Association  
Te Pūkenga Here Tikanga Mahi Incorporated  

Notes to the Financial Statements  
For the year ended 31 March 2006

1. Statement of Accounting Policies

(a) Reporting Entity

The New Zealand Public Service Association is a union incorporated under the Incorporated Societies Act 1908. It operates solely in New Zealand.

These financial statements reflect the activities of the Association which include:

(i) All activities associated with the achievement of fair, secure, and equal employment opportunities and conditions and quality of working environment for its members.

(ii) PSA plus which provides holiday homes, and other benefits to members of the Association.

(b) Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on an historical cost basis are followed by the Association with the exception of land and buildings which are revalued to net current value and equity and fixed interest investments which are stated at market value. Reliance is placed on the fact that the Association is a going concern.

(c) Specific Accounting Policies

The following specific accounting principles which materially affect the measurement of financial performance and financial position have been applied:

(i) Subscriptions

Subscription income is dependent on information supplied by employers pursuant to respective collective agreements. For practical reasons, the Association is unable to independently confirm the validity of personnel information supplied. Subscription income, therefore, represents amounts either received during the year or in arrears at balance date which have been subsequently received prior to the presentation of these financial statements.

(ii) Taxation

The New Zealand Public Service Association is an incorporated society which transacts with members and non-members. The Association is not liable for taxation to the extent it generates net income from non trading transactions such as subscriptions received.
New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated

Notes to the Financial Statements
For the year ended 31 March 2006

(iii) Accounts Receivable

Accounts Receivable are valued at net realisable value.

(iv) Investments

Term loans are valued on the basis of principal outstanding. All other investments are valued at market value. Any realised or unrealised gains or losses on investments during the year are reflected in the Statement of Financial Performance.

(v) Investment Properties
Investment properties, which are revalued annually, are recorded at net current value and are not depreciated. Net changes in value are recognised in the Statement of Financial Performance.

(vi) Fixed Assets

The Association has five classes of fixed assets, which are initially recorded at cost:

Offices
   Holiday homes
   Furniture and equipment
   Computer hardware
   Computer software

Property is revalued on a cyclical basis with no individual property being included at a valuation undertaken more than three years previously.

Valuations are at fair value as determined by a registered independent valuer. In the case of some of the holiday homes, government valuations have been used. While the use of government valuations does not technically comply with the provisions of Statement of Standard Accounting Practice No. 28 issued by the Institute of Chartered Accountants of New Zealand, the Association believes that such valuations are appropriate for the purposes of these financial statements due to the vacant possession nature of these properties.

(vii) Depreciation

Depreciation is calculated using the following rates as follows:

<table>
<thead>
<tr>
<th>Asset Category</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>Nil</td>
</tr>
<tr>
<td>Buildings</td>
<td>1% - 2.5% straight line</td>
</tr>
<tr>
<td>Renovations &amp; Alterations</td>
<td>7.5% - 33% straight line</td>
</tr>
<tr>
<td>Furniture and Equipment</td>
<td>9.5% - 50% diminishing value</td>
</tr>
<tr>
<td>Computer hardware</td>
<td>20% - 50% diminishing value</td>
</tr>
<tr>
<td>Computer software</td>
<td>20% - 40% diminishing value</td>
</tr>
</tbody>
</table>

From 1 April 1999, assets purchased have been depreciated at the maximum rates allowed by the Inland Revenue Department.
New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated

Notes to the Financial Statements
For the year ended 31 March 2006

(vii) Leases

Operating Leases
The Association leases certain furniture and equipment, vehicles, and property. Some leases are operating leases where the lessors effectively retain substantially all the risks and benefits of ownership of the leased items. All payments made in respect of these leases are therefore included in the determination of performance for the year based on equal instalments over the lease term.

Finance Leases
The Association leases certain computer and office equipment. Leases under which PSA assumes substantially all the risks and rewards of ownership are classified as finance leases. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the outstanding balance of the liability for each period.

(ix) Goods and Services Tax

These financial statements have been prepared on a GST exclusive basis. However, accounts receivable and accounts payable balances are shown GST inclusive in the Statement of Financial Position.

(x) Financial Instruments

All financial instruments of the Association are stated at fair value and recognised within the Statement of Financial Position. All investments and cash are subject to credit risk in the event of non performance by their counterparties.

(d) Changes to Accounting Policies

There were no changes to accounting policies during the year.

2. Remuneration paid to members of the national executive

Included in the meetings and travel figure of $2,052,393 shown in the statement of financial performance are the honoraria paid to members elected to the Association's national executive. The annual rates of these were; president $4,010, vice president $2,610, Treasurer $2,610 and other members $1,780. These are unchanged from 2005.

3. Taxation

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net surplus before taxation</td>
<td>1,165,249</td>
<td>32,921</td>
</tr>
<tr>
<td>Add/(less) permanent differences:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-deductible expenses</td>
<td>12,841,275</td>
<td>11,495,289</td>
</tr>
<tr>
<td>Non-assessable income</td>
<td>(13,019,957)</td>
<td>(10,678,255)</td>
</tr>
<tr>
<td>Imputation credits/DWP credits</td>
<td>156</td>
<td>167</td>
</tr>
<tr>
<td>Taxable income</td>
<td>986,723</td>
<td>850,122</td>
</tr>
<tr>
<td>Tax thereon @ 33%</td>
<td>325,619</td>
<td>280,540</td>
</tr>
<tr>
<td>Less imputation and RWT credits utilised</td>
<td>(156)</td>
<td>(167)</td>
</tr>
<tr>
<td>Less tax losses used</td>
<td></td>
<td>(186,196)</td>
</tr>
<tr>
<td>Taxation charge for the year</td>
<td>325,463</td>
<td>94,177</td>
</tr>
</tbody>
</table>
New Zealand Public Service Association  
Te Pūkenga Here Tikanga Mahi Incorporated  

Notes to the Financial Statements  
For the year ended 31 March 2006

<table>
<thead>
<tr>
<th>Description</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Paid in Advance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td>74,458</td>
<td>-</td>
</tr>
<tr>
<td>Plus RWT credits</td>
<td>305,196</td>
<td>143,635</td>
</tr>
<tr>
<td>Plus Provisional Tax paid</td>
<td>-</td>
<td>25,000</td>
</tr>
<tr>
<td>Plus Imputation credits</td>
<td>156</td>
<td></td>
</tr>
<tr>
<td></td>
<td>379,810</td>
<td>168,635</td>
</tr>
<tr>
<td>Less tax charge</td>
<td>325,463</td>
<td>94,177</td>
</tr>
<tr>
<td>Closing Balance</td>
<td>54,347</td>
<td>74,458</td>
</tr>
</tbody>
</table>

4. Members’ Funds

<table>
<thead>
<tr>
<th>Description</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as at 1 April</td>
<td>15,804,297</td>
<td>15,728,664</td>
</tr>
<tr>
<td>Add surplus for the year</td>
<td>900,231</td>
<td>75,633</td>
</tr>
<tr>
<td><strong>Balance as at 31 March</strong></td>
<td><strong>16,704,528</strong></td>
<td><strong>15,804,297</strong></td>
</tr>
</tbody>
</table>

5. Asset Revaluation Reserve

<table>
<thead>
<tr>
<th>Description</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as at 1 April</td>
<td>2,764,892</td>
<td>2,410,058</td>
</tr>
<tr>
<td>Add revaluation of properties</td>
<td>1,775,592</td>
<td>354,834</td>
</tr>
<tr>
<td><strong>Balance as at 31 March</strong></td>
<td><strong>4,540,484</strong></td>
<td><strong>2,764,892</strong></td>
</tr>
</tbody>
</table>

6. Investments

<table>
<thead>
<tr>
<th>Description</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Term deposits (8(d))</td>
<td>12,388,925</td>
<td>11,509,844</td>
</tr>
<tr>
<td>Shares in Trustpower</td>
<td>10,008</td>
<td>7,665</td>
</tr>
<tr>
<td><strong>Total investments</strong></td>
<td><strong>12,398,933</strong></td>
<td><strong>11,517,509</strong></td>
</tr>
</tbody>
</table>
New Zealand Public Service Association  
Te Pūkenga Here Tikanga Mahi Incorporated  

Notes to the Financial Statements  
For the year ended 31 March 2006  

7. Fixed Assets  

(i) Book value  

<table>
<thead>
<tr>
<th></th>
<th>2006 Cost or Revaluation $</th>
<th>2006 Annual Depreciation $</th>
<th>2006 Accumulated Depreciation $</th>
<th>2006 Book value $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offices</td>
<td>6,122,358</td>
<td>(131,347)</td>
<td>(666,179)</td>
<td>5,556,179</td>
</tr>
<tr>
<td>Holiday Homes</td>
<td>2,961,749</td>
<td>(40,756)</td>
<td>(283,684)</td>
<td>2,678,065</td>
</tr>
<tr>
<td>Construction in progress at Raumati</td>
<td>478,537</td>
<td></td>
<td></td>
<td>478,537</td>
</tr>
<tr>
<td><strong>Subtotal Property</strong></td>
<td><strong>9,562,644</strong></td>
<td><strong>(172,103)</strong></td>
<td><strong>(849,863)</strong></td>
<td><strong>8,712,781</strong></td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>825,742</td>
<td>(42,262)</td>
<td>(589,724)</td>
<td>236,018</td>
</tr>
<tr>
<td>Computers</td>
<td>840,622</td>
<td>(69,323)</td>
<td>(675,073)</td>
<td>165,549</td>
</tr>
<tr>
<td>Leased Computers and Equipment</td>
<td>282,937</td>
<td>(40,635)</td>
<td>(247,240)</td>
<td>35,697</td>
</tr>
<tr>
<td><strong>Total fixed assets</strong></td>
<td><strong>11,511,945</strong></td>
<td><strong>(324,323)</strong></td>
<td><strong>(2,361,900)</strong></td>
<td><strong>9,150,045</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Offices</td>
<td>5,559,082</td>
<td>(142,091)</td>
<td>(1,463,219)</td>
<td>4,095,863</td>
</tr>
<tr>
<td>Holiday Homes</td>
<td>2,774,390</td>
<td>(36,881)</td>
<td>(257,442)</td>
<td>2,516,948</td>
</tr>
<tr>
<td><strong>Subtotal Property</strong></td>
<td><strong>8,333,472</strong></td>
<td><strong>(178,972)</strong></td>
<td><strong>(1,720,661)</strong></td>
<td><strong>6,612,811</strong></td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>974,528</td>
<td>(43,343)</td>
<td>(749,555)</td>
<td>224,973</td>
</tr>
<tr>
<td>Computers</td>
<td>823,137</td>
<td>(90,336)</td>
<td>(834,699)</td>
<td>188,438</td>
</tr>
<tr>
<td>Leased Computers and Equipment</td>
<td>370,537</td>
<td>(93,495)</td>
<td>(294,205)</td>
<td>76,332</td>
</tr>
<tr>
<td><strong>Total fixed assets</strong></td>
<td><strong>10,501,674</strong></td>
<td><strong>(406,146)</strong></td>
<td><strong>(3,399,120)</strong></td>
<td><strong>7,102,554</strong></td>
</tr>
</tbody>
</table>

(ii) Breakdown of property  

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property at valuer's valuation performed by DTZ New Zealand Ltd</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Properties last valued March 2006</td>
<td>6,252,222</td>
<td>-</td>
</tr>
<tr>
<td>Properties last valued March 2005</td>
<td>461,139</td>
<td>461,323</td>
</tr>
<tr>
<td>Telfer Young (Nelson) Ltd</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Properties last valued March 2005</td>
<td>382,054</td>
<td>391,111</td>
</tr>
<tr>
<td>Richard Ellis Pty Ltd (ANZIV)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Properties last valued March 2004</td>
<td>1,543,723</td>
<td>5,684,936</td>
</tr>
<tr>
<td>Property at government valuation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Properties last valued September 2003</td>
<td>67,464</td>
<td>69,333</td>
</tr>
<tr>
<td>Book value of leasehold improvements to rental properties</td>
<td>8,706,602</td>
<td>6,606,703</td>
</tr>
<tr>
<td><strong>Total properties at cost or revaluation</strong></td>
<td><strong>8,712,781</strong></td>
<td><strong>6,612,811</strong></td>
</tr>
</tbody>
</table>
New Zealand Public Service Association  
Te Pūkenga Here Tikanga Mahi Incorporated  

Notes to the Financial Statements  
For the year ended 31 March 2006

(iii) Investment Property

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Property at valuer's valuation performed by DTZ New Zealand Ltd</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment property - Hill St, Valued March 2006</td>
<td>643,556</td>
<td>583,111</td>
</tr>
</tbody>
</table>

The Association considers Holiday Homes to be a non profit service to members and therefore has not classified them as investment property.

8. Financial Instruments

(a) Nature and extent of activities

The Association does not enter into transactions involving off-balance sheet instruments.

(b) Fair Value

The fair value of all balance sheet assets and liabilities is equivalent to their carrying value as disclosed in the Statement of Financial Position.

(c) Interest Rate and Currency Risk

All financial instruments are subject to the normal market risks.

(d) Credit Risk

All investments, debtors, and cash are subject to credit risk in the event of non performance by their counterparties. Apart from the term loans the Association places its cash, short term, and equity investments with high credit rating, quality financial institutions, sovereign bodies and corporates, and limits the amount of credit exposure to any one financial institution or corporate thus eliminating the need for the Association to acquire collateral or other security to support financial instruments. All term deposits mature within twelve months. Interest rates range from 7.40% to 7.58%

The Association has a concentration of credit risk in respect of short term investments with:

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Bank of New Zealand</td>
<td>1,007,227</td>
<td>529,076</td>
</tr>
<tr>
<td>Kiwibank</td>
<td>1,012,622</td>
<td>-</td>
</tr>
<tr>
<td>The National Bank</td>
<td>4,608,279</td>
<td>5,516,865</td>
</tr>
<tr>
<td>ASB Bank</td>
<td>5,735,797</td>
<td>5,463,903</td>
</tr>
</tbody>
</table>

**Total** | **12,363,925** | **11,509,844**